# Legislative Council.

*Thursday, 6th November, 1924.*



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

## ASSENT TO BILLS.

Message from the Governor received and read, notifying assent to the undermentioned Bills:—

1, Bunbury Road District Rates Validation.

2, High School.

3, Presbyterian Church Act Amendment.

4, Trade Unions Act Amendment.

## BILL—TRUST FUNDS INVESTMENT.

*Assembly's Message.*

Message from the Assembly notifying that it had agreed to the Council's amendment subject to a modification, now considered.

*In Committee.*

Hon. J. W. Kirwan in the Chair; the Colonial Secretary in charge of the Bill.

The CHAIRMAN: The Council's amendment is as follows:—

Clause 2, Subclause 1, add a proviso as follows:—"Provided that prior to the issue of such debentures the Under Secretary for Public Works shall have certified in writing—(a) that seventy-five per centum of the ratepayers of the district have paid all rates due by them for rates imposed by the road board for the then last preceding financial year; (b) that the total annual rateable value of the road district shall disclose an average increase of at least one per centum per annum during the immediately preceding five years.

The Assembly's modification of the Council's amendment is as follows:—

Strike out the words "Under Secretary," in line 4, and insert "Minister" in lieu thereof.

On motion by the Colonial Secretary, the Assembly's modification was agreed to.

Resolution reported, and the report adopted.

## BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

*Second Reading.*

Debate resumed from the previous day.

Hon. J. R. BROWN (North-East) [4.41]: In supporting the second reading of the Bill, I wish to state that when I first came to this House I thought it was a party House. Since I have been a member, I have been told that this is a House of review; but as the result of listening to the debates I have discovered that it is a House of obstruction. Sometimes it resolves itself into a circus; we have members who are past masters of the ring. However, that is by the way. In connection with this measure we have heard all about industrial arbitration, how it was devised, and who should get the kudos of being prime movers in the business. In my opinion, it matters not who receives the kudos for having initiated arbitration. Arbitration came about some 34 years ago, at the time of the great maritime strike, when the workers were in revolt against the conditions imposed upon them, with the result that there was an Australia-wide strike. Thereupon the capitalists told the workers, "All you have to do is to legislate; put your own men into Parliament, make your own laws, and everything will be right." The workers took the hint, went on with business, and formed unions. Eventually they secured an Industrial Arbitration Act. That Act came in 1902, the step having occupied some years. How do we find the Arbitration Act working? It has been a nightmare to the workers ever since its inception. It was framed on wrong lines. A judge is chief arbitrator, and on each side of him there is a layman, one for the workers and one for the employing class. The judge must invariably side with the employers. It is only natural that he should do so.

Hon. J. Nicholson: Why?

Hon. J. R. BROWN: If hon. members desire it, I will give them my definition of a judge. I do not wish to reflect in any way on our local judges, but my definition of a judge is as follows:—First of all he is a boy born of honest and industrious parents who have been successful in life. They see a gleam of intelligence in the boy, and they flog him to school and eventually he matriculates. After that they article him to a respectable solicitor. The first thing that the boy learns, after being introduced into the solicitor's office, is that he must say the lawyer is out when he knows the lawyer is in.

Hon. J. Nicholson: How do you know that?

Hon. J. R. BROWN: I am giving my opinion. If the hon. member does not agree with it, he need not accept it. So the boy is taught lie No. 1. Then a client comes in, charged with theft. The respectable solicitor thereupon says to the client, "Are you guilty or not? I want to know."

Hon. J. Nicholson: Have you been to a solicitor like that?

The PRESIDENT: Order!

Hon. J. R. BROWN: The client replies, "I am guilty, but you need not tell the judge that." The solicitor replies, "Certainly not, so long as I know you are guilty." Then the respectable solicitor goes and tells the jury that the man was never there and proves an alibi in his behalf. Presently the boy grows up to be a solicitor, and when he is a solicitor he goes on with that sort of perfidy and corruption right through life, until he becomes too old and bald-headed to compete with the rising generation. Then the law whitewashes him all over and makes him a venerable judge, who deals out scathing remarks and censure to an alleged prisoner, not an actual prisoner, who may be a better man than the judge himself. That is why I want to get rid of a judge as president of the Arbitration Court. The environment is there. We want an arbitrator who holds settled economic ideas.

Hon. A. Burvill: From what class would you select him?

Hon. J. R. BROWN: I do not care, but I doubt whether you would get such a man from the capitalistic class.

Hon. A. Burvill: Then would not he be biassed the other way?

Hon. J. R. BROWN: We have had enough bias on the other side; we should have a bit on our side. Arbitration under the present system has not given the worker the results expected. Some 22 years ago—about the time arbitration was first adopted—we cited a case from Bulong, and Mr. Justice Burnside presided. At the conclusion of the case the President fell sick. Then he found he was due for long service leave, and that it was necessary to go to England for a slight operation. We had no fault to find with that, but the award has never been delivered to this day, and it cost the little union that cited the case £80. That case affected the Queen Margaret mine.

Hon. E. H. Harris: What did it cost the State?

Hon. J. R. BROWN: I do not know.

Hon. J. E. Dodd: Mr. Justice Burnside was not there in 1902.

Hon. J. R. BROWN: I quoted this to Mr. Justice Burnside in Kalgoorlie on one occasion, but he was quick to pass over it.

Hon. J. E. Dodd: There was a case before Mr. Justice Moorhead in 1902.

Hon. J. R. BROWN: Then the case I refer to must have been at a later date. We have had a lot of things not connected with the Bill forced down our necks—personal and other matters. I wish to stick to the Bill. We are told that with a 44-hour week we shall not get production equal to that of a 48-hour week. One member said he could cut more wood in 48 hours than in 44 hours. I guarantee he would cut more in the first five minutes than in the next 10 minutes. It is the last hour of work that fatigues a man. We see examples of Government stroke in the streets. If a man had to do only a fair day's work, he would work in the ordinary way. If one had to walk in five minutes a distance that he could cover in one minute he would have to dawdle, and his task would be harder than if he walked at the ordinary gait. If men feel they are not burdened in this way they will do more work than if they have to wait for the clock to get round to five, when they ought to knock off at four o'clock.

Hon. J. J. Holmes: I am glad you admit all that.

Hon. J. R. BROWN: Does not the hon. member admit it? I wish to read a few comments from "The Six-hour Day." This work was written, not by a Labourite, but by a Tory, because he has "Lord" attached to his name, and no Labourite accepts that honour with impunity. Lord Leverhulme, of Sunlight soap fame, advocates a 6-hour working day. We are not asking for that; we are asking for a 44-hour week. He says—

> When this world-war is over we shall be confronted with problems which, whilst in no way new, will be presented in new and acute forms. How shall we, as an Empire, emerge from this ordeal? Are we to continue a progressive democracy or sink into the slough of socialism and anarchy? The decision will rest not with the socialists or anarchists, not with politicians or governments, but with the business men and working men of the Empire.

He indicates that if the workers are not granted it, they will get it in some other way. He continues—

> Hitherto on both sides there has been a disastrous exhibition of short-sightedness and of greed or lack of knowledge of those economic laws on which all solid well-being must and can only rest. Every increase in wages and shortening of hours has been resisted by business men as a raid on their ability to meet competition and make reasonable profits. And every attempt by business men to increase output and reduce costs has been met by the workers with sullen indifference or the active opposition of "ca' canny" methods. . . . . Some timid people, suffering from an attack of cold feet, nervously ask, "What about Labour?" The answer we can find most clearly written in our history is, "Trust Labour wholeheartedly and wisely, and all will be well."

Hon. E. H. Harris: For whom?

Hon. J. R. BROWN: He adds—

> A good and wise lover of the cause of Labour can never be a bad or undesirable citizen of the British Empire. And it will be our own fault if, by distrust and suspicion, we make him so.

That was written by a capitalist.

Hon. J. J. Holmes: Who took all his men into partnership, but you will not have that.

Hon. J. R. BROWN: The hon. member never offered to do that. If the worker is trusted, he will respond.

Hon. A. Lovekin: We are trusting him now and waiting to see what he will do.

Hon. J. R. BROWN: How many years has this House been in existence, and it has never trusted the worker? Lord Leverhulme continues—

> The requirements of our ancestors were few, but as civilisation advances not only do the wants of the body for variety in food, raiment, and shelter increase, but as the mind and soul expand, the intellectual horizon widens and the higher plane of living demands more and more leisure to feed its hunger for better conditions of life.

Members, I take it, have no objection to that.

Members: None.

Hon. J. R. BROWN: Then why not pass the second reading of this Bill? Lord Leverhulme continues—

> But we have learnt much during the last three years on the subject of fatigue, overwork, and excessively long working hours. We have proved conclusively that prolonged hours of toil, with resulting excessive fatigue, produce, after a certain point, actually smaller results in quantity, quality, and value than can be produced in fewer hours when there is an entire absence of overstrain or fatigue.

Fifty years ago the farmer was a man with long hair——

Hon. A. J. H. Saw: And long hours.

Hon. J. R. BROWN: He could be seen at the end of a furrow at three o'clock in the morning with a lantern to show where he had to go. That was called primary production. If the sun happened to be up he might have been seen sneaking along the side of the fence so that his neighbour might not observe that he was late starting work. The farmer of that period lived in a house built of bark and kerosene tins, but we do not find him living in such a house to-day.

Hon. C. F. Baxter: How long ago was that?

Hon. J. R. BROWN: If the hon. member has cut his wisdom teeth he should remember the conditions I have described. To-day the farmer has his tile-roofed house.

Hon. A. Burvill: Has he?

Hon. J. R. BROWN: And a house of more than five rooms too. Instead of the old bullock wagon or dray, he has a motor car. Instead of having slip panels, he has a cyclone gate that will open and shut without anyone talking to it.

Hon. C. F. Baxter: What hours does he work now?

Hon. J. R. BROWN: Not long. Formerly, when he came to town, the smallest child could distinguish him by the grass seeds in his whiskers. To-day he is smart and cannot be distinguished from a member of Parliament.

Hon. C. F. Baxter: Does he work 44 hours a week on the farm?

Hon. J. R. BROWN: I do not know, but I am showing how he has improved his position, and I have not heard of any reduction in the hours of farm labourers for some time. We are told that production will decline under a 44-hour week. Let me quote further from the same work—

> In the textile industries and all others where the cost of overhead charges, such as interest on capital, salaries of partners and managers, repairs and renewals, depreciation, rates and taxes (omitting all taxes on income or profits) is about equal to the cost of weekly wages, the change from a 48-hour week to a 72-hour week of two shifts of 36 hours each would affect the cost of production somewhat as follows:

Hon. G. W. Miles: Your fellows will work only one shift, from 8 a.m. till 5 p.m.

Hon. J. R. BROWN: We are not on the wharf now. It continues—

> Working a 48-hour week and assuming that the product was 1,000 items per week at a cost of £1,000 per week for overhead charges and of £1,000 per week for wages, the resulting total cost of production per item, exclusive of raw material and such other proportionate costs as would always be in exact relation to volume produced, would be 40s. per item. If such textile or other factories adopted the six-hour working day system they would work 72 hours per week in two shifts of 36 hours each shift per week, and assuming that no increase of production per hour worked was achieved, which need not necessarily be the case, and that the wages paid for a 36-hour week were the same as for a 48-hour week, which must always necessarily be the case, then the resulting product would be 1,500 items. The cost of production for overhead charges would not be seriously affected, as machinery almost invariably becomes obsolete before it is worn out, and fixed capital in plant, buildings, and machinery would be the same, the cost of overhead charges would again be £1,000, but the cost for wages would now be £2,000, or a total of £3,000 for 1,500 items, or again a cost, exclusive of raw materials, of 40s. per item.

Hon. A. Lovekin: That argument will not hold water.

Hon. J. R. BROWN: Of course your sieve may be too big. I use my arguments according to the size of my sieves. Re-

cently an employer stated that in the early days of the war the hours worked by women in his factory were 53, and he was staggered to find that the employees were losing an average of 14 hours per week. Therefore that was reducing the efficiency of those women by 39 hours. He came to the conclusion that that would not do. It was decided then to allow the women to come in an hour later in the morning and to finish work an hour earlier in the evening, thus cutting down their daily hours by two, and making a reduction of 12 hours in the week. In this way he made the hours 41 a week instead of 53, and he found that the actual lost time averaged only one hour per woman per week. He found too that he got greater efficiency by working the women employees these shorter hours. There is a great deal of valuable information in this book that may interest members if they care to read it. Mr. Lovekin proposes to amend the clause dealing with the basic wage because it was taken from the recommendation of the Royal Commission which sat in Melbourne some years ago. That Royal Commission recommended that wages should be based on what it cost a man, his wife, and three children to live in a five-roomed house. The Commission however, said nothing about a verandah to that house back and front, a bath room, a copper, a sink, and all the other conveniences. That was the idea, however, because the Arbitration Court in delivering awards never gave a thought to the details connected with the house. The court merely expected the man to have his hat on. So long as he had his hat on his head he was at home. If we can establish a basic wage for all industries, the court will be saved a lot of trouble. For instance, next week at Kalgoorlie the butchers will appear before the court. They may have a good witness who will declare that the cost of living is so and so. There will doubtless be a good advocate on the employers' side and he may rebut all the evidence that has been given on behalf of the employees, with the result that the judge will have to weigh that evidence and give his finding accordingly. In the following week the shop assistants will come along. They may have the same witness and the advocate for the employers may not be so keen as the advocate in the other case, and he may not put up the same arguments. Then in that case the judge may say, "The shop assistants have put up a good case and we must listen to them," and so the other side goes out. As Mr. Cornell pointed out last night, one case should decide the lot. If we have a basic wage on which we can work, we can reach the desired goal. He might just as well have told us that we were in unlawful possession of what has been put in the Bill, because he said that we had burgled this particular part of the Bill. I assure him we did not take it by force. We merely got it in the ordinary way. The Royal Commission approved of the basic wage and decided that a man should live in reasonable comfort. When a man goes to the court he has to take with him his bills to show how he lives, and the advocate who appears for the other side, and who, of course, will be living ten times as extravagantly as the poor individual, will say, "You must have an extravagant wife." That is how the poor man is bluffed. I heard Mr. Ewing say that we should have a judge and that we should do away with the laymen and that in their place we should have others who would be familiar with the industries that were being dealt with. That would complicate matters. The workers want a fair go. The goldfields members know how the Arbitration Court treated the miners in their last application to the court. A few years ago Judge Burnside came along and he gave the men 16s. a day as a minimum. Then 18 months later Justice Draper went along and reduced the amount by 1s., presumably because the cost of living had gone down. Then again 18 months later Justice Northmore was sent to Kalgoorlie. Justice Draper was ordered to go to the North-West to try a Chinaman who had previously pleaded guilty to a charge of murder. In that way Judge Draper got out of the turmoil. Judge Northmore told the mine owners that they were wrong and showed that he was with the workers, but the other side went so far as to bring from Melbourne a witness from the Commonwealth Statistician's Department, a gentleman whose office is that of compiler of prices, and on which office the Arbitration Court always hangs its hat. This man came from Melbourne to give evidence against the miners, and the result of his evidence was that there was a further reduction of 1s. 6d. a day. The miners took that decision quietly. They said, "We will wait until we get a Labour Government in power and then we may expect the position to be remedied." But for the political position at that time there would have been one of the biggest strikes known in Kalgoorlie.

Hon. E. H. Harris: They had indignation meetings as it was.

Hon. J. R. BROWN: They did not. The meetings were suppressed by the assurance that if a Labour Government got into power, that Government would alter the whole business. I am surprised at the attitude Mr. Lovekin has adopted towards the Bill, especially after having congratulated the Minister for Labour on having submitted such a measure to Parliament. If it was as perfect as Mr. Lovekin led us to believe, what sort of an opinion has Mr. Lovekin of himself when he presents to this House no fewer than 38 amendments? Does he want to deprive all the other members in the House of the opportunity of having a cut? I desire for a few moments to deal

with Knibbs who, as an authority on the cost of living, is accepted by everybody year in and year out. Knibbs's figures were never intended to convey an idea of the cost of living. Knibbs's figures could not possibly do that because they refer to only 46 commodities. Out of that number 24 relate to meat and bacon. Of course the worker gets only the hoof and the horns. That is where he comes in. Then there remain 22 other commodities. Knibbs never intended to convey what the cost of living was. Yet in every case that is heard before the Arbitration Court Knibbs goes into the box, mythically of course. Phantom Knibbs! The Court takes his evidence and there is no rebutting it, no matter how much you may put up a man to tell yarns to the contrary. Knibbs predominates. Knibbs merely conveys an idea of the purchasing power of the sovereign in one State as compared with another, that is all Knibbs has to do. When Mr. Sutcliffe, from Knibb's department, came to Western Australia I was introduced to him in Kalgoorlie. I said to him "You are a nice sort of a man; you have come over here to damage the case of the workers. Is that not outside your functions?" He sort of camouflaged the position by assuring me that the miners, on the evidence he would give, could not suffer a reduction of more than 3d. or 4d. a day. The miners were reduced 1s. 6d. per day. It was the biggest setback any industrial union in Western Australia ever had, and they took it lying down. I do not say they are cowardly; if they had not thought there was some power behind them going to do something in their interest they would have kicked up the biggest fuss that was ever made in Kalgoorlie.

Hon. C. F. Baxter: Oh no; they are lawabiding.

Hon. J. R. BROWN: We are all lawabiding to an extent, but if we tread on your corns, you will certainly swear. I do not say there is no room in the Bill for amendment. Nothing is perfect. But from the lecture we had from Mr. Cornell last night one would conclude there was nothing at all right in the Bill. He did not even go fifty-fifty. I want the second reading to go through, after which, if any reasonable amendments are brought forward, they can be accepted. I do not mean Mr. Lovekin's 38 amendments, because we have dotted those i's and crossed those t's. His amendments have been the great thorn in the side of all unionists. They have held indignation meetings, and we have had to take a special train to Kalgoorlie to protest against those amendments. Yet Mr. Lovekin says he is with us. He says we are comrades in arms; that we bear one another's burdens, in fact, that we wear one another's clothes. I do not know whether any hon. member has on any boots or socks belonging to Mr. Lovekin to-night. If he has, I hope he will confirm what I say. I support the second reading.

On motion by Hon. W. H. Kitson, debate adjourned.

## BILLS (4)—FIRST READINGS.

1, Dividend Duties Act Amendment.

2, Bunbury Electric Lighting Act Amendment.

3, Reserves (Sales Authorisation).

4, Carnarvon Electric Lighting.

Received from the Assembly.

## BILL—GENERAL LOAN AND INSCRIBED STOCK ACT CONTINUANCE.

*Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.21] in moving the second reading said: The Bill is required to authorise the present rate of interest on inscribed stock and debentures being extended to the 31st December, 1925. Last session authority was obtained for a rate not exceeding six per cent., but limited to the 31st December next. Under the General Loan and Inscribed Stock Act, the rate of interest is fixed at a maximum of four per cent. This has been increased from time to time under amending Acts, and in recent years an annual authority has been obtained. The last London loan of £2,000,000 was at five per cent., issued at £98, and the Queensland loan of £4,000,00 during the present month was at five per cent. interest issued at £97 10s. The Commonwealth loan for the States, of which our share is £1,200,000, carried interest at six per cent., the issue price being £93 10s. It is obvious that there is no probability of any money being obtained on the local market in the near future at a lesser rate than that stated in the Bill. I move—

*That the Bill be now read a second time.*

Question—put and passed.

Bill read a second time.

## BILL—TREASURY BILLS ACT AMENDMENT.

*Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.25] in moving the second reading said: The Bill is required to authorise an increase in the maximum rate of interest for which Treasury bills may be issued, namely from five per cent. to six per cent. In the original Act of 1893 the maximum rate is five per cent. This was amended by Act No. 10 of 1916, which gave the Colonial Treasurer discretionary power to issue Treasury bills up to two years after the war. Upon the lapse of this period no further legislation was sought, and therefore the rate reverted to five per

cent. Five per cent. is insufficient to attract investors. During the last few months it became necessary to pay off Treasury Bills carrying six per cent., owing to the rate having become reduced and renewals in consequence could not be effected. Money at the present time cannot be borrowed at a lesser rate than that provided in the Bill. The London loan of £2,000,000 in February last was at 5 per cent., issued at £98. The money will cost the State £5 6s. 3d. to redemption. Although money is cheaper in London, exchange prohibits it being made available in this State. Treasury bills have become popular with small investors for limited periods. Under the existing rate of 5 per cent. the demand has practically ceased, and money is diverted into other channels. During the war period and for two years thereafter, the Colonial Treasurer had discretionary power in fixing the rate of interest, but this has now elapsed. Thirty-nine thousand pounds was paid off last year, owing to not being able to offer a higher rate than 5 per cent., and £100,000 is current at that rate. I move—

*That the Bill be now read a second time.*

Hon. A. LOVEKIN (Metropolitan) [5.27]: I have no objection to the Bill, but I do not think that in the circumstances we ought to extend the power of the Government to borrow money by Treasury bills at the high rate of 6 per cent. for a further period than 12 months. It is only necessary to get over the emergency period. The outlook at Home has improved, and I am of opinion that at the end of the next year or so the present high exchange rate will fall somewhat. That being so, I do not think we ought to give the Government power for all time to borrow money on Treasury bills at 6 per cent. Therefore I propose when in Committee to insert in the Bill, Section 2 of the General Loan and Inscribed Stock Act, an extension of which we have just had before us. That Act is limited in its operations till December, 1925. I think in the circumstances if we limit this Bill to the same date we shall be doing the right thing. Then, even if money be still tight in Australia at the end of next year, it will be quite easy for the Government to bring down another Bill of the kind and further extend it, as we have from time to time extended the General Loan and Inscribed Stock Act. But, seeing that we are building a number of public works, I do not think we should have practically a permanent Act allowing any Government to borrow money on Treasury bills at 6 per cent., especially in view of the financial outlook. I will support the second reading.

Hon. J. J. HOLMES (North) [5.30]: I agree with the last speaker. On several occasions I have drawn attention to what has happened within the last few years. It is the desire on the part of all Governments to borrow on Treasury bills, instead of inscribed stock. The reason for that is that no sinking fund has to be provided on Treasury bills, but it must be provided in the case of inscribed stock. I think when I looked up the figures last a good proportion of our national debt, something like £25,000,000, was created by means of Treasury bills that were not paying anything to the sinking fund. We had people in office quite recently who were boasting about our sinking fund. The fact remains that provision was made for the sinking fund on loans borrowed by the Forrest Government and by the Wilson Government. In latter days we have drifted into this easy method of borrowing money on Treasury bills and evading the sinking fund. It is time we called a halt in that direction. I am pleased to note that the position quoted by the Minister has had the effect of making the Government redeem more of their Treasury bills. If we give the present Government 12 months to put their house in order and borrow money on Treasury bills up to 6 per cent., and if they do as we hope, they can come along in 12 months and ask for an extension.

Hon. H. SEDDON (North-East) [5.33]: The Bill falls into line with the financial policy of the Government, and there is a proposal to place the finances in a more intelligible position than they are in at present. I cannot help thinking the best thing would have been to proceed with the flotation of a regular loan, rather than adopt the temporary expedient of issuing Treasury bills. The point arising in connection with the Bill is that it is possible the price of money may alter very considerably in Australia before long. The determination of the Federal Government to increase the note issue by £15,000,000 is bound to have an effect upon the money market. It is probable that, with that amount of money being released, a considerable proportion of it will be available for investment, and possibly the market may ease to a considerable extent. That should be taken into consideration by the Government in issuing their Treasury bills. I should like to see the loan position placed on a more satisfactory basis than it was on before. A number of Treasury bills that are out should be redeemed and the loans placed on a permanent basis. We should, by that means, find ourselves in a clearer position and be able to meet our demands more regularly than we do now, instead of withdrawing and re-issuing Treasury bills as we are doing under the present system. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

## BILL—INDUSTRIES ASSISTANCE ACT AMENDMENT.

*Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.35] in moving the second reading said: Power is asked under this Bill to enable the Industries Assistance Board and the Agricultural Bank to write down their advances. The board considers it will be necessary to write down the indebtedness of 53 assisted settlers to the extent of £47,476. This figure was arrived at with the aid of the local committee's report, which deals only with the civilian section of debtors who have been on the board since its inception. With the soldiers the position is much more problematical, and our losses will depend more largely on seasonal and price conditions. The 53 properties referred to are light land farms, which have failed to give profitable returns from wheat, but which it is believed are capable, with sheep and under oats, of maintaining settlement on a reduced capitalisation. As regards the bank's ordinary business, the board does not anticipate that there will be very much necessity for writing down. In fact, so far as they can discover at present, there is no necessity at all just now for writing down. But it is advisable that provision should be made for it. The losses under this section of the business will be ascertained and dealt with by realisation of the securities, or where an abandoned security is found to have no realisable value, by writing off to bad debts account in the ordinary way. The board is having all the abandoned properties revalued and the accounts written down, so as to bring them into line with the existing security values. The position of the private creditors of the board has not been lost sight of. The question of writing down will not be considered until the debtor has made satisfactory arrangements with his private creditors. In every case that has come under the notice of the board the private creditors have been willing to write down substantially their debts, and to give the settlers ample time in which to effect a reduction or extinction of the liability. With regard to the provisions of the Bill to authorise the discharge of the existing statutory charge and take a registered security, the important difference it will make to the debtor is that he will have a credit margin to finance upon in the value of his crop and wool proceeds, over and above the amount required to meet interest and redemption instalments on the mortgage debt. The board's estimate of the losses in sight is £363,000. This means that the State has paid practically a subsidy of 3d. per bushel on 29,000,000 bushels of wheat; that is, wheat grown by the assisted settler since the inception of the Act amounts to 29,000,000 bushels, and the loss has been a concession of 3d. per bushel on that quantity of wheat. This amounts to approximately the total sum received by the Railway Department in the way of freight for the produce. A fact that we do not emphasise is the great assistance the board has been to the Agricultural Bank. If it had not been for the board, in 1914-15, it is safe to say that the bank would have lost considerably, and lost more from the abandonment of the farms and depreciation of the security than the board has lost up to date. This result has been ascertained after very careful investigation. I move—

*That the Bill be now read a second time.*

Hon. A. BURVILL (South-East) [5.38]: I congratulate the Minister on having brought down this Bill. I know that several farmers are struggling because of the lack of this Bill. If it had not been brought down they would have been forced off their holdings because their blocks are over-capitalised. They are in a hopeless position and without this Bill would be unable to get through. This measure will enable the capital value to be written down, and give the men a chance to make headway. I am also glad that the Bill has been submitted so soon. If it had not come forward many deserving settlers, especially in the province I represent, would have been forced to abandon their holdings. This would have been a loss not only to the men concerned but to the State. If the holdings had been abandoned the values would most certainly have had to be written down and the loss would have been even bigger to the State. I know that the private creditors of the assisted settlers are willing to fall in with the proposed arrangement. There is one case typical of many. The settler had obtained the consent of his private creditors to the writing down of his debts by 5 per cent.

Hon. A. Lovekin: This wipes the private creditor right out.

Hon. A. BURVILL: I do not think so. This particular settler is waiting for the Bill to be passed, for it will empower the Government to write down his indebtedness and give him a chance. The Bill will preserve the assets not only of individual settlers but those of the State, and prevent the Government from losing more money. I have pleasure in supporting the second reading.

On motion by Hon. J. Cornell, debate adjourned.

## BILL—INSPECTION OF SCAFFOLDING.

*Recommittal.*

On motion by the Colonial Secretary, Bill recommitted for the purpose of further considering Clauses 1, 7, 14, and 25.

*In Committee.*

Hon. J. W. Kirwan in the Chair; the Colonial Secretary in charge of the Bill.

Clause 1—Short title and commencement

The COLONIAL SECRETARY: I move an amendment—

*That Subclause 2 be struck out*

If that amendment is carried, I shall move that the following be inserted in lieu:—

Subject as hereinafter provided, this Act shall be in force and have effect only in the metropolitan area, consisting of the following electoral provinces, namely, the Metropolitan Province, the Metropolitan-Suburban Province, and the West Province:

But the operation of this Act may be extended by the Governor, by Order in Council published in the "Gazette," so that it shall have force and effect in such other parts of the State as by such Order in Council are constituted and defined as districts for the purposes of this Act:

Provided that before any such Order in Council is published in the "Gazette" it shall be laid before both Houses of Parliament; and if either House of Parliament passes a resolution disallowing the Order in Council, of which resolution notice has been given at any time within fourteen sitting days of such House after such Order in Council has been laid before it, the Order in Council shall not be published in the "Gazette" and it shall be of no effect.

I do not think any objection can be raised to this subclause on the same lines as the objection raised when the clause dealing with regulations was before the Committee.

Hon. A. LOVEKIN: I hope the Committee will not agree to the amendment. I have no objection to the first paragraph of the proposed new subclause; but as regards the second paragraph, under which the Governor is to have the power by Order in Council to extend the operation of the measure, we should hesitate, notwithstanding that the Order in Council has to be approved by Parliament by resolution. The extension of the measure to other parts of the State is an important matter, and the ordinary procedure should be followed, namely, the submission to Parliament of a Bill which would have to go through its various stages, thus affording members the necessary time to realise exactly what is proposed. If we adopt the proposed method in a matter of this kind, we may have at any time something rushed through a thin House which will have the effect of law without members having had an opportunity of realising the exact position. Although I approve of many matters being done by resolution, I think that an Act of Parliament should be altered only in one way, namely, by another Act of Parliament, and not by a resolution.

Amendment put and passed.

The COLONIAL SECRETARY: I now move—

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

*"Subject as hereinafter provided, this Act shall be in force and have effect only in the metropolitan area, consisting of the following electoral provinces, namely, the Metropolitan Province, the Metropolitan-Suburban Province, and the West Province:*

*"But the operation of this Act may be extended by the Governor, by Order in Council published in the 'Gazette,' so that it shall have force and effect in such other parts of the State as by such Order in Council are constituted and defined as districts for the purposes of this Act:*

*"Provided that before any such Order in Council is published in the 'Gazette' it shall be laid before both Houses of Parliament; and if either House of Parliament passes a resolution disallowing the Order in Council, of which resolution notice has been given at any time within fourteen sitting days of such House after such Order in Council has been laid before it, the Order in Council shall not be published in the 'Gazette' and it shall be of no effect."*

Hon. A. LOVEKIN: I move an amendment on the amendment—

*That the second and third paragraphs of the amendment be struck out.*

I do this for the reason I have already stated.

Hon. J. J. HOLMES: I hope the Leader of the House will accept the amendment on the amendment. The Leader's proposal is really a direct negative of what has already been decided by the Chamber. The Bill as passed by this Committee was designed to apply to the metropolitan area, though I have no objection to the inclusion of the West Province, which contains large buildings. But to extend the operation of the measure by regulation seems to me a monstrous proposal. If the Minister forces the position to-night and gets the new subclause inserted, the Bill will be recommitted and the subclause will be struck out again. In justice to the people in the back-blocks, whom I represent, I shall have to fight this amendment to the last ditch. The second and third paragraphs of the proposed subclause represent government by regulation in the extreme, whereas the present Administration is opposed to government by regulation.

The COLONIAL SECRETARY: This subclause cannot operate except with the will of the House. It is not a matter of regulation, but of an Order in Council, which does not take effect until it has received the sanction of the House.

Hon. J. J. HOLMES: Under those conditions, unless there should be a revolution, no extension of the measure beyond the

metropolitan area will ever take place, because the Bill has been designed to suit the metropolitan area. To extend it to the whole of the State by regulation would create an intolerable position. The supporters of the Bill should reflect for a moment that this Chamber has already decided that the operation of the measure must be restricted to the metropolitan area. We have designed the Bill to suit the metropolitan area. If, after a year's experience, an extension were desired, an amending Bill could be brought down. I feel sure this measure will never be extended by regulation.

Hon. A. LOVEKIN: The regulations in the schedule could not by any stretch of imagination be made to apply to a country district. Scaffolding gear is to consist of sawn timber, and provision is made for swinging stages, ships, etc. A man in the back-blocks could not put up a few gimlet props; he would have to use sawn timber. It would be impossible for us to amend an Order-in-Council. We should have to accept it or reject it. If a Bill were introduced to extend the measure beyond the metropolitan area, we could amend it and provide a schedule suitable for country districts. I hope the Minister will be satisfied to restrict the Bill to the metropolitan area.

Hon. W. H. KITSON: I do not agree that the Bill has been designed for the metropolitan area.

Hon. E. H. Harris: It certainly was not designed for the back country.

Hon. W. H. KITSON: It has been designed, not for any particular area, but to provide safeguards for workers on scaffolding.

Hon. H. A. Stephenson: The Minister said it would not be applied outside the metropolitan area.

Hon. W. H. KITSON: Members have decided to restrict the operation of the Bill to the metropolitan area, but the Bill was not designed for that purpose.

Hon. G. W. Miles: Our amendments have so designed it.

Hon. W. H. KITSON: The desire of the framers of the Bill was to provide safeguards for workers. Buildings of two and three storeys are being erected in various country centres, and if the workers on similar buildings in the metropolitan area are entitled to protection, it is logical to grant similar protection to workers in the country.

Hon. A. Lovekin: But the Bill would apply to the scaffolding a cocky puts around his haystack.

Hon. W. H. KITSON: It cannot be applied to other than the metropolitan area unless both Houses agree to its extension. The licensing bench is refusing to sanction the erection of hotels unless they are of two storeys.

Hon. G. W. Miles: Does that apply to the tropics? It is all right for the southern part of the State.

Hon. W. H. KITSON: The Government, in dealing with this measure, would bear that in mind before seeking to extend it to other parts of the State.

Hon. A. BURVILL: I see no objection to the Colonial Secretary's amendment. It will not affect the Bill. There will be ample opportunity for the House to object to any extension of the measure. If the Government tried to enforce it in any country area where it was not required, exception could be taken by either House.

Hon. E. H. GRAY: Mr. Lovekin has said a lot about farmers being debarred from using gimlet poles. Farmers are particularly careful when dealing with scaffolding. If contractors were as careful, the Act might not be necessary. The measure is intended to safeguard workers on buildings in small towns, not farmers, and there is no reason why the Colonial Secretary's proposal should not be accepted.

Hon. J. CORNELL: I cannot follow the logic of Mr. Burvill's argument. He has voted for a restriction of the Bill to the metropolitan area, and yet he says he can see no harm in the Colonial Secretary's proposal.

Hon. A. Burvill: Because it will not be extended.

Hon. J. CORNELL: I voted to restrict its operation to the metropolitan area. Why cannot the Government bring down another Bill if they wish to extend scaffolding legislation to other parts of the State?

Hon. A. LOVEKIN: The Bill could not be enforced in the country. Clause 19 of the regulations provides that an inspection of all scaffolding or gear shall be made by an inspector at least once in every three months.

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

| | |
|---|---|
| Ayes .. .. .. | 8 |
| Noes .. .. .. | 10 |
| Majority against .. | 2 |

AYES.

| | |
|---|---|
| Hon. J. Cornell | Hon. J. Nicholson |
| Hon. J. J. Holmes | Hon. H. Seddon |
| Hon. A. Lovekin | Hon. H. A. Stephenson |
| Hon. J. M. Macfarlane | Hon. G. W. Miles (*Teller.*) |

NOES.

| | |
|---|---|
| Hon. J. R. Brown | Hon. E. H. Harris |
| Hon. A. Burvill | Hon. J. W. Hickey |
| Hon. J. M. Drew | Hon. G. Potter |
| Hon. J. Duffell | Hon. A. J. H. Saw |
| Hon. E. H. Gray | Hon. W. H. Kitson (*Teller.*) |

Amendment on amendment thus negatived.

Progress reported.

*House adjourned at 6.30 p.m.*