

Hon. A. Lovekin: Then there was something in the point.

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not know that there was very much in the point, but the new clause will serve to make the provision plainer. This was referred to the Attorney General also, and he held the same opinion as the Crown Solicitor. When the Bill is in Committee I will, in acceptance of those views, move the insertion of the proposed new clause. The papers relating to the matter were tabled on Thursday last, since when members have had opportunity to peruse them. Therefore, as members are now familiar with the facts, I feel there is no reason why the Bill should not pass on the voices.

On motion by Hon. A. Lovekin, debate adjourned.

House adjourned at 10.6 p.m.

Legislative Assembly.

Tuesday, 2nd December, 1930.

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

QUESTION—UNEMPLOYED, ARRESTS.

Mr. SLEEMAN (without notice) asked the Minister for Police: What offence was committed by members of the unemployed previous to their arrest to-day, and if no offence was committed was one anticipated seeing that a motor conveyance was available on the spot ready for the men to be bundled into it?

The MINISTER FOR POLICE replied: I did not know any offence had been committed, or that any arrests had been made. I cannot answer the hon. member's question, but will do so if he will give notice of it.

Mr. Sleeman: I will give notice accordingly.

BILL—LICENSING ACT AMENDMENT.

Introduced by the Attorney General and read a first time.

BILL—FORESTS ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th November.

MR. MCCALLUM (South Fremantle) [4.40]: This Bill proposes that at the end of each quarter the Government Statistician shall send to the Court of Arbitration figures indicating the variations in the cost of living, and any other information—whatever that may mean: and that the court may on receipt of that information set about adjusting the minimum rate of wages. This means all wages, because wages are fixed on the minimum rate, and they go up or down as provided by the existing law. The Bill also provides that all wages shall vary according to these figures, if the latter indicates there has been over a shilling difference in the cost of living from the time the previous rate was fixed. This means, if the Bill becomes law, that no man or woman will know from the end of one three months to the beginning of another what wages he or she will receive. The Government desire that there shall be an adjustment every quarter, and that the adjustment shall be made without the workers being heard. They will have no right to put their case, and their viewpoint will not be expressed before the decision is given. In a word, their wages will be affected without their being heard in any way. In order that we may see whether

this is equitable or not we should examine the position not only in this State but in other parts of Australia, and ascertain what has led up to the fixing of the basic rate. There was no basic rate in this State until the present Act was passed in 1924. Prior to that date every union that went to the court had to argue on the basic rate for itself. It had to put up a case to establish what was the lowest amount of money anyone employed in the particular industry under discussion should receive. That meant an infinite variety of wages. There was a big range in the rates that were paid to unskilled labourers. There was hardly the same figure offering anywhere. Actually, amongst the unskilled labourers themselves there were considerable differences. In 1919 the minimum rate for the unskilled labourer in the railways was 11s. a day or £3 12s. a week, whereas in the engineering trade, the tradesman's labourer received 1s. 4½d. an hour, or £3 6s. a week. In the metropolitan timber mills the unskilled worker received 10s. 6d. a day or £3 3s. a week. Within the metropolitan area, therefore, the difference between the unskilled worker in the timber mills and the unskilled worker on the railways was no less than 9s. a week. As I have said, up to the passing of the Act there was no basic rate here. There was, however, a big discrimination between the wages paid to the unskilled worker as well as to tradesmen, and it was not until the first basic wage decision was given under the existing law that uniformity was arrived at. That caused a great deal of dissatisfaction, not only amongst the workers, but amongst the employers. The unskilled workers were constantly changing over. They were in one industry to-day and in another to-morrow; they were roadmaking one month and engaged in railway construction or dam sinking the next month. They went from industry to industry. Grave dissatisfaction arose as a result of the different rates that operated. The wages varied according to the different industries the men were employed in, notwithstanding that they were doing very much the same work in all. The employers were also dissatisfied. One set of employers would be paying a rate for a particular class of work and other employers would be paying less or more for the same work. There was a general feeling of unrest and dissatisfaction because of the position, and it was generally accepted that

the best way out of the difficulty for all parties was the inauguration of a uniform basic rate, and that it should be laid down that below such rate no man should be asked to work. This Parliament passed the Act in 1924, and thereafter every other State throughout Australia followed suit, with the exception of Victoria and Tasmania. The basic rate was thus fixed below which no man or woman was to be called upon to work. Victoria and Tasmania were largely governed by Commonwealth awards. Nearly all the organisations in those two States approached the Federal court and got their decisions from it. Under the Federal Arbitration Act there is no such thing as a basic wage. The Minister, during the course of his second reading speech, made certain statements with which I shall deal later on. For the moment, I shall merely emphasise the point that there is no basic wage, as we know it, provided for under the Commonwealth Arbitration Act. The figures usually taken were those presented in the Harvester judgment delivered in 1907 by Mr. Justice Higgins, and on those figures awards were given, the rates provided in which varied considerably in industries and in States. I shall show how the Minister's statements regarding a basic rate under the Commonwealth awards were entirely incorrect. The principle of the basic rate of wages is not challenged in the Bill, though the method of establishing it and its operations are attacked. In fact, I think the Minister would find it very difficult to challenge the basic wage provisions of our laws because it is amply apparent that Australian sentiment demands that there shall be a rate fixed below which no man or woman shall be called upon to work. That was definitely disclosed when the former Prime Minister, Mr. Bruce, appealed to the people on the policy of abolishing the arbitration laws altogether. The Australian people are set upon having their wages and working conditions governed by law, and they will not for one moment agree to the re-establishment of the old system of freedom of contract whereby employers and workers bargained between themselves, and the party in the best position made the hardest bargain possible. Those arrangements were always one-sided. The re-establishment of such a practice will not be countenanced in the industrial life

of Australia in the future. In this country we have reached the stage at which it is recognised that a healthy well-nourished, well-clothed and well-housed people is the nation's greatest asset. It is not a question of the balance of trade or the biggest banking account. The policy favoured is that which assures that our people shall have abundant food, good clothes, decent houses to live in and opportunities for recreation and culture. That is the policy recognised as best for Australia. The true test of a nation's greatness is not its bank balances, but the manhood of that nation. If any proof of that were required, it is to be found in the present-day conditions of the United States of America. The coffers of that great nation are bulging with gold reserves, and yet more than 4,000,000 men there are unemployed and starvation is rampant.

The Minister for Mines: There are nearly 7,000,000 men unemployed there now.

Mr. McCALLUM: I believe that is so. The latest figures I saw gave the number as 6,000,000 and I noticed that during a discussion in London relating to America, it was said that the total was now approximately 7,000,000. There we have a nation with the trade balance immensely in its favour, with people possessing huge bank balances, with the greatest gold deposits in the world, and yet 7,000,000 people are unemployed and on the verge of starvation. It is no test of a nation's greatness to judge it by bank balances or gold reserves. If we take the test as I have stated it, we will see that our standard in Australia will bear favourable comparison with the conditions obtaining in most countries of the world. Throughout his speech, the Minister argued for low wages. The whole of his case was built on the idea of reducing wage standards.

Mr. Panton: The Country Party are always in favour of that.

Mr. McCALLUM: The Minister should learn that cheap wages do not mean cheap production. The United States of America pay the highest wages in the world and produce the cheapest goods available. There we have a highly organised and highly skilled nation of mechanics, equipped with up-to-date machinery and appliances, a country that can afford to pay the highest wages that turn out the cheapest commodities in the world; and, yet there is that vast unemployment problem. If we consider the

most backward nations of the world, where there is the greatest degradation and poverty, where people live in conditions that are revolting to us, and where the greatest misery exists, there we find nations paying the lowest wages. No nation has ever been able to hold its head up in competition with other countries if it has a low wage standard. No nation has been able to keep pace in competition with the rest of the nations where it relies on a low standard of living for its manhood and womanhood. The argument that permeated the whole of the Minister's speech was that by effecting a reduction in wages the economic chaos that exists to-day would be eliminated. The whole history of the nations gives the lie direct to that statement. No country has made itself great by paying low wages, and to suggest that we will right our position, merely by lowering the standard of living by taking money from the workers and reducing their purchasing power, is contrary to the experience gained throughout the world. If low wages represent the solution of our problem, why is it that in England to-day there are over 2,000,000 men out of work? The explanation is not because of the existence of a basic wage or an arbitration court decision affecting the position. It cannot be because of the application of arbitration laws, because none exists there. It is not because of the high standard of living that the people of England enjoy. What then is the explanation of the position there, if the Minister be correct in his contention? History teaches that the application of low wage standards will not get us out of our troubles, nor will it improve our position one iota. Prior to 1924, when the basic wage was applied in this State, the cost of living soared immensely each year, particularly during the war period. Even prior to that, the cost of living was rising annually. From 1914 to 1919, the increased cost of living went up by leaps and bounds, and during the whole of that period I happened to be the Secretary of the Perth Trades Hall. As such, I was in touch with all the unions throughout the State and had to handle the bulk of their industrial affairs. I know full well what the position was then. The present Premier was in control of the Treasury bench during the greater portion of that period. He knows how often we were at his office asking for redress. He knows the number

of deputations we took to him asking that the law should be amended so as to give us an opportunity to get to the Arbitration Court and have the position of the workers righted. All our protests, all the deputations, and all the agitation we carried on during those years, did not enable us to secure any redress whatever. Yesterday a deputation from the industrial movement waited upon the Premier and pointed out these facts to him. In this morning's "West Australian" there is a statement that the deputation from the trades unions refused to face facts and would not recognise that as the cost of living had gone down, therefore wages should go down accordingly. Who refused to face the facts during the many years I have referred to, when the cost of living soared up ever higher and higher? Who was it refused to face the facts then, and condemned the industrial workers of Western Australia to lag years behind the standards that the court had established? The Premier knows that in those days the unions had to wait for a year or two years, and sometimes even for longer than that, before they could get to the court and have their wages adjusted.

The Premier: That was during the war period.

Mr. McCALLUM: Yes, and prior to that, and since then as well. That applied right up to 1924 when the Act was amended and the basic rate provisions were enacted. I will give the Premier some figures on that point directly. From the time the unions lodged their applications based on the cost of living fixed at that time, it was recognised that the cost of living went up month by month, and yet it was frequently a year or two years before the court could be reached and a decision obtained. When a decision was secured, it was based on the latest quarter's figures prior to the delivery of the decision and then the decision, when given, established the rates for a period of three years. During those three years, the cost of living mounted up monthly, and yet for that whole period the workers lagged a long way behind the mounting cost of living. Who refused to face the facts during that period? Who turned a deaf ear then when applications for relief were made by representatives of the trade union movement? I shall never forget my experience during those years. Practically the whole of my time and that of other union sece-

taries was devoted to meeting the employers with union delegates. We met day and night to adjust the difficulties. Although we achieved a reputation for trying to stir up strife, the Premier knows the time we spent, the efforts we made, and the energy expended during those days in our endeavours to keep the wheels of industry turning. During all those years the workers suffered the disabilities I have indicated, and the cost of living increased monthly. Although we pointed out to the Premier how the unions were suffering because of the position that obtained then, we got no redress whatever. Members of Parliament brought the matter before the House on various occasions, but nothing was done to alleviate the position. Nothing was done right up to the time when the Labour Government introduced the legislation that fixed the basic wage provisions. During the whole of that period, the workers trailed away in the rear well behind the soaring cost of living, but they were without redress. The "West Australian," the Premier, and all those associated with him, refused to face the facts in those days. They turned a deaf ear to the pleadings of the workers and would not grant relief. I remember one occasion upon which we went to Sir James Mitchell and asked him to appoint a Royal Commission to inquire into the basic wage question. The Arbitration Act contained no provision empowering the holding of a full inquiry, and we asked for a Royal Commission to examine the situation, call evidence and establish a basic rate, but he declined to do that. He would not grant a Royal Commission. He gave us no help whatever in order to relieve the position that was so accentuated by the high prices of commodities. There was then no such speech as the Minister for Works delivered here the other night, no speech from members opposite calling attention to the cost of commodities and pointing out the position of the workers. Members opposite were very silent during that time, and would not listen to the pleas put up on behalf of the worker. I remember at the time that one deputation which waited on the Premier included a number of workers' wives. They told the Premier of the commodities they had to go without. Meat in particular was very costly, and the women on that deputation told the Premier how they were denying

their families meat, could not afford to buy meat and other commodities. But all was of no avail when we appealed for redress. When we asked for some justice to be meted out, the appeal fell on deaf ears; not one amongst those in authority at the time would give us any relief whatever. We found the late Mr. Justice Burnside, who was President of the Arbitration Court during the greater portion of that period, most sympathetic, but of course the task was altogether beyond the court; the applications were so many that under the then existing arrangements the court could not possibly function. On one occasion Mr. Justice Burnside, during the Christmas vacation, was spending a holiday away down the other side of Albany. As there was a likelihood of an important industry in the State being held up, Mr. Justice Burnside relinquished his holiday, came back to Perth and tried to compose the differences and get out some agreement. Frequently did he give up his time in this way. I remember that on more than one occasion he left functions at the Weld Club, came across to the court, and in his dress clothes presided over the court well into the night, trying to appease the dissatisfaction of the workers by some decision that would afford them a little relief. It is true that occasionally we were able to get an independent board appointed, as, for instance, when the Premier agreed to appoint a board to deal with the tramway difficulty. Mr. Canning, then a magistrate, presided. But although we were able now and then to get decisions like that, in the aggregate the workers were a long way behind the rising cost of living. Knibbs shows in his figures what happened during that period, and in the Labour Report of the Commonwealth Statistician for 1929 the figures are set out showing how the workers really suffered, that the effective wage they received during the period from 1901 to 1921—except 1914—was decreasing all the time. The figures show that the index number went back from 1,024 to 1,012 up to 1920. For 20 years the effective wage was lessening and lessening, and except in 1914 the position was getting worse and worse. The workers were losing money, going back instead of making progress. And I notice that during the last two years, 1928 and 1929, the figures started to go back again. So when we have it told to us now that the figures

during the last six months show that the cost of living has gone down as compared with the time when the basic wage was given, we recall that for 20 years, with the exception of 1914, the figures were against the workers and they were unable to get redress. In the first six months during which the figures are in the workers' favour we are asked to pass a special Act that will deny them the right to make up any of that loss, way, to get a sixpence of the huge total they lost during those 20 years when the cost of living was mounting far more rapidly than were wages. The Premier is frightened because in six months he sees the figures the other way about. He cannot bear to see the workers get any advantage, notwithstanding that for 20 years they were at a terrible disadvantage. For 20 years the Government refused to act, and all the efforts put forward by those associated with the workers were of no avail.

The Premier: Nationalist Government were not in power for 20 years.

Mr. McCALLUM: The hon. member's friends were in possession of Parliament and they refused to pass the Arbitration Act. They consistently mutilated Arbitration Bills, and the records show it. I have here figures of the State Statistician showing what was lost during that period of 20 years even by the workers who were able to get to the Arbitration Court. I asked that the statement should show the minimum rate of wages from 1913 to 1921. Actually there was no set minimum rate during that period, so I asked the Government Statistician to show the lowest wage that was fixed for any workers during that period. I have here the list of the lowest paid industries over that period. It is as follows:—In 1914 quarrying workers were the lowest; in 1915 it was engineer's labourers and superphosphate workers; in 1916 it was miners at Northampton; in 1917 it was timber workers; in 1918 it was railway workers; in 1919 it was railways, engineering and metropolitan timber mills; in 1920 it was engineering; in 1922 it was the railways; in 1923, Government water supplies; in 1924 the cemetery workers; and in 1925 engineering. In 1926 the basic wage was given. As I say, I asked the Government Statistician to let me have the lowest wage the court had awarded to any workers during that period on the equivalent of the Harvester judgment of 1927, the court's figures for

Perth—food, groceries and rent—for 12 months ended the 30th of June in each year, so that I might be able to show how the workers stood, even when able to get into the State Arbitration Court. This list shows that during 1913, if the Harvester judgment is taken—and no Arbitration Court in Australia awards less than the Harvester judgment, which is regarded as the very minimum—if the Harvester judgment is applied, the workers during 1913 lost 1s. a week; in 1914, gained 1d. per week; in 1915, lost 2s. 11d.; in 1916, lost 5s. 10d.; in 1917, lost 4s. 2d.; in 1918, lost 3s. 1d.; and in 1919, lost 2s. 4d. The 3s. lag was added in 1918. In 1920 the workers lost 1s. 4d. per week; and in 1921, they lost 1s. 5d. Even those that were able to get into the court suffered those losses on the decisions, taking the cost of living figures on the lowest standard that has been established in Australia, right back in 1907. So if the workers that got the Arbitration Court's decision suffered that much, what was the position of those waiting all those years, but unable to get into the court at all? The Minister takes his figures and says the cost of living is now such that if the State Arbitration Court were to deliver a decision, wages would come down 5s. per week. Not once, but more than once, did I negotiate agreements with the employers during that period when wages were lagging behind to the extent, not of 5s. per week, but of 5s. per day; the employers gave an increase of 5s. per day because the figures were so solidly against them. But now, when the figures are the other way about merely to the extent of 5s. per week, an Act is to be rushed through Parliament, and the workers denied any advantage to offset the sufferings of the years when the figures were against them. So pronounced was that situation that in the Commonwealth court Mr. Justice Powers added the loaded figure of 3s. for the lag in the cost of living. To every award he gave he added 3s. as a recompense, because he knew the wages could not keep pace with the increasing cost of living. And even with that 3s., the figures I have quoted show how much was lost by the workers that succeeded in getting into the State Arbitration Court. All through that period the prices of wool and wheat, our two staple commodities, were soaring. Wool went up to 2s. 6d. and even 3s., and wheat went up to 9s. Wage earners and salary earners had

no opportunity to make fortunes while the war was on, but the wheatgrowers and wool-growers got enormous prices during that period. The Minister for Works delivered no speech during that time, no speech such as he delivered here the other night. The Minister for Lands did not go to farmers' conferences and interject, "Are you in favour of abolishing arbitration, and are you in favour of abolishing workers' compensation?"—interjections that were received with rars of approval. We didn't hear such talk when wheat was 9s. and wool 3s. and when for 20 years the wages of the workers were down below the cost of living figures. But now, when the position is reversed, in the first six months we are asked to make this vital alteration. When the cost of living is soaring and prices are high, the two sections of the community that have to suffer most are those on fixed wages and those on fixed salaries. They have no opportunity to take advantage of the increased market rates, but are sentenced to live on their old level of remuneration. The people who collected those enormous prices during the war period should be content for a while to see the two sections of the community that suffered so much during that period get a little of their own back, get a little of what is due to them. Surely industry owes something to the wage earners of this country! Think what they had to put up with during the whole of that 20-year period. The attitude of members opposite is that while the cost of living is going up the worker must be well at the rear, must be at the tail of the march, but when the cost of living is coming down he is to be shoved into the front line, he is to march right in the advance guard. That appears to me to sum up the situation, that during the whole of the period when costs were soaring the workers were suffering because at no time during that period could wages keep pace with the prices the workers had to pay for their commodities. Let me put this phase to the Government. This Parliament passed a law and under the law established the Arbitration Court. That court is the same as any other court in the country. Its decisions have the same binding effect as have those of the Criminal Court, the Civil Court, or the Full Court. It is a part of the law of the land. From the Arbitration Court the workers of this State got a decision. They were told that

certain wages were to be theirs until that time next year. Until the 30th June next, their wages were established under the law of the land. Now we are told that, because living costs are declining and the money they receive has a higher purchasing power than it had then, the decision is to be repudiated. Although their wages were fixed for 12 months, because money now has a greater purchasing power, the Government will not stand up to their bargain. It was a court decision on which they thought they could rely that the money would be theirs for the rest of the year, but now that decision is to be repudiated. The Government and their political friends try to fasten a policy of repudiation on the Labour movement. If this Bill is not repudiation, what is? Is not this repudiating the contract made between the Arbitration Court and every wage earner in the land? The wage was fixed under a statute passed by Parliament, and Parliament had provided that it would operate for the year, but because, the purchasing power of money has increased, the Government are going to repudiate it. Why single out the wages men? What about the men drawing interest? Has not the interest of the bondholders a bigger purchasing power than before? Why repudiate what the worker gets and not what any other section of the community gets? Why are the wage earners singled out? Why this repudiation of wages when the Government will not attack the money that others receive? Is there any logical reason at all why one section of the community should be treated differently from another? Is there any reason why the Government should say to the wage earner, "We shall not allow you to draw any more than the equivalent purchasing power of your money in June last"? This State is paying an enormous sum in interest annually, but the Government will allow the bondholders to draw that interest rate and enjoy the increased purchasing power. Nothing is to be said or done to them. This Bill is the essence of repudiation. Never again will the Government or their political friends be able to say that they do not stand for repudiation; nor will they be able to fasten that policy on anyone else. Why is it that our friends opposite want the wage earner to carry the load? According to a Press report, the Premier told a deputation yesterday that if wages were reduced he

thought it would revive industry. Why are workers to be called upon to carry all the load? If we cannot afford to pay the workers any more than the purchasing power of the money in June last, how can we afford to pay the bondholders more? We are paying the bondholders nearly one-third of our present revenue, but no effort is to be made to curtail that expenditure.

The Premier: I am afraid there are not many bondholders in this State.

Mr. McCALLUM: There are a good many, but it need not be limited to those in the State. A number of workers in this State entered into commitments when they received a basic wage decision. Could a worker feel any more secure than by having that decision? He would say to himself, "My wages have been fixed under a law of the land which says the decision shall operate for a year." The only gamble involved was that he kept his position. On that he entered into financial obligations and now, if the figures quoted by the Minister are any guide, he will have to submit to a reduction of 5s. or 7s. a week from January next. According to a Press report of the farmers' meeting on Friday, the Minister for Lands, after receiving a rough handling from the farmers, asked, "Are you in favour of abolishing arbitration? Are you in favour of abolishing workers' compensation?" According to the Press reports, there was a shout of approval, but I have since been told that that was denied or disowned by a great many of the farmers present. But the Minister for Lands made no suggestion to the farmers about their interest burden. Interest to the farmers means a great deal more than wages mean. The wages bill on a farm is a very small item, whereas interest is a considerable item. There was no suggestion by the Minister for Lands that the farmers should seek relief from the interest bill.

Mr. Kenneally: That would be repudiation.

Mr. McCALLUM: Yes, because it affects someone else. It does not matter how the wage earner is affected. Cut into his wages, cut out his workers' compensation, make him carry the full load, keep the whole of the burden on him, but do not tackle the other fellow who has the big income from interest! Leave him alone; he must not be interfered with at all! It appears to me that this is distinctly class legislation and

that it singles out one section of the community for special consideration, the section that carried the greatest burden during the trying years of war. The Premier will admit that when the Arbitration Bill was introduced in 1924, arbitration was then practically at an end. He said that on more than one occasion. He said that unless substantial amendments were made, arbitration would soon be a dead letter. That was largely due to the dissatisfaction with the court, which could not keep pace with the work and the cost of living was increasing so much. To show the conditions, when the first decision of the court established the basic wage in 1926, no fewer than 78 awards and agreements were affected and had to be adjusted. So far as I can ascertain, there was only one union in the State whose wages did not have to be adjusted when the first decision was given by the court, proving that all other unions in the State were lagging behind the cost of living figures to which they were entitled had the court been functioning properly. I tried to follow the speech of the Minister for Works. I tried to check his figures afterwards, but I have been unable to reconcile them. Furthermore, I will defy anyone else to do so. I do not say that the Government Statistician supplied him with incorrect figures, but I do say that the Minister has used them wrongly. I shall give some instances. What the Minister set out to show was that the workers were given a standard by the Arbitration Court in June last, and that the purchasing power of money had since increased and their position had been correspondingly improved. To emphasise his case, he stated that the workers were getting £1,500,000 more than they were entitled to. This was what he said—

Taking the whole of the wage and salary earners in the State, it means an additional cost of £312,750 per annum. It may be said that those wage and salary earners who are not working under arbitration awards are not affected by increases; but the point I want to make clear is that, assuming all these 120,290 persons are in work—probably 10,000 of them are not—it means that everybody at work in Western Australia to-day is, on the figures I have quoted as the cost of living, 5s. per week better off than he or she was six months ago. That is because of the reduction in the cost of living. The question is whether we should continue to allow people who are in work to have this extra money. After all, the Arbitration Court fixes the basic wage on certain standards; and that is all I ask the court to do by this Bill. Owing to

the huge fluctuations which have occurred, these people have actually more money in wages and salaries to-day than they had when the court fixed the present basic wage. The Bill merely asks that the court should be allowed to reconsider its decision in the light of present-day facts. The 120,000 odd wage and salary earners to whom I have referred receive £312,000 additional annually for every shilling of increase in the basic wage, providing, of course, that the same number are still at work. On the figures I have quoted, they are receiving £1,500,000 per annum more than the court decided they should receive. That is to say, the actual money they are receiving has so much more value to-day; and the consequence is that they are so much better off.

Those are the grounds on which he is asking Parliament to approve of the Bill. Let us examine his statement and see what sort of a case he has made out. I find that the statistician's figures at the end of 1929 agree with those quoted by the Minister. The number of persons in receipt of salaries and wages was 96,930 males and 23,360 females, a total of 120,290. But the Minister stopped there. He did not examine the figures. Let me show how the total of 120,290 was made up. Under the heading "Professional" are shown 7,824 males and 4,434 females. Those males include university professors, civil servants, ministers of religion, school teachers and a hundred and one others who would never go near the Arbitration Court.

The Minister for Works: I mentioned that.

Mr. McCALLUM: The Minister mentioned nothing of the sort; I defy him to point to any word of his speech to that effect. Fancy ministers of religion and university professors going to the Arbitration Court to have their wages fixed! Fancy civil servants—the Under Secretary for Works and the Under Secretary for Lands—going to the Arbitration Court and having their wages fixed by the court!

The Minister for Works: Did I say that?

Mr. McCALLUM: The Minister quoted the figures including them. I intend to follow this matter up; I have not nearly finished with the Minister yet. Another heading shown by the Statistician is "Commercial," 14,117 males and 4,929 females. Under that heading come all the managers of the great emporiums of Western Australia, the managers of Foy & Gibson's, Boans, G. & R. Wills, Harris, Scarfe's, etc. Fancy their having their wages fixed by the

Arbitration Court! Yet the Minister included all of them. The bulk of the girls under the heading of "Commercial" would never be covered by Arbitration Court awards. Under the heading "Primary Production" the statistician shows 32,630 males and 129 females. Apart from the shearers, who are there in primary production that have their wages fixed by the Arbitration Court? It will be seen how the Minister has boosted his figures. He is hopelessly astray.

Mr. Panton: He has left out chaffcutters.

The Minister for Works: There are no chaffcutters.

Mr. McCALLUM: There used to be a few. There is another heading, "Domestic," showing males 1,333 and females 9,617. Does not the Minister know that the Arbitration Act does not govern domestic workers, that these workers are excluded?

The Minister for Works: Yes, I know that.

Mr. McCALLUM: Yet the Minister includes them in the figures in order to build up his million and a half. But he makes even a worse mistake. He takes the aggregate, including the parsons, the managers, the domestic servants, the agricultural workers and all the University professors and assumes 5s. per week increase for the whole lot of them, men and women alike. Taking that increase over a year, he arrives at the total of £1,500,000. Anyone possessing the most elementary knowledge of industrial arbitration is aware that the wage of a female is only 54 per cent. of the basic wage for a man. But the Minister allows the 5s. in respect of the female as well as the male. The actual fact is that 23,360 workers, being females, would be affected only to the extent of 54 per cent. of the 5s. What reliance can we place on the Minister's figures?

Mr. Kenneally: None at all.

Mr. McCALLUM: I shall ask the House not to give the Minister's figures any weight. Hon. members must see that no reliance can possibly be placed upon any of the figures given by the Minister, because he has built entirely on wrong foundations. If he had cared to look, he could have found what he wanted, or very near it, because the matter has been dealt with from the Arbitration Court bench.

The Minister for Works: Quite right.

Mr. McCALLUM: The Minister knows that is quite right. If he knew it, why in his statement to Parliament did he ignore it?

The Minister for Works: I did not ignore it.

Mr. McCALLUM: The Minister gave an estimate of £1,500,000, and the House is entitled to an explanation why he gave that estimate. Here is what was said by Mr. Somerville, disagreeing at the last declaration of the basic wage—

This declaration reduces by 2s. 6d. per week the wage necessary now to procure the same standard of living as was fixed in the declaration of 1926 and adhered to since. I have endeavoured by means of figures supplied me by Mr. Reid—

That is Mr. Reid of the Government Statistician's office—

—to form an estimate of what this means in cash to those affected. The total number of persons in receipt of wages or salary according to the 1921 census brought up to date is 96,930 males and 23,360 females. It is not possible to say accurately what number of these will be affected, but excluding all under the headings professional and domestic, and greatly reducing the numbers under commercial and primary, the effect upon the worker's pay envelope cannot be less than £500,000 per annum. One shilling per week means at least £200,000.

The Minister says that the figure of 1s. means £312,000 annually. He is over 50 per cent. out. Mr. Somerville, dealing with the case, pointed out that the workers had already suffered a reduction of 2s. 6d. per week by the decision. That is an aspect with which I shall deal more fully later. Giving the Minister his own figures, it means that the workers have already made a sacrifice of £730,000, as against Mr. Somerville's estimate of £500,000. According to the Minister's figures, if the sacrifice is continued for a full year, it will mean a total loss to the workers of £2,300,000. Should this Bill become law, then, taking the Minister's own figures, on top of the £730,000 already sacrificed, the workers at the end of next June will have sacrificed £2,300,000. I am not subscribing to those extravagant figures. They are the Minister's figures.

Mr. Kenneally: They represent a high price to pay for such a Government as this.

Mr. McCALLUM: The Minister further stated that the Federal basic wage was based on the same index figures for every Aus-

tralian State, for a man, wife and three children. I interjected that there was no Federal basic wage operating in the same way throughout Australia. Thereupon the Minister said—

I have said that the Federal basic wage was fixed on the Harvester judgment, and on the figures supplied by the Commonwealth Statistician showing the rise and fall in the cost of living. Although there is actually no Federal basic wage, the Federal court has accepted those figures since 1907.

Then I interjected that there was a different basic wage in nearly every award given. The Minister proceeded—

I have already shown how that is fixed on the index figures all over Australia. It is fixed in each State according to the cost of living in each State, but the principle is the same in all the States.

Upon that I interjected—

Nothing of the kind. There is a different principle in nearly every award.

Thereupon the Minister said he was telling the tale and I could tell it when I got up.

The Minister for Works: You are telling it now.

Mr. McCALLUM: Yes, I am telling it now. I want to inform the Minister that there is not an ounce of fact in all those statements of his. I know of at least four different principles on which the Federal basic wage is fixed. We shall have to excuse the Minister when it comes to index figures and wages figures. Those figures do not come from Wyalcatchem.

The Minister for Works: You are deliberately misquoting me.

Mr. McCALLUM: I am quoting the Minister's speech.

The Minister for Works: You have misquoted me, as is shown by the last "Hansard."

Mr. McCALLUM: I am not allowed to quote "Hansard." The report I have here is the right one, and there has been no misquotation.

The Minister for Works: Why talk about Wyalcatchem? Why be so damned dirty?

Mr. SPEAKER: Order!

Mr. McCALLUM: I did not know Wyalcatchem was dirty.

Mr. SPEAKER: Order! I will ask the Minister please not to interrupt.

Mr. McCALLUM: When the Minister says that the Federal wage is fixed on the same principle throughout Australia, and I interject telling him he is wrong, and he still persists, it is my business to correct him. Speaking from memory, the Federal wage is fixed on four different principles. For a start, there are 30 principal towns which enter into the fixation.

The Minister for Works: I gave those towns to the House myself.

Mr. McCALLUM: The Minister did no such thing. He has been dreaming. The 30 towns are—New South Wales: Sydney, Newcastle, Broken Hill, Goulburn, Bathurst; Victoria: Melbourne, Ballarat, Bendigo, Geelong, Warrnambool; Queensland: Brisbane, Toowoomba, Rockhampton, Charters Towers, Warwick; South Australia: Adelaide, Kadina, Port Pirie, Mt. Gambier, Peterborough; Western Australia: Perth, Kalgoorlie, Northam, Bunbury, Geraldton; Tasmania: Hobart, Launceston, Burnie, Devonport, Queenstown. The Federal Arbitration Court arrives at the basic wage in view of conditions in those 30 towns, or in view of conditions in the six capital cities, or in view of conditions in the five principal country towns of a State. Yet another award is based on the locality effect. Then what is the use of trying to compare a Federal award with a State award, when they may be on entirely different bases? What is the use of trying to compare a Federal award with a State award on quite another basis? There is no guidance to be derived from making such a comparison. Throughout his speech the Minister pleaded for wage reduction. In no instance did he mention that the system proposed by the Bill was likely to operate in the workers' favour. All the Minister's figures were arguments in favour of wage reduction. In reply to an interjection to that effect by the member for Leederville (Mr. Pantou) he said, "Maybe." The Minister's whole case was in favour of reduction of wages. In order to substantiate his claim for reduction, he quoted figures as to the fall in share prices. He said, "Here is a drop in share prices by which men have lost millions, and the fall in share prices has been so great in Australia that it eclipses even that which has taken place in the United States." But a great deal of the loss was mere paper loss. A great percentage was not cash loss at all. Take, for the sake of argument, a company

floated with shares of £1 each. The shares go up to £4 or £5, or even £6. Recently they have had a drop. They may have fallen 50 per cent.—gone back from £6 to £3. That drop, according to the Minister's argument, is to be counted as a loss of £3, whereas in actual cash the ruling price of £3 amounts to an advance of £2 for shareholders who were original subscribers. No doubt for those who bought in on the top of the market there is a substantial cash loss, but the figures cannot be taken at face value as implying that there is a loss of £3 per share to the community. Even if the Minister takes that as an argument why the workers of the State should accept lower wages, I will direct attention to the position of the banks. Let us see how those institutions stand. They are the biggest financial institutions of this country. They have more money than anyone else has. Most of the Australian banks had been in existence for half a century prior to 1906. Taking that year, 1906, the margin of assets over liabilities of the banks was £6,863,298. That is to say, it took 50 years for the banks of Australia to reach that margin of six millions sterling of assets over liabilities. During the next eight years, up to 1914, the excess increased to £7,447,606. But in 1919, after five years of war, the balance had increased to £20,316,728, and in 1930 to £71,982,673. That means that the banks during a full half century of peace had accumulated a balance of assets over liabilities of £6,863,298, and in eight years preceding the war had increased it by £584,308. Then came the war. While that five years of bloody carnage was on, when the wage earners were on the bread line or were starving, and others were giving their lives in the whole of that period, the banks increased their assets over liabilities by £12,869,122. During the war the banks had got such a grip on the vitals of this nation that in the following eleven years their assets increased by a further £51,666,000. In other words, during the period of the war, the banks amassed twice as much in those five years as they did during the 50 years preceding the war. And after getting that grip on the nation, in the 11 years that followed the war, they got four times as much as they did in the five years of the war. So the banks amassed enormous assets. Why did not the Minister quote those figures instead

of quoting share values? There is the store of this Continent's wealth! It is in the bank vaults; and being there, in the control of the banks, it is the banks therefore that are largely manipulating the economic position of this country. It is largely due to the money being held inactive that Australia is facing the depression that exists to-day. While the Minister was talking the other night the member for Swan interjected, "You want a more equitable distribution." We know the farmers are up against it and we are anxious to help them, but the Minister wants to bring wages down and the member for Swan says, "You want a more equitable distribution." He does not say that to the banks; he says nothing at all about the £71,000,000 stored up. Did the Minister for Lands say anything about this at the farmers' conference the other day? He said to the farmers' conference, "Wipe out arbitration and workers' compensation."

The Minister for Lands: I did not interject there at all.

Mr. McCALLUM: The Minister did not ask them whether they wanted their interest reduced. No; all he said was that wages had to be reduced.

The Minister for Lands: Why don't you reduce interest?

Mr. McCALLUM: Unfortunately, I am not in the Government. For the moment that is the Minister's job. The Minister for Works told us when he introduced the Bill that it was similar to the one I submitted to the House in 1914. I replied by interjection that it was as different as the poles were apart. Our proposal was that the court should be left free; we fixed no period. We said that as the cost of living fluctuated, the court should be left free to adjust the basic wage, but if it went over 12 months, any party could apply to the court and have wages fixed. There was no given time; it was left entirely to the court. It will be remembered that that Bill had a stormy passage through this House, and when it went to the Legislative Council it had a rough time there. In another place there were four times the number of amendments on the Notice Paper than there were clauses in the Bill. A special business sheet had to be printed to set out all the amendments that were suggested in that Chamber. One of these amendments provided that the finding of the court on the basic wage was to be set

out as a regulation, and it had to be laid on the Table of the House, and Parliament was to be empowered to disallow it if it thought fit. That was seriously suggested. The position in respect of the Bill developed to such a stage that the Government advised their representative in the Legislative Council to have the Bill discharged from the Notice Paper. The cry from the employers against our proposal at this stage was that they wanted stability. They said, "If we allow the court to be free to fix the basic wage for any period they like, a contractor will be unable to frame his estimates for a job." Stability was wanted; that was the whole case that was put up. They contended that a contract might be prepared and estimates quoted on a given figure, and if wages went up the contractor would be unable to make good, and would be out of pocket. That was the whole cry against our proposal, but it did not give stability. While the Bill was before this House, the present Attorney General, as member for West Perth, had this to say on Clause 45—

This is a most important clause dealing with the declaration of the basic wage. We are in agreement with the principle that time will be saved if the court declares a basic wage that will apply to all awards as they are delivered. In order to make the position clearer, I move an amendment—"That the words from 'time to time' be struck out, and 'at intervals of not more than one year' inserted in lieu.

So the member for West Perth himself moved, "at intervals of not more than one year."

The Minister for Works: What happened to the amendment?

Mr. McCALLUM: I will tell the Minister; it was defeated here.

The Minister for Works: You voted against it.

Mr. McCALLUM: Of course I did, and fought against it to the last moment. It went to the Legislative Council, and Mr. Lovekin moved to insert practically the same words that the member for West Perth moved in this House, that "from time to time" be struck out, and "at intervals of not more than one year" be inserted instead. In support of the amendment he said—

If we are to have the basic wage fixed, it should be fixed every 12 months. If it is to be fixed from time to time there will be interminable argument, and nobody will know where he is.

The amendment came back to this House, and I moved that it be not agreed to. I said—

The Bill provides that the court may, of its own motion, from time to time fix a basic wage, and alter it if there is any material difference in the cost of living. This amendment sets out that the alteration shall be made only once in each year, and the month chosen is that of July. It so happens that this is the month when, according to Knibbs, the cost of living is lowest. This may, of course, be only a coincidence. It is not fair to set down a definite period in this way.

Then I moved to disagree with the amendment, and this House disagreed with it. When it went back to the Council, Mr. Lovekin still fought it; and said—

I hope the committee will insist on this amendment. We make basic wage certain from year to year, whilst the clause as it stood left the position in a state of chaos; and capable of being changed from time to time, when no one would know what the position was.

We did not propose that there was to be an adjustment every quarter or six months or nine or twelve months; we left the court absolutely untrammelled. I moved afterwards, not when the Minister directed, that the court should make an investigation at the request of the Minister, having in mind what I have stated, that the war was on and we could not get any redress. The Government expressed themselves as being helpless. I wanted the clear provision in the Act where, in such circumstances, the court would, at the request of the Minister, make the investigation. This Bill is entirely different. It says that in each quarter the statisticians are to state their figures to the court, and the court may on receiving those figures adjust the basic wage.

The Minister for Works: Not at the request of the Minister.

Mr. McCALLUM: The basic wage has to be fixed by a yard measure, a yard stick with which to measure up the basic wage and the mere cold calculation of figures.

The Minister for Lands: That is how it is done now.

Mr. McCALLUM: Has the Minister for Lands never read what happens in the Arbitration Court? Does he not know that evidence is taken and arguments are advanced? Now, everything is to be treated merely on a paper basis, not on a question of flesh and blood, but on the cold

calculation of papers and figures, the yard stick measure. The workers are not to be heard. Their case is not to be presented, but figures are to be the deciding factor, and the human element is to be wiped out.

The Minister for Lands: Who says so?

Mr. McCALLUM: I say so; the Bill says so. The court will decide on the figures.

The Minister for Works: There is nothing in the Bill to stop the inquiry on the 14th June.

Mr. McCALLUM: No one is talking about what happens in June; we are talking about altering wages each quarter.

The Minister for Works: The figures are fixed by the court in June.

Mr. McCALLUM: You are asking the court to fix it on the statistician's figures each quarter.

The Minister for Works: On June figures.

Mr. McCALLUM: On the statistician's figures each quarter and, according to the clause, "On any other information."

The Minister for Works: You should know what it means.

Mr. McCALLUM: I have an idea what it means, and I shall want a good deal of information on the subject when we get into Committee. The basic wage will be adjusted each quarter without the workers being heard, without evidence being called, without argument being advanced. It will be merely on the cold calculation of statisticians' figures and the human element gone. Figures are to decide and flesh and blood will not count. There is to be no answer to the figures. I have never seen a set of figures put up that could not stand some dissection, that someone could not take hold of and twist round. No opportunity will be given the workers to take hold of the figures and investigate their full meaning. If the position is to be as the Minister outlines it, it will mean a reduction of 5s. a week. How is that going to affect this country? If every working man in this country is to have his wages reduced by 5s., it will mean that that much money is going to be concentrated into fewer hands. Whether, as the Minister says, it will be spread over 120,000 people—I do not agree with that statement—and the 5s. a week is spread over the same number, the aggregate amount will be concentrated in the hands of the

bosses, the few. The spending power of the people will be restricted. Instead of 120,000 people having that 5s. to spend, mainly on Western Australian and Australian produce, creating trade and industry, the money will be concentrated in the hands of a few, with a resultant increase in their profits and creating more unemployment.

The Minister for Railways: If you follow that argument to its logical conclusion, you ought to bring down a Bill to double the rate of wages.

Mr. McCALLUM: I recommend to the Minister that he should read the two volumes of Henry Ford's "Life and Work." Mr. Ford is not a Labour man, but he sets up that argument.

The Minister for Railways: I would rather read about Lizzie Ford.

Mr. McCALLUM: This comes from one of the greatest captains of industry, a man who is recognised to be the wealthiest man in the world. The Minister must know that when the collapse occurred in America recently, the President summoned the leading captains of industry in the United States to confer with him. Henry Ford was one of these and he stated, as a solution of the trouble, that there should immediately be an increase in wages.

Mr. Panton: He would not be very popular here.

Mr. McCALLUM: It is no use men of our brand of politics trying to convince members opposite on that point, but I do urge that they should read these works, because Henry Ford cannot be said to be a Labour man. Yet he is the most successful man alive.

The Minister for Railways: He would not employ unionists.

Mr. McCALLUM: Unionists have no complaints against Henry Ford. If they could induce the other employers in America to treat their men as he treats his, it would make a wonderful difference all round.

The Minister for Railways: They cannot complain, as he does not employ them.

Mr. McCALLUM: I commend to the Minister one of the leading men of the age. There would not be much need for trade unionists at all if all employees were treated as Henry Ford treats his men. When members argue that by taking money from workers prosperity is created, it seems to me to be the most stupid argument I have ever

listened to. They are going to impoverish the community into prosperity. That is the logic of it. They are going to take money from them in order to make them successful. The absurdity of it! Mr. Somerville has pointed out in the judgment I have read that the workers have already sacrificed half a million. He has shown that the figures used in this basic wage are less by half a crown, if the same index figures are taken, than they would be if based on the last figure. In other words, £500,000 less would be paid in wages this year. In order to establish that argument I had better read the full dissenting judgment of Mr. Somerville on the point. It is most important we should know how much sacrifice the worker has made. So often it has been said that the man who has his wages or salary fixed has made no sacrifice, and that he is now really better off than he was. When speaking on the Address-in-reply I made the assertion that the workers' wages had been reduced by half a million. The Premier interjected, "Are you asserting that the Arbitration Court made an error?" I replied that if he would read the judgment of Mr. Somerville he would see what I meant. I will now read that judgment to demonstrate the manner in which the basic wage has been decreased.

The Minister for Works: That is not the judgment of the court.

Mr. McCALLUM: It is the dissenting judgment, which pointed out where the basic wage would have been 2s. 6d. more than it was. I have here the statistician's figures on which Mr. Somerville based his contention. The judgment is as follows:—

When considering what should be the first basic wage declaration the court became, after careful examination of the available statistics, dissatisfied with the finding of the Commonwealth Statistician that 18s. represented the average rent of such four and five-roomed houses as complied with the requirements of the Act. The court made a careful inspection of a number of houses, and concluded that a fair average rental for houses of the frugal standard of comfort indicated by the Act was 20s. If all the subsequent declarations are examined, it will be found that they are all within a few pence of the sum which would be ascertained by the application of the change in the index figures for each of the four elements in the basic wage. Such a use of the index figure is an entirely proper and legitimate and arithmetically correct use, and by such a use now we get a basic wage of £4 8s. 6d., including a rent of 23s. 3d., as necessary to pay for housing accommodation deemed the minimum in 1926. The rent shown by the

statistician for four and five-roomed houses is about 2s. less than this, just as the figure 18s. was 2s. less than the rent necessary to secure houses of the standard deemed by this court in 1926 as proper. By using the rent contained in the statistician's tables, after definitely rejecting it in 1926, the court has reduced the standard fixed in 1926 by 2s.

There is the kernel of it. The court rejected the statistician's figures in 1926, and said that the figure for the rent was 2s. too low; but last year they adopted it and have reduced the rent allowance by 2s. In consequence, the basic wage came down by that amount. Mr. Somerville goes on to say—

During our discussion in this court it is frequently said by members of the bench, and also by agents, that a certain index number represents a definite figure. As, for instance, that 1263, the index figure for four and five-roomed houses in 1925, represents 18s. This, of course, is entirely wrong. The only correct way to use the index figure is as an indicator as to how the purchasing power of money has changed. This correct use would entail the frequent use during discussions of a long and cumbersome formula, and so the short and convenient but incorrect use becomes common. The index figure 1263 does not represent or mean or indicate 18s. or 20s. or 60s. or any amount. It represents the change in the purchasing power of money spent in rent as between 1911 and 1925. It is absolutely correct to say that the amount required now to secure the same housing accommodation as would cost £1 when the first declaration was decided upon, is indicated by the change in the index figure from 1263 to 1472. To substitute the figure collected by the statistician for the minimum or standard fixed in 1926 is to lower that standard by 2s. So, approaching the question along the lines used by the court on previous occasions, the basic wage should be raised by 1s. 6d. to £4 8s. 6d.

The Minister for Works: Is that the judgment of the court?

Mr. McCALLUM: No. It is Mr. Somerville's dissenting judgment.

The Minister for Works: I understand there are three members of the court.

Mr. McCALLUM: This is the dissenting judgment.

The Minister for Works: The majority of the court did not agree with him.

Mr. Kenneally: The Minister was asleep when the hon. member mentioned it.

Mr. McCALLUM: Mr. Somerville continues—

In this declaration there is for the first time a lower rate fixed for the South-West outside of the metropolis than for the metropolis. For the whole of 32 towns from which cost of food and groceries figures are collected by the State Statistician, the cost of food is

higher than in Perth, in many cases much higher, and it is only when the rent factor is included that the total cost is in any case lower than in Perth, and the inclusion of rent in the cases of Geraldton, Merredin and Northampton gives a higher total than Perth. The figures we had before us were subject to so many reservations and possible errors on the subjects of rent, light and fuel as to be of no value. There is no existing ground for awarding 1s. less than Perth other than the merest conjecture. With regard to Kalgoorlie, the latest index figures show that there are only five points between Perth and Kalgoorlie. But the Kalgoorlie figures include a rent of 12s. 1d., and I, of course, cannot agree that any house giving the minimum of comfort required by the Act can be obtained for 12s. 1d. Having shown why, if the standards hitherto established are to be retained, a basic wage of £4 8s. 6d. is necessary for Perth and something above that for outside Perth, the next question to face is, is it expedient or wise in view of the present economic position and the unfortunate presence of so many unemployed, to so raise it? This question puts a very grave responsibility on every member of this court. All the industrial tribunals of the Commonwealth have been for some time the target for an intensive barrage from University professors and journalists and business men, to the end that the only way to reduce costs of production is to reduce the workers' wages. The wages of capital are, it appears, to be sacrosanct. If the issue we have to decide was the liberty of some wretched criminal, such direct effort to affect the judgment of the court would not be allowed, but the workers' wages are fair game for anybody. The language of the basic wage section of the Arbitration Court is so definite that this court has no discretion, even if it were shown that a reduction in the basic wage would cure unemployment; but there is not a scrap of evidence before us that unemployment is in any way due to the basic wage, or that a reduction of that wage would relieve unemployment. If there were, then, as one who, while a young man, suffered the misery and humiliations of unemployment, I would not hesitate to strain what authority I possess to relieve it. Unemployment is a world-wide phenomenon. It is rampant in the United States of America, where there is no basic wage. It is the supreme problem for British and German statesmen. As to its cause, the world's highest authorities are hopelessly at variance, but one fact seems clear, that its cause is outside Australia.

I have already read the next part of this judgment. Mr. Somerville continues—

Now, if either of these sums could be used for the relief of unemployment, then it would have an appreciable effect, but it will simply be absorbed into various channels, and I doubt if a single extra man will be employed. On the contrary, by decreasing the purchasing power of the mass of the people, spent mainly in Australian productions, it will tend to increase unemployment. In a little book quoted

with approval by the "West Australian," and called "Australia, 1930," Professor Giblin suggests—"If wages and salaries, profits of all kinds, rents and all income from land, and in fact nearly all income were to fall 5 per cent., then Australia's financial difficulties would be solved." By this declaration the wage earner contributes nearly 3 per cent. from his former standard. I wonder when the holder of war loan securities will make his contribution.

Mr. Somerville's declaration shows that the workers of the country have already contributed half a million towards the depression. If the Minister's figures are correct, the difference is much greater. The greater you make these figures, the greater the amount the workers will be found to have sacrificed. If the reduction of 2s. 6d. a week meant, as Mr. Somerville points out, a sacrifice of half a million, and we take the Minister's figures, it will mean a sacrifice for this year of £730,000.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. McCALLUM: I want to emphasise the point that while the cost of living was soaring, and wages did not keep pace, the workers of Western Australia honoured the provisions of the Arbitration Act. The State passed through that trying period with fewer industrial disturbances than any other part of the continent and, I believe, we emerged from it better than any other part of the world. It is true that we did have hold-ups, but, in comparison with the difficulties that confronted us, they were small indeed. While the arbitration system was tending against us all the time, we could not get to the court and wages could not be dealt with. It was frequently pointed out to the rank and file at that time that it could not always be that way. There would have to be a change, and when prices came down instead of going up, the operation of the system would be in the workers' favour and they would thus receive some compensation when the tide turned. Now it has turned and prices are coming down, we find that the law is to be altered, and so the workers are to be handicapped both ways. They were handicapped when prices were going up; they are to be handicapped now prices are going down. During the period I refer to, many of us who sit on the Opposition side of the House now, spent much time, and went to much trouble, in urging the unions to keep their members at work

and to submit their applications to the court. We made ourselves extremely unpopular in the circumstances, but we insisted frequently upon that course being adopted. I could mention scores of occasions when we had to exert all our influence with union leaders to get their members to continue work and to abide by the Arbitration Court. We stressed the recompense that would be theirs when the tide changed. I feel that a Bill such as that now under discussion places those of us who adopted that attitude in a false position. It makes us wonder whether we were right in the course we pursued in the past. It amounts to having the cards stacked against us. To introduce such legislation immediately the tide turns, with the result that adjustments will be made quarterly, is most unfair and places an unreasonable handicap upon the workers, in view of the strenuous period they went through in previous years. Had the Bill been introduced two or three years hence, there would not be so much force in the argument advanced against it now. That would at least have given the workers some time to pick up much of what they lost in years gone by. As the Bill follows hot-foot on the turn of the tide, it is unfair in the extreme and I take the strongest exception to it. I hope I have made my position clear, and for the reasons I have advanced, I object to the Bill being passed. When the measure is dealt with in Committee, I shall seek a lot of information regarding the working of the measure, just what it is proposed to put to the court, how the figures are to be submitted, and whether those who are materially interested will, or will not, be given an opportunity to examine the figures placed before the court so as to ascertain what they will mean to them.

MR. KENNEALLY (East Perth) [7.36]: Although the Bill has no justice to commend it to hon. members, it is one to be expected from the present Government. That is so, possibly by virtue of the fact that there is no justice in it. The law that prevailed in the past gave some stability and permanency to conditions under which the workers operated. In ordinary fairness to the section of the community that practically asked for the legislation, one would have thought that the members of the Government would have said something about it on the hustings. Although they referred to a lot of other things that they have not given

effect to, and refuse to give effect to now, they did not say a word about the alteration of the Arbitration Act when they were before the electors. Considering all the circumstances, one would have thought that such a Government would have refrained from displaying such class bias by introducing such a matter. It is not surprising, however, knowing that they have acted because the Employers' Federation directed them to do so. The Government, therefore, are obeying the people who put them in the position they are occupying to-day.

Mr. Angelo: Who are they?

Mr. KENNEALLY: The hon. member should ask the Premier and those sitting with him.

Mr. Wells: I do not know any one of them.

Mr. KENNEALLY: I am surprised at the Government accepting a mandate, as indicated in a pamphlet, without knowing who issued it.

Mr. Angelo: I have never seen any such pamphlet.

Mr. KENNEALLY: The pamphlet indicated to the Government that this legislation was to be introduced.

Mr. Parker: Will you let me see a copy of the pamphlet? I have not see one yet.

Mr. KENNEALLY: The pamphlet was followed up by a pronouncement in the "West Australian" saying that this was to be done, and so the Bill has been introduced. The Government have shown their willingness to accept the dictates of the Employers' Federation in the direction I have indicated. I recollect full well that when the Arbitration Act was in its original form, I had occasion to appear in the Arbitration Court from time to time. In those days the position was that each advocate who went to the court had to produce detailed figures relative to the cost of living, of clothing, of rents and so forth, in order to establish the basic wage. That had to be done over and over again as each separate case was dealt with. All the money involved was a charge on industry and the expense of those several inquiries represented a considerable amount of money that was uselessly spent, because the presentation of the details amounted to so much repetition. Both the employers and the employees wanted to get away from that position. The amending legislation introduced by the Labour Government did not make provision for a declaration of the basic

rate of wages at any specific period, but merely said that the declaration should be made after an interval of not more than 12 months. Had the Bill been given effect to as introduced by the Labour Government, I think I am right in saying that it would have meant millions of pounds in the pockets of the workers. I believe it was the Premier who interjected that it was the Legislative Council that introduced the provision regarding the declaration at 12-monthly intervals. That is so, but hon. members should not forget that prices at that time were on the rise, and consequently the longer the period that elapsed between declarations of the basic rate, the more was kept out of the pockets of the workers. If the provision, as it stood then, had remained in the Bill, and the basic wage was not declared at more frequent intervals, the increases that took place in the cost of commodities at that stage would have been reflected in the decisions of the court, had they been made at more frequent intervals, with the result that the workers would have benefited considerably through increased wages. At that time, we heard no cry from members now sitting on the Government side of the House to the effect that there should be quicker access to the court. We did not then hear them say that there should be quarterly adjustments of wages so that increased wages could have reflected the increased prices of commodities. The proposal to have the declaration at longer periods received the blessing of those hon. members. Why? Simply because it meant that the employers would benefit and that the workers would lose correspondingly. Now we find an entirely different attitude. There has been a change. Instead of the prices of commodities rising, they have commenced to fall, and the Government and their supporters, who favoured longer periods between Arbitration Court determinations and declarations, now show a change of front. The explanation is that in present circumstances it is the employers who will benefit because of quarterly declarations, whereas they would lose if longer intervals elapsed between declarations.

The Premier: Of course they would not.

Mr. KENNEALLY: Of course they would. Why have we had to wait till now for such a legislative proposal? Had we secured the benefit of determinations at more frequent

intervals when the prices of commodities were rising, the advantage to the workers would have been considerable. Under those conditions we had to wait 12 months and then we secured a slight increase in wages only. Now that members opposite are satisfied that the position has changed, they desire a quicker declaration of the basic rate of wages so that the employers may gain and the workers lose, in view of the falling prices of commodities. That is the obvious intention of the Government. And, as I say, the Government have taken their directions from the Employers' Federation.

The Premier: That is untrue.

Mr. KENNEALLY: If it is untrue, the fates are against the Government.

The Premier: No, you are against the Government, but you are not Fate.

Mr. KENNEALLY: The Employers' Federation issued a circular stating that a declaration had to be made. Of course the Government took no notice of the Employers' Federation. It was merely a case of two great minds running in one groove. Without any collusion or consultation between the parties, the Employers' Federation were thinking one way, and by a chance the Government were thinking the same way; and the Employers' Federation having issued instructions, the Premier, knowing nothing about that, nevertheless put those instructions into operation. Apparently when the Premier received that deputation from the Employers' Federation he was not listening to what they said.

The Premier: You said they had issued instructions.

Mr. KENNEALLY: Possibly he was having a sleep while the Employers' Federation were speaking. Because he tells us now he took no notice of the Employers' Federation. They waited on him and told him what was to be done; indeed their circular had previously advised him what to do. Now he is proceeding to do it, notwithstanding which he says he is taking no notice of the Employers' Federation mandate. Some people in the community would accept that as gospel truth, but I am not one of them. I believe the Government were put in office to perform certain work.

Mr. Parker: Had a mandate from the country.

Mr. KENNEALLY: Yes, and my friend, I know, regards the Employers' Federation as being the country. So he thinks it quite

right, that those whom he sits behind and silently supports are doing the right thing in introducing legislation such as this because the country—which in his view is the Employers' Federation—has decided that it should be done.

The Premier: But you told me you joined them in their request.

Mr. KENNEALLY: I told the hon. member no such thing.

The Premier: You said that when the Bill was in another place you agreed to it because it would facilitate tendering for contracts.

Mr. KENNEALLY: No, the hon. member must have misunderstood what was said to him. Possibly he was paying no more attention to me than he paid to that deputation from the Employers' Federation. Apparently he was asleep on both occasions.

The Premier: You cannot monopolise the whole of my time; other people have a right to some of it also.

Mr. KENNEALLY: That is only right, and of course we understand that the Premier is kept pretty busy. But what we do not want in this country is that the Premier should be ready to obey the dictates of one section of the community. That is characteristic, not only of the Bill we are dealing with to-night, but characteristic also of each measure with which we have dealt during the last three or four weeks. It is not in the interests of the community that it should continue. The Premier of the State should be able to keep the scales of justice evenly balanced between the several sections of the community, and not be reaching out all the time to hit those people least able to carry the burden. This is another move by which a reduction of the wages of the people is to be secured. I admit that after all the Arbitration Court is the proper tribunal to determine wages. We have admitted that from time to time, but in order to have the wage determined equitably, we have agreed upon certain legislation. We were not favourable to that legislation in the first place in its then form. We were not favourable to tying up the basic wage for 12 months, but we were told by those actively engaged in industry that if we would agree to a system that would have a stabilising effect on wages it would be in the interests of the employers, particularly of those who

have to tender for various contracts. It was pointed out at the time, as can be shown in "Hansard," what the attitude of those people was; it was pointed out that if a man were tendering for a contract, if he had a reasonable idea of what the wages were going to be for the ensuing 12 months he would be able to tender with a greater degree of certainty, and would not have to overload his miscellaneous expenses. Hence the appearance in the previous Bill, which ultimately became the Act, of the 12 months' provision; that is to say, a wage had to be declared on or before the 15th of June in each year and become operative from the 1st July following and have a currency of 12 months.

The Minister for Works: This House on two occasions rejected that.

Mr. KENNEALLY: Yes, and the representatives of property interests in another place decided to insist upon it, and in order that the Bill should not be lost in its entirety, ultimately this House accepted that provision.

The Minister for Works: But we were right and they were wrong.

Mr. KENNEALLY: Those who represented the employers insisted upon a 12-monthly currency. Why? Because prices were on the rise. The Minister for Works is quite right when he says this House on two occasions rejected that principle, but the other House, representing the employers, said that if they could get a guarantee that the wage determination should be established for 12 months it would place them in better security. Why are those same people now rushing forward to get an alteration of the law? Why do they want to go back to the provision which this House supported on two occasions but another place rejected? Here are the members of the present Government rushing in to get back to the principle which the Minister for Works says was supported by this House on two occasions.

The Minister for Works: We are coming back to the principle supported by this House.

Mr. KENNEALLY: Because the employers have now had their toll from industry. The employers on that occasion insisted upon getting their toll from industry by having a 12 months' currency for the wage determination.

The Premier: Did not you join them in that?

Mr. KENNEALLY: No, we fought it until it became plain we were likely to lose the whole Bill, whereupon to save the Bill we accepted that principle, although it meant that the workers would have to suffer. Now the Government are anxious to let the employers get in early with a reduction of wages. I ask that we should be in a position to expect, and possibly in some cases to receive, justice from the Government for all sections of the community. While members of the Government are profuse in their declaration that they are going to give that justice, I am waiting anxiously to know when they are going to begin the giving in that respect. All the legislation we have had here for some time past has been in the direction of hitting the workers.

Mr. Pantou: And it will be so in future.

Mr. KENNEALLY: After all, the people whom this Government are attempting to pick out for special treatment in regard to taxation and the reduction of the standard of living and the reduction of wages are not going to stand for it for an unlimited period. I hope the time will soon come when the people of the country will tell the Government, any Government, that after all they are there to legislate for the people as a whole, not to pick out one section to be specially penalised. Why this rush for low wages? May we analyse that for a while? The Chief Secretary, speaking in this Chamber the other evening, declared that the leaders of the workers unfortunately had adopted the wrong idea, that they had been all the time demanding increased wages, and that as the result of those increased wages the prices of commodities had increased, and therefore a vicious circle was created. I beg to differ from the hon. gentleman. I do not want to say anything personal against any members of the House, but when the Chief Secretary says valiantly, "I am prepared to face the position," I suggest the Chief Secretary is able to face the position from an environment very different from that in which we find the vast majority of the people of the State. The learned gentleman who made that valiant utterance has not mentioned anything about a reduction in the fees charged by the profession of which he is a member.

The Chief Secretary: They have come down 50 per cent.

Mr. KENNEALLY: I have not heard of it.

The Chief Secretary: You do not belong to the profession.

Mr. KENNEALLY: No, but I belong to the rank and file of those who have to pay those fees.

Mr. Parker: How do they make you pay.

Mr. KENNEALLY: I can only say that if the people paid the hon. member according to his worth, he would be in debt to them. It is very easy for a man who can treat his Parliamentary allowances and even his professional salary as a sideline to say to the people on the basic wage, "I am prepared to face the position." If I were in the way of receiving 25 guineas as a retainer for being in court, I think I, too, would be prepared to face the position; but I think I would hesitate to tell the people of the country—some of whom are on £4 6s. per week and some on nothing at all—I would hesitate, I say, to boast to them I was prepared to face the position. What we require to do is to face the position from the point of view of those who are going to be affected by this proposed determination, to face the position from the point of view of the thousands of people to whom this proposed reduction will mean a tremendous amount. While it will mean very little to those who have a competency to render them independent of small items such as that, when we come to face the position I think we have to take into consideration those on the basic wage or on no wage at all, rather than those who are getting sufficient money to enable them very easily and without fear of absolute want to face the position existing to-day.

Mr. Millington: Nearly all of them have to support members of the family out of work.

Mr. KENNEALLY: When I proceeded to deal with the remark of the hon. member who is prepared to face the position, but is not prepared to allow the wages he receives to be subject to an Arbitration Act determination, I was about to show that he did not state the position correctly when he said that on account of the false ideals of the workers' leaders, increased wages resulted in the prices of commodities increasing and that a further increase of wages then occurred

and so created a vicious circle. We view it from an entirely different point of view. If the hon. member carries his mind back to the war period he will realise that exactly the reverse was the position. It was not the increase of wages that sent prices up; it was the increase in the prices of commodities that made it necessary to seek increased wages. That is the reverse of the position stated by the Chief Secretary. When the war broke out, there was a scarcity of commodities.

The Minister for Railways: Supply and demand.

Mr. KENNEALLY: Possibly so. The prices of commodities increased rapidly, and workers had to seek increased wages, because the money they had to spend would not purchase anything like the same quantity they had been able to buy previously. During that period it was necessary to wait on the Government to get temporary relief for the workers pending the issue of arbitration awards to increase their wages. It took one organisation two years and three months to get a determination. All through that period the workers of that organisation suffered a systematic reduction of wages. They were in receipt of the same wage, but on account of the rapid increase in the price of commodities, the housewife could not make the money go anything like so far as it had gone previous to the war. In some instances it took two years and three months to overcome the difficulty. During that period the members of that and similar organisations were suffering a reduction of wages, but there was no cry on the part of the Employers' Federation for quarterly adjustments of the basic wage.

The Chief Secretary: There was not any basic wage.

Mr. KENNEALLY: That shows that the Chief Secretary is not as conversant as I thought he was with arbitration procedure, and I did not think he was very conversant with it. As a matter of fact, there was a basic wage.

The Chief Secretary: In what year?

Mr. KENNEALLY: Even though it remained in force for years at a time, and was created by each organisation that went to the court, there was a basic wage.

The Minister for Railways: That is exactly the same thing that the member for South Fremantle denied is operating under the Federal Arbitration Court.

Mr. KENNEALLY: No; that is what the Government propose under this Bill.

The Minister for Railways: That is the basic wage.

Mr. KENNEALLY: No; this Bill makes provision for an adjustment of the basic wage. The Minister knows that the Federal basic wage has been subject to a quarterly adjustment for many years past. An attempt was made to introduce it here some years ago, but it was found that it could not be introduced then. When the Chief Secretary says there was no basic wage at that time, he is saying that which he knows to be untrue.

The Chief Secretary: What rubbish!

Mr. KENNEALLY: It is rubbish that comes from the Chief Secretary. He should be an authority on rubbish, and I shall accept him as such.

The Minister for Railways: I would not if I were you.

Mr. SPEAKER: Let us confine ourselves to the Bill and not indulge in personalities.

Mr. KENNEALLY: There is no rubbish in the Bill and I am surprised at the Chief Secretary's introducing it.

The Minister for Railways: You are not entitled to say that his statement is untrue.

The Chief Secretary: Coming from him, it does not matter.

Mr. KENNEALLY: I am entitled to point out facts that are against him, and therefore his statements are not the truthful statements that should be made in this House.

Mr. H. W. Mann: You may say "incorrect," not "untruthful."

Mr. Angelo: He is enjoying himself.

Mr. KENNEALLY: During the years in question, it was the duty of advocates who went to the court to go through the same procedure and produce evidence of the cost of living, and the basic wage was declared as frequently as the court could determine the cases, but when the railways case came before the court, the business was held up. The Minister for Railways had something to do with the railways in those days and knows that that was the position. The basic wage would not be declared very often at that time, even though there was no limitation to the period. But we heard no anxious inquiries from the Employers' Federation to give more frequent determinations. When we waited on the present Premier at that time and asked for relief in order to give the railway men some semblance of jus-

tice, it was decided that the determination of the court, when given, should have retrospective effect. Why? Because of the length of time necessary to get the determination of the court and the fact that prices were on the upgrade. Did we get any anxious inquiries from the Employers' Federation then for quarterly determinations? No. Was there any offer by the Government of the day, who are practically the Government to-day, to make it quarterly? No. Why? Because by making the determination quarterly at that time, the workers would have benefited. By making it quarterly now the employers will benefit. That is the whole position in a nutshell.

The Minister for Works: Was not the basic wage altered in those years?

Mr. KENNEALLY: The wage of the workers was altered considerably in those years. Sometimes upwards, sometimes downwards. Mostly on account of the increased cost of commodities, it was upwards.

The Minister for Works: Since the Act stipulated 12 months?

Mr. KENNEALLY: If the Minister means to inquire whether there was any increase since the 12-monthly period was inaugurated, my reply is that there has been more than one, but the workers had to wait 12 months to get it. The Employers' Federation did not ask for a more frequent determination then. The longer the determination was delayed, the greater the amount of money that went into their pockets. Now that things have changed, the Government have rushed to the assistance of the Employers' Federation so that there will be more frequent determinations. No effort was made by the Employers' Federation to get more frequent determinations when prices were rising, but now when a fall is imminent, there is a desire on the part of the Employers' Federation, supported by the Government, to secure more rapid access to the court in order that a decrease might be made for the benefit of the employers. That is an unanswerable complaint that is levelled against the Government in respect to this measure. It is well to make clear from the workers' point of view the position regarding the prices of commodities and the proposed method of facing the position nobly. For a long time during the war the workers were engaged in the not too profitable occupation of chasing prices and never suc-

ceeded in catching them. Many people at that time developed antagonism towards arbitration because they pointed out it was possible to get redress much more quickly by direct action than by arbitration. Those of us who stood for arbitration had a very rough time because of the greater popularity of direct action and the greater results emanating from it. Prices were rising, work was plentiful, and the workers by direct action could secure a fair amount of relief. Consequently those who stood for arbitration were not too popular. Our sheet anchor, we claimed, was that while it took a long time to get an adjustment when prices were rising, when the turning point came and prices began to drop, it would take the employers an equally long time to get an alteration, and that would give the workers relief. Therefore, the adjustment period would occur when prices began to fall. And that would have taken place even in a modified form, because the law in the meantime had been altered to make declarations having a currency of 12 months. The adjustment would have been only partial even if the law had permitted the wage to remain as it was. However, the partial nature of the adjustment is too slow in giving relief to the employers, from the Government's point of view. Provision is made here for a period of three months in place of twelve. The contract made with the workers of this country—it cannot be regarded as other than a contract—was for a twelve-monthly declaration, which should run until the end of June next year. That is the contract entered into with the workers of Western Australia. Now the Government, who speak with bated breath if repudiation is mentioned, say to the workers, "We do not want interest tolls to be reduced, but we are in favour of repudiating our contract with you. Although we said we would observe the Arbitration Court's determination of £4 6s. to the 30th June next, we now come forward with a law to repudiate that contract." If the Government are prepared to set out on a policy of repudiation, they cannot take great exception if they find other people following the lead. The Government are giving a lead of which some notice will be taken by the people concerned. By their taxation proposals the Government have shown a desire to embark upon repudiation. This Bill is another evidence of their readiness to adopt repudiation. If, later, the people

upon whom repudiation is practised do a little in the way of the repudiating line themselves relatively to the Government, then Ministers will not be able to complain. The Government's attitude will bring its own reward in that respect. If a contract with the workers is to be regarded as a scrap of paper, the Government will have no just cause for complaint if the workers take a similar view.

The Minister for Railways: They do that now.

Mr. KENNEALLY: I doubt if they practise that system to anything like the extent the Government do.

The Minister for Railways: But the shearers went to the Arbitration Court for an award, and then repudiated it.

Mr. Panton: It was the employers who took the shearers to the court.

Mr. KENNEALLY: The Minister introduces the usual red herring.

Mr. Raphael: There is no flesh on it now, though.

Mr. KENNEALLY: That is because it has been trailed so frequently by members of the Government. If the Minister will admit that repudiation is in that Bill, and that he is supporting the measure on the ground that the shearers repudiated their undertaking, he is on very thin ice indeed. I do not admit his contention; but admitting for the sake of argument that some people did object to an Arbitration Court award, is that any reason why the Government, charged with the responsibility of doing the right thing by the whole of the people, should repudiate the undertaking which was given to the workers of the State? The Minister's interjection is too paltry for further notice. After all, the duty of the Government is to do justice to the whole of the people, and not to repudiate an undertaking given to any section of the community. This particular undertaking was entered into with the tacit assent of two sections of the community—the employers and the employees. Now the Government, at the behest of one section, introduce legislation which will repudiate the undertaking. Is there anything noble about such a proceeding, anything that should attract a Government elected to attend to the affairs of the whole community?

The Minister for Railways: My argument is that no Government ever existed but tried to repudiate something on those lines.

Mr. KENNEALLY: The present Government are engaged most of their time in repudiating something, and one wonders where they will wind up. Not only have they repudiated their promise to find work for the people, but here they are proposing to repudiate an undertaking and thereby further impoverish the people. In the one case they repudiate their promise to supply work, and in the other they say to the workers, "We have shut down every work we can in this country, and we are looking around for other works to close down if we possibly can; but in the meantime, as we cannot get at you quickly enough, we will alter the arbitration law so that the employers will be able to get at you."

Mr. H. W. Mann: You do not believe a word of what you say.

Mr. KENNEALLY: The hon. member interjecting will have an opportunity to speak to the electors of Perth in that strain.

Mr. H. W. Mann: Your argument does not satisfy yourself.

Mr. KENNEALLY: It would be a poor argument if it were not sufficient to satisfy the hon. member.

Mr. Raphael: He pitched a different tale to the unemployed.

Mr. KENNEALLY: Yes, and he is repudiating his undertaking to them in company with the Government he supports. Each member supporting the Government takes the responsibility, even by silently supporting them. The member for Perth (Mr. H. W. Mann) is good with his interjections, but he has had instructions not to speak on the Bill, and therefore we shall not hear him on it. But why does he try to make a speech by way of interjection?

The Minister for Railways: He did not have to go to Melbourne for instructions, though.

Mr. Angelo: The member for East Perth ought to be a playwright. He has such a wonderful imagination.

Mr. KENNEALLY: Imagination is not necessary on the part of the member for Gascoyne (Mr. Angelo).

Mr. Angelo: No, not at all.

Mr. KENNEALLY: If he were unemployed, or subject to the basic wage, he would not need imagination. He would then have the realities of the situation. We cannot expect members placed as that hon. member is to understand the position.

Mr. Raphael: He would have to tighten his belt, too.

Mr. KENNEALLY: Yes.

Mr. Angelo: I have had my basic wage reduced, you know; but I am no thinner.

Mr. KENNEALLY: We cannot expect from members who have not had to suffer privations an understanding of the position. That is why we have so much oratory from them as to facing the position. I dare say the member for Gascoyne and other members opposite are prepared to face it.

Mr. Angelo: It all depends on what the position is.

Mr. KENNEALLY: It does not matter much to some hon. members opposite what is the position of those on or near the breadline. In facing the position, hon. members opposite show not much gallantry, no great degree of courage, seeing that they are not affected by the basic wage.

Mr. Angelo: Do not be too sure about that!

Mr. KENNEALLY: It does not require much courage from hon. members not subject to Arbitration Court declarations and therefore not subject to the filing of wages to face the position. But the matter does call for some consideration from those whose wages will be affected by the proposed law, and also from the womenfolk, who will be called upon to make less money go a greater distance.

The Minister for Railways: That statement is not correct. If the lesser amount had to go a greater distance, it would go up or down.

Mr. KENNEALLY: I shall deal with that aspect presently. Whilst the basic wage will go up or down in accordance with rise or fall in the prices of commodities, there is a definite undertaking that the basic wage declared by the Arbitration Court shall operate until the 30th June next.

The Minister for Railways: You said we were asking the housewife to make a lesser sum of money go a greater distance.

Mr. KENNEALLY: I repeat that. If the law is altered and the court determines a lesser basic wage than £4 6s., the housewife now in receipt of £4 6s. will, between the time of the making of that declaration by the court and the end of June next, receive so much less money to maintain the household. Therefore, while the Minister

contends it is incorrect to say that the housewife will have to make less money go a longer distance, I maintain that the position is as I have stated. By every shilling the Arbitration Court determines the basic wage shall be reduced between now and the 30th June will the workers of this State be penalised for having put such a Government into power. The Arbitration Court have made a determination which should be observed to the 30th June.

The Minister for Works: You say the workers have been penalised since 1925 by the Legislative Council making the declaration twelve-monthly.

Mr. KENNEALLY: I am not surprised at the hon. member for South Fremantle (Mr. McCallum) saying the Minister for Works would be better occupied at Wyalcatchem.

The Minister for Works: We would not have you there.

Mr. KENNEALLY: The Minister says the workers have been penalised since 1925 in the Arbitration Court.

The Minister for Works: According to you they have.

Mr. KENNEALLY: The Minister went further. He said, "Had it not been for the action of the Legislative Council in making the declaration a twelve-monthly one." Let us analyse that statement. It is so seldom we get any information from hon. members opposite. They are not permitted to speak.

Mr. Angelo: You do not permit us.

Mr. KENNEALLY: It is so seldom we get information as to what is actuating the Government that it is well to try to analyse this point. The Minister for Works said that had it not been for the action of the Legislative Council, the workers would have suffered since 1925.

The Minister for Works: I said nothing of the kind.

Mr. KENNEALLY: The Minister can alter his statement if he likes, but that is what I understood. I still think that he has seen the error of his ways. If so, it is just as well. The hon. gentleman can have it his way. If the twelve-monthly declaration had not been inserted by the Legislative Council in the present Act, the position would have been that during the rise in prices there might have occurred a more frequent declaration of the basic wage, and had there been that more frequent declaration, seeing that

prices were on the increase, the rate would have been on a higher scale, and that would have meant more money in the pockets of the workers. Had the system of the three-monthly declaration been in operation from 1925 onwards, and had there been a proposal to alter it from a three-monthly to a twelve-monthly adjustment there would probably be some argument against that because the workers would have got the benefit of it. The law that has existed has meant a lot to the people of this country. We have been quoted in different directions as showing the way in industrial peace activities to the rest of the industrial community of the Commonwealth, and possibly of the world. In Western Australia we have had no serious industrial disturbances for a considerable number of years, and to some extent I claim that has been brought about by virtue of the fact that the undertakings arrived at between the workers and the employers have been observed in a better spirit here than anywhere else. Is that not worth something to the community? Is it worth while now, in order to fitch the few extra shillings the workers would have received between now and the end of June, to disturb the comparative good fellowship that has existed so long and has made peace in Western Australia possible? Once you disturb the relationship you are inviting trouble. The amendment should not be lightly undertaken even by a Government composed as that now in power. Industrial stability and continuity of operations has never been more necessary than at the present time. The Government are deliberately trying to perform something that is calculated to cause a breach of those understandings that for so long have operated in the interests of the community. I suggest to the Government that that aspect requires serious consideration. Some temporary advantage may be gained, but in the end there will be difficulties. After all, the comparatively small amounts that employers would gain as the result of the proposed action would be of little value to them compared with the consequences that might follow. When introducing the second reading, the Minister did me the honour to quote me on two or three occasions.

The Minister for Works: No, only once.

Mr. KENNEALLY: On two or three occasions. Perhaps the Minister had a sleep between each reference to myself. The

Minister said that the member for East Perth had declared that if the prices of commodities fell, that fact would reflect itself in the Arbitration Court 'determinations'. I did say that, and I congratulate the Minister on quoting me correctly. It may be unusual.

The Minister for Works: That is more than I can say for some members on your side.

Mr. KENNEALLY: He may have fluked quoting me correctly on this occasion. I repeat the words I said and which the Minister quoted. After all, the people of the community are not concerned so much about the actual money they receive; it is the purchasing power the money possesses over commodities that counts. What the Minister did not quote was that, acting on that idea, the Legislature of this country wisely determined that those reductions or increases in commodities should be reflected in the arbitration tribunal's determinations, and that they should operate for a specified period. The law makes provision by which, prior to the 15th June of each year, there shall be a determination made in regard to the basic wage, and that it shall operate as from the 1st July following. In declaring that the court takes into consideration any rise or fall that has occurred in the price of commodities. My objection to the measure is the inordinate rush to get the legislation altered so as to be able to affect the basic wage which should operate to the 30th June. That is where the Minister and this side of the House part company. The Minister admits the soundness of the argument that the alteration of the price of commodities will be reflected in the Arbitration Court determination, but he ignores the fact that there is already an Arbitration Court determination operating up to the 30th June next year. We have declared that their haste is due to their desire to obey the direction of the Employers' Federation. Let the Government make an alteration in the prices of commodities and let that be reflected in the Arbitration Court's determination earlier than the 30th June. The Minister says the present law does make provision for the court to determine that, but that the determination will not take place until after the end of June unless the law is altered. Obeying the dictates of the Employers' Federation is what the Gov-

ernment are now doing. I have a recollection of the Minister for Works' previous Leader in this House declaring that this House should direct the Arbitration Court.

Mr. Munsbrough. That is what this Bill does.

The Minister for Works: Nothing of the sort.

Mr. KENNEALLY: I am not surprised that the Government of which the Minister for Works happens to be a member has submitted this Bill, remembering that the Minister's ex-leader made a definite declaration in this House that Parliament should direct the Arbitration Court as to what it should do. The court has already determined that a certain rate shall operate until the 30th June next, and the Minister will admit that this Bill does go as near as it can to directing the court. If it does not, then I do not know what does. The Bill directs the court that it shall make at least one, if not two, declarations between now and the 30th June of next year. After all, the Minister for Works is only following the lead given to him by the ex-member for Kataning, and it seems to me that if that ex-member is not here in person, his voice is still here speaking through the present Government. The spade work has been well done by other people outside the House. We can scarcely pick up a newspaper without reading column after column indicating that wages should come down.

Mr. Angelo: But not in the "Worker."

Mr. KENNEALLY: The "Worker" has not come down to that level. The newspapers that are advocating this reduction are those which would be read chiefly by members opposite, and the member for Gascoyne included.

Mr. Angelo: I read them all.

Mr. KENNEALLY: They are preparing the way for legislation of this kind. Not only have they their own reporters doing this work, but the Eastern States dailies have embarked upon the idea of purchasing the support of different professors of the day and the "West Australian" is doing a little of that too. These professors write article after article for the morning papers giving their opinions as to how Australia's difficulties shall be met. Like most members opposite they all favour a reduction in wages to right the affairs of the Commonwealth. We have Professor Giblin and Professor

Copland writing articles in which they point out what should be done to balance Budgets, and the method by which they can be balanced, somewhat on the lines set forth in this Bill. One says a 5 per cent. reduction all round, and another a 10 per cent. reduction all round are necessary.

Mr. Angelo: In wages only?

Mr. KENNEALLY: In effect, it is not all round; it goes about as far all round as my friend's argument goes all round; not all round his person. In cross-examination, when it came to a question whether interest was to be included in the 5 or 10 per cent. all round, these gentlemen, like the hon. member, held up their hands in holy horror and said "It cannot apply to interest." These are the people who are preparing the ground. It would be interesting to know how much each of these learned professors receives for each article, whether they write them to assist their bleeding country, or whether they are adequately remunerated for the honour to the paper of having their names linked with the suggestion that these reductions must be made.

The Minister for Railways: And yet we boast of our free education.

Mr. KENNEALLY: Yes. If people are going to be educated in this way and our institutions are going to turn out professors of this kind, to overlord it with the workers, they should be curbed in the license they take.

The Chief Secretary: Do not educate them.

Mr. KENNEALLY: No doubt the Chief Secretary has been well educated, and I would expect him to see similar opportunities given to other people. Having used the intelligence of these professors to assist in creating the requisite atmosphere, the newspapers are now endeavouring, through the agency of the different Governments, the Government of this State included, to give effect to such legislation.

Mr. Angelo: Are not any of those Governments Labour?

Mr. KENNEALLY: No Labour Government would do such a thing. No Labour Government would listen to the mandate of the Employers' Federation and immediately carry out the behests of that organisation, as is the case with the Government of this State. No Labour Government would be found doing that type of work.

Mr. Angelo: If you were here you would be doing it.

Mr. KENNEALLY: I cannot see myself doing it. If the Government that I may be supporting comes down to the depths of obeying the behests of the Employers' Federation, as soon as the instructions are issued, I hope I shall be like the Minister for Railways and be able to find another seat.

Mr. Angelo: Stick to what you've got; it took you a long time to get here.

Mr. SPEAKER: Order! Will the hon. member resume his seat. Standing Order 114A provides that the Speaker, if he thinks there has been tedious repetition of the same argument over a lengthy period, may call the attention of the House to the fact. I do not desire, in my position as Speaker, to prevent any member from giving full rein to any thoughts that may enter his mind, but I must ask the hon. member to endeavour not to repeat himself or his arguments as many times as he has been doing. I would refer particularly to one phrase or sentence that he is constantly using, namely, "the Employers' Federation." I must ask the hon. member not to continue that form of repetition.

Mr. KENNEALLY: You, Mr. Speaker, have raised the point that I am using the one sentence time after time, namely, "the Employers' Federation." I would point out that this is not a sentence, for it contains only a couple of words. I deem it necessary to use that term frequently, because I desire to impress myself upon the House in a certain direction.

Mr. SPEAKER: Does the hon. member object to my statement that he is repeating himself?

Mr. KENNEALLY: I do.

Mr. SPEAKER: I still say that the hon. member is repeating himself, and I must ask him to refrain from doing so.

Mr. KENNEALLY: I shall bow to your decision, Mr. Speaker, but when I find it necessary to use the term "Employers' Federation" even the condemnation of the Speaker will not prevent my doing so.

Mr. SPEAKER: That is a definite threat against the Chair. I must ask the hon. member not to repeat it, or I shall be obliged to take steps to deal with him.

Mr. KENNEALLY: Only when I find it necessary.

Mr. SPEAKER: I must urge the hon. member not to do it again.

Mr. KENNEALLY: Mr. Speaker—

Mr. SPEAKER: Order! There is nothing to laugh at.

Mr. KENNEALLY: I wish to point out—

Mr. Panton: Is there anything in the Standing Orders to prevent me from smiling? You will have a man up for dumb insolence directly.

Mr. KENNEALLY: Even at the risk of repeating myself there are one or two matters I must point out. We see no particular endeavour on the part of the Government to tackle the question of interest charges, which are having a great effect upon the community and its activities. As soon as there is a decrease in the price of commodities, the Government rush in to amend the law, to allow the Employers' Federation to get the benefit of an application to the court. Before there was a fall in the price of commodities, there was no attempt to effect any alteration in the interest charges. A man may have invested £100 six or seven years ago at 6 per cent., and have been drawing £6 a year ever since. By reason of the fall in the price of commodities he is able to buy a greater quantity of these commodities with his £6 than he could possibly do before. The Government, however, do not say, "You were getting 6 per cent. at a time when the price of commodities was high; now that it is low and your money has a bigger purchasing power, you must take less interest." There is no undue number of casualties in any rush that has been made by the Government to deal with that question, but the rush occurs when the endeavour is made to affect the wages of the worker.

The Attorney General: There are about the same number of casualties as there were in the rush to raise the rate of interest when the price of commodities went up.

Mr. KENNEALLY: The interjection is not apropos. When the increases occurred the rate of interest rose abnormally.

The Attorney General: Not through any interference by the Government.

Mr. KENNEALLY: If we were paying the same rate of interest to-day on the indebtedness of the Commonwealth as we were paying in 1912 and 1913, we would have between 16 millions and 17 millions less to pay.

The Premier: No fear!

Mr. KENNEALLY: I defy contradiction of that statement.

The Premier: I do contradict you.

The Attorney General: No Government, except the Soviet Government, have attempted to interfere with a duly made contract fixing the rate of interest.

Mr. KENNEALLY: It has remained for this Government to interfere with the duly made contract to pay the same rate of wages until June of next year. The basic wage would normally operate until June. The Government now say to the Arbitration Court, "Here is a new method by which a declaration can be made so that the undertaking given to the workers that a certain basic wage shall operate until June need not be carried into effect.

The Attorney General: On that argument every industrial law is immutable, and cannot be altered.

Mr. KENNEALLY: The Government have shown no great desire to give attention to other laws. I hope they will not proceed with this Bill. It is surely worth striving for that we should maintain the present relationship between the workers and the employers. The Government are rushing in where angels would fear to tread. Any breach of this relationship will mean that if a small amount of money is saved by the proposed legislation an infinite amount of harm will be done. That aspect of the case is worthy of consideration. I speak as one who has been closely associated with the industrial development of this country. There are members on the Government side of the House who have also had much experience in these matters, and they must know that once faith is broken with the workers the latter will not again trust those who break a covenant. I do not care what the Attorney General meant when he said that laws were not immutable; the fact remains that there was a covenant in the form of a contract embodied in the declaration that wages then fixed should apply to the 30th June. I ask that that contract shall be observed, and that the Government will not make themselves a party to what the Employers' Federation urge them to do. I hope the Bill will not reach the Committee stage, but if it does, various amendments will be necessary to make the best of a bad deal and to alter the measure to make it less objectionable to those we represent.

HON. W. D. JOHNSON (Guildford-Midland) [9.3]: I am sorry that we have to wait for you, Mr. Speaker, to state the question each time. It is not done wilfully, but you will realise that it is customary to hear two voices in Parliament—one from each side of the House. Naturally we would not expect to have the monopoly of the discussion of such a measure. The Bill is not limited in its scope. It is wide in its application, and will affect all parts of the State. Workers throughout Western Australia will be subject to the amended law. In those circumstances, it should be expected that some members on the Government side of the House would display some little consideration for the workers, and some appreciation of the attack that is being made upon their standard of living. The attack is absolutely unfair because it is so much in conflict with conditions that prevailed when prices were soaring, as has been emphasised by the member for East Perth (Mr. Kenneally).

The Premier: Was that under the Arbitration Act of to-day?

Hon. W. D. JOHNSON: The attack is also unfair because the conditions to-day are not being reviewed in the manner promised at the last general elections.

The Minister for Lands: The whole position has changed.

Hon. W. D. JOHNSON: Of course, the Minister would say the whole position has changed!

The Minister for Lands: Every day it is changing for the worse.

Mr. Withers: And it will change to your sorrow, too.

Hon. W. D. JOHNSON: It is true that conditions to-day are not quite what they were when the general elections were held, but it cannot be said that the changed conditions have affected only the workers.

The Minister for Lands: They have affected the primary producers too.

Hon. W. D. JOHNSON: Are there not others whose position has been affected also? When the Minister moved the second reading of the Bill, he quoted some remarks I made during a former discussion, in the course of which I said that we would welcome a reduction in wages, provided it was associated with a reduction in the cost of living.

The Minister for Lands: That is what we say, too.

Hon. W. D. JOHNSON: We still stand to that point of view. It is a principle enunciated by the Labour Party.

The Premier: That is all that is intended.

Hon. W. D. JOHNSON: We believe in a relationship between wages and the cost of living.

The Minister for Lands: That is what we want.

Mr. Angelo: You had better come over here!

Hon. W. D. JOHNSON: To demonstrate our sincerity on that point, notice of motion was given recently for the appointment of a select committee to investigate the cost of living and the prices of commodities as between the producer and the consumer. That motion was agreed to, and the select committee is now functioning. The committee was appointed with a view to ascertaining whether the community could be protected from the cost of living point of view.

Mr. Angelo: Do you mean to say we had to have a select committee to investigate the cost of living to be assured that the cost of living has gone down?

Hon. W. D. JOHNSON: I do not say that.

Mr. Angelo: Good Lord! Everyone knows it has gone down.

Hon. W. D. JOHNSON: I quote that as evidence of the sincerity of members on the Opposition side of the House—

Mr. Angelo: To delay matters.

Hon. W. D. JOHNSON: —to consider that particular phase, before any legislation was attempted on rush methods. Had the Minister waited until the report of the select committee had been received and had the Government taken notice of that report, and adopted means by which the consumers and the producers could be protected from the exploitation of others with regard to the necessities of life, the position might have been different. The Government could have considered whether the report of the committee justified a review of the basic wage. Nothing of that sort has been done.

The Minister for Lands: We have had no opportunity. The committee has not reported yet.

Hon. W. D. JOHNSON: Instead of awaiting the report, the Government have rushed forward the Bill now under discussion, with a view to achieving a review of the basic wage.

The Attorney General: What has the work of the select committee to do with the Bill?

Hon. W. D. JOHNSON: The two matters are closely associated.

The Attorney General: What conceivable connection is there between the two matters?

Hon. W. D. JOHNSON: At the outset of my remarks, I mentioned that the Minister had quoted certain observations of mine. For the information of the Minister and of hon. members generally, I am pointing out that exactly what I then indicated, has been given effect to to-day. That is seen in the appointment of the select committee to inquire into the cost of living. Instead of the Minister awaiting the completion of the investigation by that Committee, he has rushed forward a Bill to penalise the workers without any foundation or justification for the measure at all. I am aware that the Minister quoted some figures. As the member for South Fremantle (Mr. McCallum) stated, it is a matter for investigation, not so much of figures for the determination of the basic wage to be paid to the workers. I oppose the second reading of the Bill because it is distinctly unfair. Like other hon. members, I can speak with some knowledge of the position of workers when prices were rising. I was associated with the Superphosphate Workers' Union and prepared a claim on their behalf. I had to wait a considerable time for an opportunity to get before the court to obtain an increase in the basic wage. That position had already been rectified by the court under other awards. So impatient did the workers in that industry become that a cessation of operations was threatened. The Government of the day appointed a special commissioner to go into the matter to protect the workers, who ultimately did receive an increased basic wage. Let hon. members consider their position. That union was about the last to have their wages reviewed. That was during the last month or two. Now it is proposed that the members of that body shall be penalised again.

The Attorney General: Why?

Hon. W. D. JOHNSON: They were denied their increase earlier, and now the Government have introduced a Bill to review the basic wage, although that union but recently secured a decision from the court, and this will give the employers in that industry another opportunity to deal with the workers.

The Attorney General: Those workers received an increase because of the peculiar nature of their work, and it had nothing to do with the basic wage.

Hon. W. D. JOHNSON: It is true that they received an increase in wages because of the unhealthy nature of their calling, but the fact remains that wages are determined on the basic wage fixed by the Arbitration Court. In this instance, the court will be asked to again review the basic wage before the time for which the wage was fixed in the industry, has expired. The position of that particular union is a striking illustration of the unfairness of the Bill. The workers in that industry were denied any increase when prices were soaring, and now that prices are dropping, that which they have is to be taken away from them, to a certain extent. That is the injustice of it.

The Attorney General: What increases were denied to that union?

Hon. W. D. JOHNSON: They were denied the increases that they should have enjoyed because of the delay in approaching the court, and now they are not to enjoy the increases they were awarded.

The Attorney General: The workers in that industry must have got the basic wage, just as with other unions.

Hon. W. D. JOHNSON: At the time I speak of, there was no basic wage in existence, such as we know it now. In those days the basic wage was declared as each union went before the court. The Minister knows there was no general basic wage fixed in those days. That wage was fixed only after legislation had been passed in this House, and the Minister took part in the debate on that measure.

The Attorney General: That was five years ago.

Hon. W. D. JOHNSON: Quite so. I am speaking of the period when the workers generally were penalised because the high cost of living was out of all proportion to the then existing basic rate of wages. Unions that desired to go before the court then to secure protection against the rising cost of living were denied that opportunity. The illustration I have quoted of the effect of that decision was not unique. Plenty of other unions were in the same position. The striking feature of the position at the present time is that some unions will be penalised under the provisions of the Bill because the reduction in the basic wage will

be expedited, whereas they were penalised by being denied increases when increased prices were evident. There is another phase of the matter regarding the Government and the association of the Country Party with them. I look upon the present situation, from an industrial point of view, as very grave indeed. It is true that the Employers' Federation would welcome a Bill of this description, and no doubt that organisation would use whatever influence they could to obtain the passage of such a Bill. At the same time, the Employers' Federation is associated, and has responsibility in connection with, the industries of the State; it is interested in the general progress of the State from an industrial point of view. Representatives of that body meet delegates from unions at regular intervals to discuss matters of mutual concern in connection with industries. We have had numerous instances of the Employers' Federation arriving at understandings with the unions. To my mind, however, the driving force behind this legislation is a more dangerous organisation than the Employers' Federation. I refer to the executive of the Primary Producers' Association.

The Minister for Lands: Last Saturday you said they were no good.

Hon. W. D. JOHNSON: I said it was a most striking illustration of their desire to penalise the worker. The executive of that organisation possesses no soul for humanity, and the Minister added to that position in a most disgraceful way. In order to get some consideration for his point of view, he appealed to the farmers and asked them whether they did not want the Arbitration Act abolished and the Workers' Compensation Act dealt with.

The Minister for Lands: That statement is not true; I asked a question.

Hon. W. D. JOHNSON: It was a leading question to convey to that gathering that, unless they devoted some attention to the Workers' Compensation Act—

The Minister for Lands: I never suggested anything of the sort.

Hon. W. D. JOHNSON: Well, what did the hon. member mean?

The Minister for Lands interjected.

Hon. W. D. JOHNSON: The Minister can hit me as hard as he likes, for my attitude is absolutely consistent. While I admit that this organisation have a very strong political pull, out of all proportion to their influence

in the country, it must be recognised they are a danger from this point of view, that they have no responsibility. They are an irresponsible political body. It is true that their executive are associated with strong financial interests, and it is true—

The Minister for Lands: As a wheat-grower, you know all about it.

Hon. W. D. JOHNSON: The Minister would say they are connected with the wheat-growers. The wheatgrower is a person totally different from members of the executive of the Primary Producers' Association. The interests of the executive of that association are purely city interests. The executive meet in the city, their environment is city, and their interests are largely city, with the result that the organisation to-day have the strength to use Governments. In the past that organisation did not count, were not of any great concern to the community because they were a third party organisation, and whilst they tried to shape legislation, their power in that regard was very strictly limited. They were not a potential danger while they were the third political party, but to-day they are the Government, or at all events the influence behind the throne. They meet regularly and they exercise considerable influence on the joint caucus meetings that are so greatly in evidence at the present time. It is not the Employers' Federation that is the driving force in those caucus meetings.

The Minister for Lands: Then that is where you and the member for East Perth disagree.

Hon. W. D. JOHNSON: We do not disagree. The member for East Perth has spoken of the influence of the Employers' Federation, while I am pointing out the existence of another influence. It would be foolish for me to assert that the Employers' Federation are not behind the Bill, that they have not used their influence to get the Bill.

The Attorney General: Why not discuss the Bill, instead of the influences alleged to be behind it?

Hon. W. D. JOHNSON: The influence of the Employers' Federation in these matters can be understood, because that body admit responsibility and accept responsibility in respect of industry. That organisation must be tolerated because, after all, they have a definite job to perform. But when we get another organisation totally

irresponsible, with nothing else but financial interests dictating and calling the tune in regard to industrial legislation—

Mr. Corboy: Which organisation is that?

Hon. W. D. JOHNSON: The executive of the Primary Producers' Association. When they are seen using their influence in industrial concerns of which they have had no experience, it is time the country should realise what is going on. I want the Premier to wake up to the fact that it is not the Nationalist Party which is actually in possession of the Treasury benches. I do not know whether he has wakened up to that yet, for he is one of those easy-going, quiet persons who take people at their face value, and so he does not realise where the driving force is actually situated. I want the House and the country to realise it is not a question of those constituencies where there is responsibility in respect of industrial matters. Take the viewpoint of the member for Maylands. He has never asserted that he would interfere with the Arbitration Court or the basic wage. He had more sense than to associate himself with any Bill of this description during the election.

Mr. Corboy: He would not do it after an election, either.

Hon. W. D. JOHNSON: Of course he would not. But the executive of the Primary Producers' Association can be working all the time, because they are utterly irresponsible. The member for Maylands has some sense of responsibility. He is associated with a constituency that is really concerned with the industrial situation and the progress of industry.

Mr. Corboy: But he was once associated with the Primary Producers' Association.

Hon. W. D. JOHNSON: I suppose he saw there was a danger in being associated with them. I am only sorry he did not get quite clear of them. To-day unfortunately he is being forced along by an association towards which he himself is not too kindly disposed.

Hon. P. Collier: He was a member of it once.

Hon. W. D. JOHNSON: We have all been members of bodies from which we have subsequently resigned. The only thing is that when we resigned from those bodies we got clean away, whereas because of the alliance which has now taken place, the

member for Maylands is hurled into it again, although he does not want to be associated with it at all. He has not forced himself upon those from whom he resigned; rather have they forced themselves upon him, with the result that the position is serious from his point of view. However, I think we can well leave the Maylands constituency to the hon. member, and the hon. member to explain to his constituency. I again emphasise the fact that we have working behind the Government of the country an influence which is entirely irresponsible. The people, particularly the workers, require to appreciate that fact. As one associated with the primary industries of the State, and realising the part played by the workers in developing and maintaining industry, I want to say I am opposed to the Bill, which is a distinctly unfair measure causing the workers to have the basic wage reviewed at a period other than was originally prescribed when the Act was passed. It was laid down that the review should not be made until June next, which, after all, is only a short period. Why expedite it? And why take up the time of Parliament in discussing it?

The Premier: Why have a select committee on the cost of living?

Hon. W. D. JOHNSON: That select committee is still investigating. Why not wait until the committee report, and let us profit by their investigation? They are getting expert assistance in arriving at the cost of living, and as to whether there are combinations operating to the detriment of the consumers, the producers, and the State generally. Why not wait until the committee conclude their labours? What is the use of appointing a committee of investigation and then saying, "We are not going to wait until you conclude your task; we are going to do something that will interfere with the standard of living, regardless of whether it is justified." I do not know what progress the committee have made, but I do know they have been assiduously applying themselves to their task. The House could well wait for their report before passing such legislation as this. I protest against this legislation, which is distinctly unfair. The Premier knows perfectly that it is unfair because, when at the last election he was told he would do something of this kind, he repudiated the idea and scorned the imputation that he would be responsible for attacking wages. If

anybody had suggested that the Premier was going to alter the period of the court's investigations into the basic wage, that would have been worse even than the other suggestion that he was going to take away the privileges of the workers, which he declared he would not interfere with.

The Premier: You are manufacturing now.

Hon. W. D. JOHNSON: No, the Premier was very definite regarding his policy as applied to the industrial population. Unquestionably he was very much annoyed when it was suggested that if returned he would reduce wages or interfere with the standard of living. Those that made that charge at the elections realised that, after all, the Premier could not form a Government without association with the primary producers. We knew the attitude of the executive of that party, and that they would have a strong political pull; and while the Premier may have had fixed opinions regarding what should be done, there were in the community those who realised that if Sir James Mitchell got a certain number of followers and the other party got sufficient members there would be a coalition Government and the tune would be called, not by the Premier but by the association domiciled in St. George's Terrace. Many of us anticipated something of this kind, but we did not think the Premier would succumb to it so soon. We thought he would show some sense of responsibility; that he would show that he had been elected on a totally different basis. We thought the Premier and the member for Maylands, and the member for Nedlands and the member for South Perth, and the member of North-East Fremantle, members all directly associated with the policy propounded by the Premier, and who maintained at the elections that there was going to be no interference with the industrial standard—we did think they would show some resistance to that driving force I have referred to. Of course, we did not expect it from the member for York, because he was part and parcel of the Primary Producers' Association and ready to fall into line with their desires. But he is now pushing along others who, if they persist in the way they are going, will have serious difficulty in maintaining their connection with their constituencies when those constituencies get a

chance to express an opinion. Bills of this description are very dangerous.

The Minister for Lands: And very unpleasant to us.

Hon. W. D. JOHNSON: I do not think so. I heard the hon. member's speech the other day. I did not think it possible for him to be so inhumane.

The Minister for Lands: And I heard you the other day.

Member: He was playing to the gallery.

Hon. W. D. JOHNSON: I care not what certain members may think. I went there with the definite purpose of helping the wheatgrowers. I succeeded in doing that. While there I heard the Minister, and he made a speech that surprised me.

The Minister for Lands: And I was surprised at your speech.

Hon. W. D. JOHNSON: The only difference is that I am rather proud of what I did, while I think the hon. member is a bit ashamed of what he did.

The Minister for Lands: I am not.

Hon. W. D. JOHNSON: The hon. member had to get up and make special reference to the repeal of the Workers' Compensation Act and the amendment of the Arbitration Act.

The Minister for Lands: I asked the question; that is all.

Hon. W. D. JOHNSON: Why did the hon. member ask that question? It is very significant that at that conference on Friday there was a definite proposal from the executive of the Primary Producers' Association for the repeal of the Arbitration Act. It was on the notice paper, but it was not put to the meeting.

The Minister for Lands: I did not know of it.

Hon. W. D. JOHNSON: It was on the agenda paper, but was not put to the meeting. It was a clear indication that the wheatgrowers were not sympathetic, and the executive evidently thought it dangerous to submit the question to the wheatgrowers, who took a humane view of the circumstances rather than try to penalise one section of industry in order that someone else might get a little out of it. I oppose the Bill. I regret that the Government have introduced it. It is so in conflict with their election promises and such a violation of their pledges that it is distinctly unfair to pro-

ceed with it, and I hope they will not pursue it.

MR. RAPHAEL (Victoria Park) [9.31]: I rise to record my opposition to the Bill. It is a violation of the pledges made by members opposite to the electors of this State, including the electors of my district. During the campaign the Premier, with some of his supporters, visited Victoria Park and promised that no legislation would be submitted to penalise the workers. On that occasion the Premier got back to the old cry of "Work for all." Well, the Government have a hard task in finding work for all, and we are sure they will still have the task on their hands at the end of their term of office. The Government by this Bill will penalise those workers who are lucky enough to have some employment that is bringing them in a little remuneration. Some families are considered lucky to have one breadwinner in work, and yet that breadwinner is to have his remuneration reduced as a result of this measure. In practically every home there is not more than one person in work. Yet the Government propose to reduce the small amount of money going into the home below the sum granted as sustenance to the unemployed. Such action is incomprehensible. In many homes there are eight and even 10 children.

The Premier: Up to 10 children!

Mr. RAPHAEL: The Government asked for migrants and the best migrants have been given them. How can such a family afford to pay 25s. a week rent? The people will suffer because of their stupidity in heeding the pre-election promises of members opposite, who are opposed to the workers. The workers have to go before the Arbitration Court and state how many pairs of stockings they wear each week, the cost of those stockings and of other commodities they need. Are the capitalistic class called before the court to give evidence of what they spend and do? Sometime ago a former member returned from a trip abroad. I refer to the then member for Katanning (Mr. Thomson), whose electors showed what they thought of him at the subsequent election. When he returned from India and Africa, he told us of the labour conditions there, and advocated the importation of such labour.

The Minister for Lands: That is not right.

Mr. RAPHAEL: He did.

The Minister for Lands: He did not.

Mr. RAPHAEL: He told us how wonderful were the conditions in Africa, and how the natives worked long hours for a small wage. Then he referred to India where the natives worked for longer hours and shorter pay and he was prepared to advocate similar labour for Australia.

The Minister for Lands: He was not.

Mr. RAPHAEL: The capitalistic class of the world are in opposition to the workers. That is indicated by the recent loan to India. The cotton industry is being transferred from England to India because of the cheaper labour available there. The capitalists throughout the world wish to reduce the conditions of the workers. It is a bigger war than that fought in 1914-18. On this occasion the capitalists have come out in their true colours and have shown that this is a war of capitalism versus labour. The Press of this State advocate the proposal contained in the Bill, and members opposite who are bound to do what the capitalistic Press tell them are to prepare to reduce the workers' wages and penalise them in every direction. That is simply because the gentlemen in the Press gallery advocate it.

Mr. Lamond: They do not reduce the price of their paper.

Mr. RAPHAEL: No; and it would be dear at a halfpenny. All we get from the paper is an advocacy of reduction and a boosting of the Mitchell Government. Previous speakers have referred to the workers' wages chasing the rising cost of commodities in former years without overtaking it. Now the Government are coming to the assistance of the Chamber of Commerce in order to bring about a reduction of wages. Their cry is that the cost of living has decreased in the last month and that the workers' wages must come down immediately. The worker is not to be permitted to enjoy for nine months what he had to wait 12 months to obtain; the reduction must be made immediately. The workers are suffering for the mistake they made at the last elections, and I can only hope they will not repeat the mistake. Since the present Government took office the number of men out of work has increased by thousands. If those in employment are to have their spending power cut down, the unemployed trouble in this State will be increased. The Government are making no provision

for men out of work. All they are intent upon is to balance the Budget, notwithstanding that they are £999,000 overdrawn for the first five months of the current financial year. The reduction of the basic wage is another move towards balancing the Budget. Regarding repudiation, I have had many debts repudiated in my line of business.

The Minister for Lands: What line of business are you in?

Mr. RAPHAEL: If the Government are prepared to repudiate their election promises, and the conditions granted to the workers, they should be prepared to repudiate a small amount of the debt owing and enable the unemployed to get work. Until the Governments of Australia are prepared to do that, we shall have hundreds of thousands of men walking the streets homeless. The other day I read an interesting piece of news in an American paper. It was headed "Idle Capital and Idle Labour."

The Minister for Railways: Was it a capitalistic paper?

Mr. RAPHAEL: No, it was in the "Worker."

The Minister for Railways: You said it was an American paper. You could not be certain that the "Worker" quoted it correctly.

Mr. RAPHAEL: Millions of money are tied up by a small group of capitalists, and they are not prepared to invest it in any way until they can get a return of 10 to 20 per cent. through the labour of the workers. The Government, by bringing down this Bill, are backing up such gentlemen, and are prepared to hound the workers down to the lowest level so that the capitalists may get their 10 or 20 per cent. on their investments. The member for East Perth remarked that money has now to go further than it did previously. What have the Government done to bring down rents and interest? I do not know of five houses owned by moneyed men of Victoria Park the rents of which have been reduced. The basic wage is £4s. 6d., and workers have to pay up to 25s. a week for rent, which leaves them £3 1s. Could members opposite feed and clothe a family on £3 1s. a week? They would spend more than that in small pleasures in their homes, and I guarantee that when they meet some of their constituents they would spend more than that in a week. Yet they have the audacity to claim that

the basic wage should be altered from £4 6s. to £3 15s. per week. Industrial peace was maintained when the Labour Party were in power, but it will be disturbed if this Bill be passed. A sum of £4 6s. a week is little enough for any man out of which to pay rent and fares and feed and clothe the family. If the basic wage is reduced, we shall have strikes to accentuate the present difficulties. To-day there was witnessed the spectacle of 20 men being arrested in Perth. That is only a forerunner of the trouble that the Government are building up for themselves. I favour law and order, but if the industrial conditions are attacked, no man will be doing his duty to his family if he does not fight to retain those conditions, in order that those dependent upon him may be able to live as they ought to do. The Minister for Lands asked a question of the large gathering of the new union the other day. I refer to the union that holds a record for strikes. It was formed only one week, and the strike occurred in that week. The Minister for Lands is one of the leaders of that union. I refer to the Wheatgrowers' Union. The hon. member in his usual genial way drew the attention of the meeting from that aspect to the Workers' Compensation Act and the Arbitration Court. If those matters were to be brought up at all, the union should in fairness have been given the opportunity to vote one way or the other on them. That opportunity was not given. Those at the meeting were asked, "Are you in favour of the abolition of the Arbitration Court and the repeal of the Workers' Compensation Act?" The opinion of those who called "Yes" was accepted. Those who were not in favour of tearing up industrial conditions in Western Australia were not afforded an opportunity to express their views. Many of the members attending the meeting are indignant at the way in which the vote was taken. I appeal to the Minister for Works to reconsider the advisableness of preserving industrial peace in this country. I ask him to bear in mind that in most workers' homes there is only one man working. If we bring the workers down to the position of coolies, we must expect coolie conditions in Western Australia.

The Premier: You have no right to say that.

Mr. RAPHAEL: If only for the sake of industrial peace, the Premier should try to give the workers of Western Australia that

for which the Labour Party have fought during many years. In the course of the election campaign Mr. Kenneally told the electors of Victoria Park that in the event of the Nationalists coming into power, he would rather not return to this Chamber than see the abolition of long-service leave, workers' compensation, and other conditions. His prophecies have proved correct in every respect. The Government have penalised the workers and taken away the good conditions. I am in direct opposition to the Bill, realising that industrial trouble must arise from its passing. If the measure becomes law, the industrial peace of this country will be sadly disturbed.

MR. MILLINGTON (Mt. Hawthorn) [9.48]: I am one of those who desire to treat the Government generously in respect of the promises they made. There were certain promises which I discounted 50 per cent. straightaway, and later discounted 100 per cent. Especially when the Premier looks so serious and tells us that with all the goodwill in the world he cannot keep his promises, I realise that some of them were impossible of performance. I fancy the Premier knows that now. However, the hon. gentleman made certain promises which could easily be kept. I suggest that here is a case where he can strike a decent balance, although unable to fulfil promises requiring finance.

The Premier: You said the finances were in absolutely perfect order.

Mr. MILLINGTON: Now the Premier is starting another argument. I do not remember that statement being made by anyone on this side of the House. In fact, the present Leader of the Opposition warned the country as to the desperate nature of financial prospects even at that time; and the present Premier was quite in accord with him. Apart from the former Treasurer, I do not think anyone had a better grip of the financial prospects than the present Premier had. There are, nevertheless, promises made by the Premier which can conveniently be kept. I would not ask him to keep inconvenient promises. I took certain promises seriously. One was that the industrial conditions of the workers, as prescribed by the Arbitration Court, would not be interfered with. The workers have said, "Whatever you may say about the present Pre-

mier, he cannot get round the Arbitration Act."

The Premier: What are you talking about?

Mr. MILLINGTON: I am talking about the Premier's promise that existing industrial conditions would not be interfered with.

The Premier: I did not make such a promise.

Mr. Munsie: Yes, you did, in the Leeder-ville town hall. I heard you myself.

Mr. MILLINGTON: I can produce documentary evidence that the Premier actually made that promise. Unfortunately the workers believed him. I remember that Mr. Panton used to say, "Sir James Mitchell is a very honourable old gentleman, and I do not think for one moment that he would of his own free will interfere with industrial conditions; but he is mixed up with the Country Party, and you will find that they will force his hand, putting him in the position of having to devise ways and means to interfere with existing conditions." I was just wondering what would be the attitude of the Government if the position were reversed. The Minister for Works is always straightforward. He has embarked on a wage-cutting campaign. He is going to replace the Arbitration Court with a most capable official, Mr. Bennett, the Government Statistician. Mr. Bennett is now to fix rates of wages. Automatically, on Mr. Bennett's figures, the Arbitration Court will be compelled to act. It seems to me we shall not now require the Arbitration Court. Henceforth there is no need for inquiry. Despite the highly diverse conditions of industry in Western Australia, wage-fixing now becomes an automatic affair. On certain figures collected, figures to be accepted without proper examination, wages are to go down. I shall put a proposition to the Minister for Works, because I am sure he will give me a straightforward answer. If prices had risen rapidly, as they did during various periods of our history, and if there had been a sudden increase in the cost of living, would he have been in such a desperate hurry to introduce legislation giving the workers the advantage?

Mr. Kenneally: Not much!

Mr. MILLINGTON: The Minister for Works, being a thoroughly honourable man, remains silent.

The Minister for Works: I spoke of abnormal conditions.

Mr. MILLINGTON: And I speak of abnormal conditions which existed in times past. May I tell the Minister for Works that I have had experience of rapid rises in the cost of living, abnormal rises?

The Premier: When was that?

Mr. MILLINGTON: During the war and after the war. In those days it was impossible to approach the court. With the Employers' Federation we have often had differences, but that body has been known to listen to reason. Because of the rapid increase in prices, the Employers' Federation were convinced that there had to be adjustment of wages; otherwise industry simply could not be carried on. In one case, where there was no prospect of getting before the court, the parties mutually agreed to increase wages by 3s. per day—18s. per week. I do not remember that we received any assistance from the Government in expediting the Arbitration Court. This Bill seems to me a piece of wage-reduction machinery. As I said the other evening, the Government have taken upon themselves the functions of the Arbitration Court and knowingly and designedly have reduced the wages of civil servants. For the time being the Government appear to have exhausted their taxation campaign. Having taxed the people of the State with all possible ingenuity, they now turn to reduction of wages. I should think the Government would have been warned. What has been responsible for the economic position in this State? The Premier should know, and particularly the Minister for Works should know the reason. The whole thing has been caused by reduction. Because the wages of the primary producer have been reduced we are all in trouble. The Government say, "Since the income of a section of the community has been reduced with this disastrous effect, we will extend the disaster and ruin every person we can by legal means; and if we have no legal means of doing so, we will invent them." Therefore the Government proposed an amendment of the present satisfactory Arbitration Act. They did this despite all the promises which were made, despite a promise which could have been and should have been kept. Here we have an ingenious device for not only reducing wages, but for doing it rapidly and by a most unsatisfactory process. Why go to all the expense of setting up Arbitration Courts and paying due

regard to the personnel of those courts? I have in mind, too, the very elaborate cases which have been presented to the Arbitration Courts. Is there anything more important than the fixation of wages, not only in this State but throughout Australia? It is an enormous business. Now, instead of being treated as seriously important, the matter is to be handed over to the State Statistician. The Commonwealth Statistician does not enter into this; the State Statistician is the man who is to usurp the functions of the Arbitration Court.

The Minister for Works: Do you want the Commonwealth Statistician brought in?

Mr. MILLINGTON: I think it might be just as well. If we had the two statisticians arguing a bit, we would have a hope. I do not know that in the past the evidence given to the Arbitration Court has been based entirely on such figures as were collected by the State Statistician. Some matters of great importance are not dealt with by that official. Figures will not show completely the position and the alterations. It is most unfair to place such a responsibility on the shoulders of the State Statistician. There is the utmost difficulty in getting the truth about prices throughout the country. That may be a comparatively easy matter in the metropolitan area. We all are aware of the enormous area to be covered, and the difficulties which present themselves to the statistician with the machinery available, to get a true record of prices. Just as one might think the position is static, he finds that there is an alteration here and an alteration there through causes over which there is no control and which are difficult to account for. I have been going into the question lately and I know that the inquiry has revealed anomalous positions, and whilst in some cases prices are satisfactory, they are most unsatisfactory in others. Although some people pin their faith to a reduction of wages, I ask whether that was the position when primary products fell in prices. We have a calamitous position in respect of primary products. Do we find that restricted to the necessities of life, to the commodities manufactured from those primary products? It is not borne out by the inquiry. Take wheat. Someone told me that wages should be fixed on the price of wheat, but I tell members that would be an unfair measurement. People do not live on wheat. Rather

should we say you will fix prices on the cost of the loaf.

Hon. P. Collier: The price of the loaf should have some relation to the price of wheat.

Mr. MILLINGTON: If the Government succeed in reducing wages they will find there will be that much less money in circulation and industry will receive very little benefit. On the other hand, the decreased amount in circulation will have a disastrous effect on the community generally. After this mischief has been done, we will find ourselves in the position of being responsible for reducing wages and we will find also that it is one of those experiments that do not turn out as we expect. I got some information in writing recently from the Secretary of the Master Bakers' Association in Melbourne, a gentleman who was here investigating the cost of bread in this State. There we have an investigation into the price of bread carried on by a Victorian Commission lasting six months, and here we are rushed into an investigation into the cost of the necessities of life generally and are expected to complete it in a fortnight. I said to him, "Why is bread as high as it is?" His reply was that wages were too high. I said, "Suppose the wages of the bakers were reduced by £1 a week, how much would that affect the price of a loaf?" His reply was, "Not quite a farthing." He added that the bakers' wage would have to be reduced by 27s. 6d. before the reduction would make a difference of a farthing in the loaf, and then the difficulty would be that the community would not get the benefit of the farthing because the farthing does not exist commercially. It will be found that that will be the position as far as some of these wage cuts are concerned. They will not have the effect people believe because there are so many factors entering into them. Industry has got completely beyond our control. The farmer has his wage reduced to nothing. I honestly believe you could pay the farmer for his wheat for local consumption up to 4s. and the loaf could still be sold for 5d. Who is getting the benefit?

Mr. Angelo: You know that bread is being sold in big lots at 2½d.

Mr. MILLINGTON: Yes, but the householder does not take big lots. The fact remains that although wheat is right down in price, I have not seen the low price reflected

in the loaf. These things do not automatically and rapidly adjust themselves. Take another instance, that of dried fruits. There has been so much Commonwealth and State money put into that industry that we agreed the community should make some sacrifice by controlling the product and paying a greater price for local consumption. We find the industry is so complicated, and the commodity has to pass through so many hands, that the grower receives slightly over 6d. only, whilst the consumer pays 10d., 10½d., 11d., and up to 1s. There we have an instance of where the producer receives barely the cost of production, whilst the community does not get cheap dried fruit. I do not think the question of wages comes into this. The fruit is handled by three sets of people and each gets out of it more profit than the man who grows it. The Government must not think that by introducing legislation of a calamitous kind and placing an unfair responsibility on the State Statistician that they are going to adjust in any way our difficulties or that they will assist industry in any shape or form. As a matter of fact, the effect will be to paralyse industry. The wage earners under this provision are being called on to make a needless sacrifice, and having been sacrificed, the community will not get the advantage they should. In some cases, industry might gain a slight advantage, but generally speaking, it will not and the last state will be worse than the first as far as the community are concerned. Many years ago I went into the question of automatic adjustments and I found that many employers objected to the system. In certain lines of business the automatic adjustments had a most dislocating effect. Take the position of the man contracting. He likes to know what price he will have to pay for labour and material in order that guessing may be eliminated. They used to say to us that they wanted wages stabilised as far as possible, and that if we stabilised wages and commodities as well, they would play their part in fixing the price at which they would tender. They all declared it suited them to have wages stabilised. Under the proposal of the Government there will be changes and they will be rapid too. People will not know where they are. In all businesses there must be stability and experience teaches us that the community does not readily adjust itself to rapid changes. All

that will happen from the proposed automatic adjustment is that the community will be upset and the stability that should exist will be lacking. Our objective should be to stabilise industry. The Government have introduced a lot of new taxation, and people are at a loss to know where it begins and ends. They cannot judge how it will affect their business. On top of that, the frequent wage adjustments proposed will have the effect of upsetting calculations, as well as the stability so necessary if an industry is to be successful. It is necessary to avoid stoppages of industry which are disastrous. It is necessary to maintain amicable relations between employers and employees. I know of nothing more disconcerting than to have to speculate and guess what rates of wages will be paid. Many burdens are being imposed upon the workers, and yet the Government seem bent on devising all sorts of specious schemes for increasing those burdens. The burden of the present depression is being felt by the very people who will be affected by the frequent wage adjustments, and from the point of view of the community, I regard this move as disastrous. Certainly it will not have the good effect anticipated by the Government, but I foresee many disastrous effects that must follow in its train. As the defects have been pointed out to the Government, they will be acting wisely if they withdraw the measure. The Government have enjoyed a free run of special taxation. I know an argument that would appeal to the Government, but we have not the numbers to press it. No notice has been taken of what we have told the Government, born of our own experience. Evidently they are prepared to accept the responsibility for their action, but I assure them that the measure will not have the effect they anticipate. On the other hand, the present difficult position, instead of being alleviated, will be accentuated. When arbitration was made the policy of the country, did anyone suggest that an increase of wages should be granted until the increased cost of commodities warranted it? Unless it could be demonstrated by statistics that an increase was justified, I do not remember its being granted.

The Minister for Works: What about the Powers 3s.?

Mr. MILLINGTON: Consequently, when an increase was granted, it was justified long before the workers received it. During the

war I had some experience on the eastern goldfields. The miners were advised that, for patriotic reasons and to keep an important industry going, they should not apply for an increase of wages. They refrained from applying for some years. When an adjustment was eventually made, it meant an enormous increase, showing that for years the miners had been kept out of their rights. In spite of that, now that the tables are turned, they will be told that there must be no delay. I cannot remember any time when prices fell as they are falling at present, but immediately the tables are turned, this ingenious Government rush in to take advantage of the altered conditions. Would the Government have been so active had there been an increase instead of a decrease in the cost of commodities? Any frequent adjustment of wages must have a dislocating effect. The people of Australia, generally speaking, are conservative, and a new device, such as is proposed under the Bill, will have a most disquieting effect, not only upon the men but upon employers. It will make, not for better working but for the dislocation of industry. I believe there is a misconception regarding the decrease in the cost of the necessities of life. It is true that certain manufactured and primary commodities show a decrease, and people are disposed to say that present prices are about equal to those that ruled previous to the war. I warn the House that the decreases are by no means general. There is a great disparity of prices in various parts of the State, and despite the information collated by the Government Statistician, I am satisfied that a much closer inquiry is needed if justice is to be done to all the workers. There is an enormous disparity between the prices of necessary commodities in places even a few miles apart. Where the organisation exists efficiently to handle commodities, they are to be obtained at a reasonable price, but where the organisation does not exist, high prices exist for which there appears to be no justification. At the same time, the consumers who purchase those commodities are penalised. It will be found that the supposed decrease in the cost of commodities, taking them all round, is not as great as may be imagined. Comparisons have been made in the matter of rent with the 1914 period. Rent is one of the very expensive necessities of life, but there has been no appreciable fall in it.

The Minister for Agriculture: There has been an increase.

Mr. MILLINGTON: The cost of building has come down, and if a man calls tenders for a house he can get it built more cheaply from the point of view of outlay than he could 12 months ago. The house that would have cost £1,000 twelve months ago may now cost £900. Twelve months ago, however, money could be borrowed for that house at 7 per cent., which, capitalised, meant an interest expenditure of £70 a year. Today the £900 would cost 8 per cent., which, capitalised, would mean an interest payment of £72 a year. Where there is an apparent fall in the cost of building, if the amount is capitalised and the rent and interest are assessed, it is seen that no advantage has been gained. Many of the supposed decreases in the cost of necessities of life are found on examination not to exist. Primary products are bringing prices that are disastrous to the producers. By the time these products have been handled several times and there have been the usual rakes off, the price remains comparatively high, and not at all in conformity with the 1914 price. There is the illustration of the house that in 1914 cost £620 to build, the rate of interest being 6 per cent., which on capitalisation works out at 14s. a week. A house of similar dimensions if built last year would have cost £1,300, and on an 8 per cent. capitalisation would cost 40s. a week. People must not run away with the idea that there has suddenly been an adjustment which puts us somewhere near the 1914 period. In respect of the bare necessities of life there is not much difference. Despite the Statistician's figures, having regard to the varying conditions of industry, I think that an independent and impartial inquiry, would indicate there was no justification for the introduction of a Bill, whose object is rapidly to decrease the rate of wages throughout the State. People are apt to assume that because the cost of commodities ought to be less they are therefore cheaper. They say that because wages are comparatively high they must have a marked effect on the cost of the necessities of life. We often hear complaints about the price paid to a shearers for shearing 100 sheep, and reference is made to the drop from 40s. to 32s. 6d. The rates paid to the shearers have no effect upon the price of a suit of clothes, unless it be a matter of 3d. Only about three pounds of wool

are used in a suit, and the price of wool does not greatly affect the cost. There has been no appreciable reduction in the cost of suits. By the time they are handled and all the various charges are added, not necessarily greatly influenced by wages, it will be found that the cost of clothes is quite different from what it was in 1914. After examination it is found that because of the price of manufacturing and the cost of distribution a great deal has been added to the cost of primary products before they reach the consumer. Many things beside wages will have to be adjusted. Wages are a factor, but not as great as they were in times past. Each year industry becomes more complicated, and the wage factor in the cost of production becomes less important the more industry is organised and the more complicated it grows. In times past the wage factor may have made considerable difference in the cost of commodities, but that is not so to-day. People must adjust their minds to that idea. The only thing that will convince the Government on the point, other than the ringing in of a few extra votes on this side, is to allow them to experiment. This is a piece of experimental legislation. After they have made their experiments they will find that they have dislocated industry. For how long does the wage earner retain his wage? He is practically "broke" on Saturday morning if he draws his allowance on Friday night. It is not as though it disappeared. The worker is the best spender and money circulator in the community. Wherever a reasonable rate of wage has been paid a prosperous community is found. The trading public and the community generally get the advantage of that circulation. Here is a proposal to restrict the amount of money put into circulation.

[The Deputy Speaker took the Chair.]

The Attorney General: What happens to it if it is not paid out?

Mr. MILLINGTON: There will be less to pay out. Does the Attorney General suggest that in some way industry will be stimulated by an adjustment of wages? I hope it will have that effect.

The Attorney General: What does happen to it if it is not paid out in wages? Is it hidden in an old sock under the bed?

Mr. MILLINGTON: People other than the wage earners have ways and means of socking. The money is not utilised.

The Attorney General: What is it spent on?

Mr. MILLINGTON: All those who have money certainly do not employ it in the same free manner as the wage earner does. There is now a suggestion that money or credit is not being used as it should be. Instances have been given where any amount of wealth should be available, but where those controlling it are not prepared to put it into circulation.

The Attorney General: What do they do with it?

Mr. MILLINGTON: Those for whom we are putting up a case are not of that class; the money they get is immediately put into circulation, and the whole community is advantaged thereby.

The Attorney General: Will you tell me how a man keeps his money out of circulation?

Mr. MILLINGTON: Does the Attorney General suggest that all the money and all the credit of the world are being made available? If the Attorney General questions me, I suggest I may in turn question him. The same wealth and the same credit are still available in the world, but certainly they are not available to us. Moreover, they are not available in other countries. If credit and wealth are not locked up, there is a need for those controlling them to loosen their shoulders slightly. Our difficulty to-day is that a large section of the community have had their wages reduced, and that consequently the money available in past years is not available now.

The Attorney General: We are suffering because we are not able to borrow so much as we borrowed before.

Mr. MILLINGTON: If only the price was paid for the work done during the past 12 months, a good deal of our difficulty would disappear.

The Attorney General: How much?

Mr. MILLINGTON: Practically all of it.

The Attorney General: We would still be short of the millions we have been borrowing.

Mr. MILLINGTON: That is so. But our credit would immediately respond. Still, the Attorney General's suggestion does account for part of our difficulty. One factor is that our primary producer is offered some-

thing that has no regard to the cost of production. The other factor is that we did borrow lavishly in the past. We took advantage of the credit that responded to what was believed to be the financially prosperous condition of Australia.

Mr. Hegney called attention to the state of the House.

Bells rung, and a quorum formed.

Mr. MILLINGTON: While our credit was good, we undoubtedly borrowed lavishly and spent lavishly. That applies to the Commonwealth Government as well as the State Government. Governments, like individuals, when they have money spend it, and in many cases unwisely. The credits formerly available are not available now, because some of the moneys borrowed have not been invested in reproductive works. Here in Western Australia we have had disastrous experiences of unwise, unjustifiable expenditure. Those who lent to us are well aware of this, and consequently they tell us that we must mend our ways. We are now being disciplined. We are in difficulties, partly because of the decreased prices of our primary products, and partly because of the fact that we are being disciplined by the moneylenders on the other side of the world. We shall have to get back to the old thrifty economical methods of hanging on and carrying on. One of the worst disasters that could happen to Australia would be an undue interference with the industrial standards and living standards which have been established. That is why I have such a rooted objection to this kind of legislation. It is an undue interference with what has been built up as the result of experience throughout Australia. The effect of disturbing it will not be to establish confidence in the general community. Certainly the result will not make for what is eminently desirable—amicable relations between the two sections of the community. The proposal, if carried into effect, would not work out as anticipated by the Government. The machinery set up by the Bill is entirely new. It is not as though the Arbitration Court were instructed to make adjustments not necessarily automatic, but having regard to statistics and other factors. The work is actually taken out of the hands of the Arbitration

Court, who are instructed that they shall, in certain circumstances, make automatic adjustments based on figures of the Government Statistician. Therefore, discretion should be vested in the court regarding such an important issue. I regard the adjustment of wages as of enormous importance in our economic life. One court after another has followed the traditional method of wage fixation, and has built up a system that has established the confidence of both employer and employee. The Government propose to scrap that method and adopt an experimental means by which the basic wage will be adjusted on the basis of the monthly figures issued by the Government Statistician. I have nothing to say against that officer, who is most competent, but it is most unfair to place upon his shoulders the added responsibility indicated in the Bill. The Government Statistician experiences great difficulty in verifying his figures because there are varying factors evident in different parts of the State. Rather than place such heavy responsibility on that official, the Government should leave the task of wage fixation in the hands of a court that has established confidence. I object to the Bill on the grounds I have mentioned, and I warn the Government that even if they are successful under its provisions in reducing wages, the effect will not be what they anticipate. Instead of relieving the depression, I am confident that the last condition will be worse than the present. I wish the Opposition had the only argument to advance that will appeal to the Government and that is, a sufficiency of numbers to reject such a pernicious piece of legislation.

MR. MUNSIE (Hannans) [10.43]: I do not intend to cast a silent vote on a Bill of such importance. Those who have spoken have expressed surprise that the present Government should have introduced such legislation. To me it was no surprise. It is legislation of the type I expected them to place before the House. Further than that, I expect the Government will interfere in other directions with working conditions before the session is ended. Before the elections, I prophesied that if members now in charge of the Treasury bench were elected to office, this is the very sort of thing they would do. I am not in the least disappointed, because I expected such legislation.

The Minister for Lands: We will be lucky if we have money to pay anyone directly.

Mr. MUNSIE: The Government have all the money they deserve, considering the way they have carried on during the last few months.

The Minister for Railways: You are rather unkind to the workers when you make such a statement, because it is they who will suffer.

Mr. MUNSIE: I admit they are suffering. Earlier in the session, we spent nearly a fortnight in discussing another measure and when Opposition members said that it represented the first step in wage reduction to be brought about by the Government, several members on the Ministerial side of the House indignantly denied that any attempt was being made in that direction. Two of them went so far as to say that they would not support the Government in any such move. Where are those two members now? How will they vote on the Bill? The only speaker on the Government side of the House—the Minister who introduced the Bill—admitted that it represented a direct attempt to secure a reduction in wages. Where are those two members to whom I have referred?

Mr. Angelo: Are you sure they did not refer to a reduction in living conditions?

Mr. MUNSIE: No: they referred to a reduction in wages and every reduction in wages is a reduction in living conditions.

Mr. Sampson: Not necessarily.

Mr. Angelo: Of course not.

Mr. MUNSIE: At any rate, that is my contention. I will not repeat what has been said by other hon. members who have spoken in opposition to the Bill. I am sorry the member for Nelson (Mr. J. H. Smith) is not in his seat. Last week he severely criticised the member for South Fremantle (Mr. McCallum) who had left the House, and was heroic enough to slate that hon. member for certain statements he had made. He told us that the Government were going on with the Bill and he was sorry the member for South Fremantle was not present, because he wanted to tell him that they were going on with the measure in spite of his criticism. The member for Nelson knew then that the Premier had placed on the Notice Paper so many amendments to the Bill that they really amounted to a new measure.

The DEPUTY SPEAKER: Order! I must ask the hon. member to confine his remarks to the Bill before the House.

Mr. MUNSIE: I do not wish to disagree with the Deputy Speaker's ruling, but that hon. member's speech was on another Bill that dealt with wages by means of a direct reduction, whereas the Bill now before us deals with wage reductions by means of an amendment to the Arbitration Act. The member for Nelson said that he would support the earlier Bill because he knew that the amendments to be proposed would remove the possibility of many of his electors having their wages reduced by 7s. per week.

The Minister for Railways: How do you arrive at that?

Mr. MUNSIE: On the basis of the statistician's figures. I have worked them out on the basis of the monthly figures published in the Press, and I find that it will mean a reduction in the basic wage to-day of 7s. as against the rates that applied in June last.

The Minister for Railways: That is wrong.

Mr. MUNSIE: The Bill is introduced for that purpose! It is to secure a wage reduction of 7s.

The Minister for Railways: That is wrong.

Mr. MUNSIE: The fact that the Minister says it is wrong does not make my statement wrong.

The Minister for Railways: Nor does your assertion make your statement right.

Mr. MUNSIE: At any rate, I will stick to my opinion. I have worked out the figures, and to my understanding if the court give their decision under this amending Bill, it will mean a reduction in the basic wage of 7s. per week in the metropolitan area. I undertake to say the Government, with their majority, will put the Bill through as it stands, will not let us cross a "t" or dot an "i"; and once the Bill is through, we shall not have to wait very long before we see whether I or the Minister for Railways is right. I confidently predict that the Bill will become law and the workers in the metropolitan area will get, within the next two months, what we said they would get if they returned a Nationalist Government to power, namely a reduction of wages, and that to the extent of 7s. per week. I believe there are several amendments to be moved in Committee. For every one of them I will vote; because I can only speak and use my vote

against what I believe to be wrong. Anything I can do to wreck the Bill and prevent it from becoming law—as I have done in respect of several other Bills the Government have introduced—I will certainly do to prevent this pernicious piece of legislation from getting on the statute-book. I remember that two years ago the question was asked regarding the method adopted by our Arbitration Court, "What is the use of going on? You get an award from the court, and almost immediately up goes the cost of living, and the worker is no better off than before." As the member for East Perth put it, that was not altogether correct. As a matter of fact the worker attempted to get an award when the cost of living increased, but he did not get it until at least 12 months later; so that when he did get his increase he was still 12 months behind the rising cost of living. I said the worker had as much chance under the then existing law, the old Arbitration Act, of getting justice, as much chance of catching up with the cost of living, as a man would have if he gave a friend on a motor bike 10 minutes start and then tried to catch him on a push bike. That went on for 12 years, and now all of a sudden, in consequence of the economic crisis and the collapse in prices, we have had in not quite three months reductions in the prices of the absolute necessities of life; and already the Government have come along and said it is time the employer caught up to the worker. They say the worker cannot have this advantage for one minute longer. The Act says the worker is to have the benefit until next June, but the Government, since they cannot have their way while the Act remains, have decided to amend the law. That is what the people were told during the election, namely, that if the present Government got into power, they would reduce wages. And this Bill does not represent the last cut the Government will have at the workers before the session ends. They still have another to come. A good deal has been said to-night about the Government carrying out the dictates of the Employers' Federation. I am not one of those who say they are carrying out the dictates of the Employers' Federation, for I have reason to know that what the Employers' Federation asked the Government to do was to wipe out the basic wage altogether. There is no question about

that. But the Government said, "No, we cannot go quite as far as that." They have met the Employers' Federation half way and agreed to amend the existing law so as to provide for quarterly adjustments, which will mean almost the same thing as the abolition of the basic wage. The Employers' Federation did not ask for quarterly adjustments, for that was not going far enough; they asked for the total abolition of the basic wage. The Government have not agreed to that, but have done much the same thing. I am not going to express any surprise at the Government introducing this legislation, but I will express surprise if this session ends without the Government having another cut at the workers. I hope I am wrong in that expectation, but I do not think so. There will be another Bill introduced yet, notwithstanding that the Government say they are going to finish the session next week. If they introduce that other Bill, they will not finish in three weeks.

The Minister for Lands: What is the other Bill?

MR. MUNSIE: A Bill to amend the Workers' Compensation Act. If the Government bring down that Bill, they will not get finished within three weeks. They might get this one through pretty easily, but they will not get that other one through without considerable difficulty. That other Bill yet to come down is only following out what the people were told the Government would do if they got into power.

MR. HEGNEY (Middle Swan) [11.0]: I move—

That the debate be adjourned.

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

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

Majority against .. 4

AYES.

Mr. Collier
Mr. Corboy
Mr. Coverley
Mr. Hegney
Mr. Johnson
Mr. Kenneally
Mr. Lamond
Mr. Lutey
Mr. McCallum
Mr. Millington

Mr. Munsie
Mr. Raphael
Mr. Steesman
Mr. Troy
Mr. Walker
Mr. Wansbrough
Mr. Willcock
Mr. Withers
Mr. Panton

(Teller.)

NOES.

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

(Teller.)

PAIRS.

AYES.

Miss Holman
Mr. Cunningham
Mr. Wilson

NOES.

Mr. Teesdale
Mr. J. M. Smith
Mr. Richardson

Motion thus negatived.

MR. HEGNEY (Middle Swan) [11.3]:

As the representative of a working class constituency which will be affected by the proposed amendment of the Arbitration Act, I protest strongly against the Bill. It is a repudiation of a contract entered into with the workers. There has been much talk in Australia lately about repudiation, but if to suspend the interest on loans was repudiation, this is on all fours with it. There is no doubt that the Government are repudiating a decision of the court by seeking to amend the Act so that a reduction of wages may be made. During the last three or four years the court has declared a basic wage and it has had a currency of 12 months. Everyone realised that that was desirable because it gave stability to industry and the workers knew exactly where they stood. It is very difficult for members on this side to advance anything new in opposition to the Bill. I would have preferred to hear the views of members on the other side of the House, but apparently they intend to be silent and quiescent.

Hon. W. D. Johnson: They are not allowed to speak.

MR. HEGNEY: As one who has been interested in the political doings of the State during the last 15 or 20 years, I have noted that members opposite have frequently twitted the Labour Party with being bound and gagged by caucus, but when we see how members on the Government side are acting to-night, I maintain that Labour, with all the discipline it is supposed to exercise over its members, cannot vie with the Government party for the discipline enforced on that side of the House. Many members opposite owe

their return to the House partly to the support of workers, and the vote they will cast on this Bill will mean that workers who have employment will suffer a substantial reduction of wages. The argument advanced in favour of the Bill is that, owing to the stagnation existing at present, the men who are fortunate enough to have work must come down almost to the level of those who are out of work. The cry is that wages must be reduced. Since the end of the war period, there has been an incessant clamour throughout Australia for a reduction of wages. During the last six months Australia has been visited by Sir Otto Niemeyer, who met representatives of the Commonwealth and of the States in conference, and the outcome of that conference has been to attack the standards of the workers. That is what the Government are doing now. They are endeavouring by subterfuge to placate those people who support them. The Minister for Lands, in speaking at the farmers' conference on Friday last, endeavoured to placate the farmers, who were enraged at the position in which they find themselves, by asking whether they wanted arbitration and workers' compensation abolished. They want anything abolished so long as they can gain security for themselves. Admittedly their plight is desperate, but so also is that of the workers. This is not the way to solve the problem. Most of the legislation that has occupied the attention of the House has been designed to reduce wages, and this Bill is on all fours with the measures that have preceded it. I repeat that the measure will provide no solution of the problems confronting the country. Many other things constitute a burden on industry and are tending to cause confusion and even chaos. It is a sad paradox that in a land of full and plenty where there should be ample food for all and where workers are desirous of engaging in wealth production, there should be unemployment and want. The one thing at fault is the currency. This Bill will reduce the purchasing power of the workers. It will provide no solution of the problems that are confronting the country. No attempt has been made to reduce the other charges that are so great a burden upon the community. Interest charges, for instance, have been left severely alone. In times of advancing prices the workers were very much behind in the matter of wages. Within the last three or four months, owing to un-

der-consumption or over-production, prices have declined in many directions, and the opportunity is now sought to reduce the earnings of the workers accordingly. The Government represent the employers and the financiers of the country, and are doing their best to put the desires of these people into operation.

The Attorney General: How many employers and financiers are there in the country?

Mr. HEGNEY: The report of the Commissioner of Taxation indicates that there are a great many. They are immeasurably better off than the workers, even if the incomes of some of them have been reduced.

The Attorney General: How many of them do we represent?

Mr. HEGNEY: The Government represent the Employers' Federation, with which most of the employers are associated.

The Attorney General: How many employers are there in West Perth?

Mr. HEGNEY: There are a good many all through the State.

The Attorney General: How many?

Mr. HEGNEY: A fair number. There are the funds that are subscribed to the Employers' Federation. Generally speaking they are the people who finance the election campaign of the party represented by the Government. We know that they were pretty well bankrupt on the occasion of the last elections. They did not expect to regain possession of the Treasury bench, despite the rash promises that were made to the electors. Now they have done so, the only proposal they can put up is for a reduction in wages. Most of the people who pay taxes are better off than the workers. During 1929-30 the average amount on which our farmers were taxed was £572.

The Attorney General: How many were there?

Mr. HEGNEY: There were 3,499. In the previous year the amount was £550, and in 1927-28 it was £430. In 1929 the average amount on which pastoralists paid income tax was £1,876, in the case of mining men it was £652, and in the case of men in the shipping business it was £631.

Mr. Angelo: That return is not complete.

Mr. HEGNEY: It is up to the end of June.

Mr. Raphael called attention to the state of the House.

Bells rung, and a quorum formed.

Mr. HEGNEY: Clergymen paid on £346, salary and wage earners on £269, professional persons on £991, financiers on £507, hotelkeepers on £1,408, brewers on £560, timber merchants on £1,673, boot manufacturers on £623, clothing manufacturers on £1,061, property holders on £453, and so on. The lowest of all the income taxpayers were the salary and wage earners.

The Attorney General: How many farmers are there in Western Australia?

Mr. HEGNEY: There are about 10,000.

The Attorney General: In 1929-30 only 1,142 paid any income tax. Probably none will do so this year.

Mr. HEGNEY: That certainly applies to the workers. Any number of farmers are better off than the best of the men on wages.

The Attorney General: Very few indeed.

Mr. HEGNEY: They are certainly faced with low prices on the world's market. The Government ought to have left the arbitration laws as they were. The basic wage must be adjusted every 12 months. We have been told by eminent economists that if the workers accept a reduction of five or ten per cent. in their wages a solution for Australia's problems will be found. Already people's incomes have been reduced, and the position is steadily becoming worse. Even the economists are unable to put up any other proposition. The wages cut is going on all over Australia, but the solution of the problem is as far off as ever. On the contrary, it seems that the only solution is to get the large army of workers back to work. Then let us give them purchasing power, and they will be able to buy many of the goods produced in this country. Over 60 per cent. of the products of our primary producers are consumed in Australia.

The Attorney General: Do you say that 60 per cent. of the wheat and wool produced in Australia are consumed in Australia?

Mr. HEGNEY: I say that 60 per cent. of the primary products of this country are consumed in Australia. I am not confining myself to the wheat producer. Other things besides wheat and wool are produced, and are just as essential to the community. Until the home market is improved by the return to employment of our workless people, there will be no chance of better conditions. In the New South Wales "Industrial Gaz-

ette" of the 30th November, 1929, there appears on page 651 some interesting matter—

Although the determination of a standard of living has not been expressly directed by any statutory provision prior to the Act of 1926, the necessity for determining a standard more or less explicitly has always been recognised by every tribunal upon whom has been cast the obligation of fixing a living wage. In the judgment in the Harvester case, 2 C.A.R., page 1, it was made abundantly clear throughout the course of the judgment that the minimum wage which then fell to be ascertained, was a wage which could be treated as fair and reasonable in the case of the unskilled labourer, and the test in every case of what was fair and reasonable had to be related to the type of employee then under consideration, namely, the unskilled labourer. This view of his own judgment is made clear by Higgins, J., in his decision in the Amalgamated Society of Engineers v. the Adelaide Steamship Company, Limited, and others in 1921, 15 C.A.R., at page 304, and the same principles were consistently followed by Heydon, J., in 1914, in respect of both males and females. This principle was plainly stated by Heydon, J., in his decision of February, 1914 (1914, A.R., page 29), where he says that the problem is—"To find the wage which will do neither more nor less than enable a worker of the class to which the lowest wage would be awarded to maintain himself, his wife and two children in a house of three rooms and a kitchen with food, plain and inexpensive, but quite sufficient in quantity and quality to maintain health and efficiency, and with no allowance for other expenses equivalent to that fixed by Mr. Justice Higgins in 1907." We are satisfied that this is the correct principle to be applied on this branch of the inquiry. The living wage, when ascertained, is only to be regarded as the irreducible minimum for the unskilled worker, and every employee has the opportunity to earn a higher wage by the acquirement and exercise of some degree of skill

The basic wage, when fixed for the community, is the irreducible minimum that industry must pay to the workers. In the prosperous years that are gone, the years during which wool brought fabulous prices, when even wool growers were endeavouring to standardise the price of their product, the desire of the industrial workers for increased wages was always strenuously opposed by the pastoralists. Now, when wages are declining, when the cost of living is falling, this Bill is intended to accelerate reduction of wages. The Government are false to the promises made by them during the election campaign. They are repudiating solemn contracts, and the wage earners of this country are to be the sufferers. Other members of the community, in a much bet-

ter position, have enjoyed unparalleled prosperity. Let me allude to the position of the banks. Undoubtedly throughout Australia the banks are in an excellent position. If present conditions remain and the process of deflation continues, the banks will get a rake-off. Many retailers and wholesalers are involved in the system, but the position of the banking section is almost impregnable.

The Attorney General: The banks are on the verge of ruin.

Mr. Kenneally: What? The banks?

The Attorney General: Yes.

Mr. Kenneally: No.

Mr. HEGNEY: In 1914 the banks' surplus of assets over liabilities was £5,000,000 odd. In 1917 that surplus had risen to £26,000,000. In March of this year it stood at £76,000,000. If the process of deflation goes on, the liquid assets and credit of the banks will have a greatly increased purchasing power.

Mr. Angelo: How many of their securities do you think the banks are realising?

Mr. HEGNEY: The banks will do what speculators and others did during the American civil war. Deflation is going on here, and people are trying to unload. When bonds have gone down, plenty in the community will be buying them to hold until redemption comes. Then those persons will get a rake-off. That system has been practised by many bankers throughout the world, and will be practised again. We know that the primary producers are in a much better position than most other members of the community.

Hon. P. Collier: The Primary Producers' Bank is having a bad time. I know that.

Mr. Panton: That is not a bank.

Mr. HEGNEY: I am not conversant with the operations of the Primary Producers' Bank. The wage earners at all times are in the most insecure position. Even many of the farmers are now in a difficult position; but I do not consider that the farmers who are unable to sell their wheat but have some hold on their land are in a worse position than are the wage earners who find themselves out of employment.

The Attorney General: Of course they are not.

Mr. HEGNEY: There are a number in employment now who do not know from day to day when they will be thrown out of work. The position is intolerable for the workers

generally. In honour bound, the Government should allow the Arbitration Court to exercise their functions as hitherto. For years prior to the amendment of the Act that allowed the basic wage to be established, chaos existed in industries. Each organisation had to submit separate evidence and statistics in support of its application for the establishment of a basic wage, and it was frequently two years before the cases could be dealt with by the court. When prices were rising and the purchasing power of the workers' money was limited, the pendulum swung against the employees. Now when prices are declining and the men could receive some benefit from their wages, seeing that they were fixed for a period of 12 months, which will not elapse until the end of June next, the Government propose to take that benefit away from them. Instead of having the stability in industry that is apparent with the yearly fixation of the basic rates of wages, the position will be altered by the quarterly adjustments. I enter my protest against the Bill because it is designed to fleck from the workers their hard-earned wages. Such a policy would not be endorsed by the people generally.

Mr. Piesse: Many employers are experiencing great difficulty in keeping their men in work.

Mr. HEGNEY: I know that, but the fact remains that the Bill represents the repudiation of a contract entered into with the workers. I realise that the position is difficult for all concerned but the Government, when present Ministers spoke on the hustings, led the people to believe that there would be no interference with industrial conditions. Had they given any indication of their intention to alter wages, as is now proposed, they would not have secured the endorsement of the electors.

MR. WITHERS (Bunbury) [11.35]: Much has been said in opposition to the Bill, and I am not inclined to delve further into statistics in an endeavour to convince the House of the injustice of it. Ever since the present session opened there have been repeated attempts by the Government to attack the wages and working conditions of workers. Now we have further evidence of the Government's intention to balance their budget by means of another attack in that direction. It is a sorry outlook for the country if the Government are

to continue their attacks and the standards of the workers. It has been suggested that the banks have been experiencing adverse conditions, but if that is so, the Government will be in a worse position, because the banks will soon control the whole situation.

Mr. Angelo: It is to be hoped that the banks will run the country.

Mr. WITHERS: In my opinion, the Mitchell Government will go down in history as the worst that ever functioned in Western Australia. My objection to the Bill is that in 1925, when the amending legislation was before the House, it contained an amendment along similar lines. In those days the cost of living was rising and we could not get the more frequent adjustments we sought. In the circumstances we had to accept the amendment made by the Legislative Council under which the adjustments were made at periods of not less than 12 months. We accepted the position and loyally abided by the law over a period of years. No attempt was made to establish the conditions Labour sought in the original amendment they proposed, and I cannot help regarding the present Bill as repudiation of a contract entered into with the workers. When the prices of wheat and wool and other commodities were high, there was no indication of a desire on the part of the employers to give the wages men a little of the benefits they enjoyed. I was told this year of one poor person in the North-West who would hardly be able to make ends meet this year, whereas for several years past his operations had returned him profits of from £4,000 to £5,000 annually.

Mr. Piesse: Some of the pastoralists have had to leave their stations altogether.

Mr. WITHERS: That may be so. That was the position of the man whose case was represented to me along those lines, and yet the first year he strikes trouble, we hear all this talk about his losses, and the first man to be attacked in consequence is the worker who has only his wages to rely upon. Although we hear this talk nowadays, we do not hear much about their frequent trips to England and their joy-rides in the Airways planes.

Mr. Angelo: How many of them do that?

Mr. WITHERS: The hon. member should read the papers and ascertain for himself what has been happening. These pastoral-

ists have been able to take advantage of what God has provided for their pleasure and assistance in many ways. How many of them have said to their employees, "We have had a good time, and we will give you a little of what we have received." We have never heard anything like that; the workers always have to go to the Arbitration Court and observe the ordinary process before they can get any of their working conditions altered. I was interested in the Chief Secretary's remarks during a recent discussion when references were made to the position of our industries and present-day working conditions. I do not know whether it is the intention of the Government so to lower standards here as to force upon the workers, if not coolie conditions, at least something approximating what obtains in Japan, which is regarded as the cheapest producing country to-day. I have a newspaper cutting which deals with this question and includes the following:—

The International Labour Office at Geneva has issued figures giving the real wages earned in the various countries. Read in conjunction with the unemployment figures of the world, it is clearly shown that high wages and unemployment have no connection. In America, it is true, where wages are 97 per cent. higher than in England, there are 6,000,000 unemployed, but in Germany, where wages are 23 per cent. lower than in England, and 120 per cent. lower than in America, the unemployed number 4,583,000.

There we have the position in countries with high wage standards and with low wage standards, and all disclose enormous unemployment difficulties.

The Attorney General: What is the position in France?

Mr. WITHERS: They are repudiation-ists; they repudiate their debts.

The Minister for Lands: What about Germany?

Mr. WITHERS: The extract continues—

In Italy, where there is comparatively little industrial activity, the unemployed reach nearly half a million, while wages are 49 per cent. lower than in England. Canada has a higher wage rate than Australia, 68 per cent. higher than England as against Australia's 52 per cent., and unemployment appears in both countries. In Japan, the home, we are told, of cheap labour, the unemployed number 800,000, and are rapidly reaching the million.

That is what is happening in Western Australia to-day. Men are being put off on account of over-production or under-consump-

tion and have to shift for themselves until such time as the local authority and sympathetic committees can help the Government to carry on the unemployed. Yet every day further men are being sacked from the Government departments. I do not know what the position will be when the present unemployed are supplemented by the men now being retired from Government positions. If the Bill represents the only effort the Government can make to balance their Budget, then I say they are trying to do it by sweating the worker. The Government are determined to get all they can from the workers, and at the same time let other people go free. I do not know where we are going to end, or what the Government are going to do. I should like some information from the Government benches. Throughout the long debate we have not had from any member on the Government side one word in support of the Bill. We should certainly like a little information, if members opposite can tell us anything. The Minister in charge of the Bill, when moving the second reading, did little more than read out a few extracts from printed matter of one sort or another; and other members of the Government have had nothing to say in favour of the Bill. If the Government allow a Minister in charge of such a measure baldly to move the second reading, how are the people going to be enlightened as to the Bill? We on this side of the House should not be expected to contribute the whole of the debate; there should be something from the other side to justify such a Bill. If the Government intend to bring down other Bills in a similar way, they will not be entitled to complain if they are kept here well over Christmas. I am not prepared to stonewall for the sake of stonewalling, but if the Government will not give us any information about their Bills I shall oppose them as I am opposing this measure.

[The Speaker resumed the Chair.]

MR. PARKER (North-East Fremantle) [11.45]: During the debate I have not heard any argument to convince me that the Bill will reduce the standard of living. I have always been led to believe that the basic wage means a minimum standard of living to allow an Australian to live decently. So far the only argument I have heard is

that the basic wage will be reduced; it is not a question of the standard of living being reduced. Actually so far as I can see the basic wage will not be reduced; the only thing that will happen will be that the basic wage will be brought into line with the cost of living. I am extremely fortunate in that I virtually come here with a mandate from the people of North-East Fremantle to vote for the Bill—if what has been said this evening is correct.

Mr. Panton: Don't make me laugh.

Mr. PARKER: The member for Hannans was kind enough to go through the North-East Fremantle electorate just before the elections, and he informed us this evening that he then told the people that one of the first things the Government would do would be to bring down the Bill. The result, apparently, of his efforts was that I was returned with a small majority. My friends opposite will agree that I was not returned by the Employers' Federation; in fact, it has been said in the Press that I was returned by people who should have voted for the Labour Party, but voted for me instead.

Mr. Kenneally: Then the Employers' Federation opposed you?

Mr. PARKER: I do not know whether they did or not; so far as I know, they did not assist me, because the bugbear of the Employers' Federation was brought forward at many meetings.

Mr. Willcock: You were returned by the apathy of the people.

Mr. PARKER: Yes, the apathy of the people who should have voted for my opponent. I take it, as they were well informed that the Bill would be brought forward, it must be that I have from them a mandate to vote for the Bill. However that may be, I am satisfied from the arguments advanced this evening that the Bill is a right and proper one. We on this side have been twitted with not speaking to the Bill. It seemed to me there was not much occasion to speak, but when it was pointed out that those who generally support the Government were not speaking I felt I ought to have a word or two to say. Up till then I was waiting to hear an argument that I might possibly refute. It is my training to wait for something to be said that will give me an opportunity to reply. Certainly I have learned this evening some of the rules of Parliamentary procedure, but apart from that I

have learned very little. It may be my lack of capacity has prevented me from learning more. It seems to me the red herring drawn across the trail, namely, interest, has very little to do with the Bill. I think the only way interest can be reduced is by getting more capital; for as more money becomes available, so money becomes cheaper. At present, unfortunately, we cannot get money, and consequently the interest rates are going up.

Mr. Panton: We borrowed 700 millions for the war, and the more we borrowed the higher the rate went.

Mr. PARKER: In England at present money is cheap, but unfortunately we cannot get it out here. If we could get capital here, interest rates would come down. Everyone would be glad if interest rates did come down. If we could only get cheaper money, we would be very much better off, but I cannot see how any State Parliament can do much in that direction. Possibly the Commonwealth Government may be able to do something. I hope they will endeavour to get us money at a cheaper rate.

The Minister for Railways: They have been too active for a while. Do not start them at it again.

Mr. PARKER: I mean that they should do something useful. It is essential that we should endeavour to get everybody into employment. If the basic wage is too high, the Arbitration Court will adjust it; if it is too low, the court will adjust it. I am sure that industry in Western Australia will be better able to compete with industry in other States and in other parts of the world if the basic wage is fixed at the correct figure. It has been said that in past years wages lagged a long way behind the affluence of the country, and that the worker has not derived the benefit he should have received. I am not prepared to deny that fact. I can only say that I was not in Parliament at the time and therefore had nothing to do with it. No doubt it happened, but because that happened in the past, why should we not prevent it in future? This measure provides that wages shall be only three months behind, instead of as formerly three years and instead of as at present 12 months behind. I cannot see that there is any repudiation because the previous Government altered the period to one year or because the present Parliament may alter the one year

to three months. It is a good thing that the worker does derive the benefit from any increase.

Mr. Withers: If conditions had been reversed, would the Government have brought down the Bill?

Mr. PARKER: I do not for moment believe that we shall continue to experience the present hard times much longer, and it will be well to have this measure in force so that when conditions do improve, the worker will receive his deserts by getting better wages.

Mr. Withers: You will bring down another amendment then.

Mr. PARKER: I for one would not support a Government who sought to amend it again. One member said we were proud of Australia and that we were all well housed, well nourished and well clothed.

Mr. Panton: He should have said we were.

Mr. PARKER: I agree; unfortunately we are not at present. I am of opinion that if we could get the correct basic wage, the employer would be able to provide employment for a greater number of men than if the basic wage were fixed at too high a rate. Obviously, the industrialist who has to compete with other States and other parts of the world cannot overpay his men if he is going to carry on legitimate and proper business. It has been suggested that the industrialists make too much profit. I do not think there are many industrialists in Western Australia who are making too much profit. They are finding it difficult to make ends meet. If they are making much profit, the concern must be an excellent one. Of course there are bad employers, just as there are bad employees, but I feel sure that the great majority of employers do not keep their men on the minimum wage when the business is doing well. If only we can get our industries to thrive, more money will be brought into the State and we shall have more money in circulation. When that happens, will it not assist to bring down the interest charges? I have received no instructions from any organisation of any sort, size or description, but if the member for Hannans be correct, I have received a mandate.

Mr. Kenneally: He is always correct.

Mr. PARKER: Then I have a mandate from the electors of North-East Fremantle to support this Bill. The only instructions

I have were those which, according to a Press report, were given after a meeting had been addressed by an ex-Minister at South Fremantle on Sunday last, when I was instructed to vote against the Bill. To show that I am independent—whether I shall again be returned, I do not know, but for the next couple of years I shall be independent—and that I refuse to take instructions from any meeting held outside my electorate, I intend to support the Bill. I understand that at that meeting the Leader of the Opposition rightly informed the people that conditions were likely to grow worse and that there might be a greater number of people out of work. I sincerely trust he will prove to be wrong and that the work of the Arbitration Court will assist to rectify matters, whether that necessitates an increase or a reduction of wages, but I trust that when the Bill has passed, the court will determine the correct basic wage. After all we have heard in opposition to the Bill, the utmost injury it could possibly do to industries—I deny that could do any any—would be for six months. As the law stands, the basic wage must be reconsidered in June next.

HON. M. F. TROY (Mount Magnet) [11.58]: I am not much influenced by members who speak about getting a mandate from their electors on a matter of this kind. We may take it for granted that this would be the last thing upon which the member for North-East Fremantle consulted his electors.

Mr. Parker: I did not say I had a mandate.

Hon. M. F. TROY: If the hon. member went to his electors to-morrow, it is safe to say that he would be rejected by a thousand votes. If the Government went to the country to-morrow, they would be overwhelmingly defeated. In fact, it is very doubtful whether they would get back with half their strength. Members talk of receiving mandates, but we know perfectly well the kind of promises many members make at election times. Those who watched the papers, and read the speeches made during the last election campaign by members opposite, must be struck by the fact that in most cases the convictions they express in the House are entirely different from those they express in the country. No doubt if given the opportunity they would make the same promises again in the same way.

Mr. H. W. Mann: We admit that the conditions have changed.

Hon. M. F. TROY: The member who made strong declarations on the platform of the promises he intended to fulfil, and on the floor of this House later on says "That is all right; they have served their purpose; the end has justified the means," cannot have much respect for himself or expect it from others. That sort of thing can happen once or twice, but it cannot happen often. He must be a peculiar type of man who gets any satisfaction from that kind of thing. I have no mandate except my principles, and I propose to vote in consonance with them to-night. As far as I am aware no constituency has demanded this legislation or even asked for it.

Mr. Panton called attention to the state of the House.

Bells rung, and a quorum formed.

Hon. M. F. TROY: The subject was never put before the people. The Leader of the Government did not tell them in his policy speech that he intended to substitute this legislation for that already on the statute-book.

The Minister for Railways: I would call your attention to the state of the Press gallery.

Hon. M. F. TROY: That does not interest me, though it may interest the Minister.

The Minister for Railways: The public ought to know what you are saying.

Hon. M. F. TROY: I am not aware that the Minister promised his constituents that this Bill would be brought down. Under the existing legislation the basic wage is determined every 12 months. That is a very short time in industry. It has been said that this legislation has been demanded by the Employers' Federation. I have never seen any public announcement to that effect in the Press or elsewhere. If they are supporting it they are doing so sub rosa.

Mr. Willcock: They are ashamed of it if they are supporting it.

Hon. M. F. TROY: They have never publicly expressed any desire for it. The workers do not want it, and the employers do not want it. Now we have the Government, who secured their return to office on the promises they made, introducing legislation which no one wants, and which can only

result in the creation of mischief in the country.

Hon. P. Collier: I think it will be thrown out in another place.

The Attorney General: If you can satisfy us that the result of this legislation will be mischievous we will withdraw it.

Hon. M. F. TROY: Why should I satisfy the Minister on that point? This country has enjoyed a reputation for the harmonious relations that have existed over a number of years between the employers and the employees. In no other part of Australia have these relations been so harmonious. We have had no industrial trouble to face for the last six years or so.

The Minister for Railways: That is why we sent an aeroplane up north with police.

Mr. Panton: There never were any police wanted until you came into it.

The Attorney General: There were police on the Fremantle wharf.

Mr. Panton: And they went away pretty quickly too.

Mr. SPEAKER: Order! Hon. members must keep order.

Hon. M. F. TROY: There never was any industrial trouble until the present Government took office. The most cordial relations existed between the employers and the employees. Now, apparently without being asked by anyone, and certainly not in keeping with any promises that were made at the last general elections, the Government bring down this Bill. Surely they place some value on the good relations between those who are interested in our industrial enterprises. Surely they agree it is better for the country that all parties should work harmoniously, and that the workers should be contented and satisfied.

The Attorney General: Nothing could be better.

Hon. M. F. TROY: That was the position, but this Bill disturbs it.

The Attorney General: When was that the position?

Hon. M. F. TROY: This is an invitation to the court every three months to poke its nose into business that it is not required to look into.

The Minister for Works: It is done already in the Federal arena.

Hon. M. F. TROY: It means that both parties must always have their minds upon the time that is approaching to get to the court. There will be no stability in

industry. Men who are receiving a certain wage after the last application to the court will never know what the ensuing three months will bring forth. The minds of all will be on wages all the time.

The Minister for Railways: It does not follow there will be an alteration every three months.

Hon. M. F. TROY: The probability is there will be an alteration, because we are living in troublous times, and the position is unstable. We ought the more to encourage stable conditions in industry. Twelve months is often enough to ask the court to make a basic declaration. Apparently in bringing down this Bill the Government are influenced by the publication that the cost of living has been reduced in Western Australia during the last three months by 17 per cent. Certain people are filled with the most intense anxiety and zeal to grasp this opportunity to cut down wages. That is the whole *raison d'être* for the measure.

Mr. Willcock: The reduction is only in respect of certain commodities.

Hon. M. F. TROY: The reduction of 17 per cent. has been published.

The Minister for Works: It relates to the cost of food and groceries.

Hon. M. F. TROY: Certain interests are vitally concerned in gaining an advantage while prices are down. In Western Australia we have enjoyed a period of good prices for our commodities, but wages followed prices up with laggard footsteps. The price of wool and other commodities was high while wages were comparatively low. It was not until these high prices had operated for some time that wages slowly followed them up. It might be expected, therefore, that wages would follow prices down in the same way, but we find this Bill is an attempt to force them down rapidly. To-night hon. members have emphasised the position of the farmer. His product has fallen in value; he gets only half the value he used to receive for it. That, it is said, is the justification for this Bill. However, the farmer is not affected by the basic wage. He is not influenced by the basic wage. So there is no justification for the Bill in that respect. During the last few days the farmer has fixed the basic wage himself. He has passed a resolution that the highest wage paid to harvesters shall be 30s. per week. That has been published in the Press. Thus the farmers, having fixed their own basic

wage, are not in the slightest degree affected by this legislation, as regards the wages of their employees. In the greater part of the farming areas, 30s. per week and keep represent the maximum wage. Therefore, I repeat, the farmer is not affected by the Bill.

The Attorney General: Surely he must be affected. It is not merely a question of the wage he pays to his direct employees.

Hon. M. F. TROY: I will come to that. Hon. members have said that there has been a substantial drop in the value of shares. One member said these had fallen by 52 per cent.

The Minister for Works: I said it.

Hon. M. F. TROY: Probably they have in some cases. But that drop represents no real loss in cash. Look at the "West Australian" shares as they stood 12 months ago.

Mr. Willcock: At 52s.

Hon. M. F. TROY: Take Bank of New South Wales shares.

Mr. Willcock: They were £50.

Hon. M. F. TROY: Those prices did not represent any real investment of cash. On account of the fall in value of such shares, which went up because the State was prosperous and because of the business done in wheat and wool, it is said, "Look at the tremendous losses these people have suffered." They have not lost a penny. It is quite possible that the money they invested in the shares still gives them a good return. Take, for example, Commonwealth stock. The market price of that has fallen materially. But although the market price has fallen, the money of investors has not been lost. It is still there, carrying the same rate of interest. Similarly as regards share values; the money is still there, the capital has not been lost, and the shares are a fair investment. Some of these shares are watered. In the case of a company formed to-day with a capital of £100,000 in £1 shares, 10s. is called up and nine per cent. or ten per cent. dividends are paid not on the £1 but on the 10s. We know that happens.

The Attorney General: Of course it happens.

Hon. M. F. TROY: It happens frequently. It is happening to-day.

The Attorney General: But we are talking in generalities, and not as to special cases.

Hon. M. F. TROY: There are the facts.

Hon. P. Collier: Most of the companies that have been long in existence have watered their capital.

Mr. Willcock: Yes, by issuing bonus shares.

Hon. M. F. TROY: A prominent man told me yesterday that in good times in his business bonus shares were distributed and not a penny paid for them. On those shares dividends are still being paid. But there is no attempt made by the Government to meet that situation. The first thing they do is to reduce the worker. The community well knows that much of the capital apparently earning from five per cent. to nine per cent. is in fact earning just twice that percentage, because while only 10s. has been invested the dividend is paid on £1. In my opinion, the reduction of the basic wage will not give more employment, because it will not be sufficiently permanent. Every three months there is to be a fluctuation. Every three months the court shall determine the basic wage.

The Minister for Works: "Shall take into consideration" and then "may" do that. It is not mandatory.

Hon. M. F. TROY: "The court shall of its own motion consider such statement." We know what "may" means.

The Minister for Railways: That condition applies to-day to many of our public servants.

Hon. P. Collier: In what way?

The Minister for Railways: As regards re-adjustment of their salaries on the basis of the basic wage declaration.

Mr. Kenneally: In the Federal courts, yes. Nobody has denied that.

The Minister for Works: At least three unions employed by the Government have their wages adjusted in that way.

Hon. M. F. TROY: Suppose the basic wage is reduced by 1s., how will employment be increased by that circumstance?

The Attorney General: Surely the reduction may enable industries to keep going.

Hon. M. F. TROY: Suppose the basic wage in the railway service were reduced, would the Government employ one more man? Not one. Probably the railway service is the largest employing agency in Western Australia.

Mr. Kenneally: The Government have got rid of over 800 men since taking office.

Hon. M. F. TROY: The member for North-East Fremantle (Mr. Parker) says this legislation is intended for the benefit

of the worker. Does the Minister suggest that he introduced the Bill because he is burning with desire to help the worker?

The Minister for Works: Yes. That is what the Bill is for.

Hon. M. F. TROY: Absurd! The worker is protesting against this measure. If the Minister is only desirous of helping the worker, he is wasting his own time and that of the House. The workers have not asked for this legislation. At the meeting of farmers recently, the Minister for Lands said that the Government were out to abolish industrial arbitration and the Workers' Compensation Act. Did he not?

The Minister for Works: No. He has denied it.

Hon. M. F. TROY: I was at the meeting. I am not here to misrepresent the Minister. Undoubtedly he conveyed that to the farmers as an excuse for charges made against the Government, charges which I do not say are correct. He conveyed that to the meeting. He pointed out that Sir James Mitchell was very busy. He said to the farmers, "Do you want the Arbitration Act abolished?" "Yes!" "And the Workers, Compensation Act?" "Yes!" I called out, "The Government do not propose to abolish either; they may amend them." Undoubtedly the Minister was playing up to the conference of farmers, and his evident desire was to convey to the gathering that the Government intended to take from Peter to give to Paul. If I am asked to believe that the Minister did not convey it in that way, then I must be a very stupid person. I know very well how he conveyed the impression to the gathering; it is no use telling me otherwise. The Bill before us now will create industrial discontent. The determination of the basic wage once a year has proved eminently suitable because industry has been stabilised over 12-monthly periods. All parties have been satisfied, and there has been the least possible friction. If a legislative provision achieves that end, that is evidence of its success. The constant turmoil that will follow upon a revision of the basic rate every three months will create discontent and strife, which should be avoided.

The Minister for Railways: Why should you favour 12 months, and not two years?

Hon. M. F. TROY: There is a reasonable period to be applied to all things.

Mr. Keeneally called attention to the state of the House.

Bells rung, and a quorum formed.

Hon. M. F. TROY: It is extraordinary to find members of the Country Party allied with the Nationalists. I can quite understand the Nationalists introducing legislation of this description because they represent vested interests, the representatives of which have stated publicly that they desire to reduce the workers' standards. We know of the existence of the consultative council, who are representative of those vested interests. That body financed the candidates.

The Attorney General: Financed whom? What have they financed?

Hon. M. F. TROY: The consultative council financed the recent elections, State and Federal. They collected money and advertised for funds. They conducted the campaigns and they had a say in the policy. No doubt they work under the lap with regard to legislation, but I cannot understand Country Party members supporting them. With that extraordinary stupidity that characterises the Country Party, they are content to remain as they always have been—the handmaid to the Nationalist Party. They are the Nationalists' decoy ducks.

The Minister for Agriculture: I thought we were supposed to be the driving force behind the Government.

Hon. M. F. TROY: They have been content with that position in both State and Federal politics. The leaders of the movement are amiable gentlemen without much ability, but they direct a reactionary policy. Those gentlemen live in Perth and the whole organisation is directed to protect those who exploit the farming community. Why do not the Country Party members do something in the matter? Why do they not attack the interest rates that represent such a heavy charge on their own people? Why not enact legislation to deal with that phase? They should fight the charges that are passed on to the farming community by vested interests. The producer sells his wool and he finds deductions from his returns, the reason for which he is unaware of. If the farmer comes to Perth and purchases machinery, he finds that a percentage has to be added because of some payment to a person of whom he knows nothing.

The Minister for Agriculture: What charges are you referring to?

Hon. M. F. TROY: Take the machinery agent: A farmer may leave Wyalcatchem, for instance, and proceed to Perth where he may himself purchase an agricultural implement direct from a firm. Then he finds out that the Wyalcatchem agent for that particular firm gets £20 out of the deal, although he did not know anything about it and had no connection whatever with the transaction. Still, that sort of charge continues to be added to the farmer's costs, and while the Country Party members attack the wages paid to workers, they are content to allow the interests of the agricultural community to be exploited in the directions I have indicated. Country Party members have not the courage necessary to fight such imposition. That is where they have utterly failed. There are Country Party Ministers in office now who know what is going on. Even in their own organisations we find men rubbing shoulders with the farmers, who are interested only in levying unfair charges on the producers. Why do not Country Party Ministers take some action to protect the agriculturists?

The Minister for Works: How can we?

Hon. M. F. TROY: I will tell the Minister why it is not being done. The Country Party members are allied with the wrong crowd.

The Minister for Works: Tell us how we could get at those people you refer to.

Hon. M. F. TROY: The Government could bring legislation to bear to make that sort of thing illegal.

The Attorney General: What "sort of thing"? The payment to an agent for a service he did not render?

The Minister for Works: You were in office for six years; we have been here six minutes. Why did you not do something yourself?

Hon. M. F. TROY: We did not attack the basic wage.

The Minister for Railways: That does not matter. You could have righted the wrong you say exists.

Hon. M. F. TROY: The Minister does not know what is right or what is wrong. Why have the Country Party members allowed these things to happen for so long? I think they are a lot of humbugs. The farmer cannot buy anything without paying someone a fee for services not rendered at all. Now the Government come along and attack

the wages men when there are all these impositions they might attack. The basic wage might well be determined once a year. The employer could not then come along and say to a man employed on a farm, "I am going to reduce your wages." Once a year would be quite frequent enough for the revision of wages. Then conditions would be stabilised and there would be more harmony in industry.

MR. WILLCOCK (Geraldton) [12.32]: It is not very much use at this hour in the morning to advance opposition to the Bill, but there are in it one or two features to which I should like to draw attention. There are three principles that have been outstanding in the public life of Australia for the past 25 years. One is the famous policy of a White Australia, the second consists of the industrial laws under which we have regulated industry, and the third is that everybody prides himself on the standard of living in Australia. Even casual visitors to Australia soon have it forced upon their notice that those three outstanding principles are deep seated in the life of the Australian people. Two of those principles are affected by the Bill. All law is subject to amendment: no law is immutable, but when there is passed a law which definitely shapes certain conditions for a prescribed time it must be agreed that such a law should remain in existence all the time for which it was enacted. If any Government were to tinker with the land laws of the State and declare that the pastoral leases, instead of extending to 1948, should be altered because of the changed conditions and made to terminate in, say, 1938, immediately there would go up the cry of repudiation. At one time the Government of Queensland desired to reduce the tenure of the pastoral leases in that State, but so great was the opposition to the proposal that many people took steps to persuade England not to advance any more money to a Government that would repudiate a statutory obligation. During the time established by law there should be no attempt to alter the period set out in the legislation. I can imagine what the member for Gascoyne, who is sound asleep at the present moment, would say if somebody were to suggest that the tenure of the pastoral leases of this State should be reduced and made terminable in 1938. I would not have so much objection to the proposal if after the currency of the latest determination had ex-

pired an attempt was made to alter the law; but to attempt to alter it during the currency of an award of the court is absolute repudiation.

Mr. Coverley called attention to the state of the House.

Bells rung and a quorum formed.

Mr. WILLCOCK: The only possible interpretation that could be given by any judge is that the present basic wage should operate until the 1st July, 1931. I cannot understand the member for North-East Fremantle, trained in the law as he is, contending that to alter an agreement during its currency is not repudiation. If it is not repudiation, he cannot understand the meaning of the word. I should like the Chief Secretary to take a case before the court to determine whether the measure is not *ultra vires* and therefore should be disallowed. Just as it would be wrong to alter the tenure or conditions of pastoral leases during their currency, so it is wrong to make any alteration to a basic wage declaration during its currency. Apart from the statutory obligation, the proposal can be challenged on its merits because, as the member for South Fremantle pointed out, for 20 years the basic wage of the industrial workers lagged behind the cost of living, and it would be only an act of bare justice to permit the present declaration to continue for the full period. I question whether the proposed alteration is constitutional. Parliament does not override agreements honourably entered into or statutory obligations concluded for specific purposes. Though Parliament is all-powerful, it has never attacked conditions that have been given a certain currency. All the arguments that have been raised against retrospective legislation, currency of agreements and the statute of limitations could be applied to this measure. When the member for South Fremantle read out particulars of the basic wage, I recalled that in the Northampton district, miners were working underground for 9s. per day when the average was 9s. to 10s. over the whole of the State. For 12 or 18 months they endeavoured to get before the court but were unsuccessful. Then the mining company erected a mansion for the mine manager that was in such contrast to the housing accommodation of the workers that the whole of the men, in disgust, went on strike

for seven or eight weeks. The men were living in bag huts and bough sheds, and the indiscretion of the company in erecting at that time a mansion for the manager caused the strike. When it was settled, the company had to pay an extra 3s. per day to the men on the mine. We realise that a country cannot expend more than has been earned or borrowed, but many people have obtained more than they earned. During the war the storekeepers who had large stocks of commodities reaped tremendous profits because of the increase of prices. They purchased at low prices, the increase in the wholesale prices was added to existing stocks, and inordinate profits were made. It may be argued that they will be adversely affected by existing conditions.

Mr. Sampson: Of course they will be.

Mr. WILLCOCK: But not in proportion to the increased profits they made during the war. Profiteering became so rife that a Nationalist Government imposed an excess profits tax in order to share in the plundering of the community.

Mr. Sampson: And a lot of goods ordered at high prices were sold at low prices.

Mr. WILLCOCK: That has not been the experience in this country for 30 years, except perhaps to a slight extent during the last two or three months. Eggs may go down 1d. a dozen, or butter may go down 1d. per lb. in the flush season, but ordinarily that position has not arisen in the last 30 years.

Mr. Sampson: I assure you it has arisen.

Mr. WILLCOCK: In very few instances. I have not desire to indulge in personalities or discuss anybody's income, as one hon. member did for about 20 minutes, but a man who was in the same line of business as the member for Swan had a large stock of newsprint which he had purchased at £10 per ton. The price went up to £90 and he made an immense amount of money out of the large stocks he held.

Mr. Sampson: And some who paid £112 had to clear at £70 per ton.

Mr. WILLCOCK: No, they did not do that. The price of the "West Australian" was increased from 1d. to 2d. owing to the increased cost of newsprint, and the price of the paper has not been reduced.

Mr. Corboy: The war-time price still stands.

Mr. WILLCOCK: Yes, notwithstanding that the cost of newsprint has declined by

80 per cent. There has been some talk about interest charges. Ten or 12 years ago the interest that people had to pay on borrowed money was no more than 5 per cent. A loan of a million pounds then cost the country £50,000 a year in interest. The rate is now 6 per cent. or more, and a loan of a similar amount would cost the country £60,000 or more. The injustice of the whole thing is that the £60,000 that is now received by way of interest on a million will buy £80,000 worth of commodities compared with £50,000 worth a little while ago. Two years ago 45 million bags of wheat, which was Australia's exportable surplus, were required to pay her overseas indebtedness of about 36 millions, at 5s. per bushel. The present harvest is expected to yield an exportable surplus of 60 million bags, but that will not pay much more than half the interest on Australia's overseas indebtedness. When we get down to the actual value of money and of commodities we see that a tremendous adjustment is required in interest charges on capital loaned to this country. I do not think that a quarterly adjustment of the basic wage will have much effect upon the price of the commodities I have referred to, nor do I think this legislation will have a beneficial effect in any way. The method by which it is proposed to alter the basic wage is crude. The Bill provides that the Government Statistician shall supply figures with regard to the price of commodities and submit a report to the court. Without being disrespectful to that officer I submit that the figures he collects do not pretend to be accurate. They are published merely with the object of giving an indication of the trend of prices of the various commodities he deals with. He would never contend they were accurate or that he could guarantee them in any way because of the source from which he gets them. A few people in a few country towns supply him with information in an honorary capacity.

The Minister for Lands: Is not the work done by the police?

Mr. WILLCOCK: Not that kind of work.

The Minister for Lands: They send in the crop returns.

Mr. WILLCOCK: They have nothing to do with this particular question. The figures that will be supplied by the Government Statistician will have a tremendous effect upon the industrial population, albeit no pretence is made as to their accuracy.

I find that only a small amount of money is spent by this officer despite the ramifications of his department. No one in Geraldton, Kalgoorlie, Bunbury or the other centres is being paid for the information that is supplied. It is sent in by the office boy or the office cat, or anyone else who is available. The returns are not accurate by any means. They are compiled in a haphazard manner, and yet on these figures the industrial population may be robbed of two shillings a week.

The Minister for Lands: Do the Federal people collect their information in the same way?

Mr. WILLCOCK: They do pay something for its collection. In Kalgoorlie, for instance, their representative is paid £100 a year for giving accurate information. During the last two years at Geraldton there were queries concerning the rent figures produced by the Government Statistician. It was said that these were entirely incorrect, and were at least 3s. too low.

The Chief Secretary: The Federal figures are lower.

Mr. WILLCOCK: More importance is attached to the Federal figures. After an agitation of four or five months it was arranged with the Chief Secretary that the Government Statistician should visit Geraldton and personally inquire into the question. He then agreed that his figures were not accurate, and admitted that those he had been publishing for three or four years on the information of an irresponsible land agent were wrong to the extent of 15 per cent. No alteration was made in respect of the other towns in the State. If the figures could be wrong in Geraldton with regard to rents they could be wrong elsewhere in respect of both rent and commodities generally.

Mr. McCallum: It was said that the rents at Manjimup were 8s. a week, but after proper inquiry it was admitted that they should be 18s. 6d.

Mr. WILLCOCK: No doubt the same position can be applied to other parts of the State.

Mr. McCallum: The court questioned the 8s. and found it should be 18s. 6d.

Mr. WILLCOCK: That bears out the experience we had at Geraldton. Are the workers to depend upon that class of information to have their wages reduced? There might be some justification for the Bill if

it provided for an alteration of the system after the currency of the present award, but there is no justification for providing that the basic wage may be altered on the Government Statistician's figures when the workers have no right to question them.

The Minister for Works: The Bill does not say there shall be no right to question them.

Mr. WILLCOCK: It says that the officer must inform the court, that the court shall take this information into consideration, and that it may then do certain things.

The Minister for Works: The Court will decide whether the figures are right.

Mr. WILLCOCK: The whole substance of this alteration means that the adjustment is to be made quickly, without any loss of time.

The Minister for Works: If the court are satisfied that the figures are right.

Mr. WILLCOCK: How can they be satisfied unless they have some means of verifying the information? I have mentioned that the Geraldton information was entirely wrong. Honorary agents scattered all over the country supply the information on which determinations are made. In the case of Geraldton the crude method was adopted of accepting the information of an estate agent, who had no feeling of responsibility. As regards cost of commodities, a grocer may be severely cutting prices in a town, and his figures may not be the average figures. Yet those figures will be accepted at face value, with the result that the basic wage will be reduced and many people will lose, say, 1s. per week. The Commonwealth figures, when checked, have frequently been found to be wrong. If the State Statistician's figures are to be accepted without reserve, there will be grave danger of unjustifiable determinations. The court "shall" take into consideration, and then "may" make a determination. But there is nothing for the court to base a determination on except information obtained from the Government Statistician on the strength of admittedly faulty figures supplied to him by irresponsible agents. I have known of a return being sent to the Government Statistician marked "No alteration since last return," when in fact there had been serious alterations. My opposition to the Bill rests on two solid grounds. The first is that during the currency of an

award no Government should repudiate it. After the expiration of the period of contract, alterations can be made. A farmer here pays five per cent. for 20 years on the capital value of his land. He does not pay one single pound of principal. The law says the land is to be given to the agriculturist provided that for 20 years he pays five per cent. on its value. Now suppose Parliament said that that was not enough, and that interest should be paid for 25 years. What a howl there would be about repudiation of contract! The contract here in question was to last until the 30th June, 1931. If the Government, in their wisdom or their foolishness, desire to alter the law after the expiration of this current contract, they can do it; but we have no right to pass the Bill while the present crude methods of obtaining statistics persist. Will the Premier give an assurance that the office of the State Statistician shall be so reorganised as to enable the officer to swear to his figures before the Arbitration Court? Those who furnish the information on which the remuneration of the industrial section is based should be required to supply accurate, reliable information. I do not want to labour the position at this hour. It would not make much difference if I did labour it, the Government having made up their minds that the measure must pass. To argue the merits of the Bill further would be useless. If the measure were introduced next session and in the interim were altered in the two respects I have mentioned, the Opposition, though they would oppose the Bill, would not have so much ground for doing so. They would oppose it rather from sentiment than from reason. I oppose the Bill on the two distinct grounds I have indicated. I do not subscribe to the opinion that laws are immutable and should not be altered. On the other hand, laws should not be changed that confer a right on people for a specified time during the currency of that period. The points I have raised are worthy of consideration, and the Minister should furnish some explanation to the House.

MR. SAMPSON (Swan) [1.12:] The cost of living figures referred to by the member for Geraldton (Mr. Willcock) may present a difficulty, and the reliability of the statis-

tician's figures may be open to question. I cannot discuss that phase, which I regard as a matter of detail that can be remedied. It has been amazing to note the objections raised to the Bill. The abnormal times we are passing through justify the amending legislation. What is the use of maintaining a high basic wage when, as to-day, so many of those who desire work cannot get it? It is acknowledged that the cost of living has been reduced materially and it will be admitted that the standard of living has been maintained. That applies particularly in the metropolitan area, and I believe that in the country districts the standard of living is practically as high as it has been for some time past. At the same time it cannot be disputed that the standard in the country is not really high. It is clear that Western Australia as a whole does not produce sufficient to supply the wages that are required to comply with various awards issued by the Arbitration Court. That statement is unassailable. We have been living upon loan money and enjoying a fictitious prosperity. The realisation of the present-day position demands firm action, and I hope that the Bill will result in additional employment being provided for some of the thousands of men who cannot secure it to-day. From that standpoint, it becomes the bounden duty of the Government to ameliorate the conditions that obtain so far as is possible in the face of the grave economic crisis of the present. I understand the basic rate of wage rises and falls in accordance with the cost of living as disclosed in the statistician's figures. I do not know what objection can reasonably be raised against such a proposition. It cannot be disputed that probably 25 per cent. of the people are living, comparatively speaking, in clover, while the balance are existing in a state of semi-starvation. That is deplorable, and should be remedied as soon as possible.

Hon. P. Collier: Will the Bill remedy that position?

Mr. SAMPSON: I hope it will. We cannot pay the wages fixed by awards in different industries. We rely upon primary products and the prices of those products will not return to the grower sufficient to meet the wages bill demanded.

Hon. P. Collier: Do you say that the 25 per cent. who are living in clover are working under Arbitration Court awards?

Mr. SAMPSON: Comparatively, they are in clover. Those who are out of work find precious little consolation in the fact that the basic rate of wages has not been varied. The great bulk of the people would welcome a reduction with the added employment that would be found for those in need of it. Those engaged in secondary industries find themselves unable to pay their way except to a limited extent. The result is that unemployment is increasing weekly and suffering has been enormously augmented. That is the difficulty that every well-wisher of the State desires to alter.

Hon. P. Collier: And this is your solution of the unemployment problem!

Mr. SAMPSON: The prosperity we have been enjoying is fictitious and cannot be maintained by any logical reasoning. We must spread the money available for wages as much as possible, and assist the workers at least to secure some measure of comfort. While the State is in a deplorable condition to-day, and while the world is confronted with prices for primary production far below economic possibilities, it is hopeless to expect employers to continue paying rates when they have less money with which to do so. I hope that before long good prices will again be paid for our primary products, but for the time being there is no evidence to suggest anything of the sort. We know the position in Canada, in the United States, and in Russia, and so we can appreciate the problems in this country. It is hopeless to expect to prosper by taking in each other's washing or prescribing a high basic wage when the country cannot secure a return for its products. What satisfaction is it to the unemployed to know the basic wage is high, since it is quite out of their reach? It may be some satisfaction to them to applaud the sentiments advanced here to-night, but I question whether any man in such a hopeless position would applaud those sentiments. To-day inflation is being discussed, and in the opinion of some it provides the easiest remedy for our ills. But in view of the fact that the country cannot spend money unless that money is earned or borrowed, we can only temporarily meet the situation and review the position from the standpoint of industry, and pay such wages as the country can afford. I will support the second reading.

[The Deputy Speaker took the Chair.]

HON. P. COLLIER (Boulder) [1.22]: It is not right that we should be called upon to discuss the Bill in the small hours of the morning after an all-night sitting. This is a most important Bill which may result in the turning into different channels the distribution of £700,000 during the balance of the basic wage year. Any Bill which may have that effect is of first-rate importance. I do not remember that we, as a Government, ever attempted to force through an important Bill in one sitting. Occasionally, of course, we did so in respect of minor Bills, but we always allowed due opportunity for the discussion of important measures. A Bill of this kind ought to have been brought down earlier, at a stage in the session which would have permitted of discussion during the usual hours of sitting. It is asking too much to have a Bill of such importance put through at one sitting. I am glad we have had a few words from one or two private members on the Government side. I suggest the member for Pingelly give us the point of view of the primary producers, or of the league he represents on the cross benches.

Mr. Brown: I could do that.

Hon. P. COLLIER: The hon. member is always willing to take his share in any discussion, and it is only necessary for me to remind him of that.

Mr. Angelo: Do you not want any sleep?

Hon. P. COLLIER: For the pleasure of hearing the hon. member I would be willing to give up half an hour's sleep. It is a deplorable fact that in times of difficulty such as war, or financial depression, the wage earners of every country are those to suffer first and to suffer most. The basic wage itself, after all, provides only sufficient money to enable a person with family responsibilities merely to live, nothing more. It is only those who for some period of their lives have had to live and maintain families upon the basic wage who really know what it means. It does not pretend to provide for more than the necessities of life for the family from week to week. It does not take into consideration such questions as periodical terms of unemployment, it does not take into consideration the need for providing for times of illness, or for a dozen and one things that affect the domestic life of every family, right outside the realms of the basic wage. So one on the basic wage,

even if in constant employment, cannot hope to do more than live and pay his way from week to week. The basic wage does not provide any education for the children of the workers beyond that furnished in the primary schools of the State. If you take any other section of the community, except those that might be suffering as the farmers are to-day in a time of depression, year in and year out, generation after generation, there is no other section of the community nailed right down to bedrock conditions as the wage earner is by merely living from week to week. And when his children leave school they have to go to work to help maintain the family. There are no secondary schools for them, no colleges, no university, no opportunity—except perhaps for an odd clever boy who can win a scholarship—for the worker to give his child a profession. And then in times of war there is no section of the community hit as the workers are hit. In this country they suffered great hardship during the war period; because the cost of living was mounting up month by month, while wages remained stationary, or, as has been said here to-night, followed the rise 12 months, and in some instances two years, afterwards. It may surprise some members to know that during the whole of the four year war period, notwithstanding the great increase in the cost of living, the wages of the men in the mining industry did not increase at all. When the war ended the wages men engaged in mining were receiving the same money as when the war commenced, and during that time the cost of living had mounted enormously. If the wage the miner was drawing at the commencement of the war was only a fair one—it was never considered to be more than fair—we can imagine how unfair it was and how he must have had to struggle to subsist on the same wage in 1918. In other industries working under awards of the court the men's wages were one to two years behind the cost of living. It meant a great struggle and much hardship for the wage earners to live and maintain their homes, owing to the decreased purchasing power of their money. As the member for South Fremantle mentioned, there were times when the cost of some essential commodities were at a prohibitive level. During some periods there was no meat in the homes of the workers, except for the wage earner because he had to have meat, and there was also a short-

age of other necessities. The experience has always been the same in times of war and depression. The workers bear the burden all the time, and they are the first upon whom the burden falls when the change occurs. During the war a considerable number of people in Australia made large fortunes. They were more prosperous during those years than ever they were before or have been since. Many people accumulated wealth during those years and have enjoyed it since. While people engaged in trade and commerce have been able to reap large profits, the wage earners have suffered. I admit that a large number of people have sustained a reduction of income and profits, but a considerable number have not. The workers, however, must now march abreast with the fall in commodity prices, although they marched long leagues behind while prices were soaring. As has already been stated, the figures published from time to time to show the loss of capital consequent on the fall of share values are entirely misleading. To a limited extent only are they correct or reliable. The watering of stock practised by most companies and corporations that have been in existence any length of time and have been making large profits is notorious, and the losses are only on paper. Let me mention one institution that is typical of the great majority of them. The Western Australian Bank, previous to its amalgamation with the Bank of New South Wales, paid a dividend of 16 per cent. for 20 years on end, and during the same period built up a reserve of £700,000. There was no need to place any more money in the reserve fund, and the bank did not wish to increase the rate of dividend because it might cause comment, and so bonus shares were given to the shareholders. I believe that shareholders received $2\frac{1}{2}$ bonus shares for every share they held, and so the holder of two shares to-day found himself the possessor of five shares to-morrow without investing 1s. of additional capital, and proceeded to draw good dividends on the five shares. Suppose the profits of the bank fell and the dividends paid amounted to only 4 per cent. or 5 per cent., the people would now be informed, "You must remember that those who have invested their money in the bank are receiving only 4 per cent." Actually, it would be 10 per cent. upon the capital invested. For years past companies have adopted the method of watering stock because they did not want it to be apparent

that they were paying dividends of 20 or 30 per cent. To disclose profits like that would have caused comment and perhaps affected their trade, and so they watered the stock and gave bonus shares and paid what appeared to be a rate of dividend at which no one could cavil. It has frequently been said, "We are paying only 8 per cent.; you cannot call that profiteering. We are not making any excess profits." Actually, the 8 per cent. might represent 20 or 25 per cent. on the original capital. That is the position of nearly all the companies in Australia. It is a well recognised method of covering up actual profits. The shipping companies have claimed that it was necessary to increase their charges because the existing rates were not payable. They point to the fact of having paid only a small rate of dividend last year, but nobody knows the extent to which the stock of shipping companies has been watered. Though the dividend be only 2 or 3 per cent. on the watered stock, it might be equal to 15 or 20 per cent. on the actual capital. In that way companies seek to justify increased prices for goods or increased charges for services, and so the statements regarding the fall in share values is entirely misleading. Such statements are worth nothing unless we have details of the paid-up capital, the bonus shares and the watering of the stock. Then it would be possible to ascertain the exact position, but a general statement about a fall in values means nothing. It is true that people who purchased shares at the higher prices would lose capital, but when shares such as those of the Bank of New South Wales fall, nobody would sell unless dire necessity compelled him to realise for want of cash. Shareholders keep their shares because they know there will be a recovery in values when the causes that have operated to bring about the reduction have passed. The shares of the West Australian Newspaper Company were £2 12s. a year ago; to-day they are £1 5s. 6d. or £1 6s., roughly one-half, but there is no justification for that fall in the price of those shares, if one may judge from the balance sheet. When the shares stood at £1 6s., the company paid the same rate of dividend, namely, 12 per cent., as was paid when the shares were £2 12s.

Mr. H. W. Mann: The drop in values might indicate that holders were compelled to put some of their shares on the market.

Hon. P. COLLIER: I do not think so. I know of a particular company in this city whose shares dropped from 18s. to 3s. and there had not been any sales.

The Attorney General: What caused them to drop?

Hon. P. COLLIER: That was the rate quoted; there were no buyers in the market.

The Attorney General: If people were trying to sell at that price, surely it indicates a depreciation in value.

Hon. P. COLLIER: There were no sales in that case, although the shares dropped from 18s. to 8s. I suppose there are very few companies in which some shareholders are not forced to realise, but the number may be small compared with the total. I may have 100 shares in a big company and be compelled to realise on them in order to secure ready cash. Consequently, I put the shares on the market and down comes the price of the shares, but there are no general transactions in the shares.

Mr. Sampson: The company would probably be losing money, apart from the share values coming down.

Hon. P. COLLIER: The "West Australian" Newspaper Company have not lost any money and their profits have not fallen, because they paid the same rate of dividend two months ago as they paid 12 months ago.

Mr. Sampson: I suppose they have a reserve to play with.

Hon. P. COLLIER: Only a wealthy company with large reserves would pay a big dividend out of reserves. Before doing that, the rate of dividend would be reduced. Reserves would be utilised only when the company could not pay any dividend, or if the company were able to pay only 2 or 3 per cent., they might utilise reserves to increase the dividend to 5 or 6 per cent., but they would not draw on reserves in order to pay a dividend of 12 per cent. No company in the world would do that. This is not the case with regard to the "West Australian" newspaper. In this instance we are dealing with unfortunate people who cannot lay aside any money. Practically 100 per cent. of those married people who are on the basic wage are not able to set aside any money whatever when they are working. What is going to be their position when they are out of work or sickness or illness overtakes them? I have been on the basic wage,

and out of work, and I have been without any money when out of work. I have been in the position of many of those men we see here every afternoon. Not only is the anxiety and the worry with you when you are actually out of work, but if you do not happen to have a permanent position, and are engaged in employment that may terminate at any time, throughout all the weeks and months that you may be working you are haunted by the dread spectre of the possibility of getting out of work in a day, a week, or a month. That worry is never absent from the mind of the man so situated, or of the woman who has to keep house. Even when these people are in work they are constantly worrying as to what will happen to them when they lose their employment. The life of the man who is engaged on the lowest rung of the ladder, from the very day when he takes on the responsibilities of a home until he goes to his grave, is one long anxiety and worry, which cannot be understood except by those who have been through it. The position is not so bad for single men. For some time past they have been obtaining wages based on the requirements of a married man, and they have been comparatively well off. The cost of living has started to come down, and if the basic wage were adjusted to-day there would probably be a reduction. We should not, however, pass legislation saying to the worker "You shall not now enjoy the benefit of this reduction in the cost of living even for a brief six months; your wages must go down with the cost of living, and must keep on going down as that continues to fall." I do not use the word "repudiation," but I say unquestionably this action constitutes a breach of contract. The basic wage was fixed in June last. It was the decision, the verdict of the court, that it should last for 12 months. It is just as much the verdict of the court as any other decision that is given by a Supreme Court judge might be. Now the Government are bringing down legislation to set aside that judgment. It would be a different thing if they were bringing in a measure to say that after the expiration of the award and the decision of the court had expired the basic wage would be adjusted on a different basis. We could not take exception to the Bill on the ground of a breach of an award. But to come in and say, during

the currency of the award "We are going to set aside the verdict of the court," means that Parliament will be interfering with the decision of the court. I agree with the Attorney General that neither this nor any other form of legislation should be immutable. Our laws should be open to amendment at any time. It is one thing to amend the Act in such a way that it will apply to all future decisions, all decisions given after the passing of this Bill. But to make the Bill have a retrospective effect, as it were, and to say "We will set aside a decision of the court already given," is an entirely different thing, and a thing that ought not to be done. Whatever we may think should be done in June next, we ought not to introduce legislation nullifying a decision of the court. If we do that, it will be quite justifiable to say that we are breaking an agreement, introducing legislation to over-ride a decision already given by the court, with the object of reducing wages. I think the case is perfectly clear. We are going to over-ride a decision already given, for the court has said the award shall operate until the end of June next year.

The Attorney General: Parliament said that.

Hon. P. COLLIER: No. The court said it.

The Attorney General: Parliament said that the court should determine the matter once a year, and the court carried out the instruction.

Hon. P. COLLIER: Yes, carried out the law; and that decision in ordinary circumstances would operate for 12 months. But we step in and say that notwithstanding the decision given by the court under the law, we are going to amend the law so that things may be altered before the expiration of the 12 months. I do not think that is a right course to take, whatever view we may hold as to the attitude to be adopted in June next. So we are reducing wages. The member for Perth (Mr. H. W. Mann) and others will recollect that during the general election statements were frequently made, probably by nearly every candidate of the then Opposition, that the Opposition party, if elected, would not reduce wages. Hon. members opposite still argue that they are not reducing wages. We know that when they said they would not reduce wages, they could not reduce wages. No Government had the power to do it.

Wages were fixed outside the ambit of Government altogether. The Government could not say, "We will reduce wages." But when they said "We will not reduce wages," they meant that they would not take any action which would result in bringing down wages.

The Attorney General: If what we are proposing is not an honest effort in the direction of finding employment, there is no justification for it.

Hon. P. COLLIER: To some extent it will find employment—to a very limited extent.

The Attorney General: That is our only justification. We think the Bill will find employment.

Hon. P. COLLIER: To some slight extent. Suppose, for instance, that the measure saves what the Minister estimates—£1,500,000 a year in wages; then I venture to say that nothing like the whole, or even the half, of that amount will go towards providing employment for other people.

The Attorney General: It would be better to accept that than have the importation of foreign goods.

Hon. P. COLLIER: Not necessarily, because it does not follow that employers who benefit by the reduction will employ men with that money. They may add it to their profits.

The Attorney General: And spend it?

Hon. P. COLLIER: No. The profits may be small, or the employers may be carrying on without any profit at all.

The Attorney General: Suppose they add the amount to their profits, what are they going to do with it?

Hon. P. COLLIER: It does not follow that they will give direct employment with that money.

The Attorney General: Not necessarily direct; but indirect. Unless they spend the money in buying imported goods—

Hon. P. COLLIER: If we collect a tax on a certain amount of money and set aside all the proceeds of the tax to supply direct employment, we know that the money does go that way.

The Attorney General: Surely the passing of the Bill will make more money available!

Hon. P. COLLIER: Possibly people are carrying on business upon the very minimum of output because of wages, and such

people will be able to increase their output and thus employ some additional men.

The Attorney General: Businesses are at the present time being carried on at a loss.

Hon. P. COLLIER: I have no doubt that some businesses are being carried on without profit.

Member: The timber industry.

Hon. P. COLLIER: I do not think the timber industry has been carried on at a loss. There has been a great diminution in the volume of trade, but I do not know that any of those carrying on the industry are actually losing money. It was not so when I was in office.

The Attorney General: We know that absolutely decent and honest employers are worried out of their lives about the future and do not know how long they will be able to carry on.

Mr. Kennecally: What about wages men?

The Attorney General: They too are worried.

Hon. P. COLLIER: I think the only persons in the State not worrying are those who hold Government bonds and are safe to receive their interest.

The Attorney General: If they are sensible, they may be worrying too.

Hon. P. COLLIER: As has been shown by the debate, the rate of interest is virtually increasing, because the cost of commodities is going down. Bondholders, I suppose, are the only people not worrying to any great extent. Unquestionably persons engaged in trade and industry have great worry and anxiety in maintaining their businesses. However, I do not for a moment believe that the whole of the money to be saved by the reduction following upon the passage of the Bill will be utilised directly in employment of labour. I do not think it will. In some cases the saving might merely go to provide expensive clothing and luxuries for people still able to indulge in those things. That is the position as I see it, and I certainly shall vote against the Bill. I am firmly convinced that no alteration of a retrospective character should take place to affect a decision which has been given, until that decision expires in June next.

THE CHIEF SECRETARY (Hon. N. Keenan—Nedlands) [2.0]: I had no intention of taking part in the debate because, to me, it appears to a large extent to be unreal. We have not, during the debate, faced

the position that we know exists. On the other hand, it must be recognised that the Government have had to deal with an emergency. I have listened to the remarks of the member for South Fremantle (Mr. McCallum). I must compliment him by saying he is a fine fighter. He dealt with the Bill with what would undoubtedly be very fair arguments if conditions were normal, and if we were seeking to depart from what one could describe as conditions that applied in the past. If that were so, no such Bill as that before the House would be brought forward by any Government, unless at a time when it would be more proper to review legislation of this description. We are not facing a position of that description at all. We are not living in normal times. We have to adopt remedies that, to our limited sense of wisdom, appear to be proper to bring about a different state of affairs to the deplorable conditions that we see in our midst to-day. With much of what the Leader of the Opposition said I am in accord. One should not lightly interfere with an arrangement that had been made prescribing that certain things should apply over a given period, as the result of which certain parties may have entered into contracts, relying upon the continuance of such conditions.

Mr. Willcock: We did not think there would be a different code of morals regarding our laws in times of depression.

The CHIEF SECRETARY: No, but it has to be remembered that we are dealing with what is really a machinery matter. Suppose that it had originally been provided that the basic wage should be fixed every month, and it seemed wise to Parliament to alter that and have the wage fixed every six months or every year. Would anyone have had good grounds to object to that being done?

The Attorney General: Suppose it had been originally fixed at 10 years. Should we have waited for ten years before seeking to alter that law?

Member: Not so far as it would affect the position after the passing of the Act.

The CHIEF SECRETARY: Hon. members know that I agree if there were not some really strong reason occasioned by the circumstances of the hour, we should not interfere in this matter, but we are faced with

the position that abnormal conditions exist to-day. There is one point I want to make because much has been said in the course of the debate about the past history of this particular piece of legislation. It has been said that in a Bill introduced by members at present sitting in Opposition, an exactly similar provision appeared.

Mr. McCallum: That is not right.

The CHIEF SECRETARY: I have read the Bill, and that is approximately right.

Mr. McCallum: Still, it is not right.

The CHIEF SECRETARY: The member for South Fremantle surely does not want me to read it! As he knows, it was open to the Minister to approach the court at any time, and that is a wider provision than that embodied in the Bill now before the House. We say that at least three months must elapse before the revision can be made. Under the Labour Government's Bill, it was open to the Minister to approach the Court at any time. He could have done so at monthly intervals had he chosen. I have very little respect for an argument of that description. It seems to me that to argue that because a previous Government advanced a certain proposal, that fact can be used as a valid contention in support of it to-day, furnishes the weakest possible ground upon which to debate the point. It may be that in former days they were right or that they were wrong. We have to show that we are right now. Indeed, any argument of that character when applied to the Bill amounts to so much persiflage. If we are to conduct our discussions on the basis of what has been said or done in the past, are we to take no notice of changed opinions? It may be that hon. members when sitting on the Government side of the House supported the arguments that have been advanced and have since changed their opinions. They are quite entitled to do so. The whole progress of the world depends upon change.

Hon. P. Collier: Of course it does.

The CHIEF SECRETARY: I would not support any Bill on arguments founded on opinions of others expressed at other times.

Hon. P. Collier: Of course not.

The CHIEF SECRETARY: We have ample grounds for supporting the Bill on conditions that exist to-day. We know perfectly well there are numbers of men in employment to-day who, if things do not

change, will not be in their employment in another month. We know it and fear it. It is a deplorable thing to look forward to, but we know that is the position.

Hon. W. D. Johnson: And it will be so whether the Bill be agreed to or not.

The CHIEF SECRETARY: Many employers have a number of old hands in their employ, and they do not desire to dismiss their old servants.

Hon. W. D. Johnson: The Government have done so.

The CHIEF SECRETARY: How many of the employers are faced with the problem of sacking servants who have been for years in their employ, or else involving themselves in financial loss which may be irretrievable. On the other hand, if the measure accords those people relief, will they not make use of the extra money at their disposal in retaining the services of their old employees?

Hon. W. D. Johnson: You tell a man that it is a case of the sack or low wages, and he will take the low wages.

The CHIEF SECRETARY: I am not talking of the man, but of the employer himself. It is useless to say that all employers are good, and all workers are bad. There are some employers and some workers who are excellent people. There are employers who are not excellent people and that applies also to some of the workers. We cannot possibly legislate for exceptional cases, and we must take what we believe to be the average employer and worker. I believe the good employer and the good worker are equally anxious to do a fair thing by each other. Therefore I say we have ample reasons for taking the steps that led to the introduction of the Bill, and under which we seek to adjust the wages of the workers in accordance with the cost of living. As a matter of fact, that is the very foundation upon which all wages are fixed. If workers in receipt of certain wages had those wages reduced because the cost of living had fallen, would they be in a worse position than, say, in June last, when the basic wage was fixed in accordance with the prices obtaining then? I may assume that the court in June last properly fixed the actual cost of living, and therefore fixed the basic wage on a proper basis, too. If that is so, since then a phenomenal drop—it has been nothing ordinary

—has taken place in the cost of living That drop is estimated roughly at 13 per cent. If that is the position, will the workers be worse off to any degree if some portion of the basic wage is reduced to correspond with that fall in the cost of living? Obviously they will not be any worse off. If it is reduced, as we believe it will be, and as the Leader of the Opposition knows it will be, too, there will, at any rate, be some considerable reduction in the unemployment that will be apparent in the near future.

Mr. McCallum: I do not subscribe to that suggestion for one moment.

The CHIEF SECRETARY: As I have already said, the member for South Fremantle is a first-class fighter, but he knows—

Mr. McCallum: I say that the Minister's argument is absolutely groundless. It has no foundation whatever.

The CHIEF SECRETARY: Why not?

Mr. McCallum: Because the money spent now will find more employment than if the reduction is made, because the money saved will go into the employer's pocket.

The Minister for Railways: That is absurd.

The CHIEF SECRETARY: I do not think the hon. member's contention is right.

Mr. McCallum: Money spent in wages means more food purchased, and so the money is in circulation all the time.

The Minister for Railways: Nonsense! It is all a question of what is produced for wages.

The CHIEF SECRETARY: At any rate, I do not suppose that either the member for South Fremantle or the Minister for Railways will assist me much by continuing their conversation. I want to point out that the Government are acting in what they regard as a very well considered manner. They have given great thought to the problem, and we believe—whether we are right or wrong remains to be seen—that the amending Bill will lead to a considerable reduction in the number of employees likely to be discharged in the future, which otherwise would increase the unemployment difficulty. We know that such a result will be inevitable unless we check it by whatever means are in our power. We believe this will check it, and that phase alone is sufficient ground for the Bill. I hope we shall resolve this question without resort to personalities. It is the simplest form of argument—the in-

dulging in personalities. Even the member for East Perth can do that. But I think the position is sufficiently serious to warrant our abandoning that very easy method of debate, and I hope the House will resolve this question according to its own merits, and not according to extraneous considerations.

MR. PANTON (Leederville) [2.10]: It has been very interesting to sit here since 4.30 p.m. yesterday and, after all, hear only two speeches from the Government side, and remarkable speeches at that.

Hon. P. Collier: The member for Pingelly is coming along.

Mr. PANTON: Even the member for Pingelly could not put up arguments such as we have heard from the Chief Secretary. That hon. gentleman astounded me. He contended—and from what I gathered, this is his sole reason and, I believe, the Government's sole reason for the Bill—that the Bill will lessen unemployment. I cannot follow that argument at all. For one thing the Chief Secretary knows all about the procedure of the courts of this State, and must know that the Arbitration Court is now surrounded by a mass of figures in a big railway case and will take months to get through those figures and give an award in that case. I have had something to do with the Arbitration Court during the last 10 or 15 years, and I know the court goes into recess at the end of December, and that nothing is seen of it again until the following March. Unless the Government know some method of getting the Arbitration Court to sit and put this legislation into operation, the Bill will not have the effect of lessening unemployment in the near future, for nothing will be done by the court.

The Minister for Railways: Well, then, what is all the fuss about?

Mr. PANTON: The Chief Secretary replied to certain arguments. Am I not entitled to say anything in reply to him?

The Minister for Railways: But if what you say about the court is right, what becomes of the alleged repudiation?

Mr. PANTON: I shall deal with that presently. There is no chance of the Arbitration Court working under this Bill before, say, the end of next March. So until we reach that time, nothing can be done through the Bill to lessen unemployment.

Mr. Munsie: Call it February.

Mr. PANTON: Very well. Assuming the court sat forthwith and it was possible for the court to reduce the basic wage by 7s. per week; if the Bill is going to lessen unemployment, it is going to make for the employment of other men. But surely only the same amount of money will be in circulation.

The Minister for Railways: The distribution of goods will be greater. That is the point.

Mr. PANTON: If a man is drawing £4 6s., the basic wage, he will spend practically the whole of that money. Very few basic-wage men can save £10 in a year.

The Minister for Railways: Take the Savings Bank figures.

Mr. PANTON: Thousands of pounds in the Savings Bank belong to trades unions, and thousands of pounds to friendly societies.

Mr. H. W. Mann: There are 364,000 Savings Bank accounts.

Mr. PANTON: Yes, I have three of them myself, and the three of them do not average £25 per month.

Mr. H. W. Mann: The average amount per account is £35.

Mr. PANTON: I know one trade union with £3,000 in the Savings Bank.

The Minister for Railways: Some of it ought to be used to reduce unemployment.

Mr. H. W. Mann: The average per inhabitant is £27.

Mr. PANTON: It does not affect the argument used by the Chief Secretary, namely, that the Bill will lessen unemployment. Take Boans or Foy & Gibsons, two of the biggest employing firms: they can employ only the number that it pays them to have selling over the counter; they will not employ anybody out of sentiment alone.

The Minister for Railways: Do they employ as many now as they did?

Mr. PANTON: No, because there is not the same purchasing power amongst the customers. Those firms will employ only the number they require to sell over the counter, and that number is governed by the purchasing power of the customers. Suppose there are a thousand people spending £4 6s. a week, and that 6s. is taken from each of those people and spread over another group: it will make no difference to the total amount available. Hence I cannot follow the arguments of the Chief Secretary. Let me deal with the member for North-East

Fremantle. He said he had a mandate from his electors. There was another very eminent politician in Australia who claimed that he had a mandate from the electors for every conceivable thing. When he was before the electors, he did not mention one-third of the proposals he subsequently introduced, but he claimed to have a mandate for them all. Now the member for North-East Fremantle is emulating not only the ex-Prime Minister, Mr. Bruce, but the Premier.

Mr. Millington: They had no mandate to reduce wages, anyhow.

Mr. PANTON: It is difficult to understand how the member for North-East Fremantle can claim to have a mandate because the member for Hannans visited the electorate—

Mr. Parker: I did not say I had a mandate. I said the member for Hannans stated that I had a mandate.

Mr. PANTON: The member for Hannans went into his electorate and stated that, if members opposite were returned to power, certain things would happen. It is not often that I make a statement on the platform that proves to be true.

Mr. McCallum: That is rather against yourself.

Mr. PANTON: What I intend to convey is that previously I had never posed as a prophet, but during the last election I stated that while I believed the present Premier would stand up to his undertaking not to interfere with industrial conditions brought into force by the Collier Government, the electors had to remember that the only possible Government outside of Labour would be one dominated by the Country Party. On many occasions the present Minister for Works, the ex-member for Katanning and other Country Party members stated in no uncertain terms what they would do when the opportunity occurred, and I told the electors of Leederville what would happen.

The Minister for Works: What did you say we would do?

Mr. PANTON: I said that hours would be increased, that the Workers' Compensation Act would be altered, and that a hundred and one other things affecting the workers would be done. The member for North-East Fremantle claims that because the people of his electorate disregarded the warning of the member for Hannans, it constituted a mandate to support the Bill. Un-

sophisticated and all as the workers may be, they would be more likely to look for a declaration from the Leader of the party than from the member for North-East Fremantle. There were two Leaders of the party during the campaign, one the present Premier and the other the organising secretary of the National Federation, Mr. Allan Macdonald.

Mr. Millington: And the Minister for Railways.

Mr. PANTON: No, he has been promoted since. I am not concerned about what he said. A report in the "West Australian" of the 24th March, 1930, read—

Wage reduction. National Party's position. "It is such an obviously shallow piece of election propaganda, without any foundation of fact, that it is beneath the contempt of the National Party," Mr. Allan Macdonald stated on Saturday when questioned about the assertion by Labour candidates that the Opposition parties were aiming at a reduction of wages. "However, as some people may be misled, we feel compelled to combat it. The National Party are certainly not out to reduce wages. No Government has any right to interfere with wages or conditions fixed by an Arbitration Court. The National Party is in favour of industrial matters being controlled by the court, as it realises that nobody is better able to judge the condition of industry in the State than the citizens who control the State Arbitration Court."

On the 29th March the "West Australian" published the following—

Safeguarding Wages. Sir James Mitchell's Promise. "A statement is being circulated by some supporters of Labour that if the National Party is returned to power, it will reduce wages. This is pure invention for electioneering purposes," said Sir James Mitchell yesterday. "I have explained to the people time and again that by arbitration and other means hours and wages are fixed. It is the law of the land, and any Government would be bound to stand by it. Under Mr. Collier, there cannot possibly be any reduction of wages to thousands of workers, because so far from getting any wages, they are out of work and starving. I shall carry out the awards of the Arbitration Court, and also see that men now out of work are placed in work, just as I did before."

On July 1st the Arbitration Court gave a decision. Are the words of the Premier and the organising secretary, Mr. Macdonald, worth anything? The court has given the basic wage for the remainder of the financial year. Is there a word in anything the Premier has ever said to indicate a change in the present system of arriving at that

wage? But within a few weeks after the opening of Parliament we find the member for North-East Fremantle (Mr. Parker) coming down with a mandate to back up the Government in this change. The Premier has offered no defence for the action being taken by Cabinet. I do not agree with the member for East Perth (Mr. Kenneally) that the Employers' Federation are responsible for this Bill. It is the Primary Producers' Association that is getting all it wants.

The Minister for Works: They are the boys.

Mr. PANTON: That association is dominating the situation and forcing the issue. As has been prophesied this is only one piece of the legislation we shall get. If the Government had deliberately attempted to create an industrial dispute in this State they could not have gone a better way about it. The Minister for Railways has a wide knowledge of the temperament of the workers of the State. He knows that continued interference with the work of the court and argument in it are not in the best interests of the industries of Western Australia. Not one more man will find employment as a result of this Bill.

Mr. Kenneally called attention to the state of the House.

Bells rung, and a quorum formed.

Mr. PANTON: The declaration of the basic wage quarterly will not mean the employment of an additional man or woman. I do not believe that is in the mind of the Government. I am not making accusations against them but I say this proposed amendment to the law is absolutely unfair. During the years 1919, 1921 and 1922, when the cost of living was going up, the member for South Fremantle (Mr. McCallum), and others constituting the disputes committee, spent nights and days for weeks and months meeting the employers at conferences twice or three times a day. It was impossible then to get to the Arbitration Court. Men were pounds behind the cost of living at the time. No attempt was made by the Government of the day to bring in a basic wage, or do anything to facilitate the handling of the business of the court. The judges were kept in the Supreme Court on divorce cases or any other, merely because the cost of living was going up and

it was of advantage not to have the rate of wage altered. It was the big railway union which first caused the basic wage here to be constituted. Whatever basic wage was accorded by that union, on application to the court, was agreed to by almost all employers at subsequent round table conferences. We looked upon the basic wage delivered by the court with respect to the railway union as the basic wage of the time. That union, however, went to the court only once in three years, and no change therefore could occur in the basic wage in the interim. After it had been provided that the basic wage could be reviewed every 12 months, for the first five years every employer declared that the portion of the Act relating to it was a Godsend to Western Australia. I think, with the exception of the shearers' strike, the State has been almost immune from anything like industrial disturbance. This was due to the fact that we have on the statute-book an Act providing for a basic wage, which rendered unnecessary for unions to spend months awaiting hearing of their cases by the court. Once the basic wage was declared, it was an easy matter to arrange other details at round table conferences. With my knowledge of the workers of this State, I am afraid that position will not long continue. I fear that the men and women, after having their wages and conditions settled at least once in 12 months, are not going to put up with the worry and expense of fighting for them every three months. If the Minister thinks it worth while replying to-night I shall be glad if he will tell me whether during these quarterly declarations the unions will have the right to be heard in the court, and the right to challenge the figures of the Government Statistician; alternatively, will it be only in June that the union representatives will have the right to be heard? Surely they are not going to be asked under this Bill to stand aside for three quarters of the year while the Government Statistician puts into the court a mass of figures which the court will consider and upon which it may declare a basic wage.

[The Speaker resumed the Chair.]

The Minister for Railways: Under the Federal awards, they do not even go that far.

Mr. PANTON: I am not concerned about that. In season and out of season I have

fought against Western Australian unions being brought under Federal awards. This means that unionists have not the opportunity to voice their opinions before the Federal Court without spending tens of thousands of pounds in the course of doing so.

The Minister for Railways: Are you a secessionist?

Mr. PANTON: No, nor am I a unificationist.

The Minister for Railways: Yes, you are.

Mr. PANTON: I am not a unificationist.

The Minister for Railways: I declare definitely that you are.

Mr. PANTON: I say you are a liar, if that is any good to you.

The Minister for Railways: And you're another.

Mr. PANTON: I am just as good a man as you are anywhere you like. If you say I am a unificationist, I tell you again you are a liar.

The Minister for Railways: I will prove it to you.

Mr. PANTON: You would prove anything.

The Minister for Railways: I can prove it.

Mr. SPEAKER: I appeal to hon. members to respect the House and their own dignity.

Mr. PANTON: Dignity, when the Minister tells me straight out I am a liar!

Mr. SPEAKER: The Minister was wrong in making the interjection, but I would point out that two wrongs do not make a right. I beg of the hon. member not to use that language.

The Minister for Railways: I don't admit that I am wrong.

Mr. PANTON: I am not going to be bluffed by the Minister. I have known him too long for that. He will not be able to put his bluff across me.

Mr. Corboy: Hear, hear!

Mr. PANTON: I have a vivid recollection of the Minister for Railways when Premier standing up in a hall one night when I was being presented with a wristlet watch, and saying "Mr. Pantan can take it from me, whilst he is away keeping the Union Jack flying I will keep the flag of trades unionism flying." He is the man who now says he will prove that I am a unificationist. If he had been game enough

to keep his own word, he might well have talked about another man being this or that.

Mr. SPEAKER: I must ask the hon. member to confine his remarks to the Bill.

Mr. PANTON: I was pointing out before the interruption occurred that the workers were behind the cost of living all the time. Whatever may be in the mind of the Chief Secretary, I am quite sure it is not in the minds of the rest of Cabinet. I scarcely believe one of them expects to see more people employed as a result of a basic wage declaration every three months. I want to know from the Minister if the court is going to declare the basic wage every quarter without representatives of the unions being heard, upon the figures submitted to it by the Government Statistician. Of course the Bill does not say so. I have no desire to reflect upon Mr. Bennett, for whom I have the greatest admiration, but I suggest that no matter how able he may be we cannot be expected to accept his figures without question.

The Minister for Works: The court will hear the cases once a year, but not on the occasion of the quarterly adjustments.

Mr. PANTON: Now we have it. Once a year the Government Statistician will produce figures, and members of the unions will go to the court and put up their case. As things are now the basic wage operates until June. It is proposed to enable the court to review it every quarter from now on, and to make a fresh declaration, although the basic wage for the year still has over six months to run. If they do make a declaration, it will be without any reference whatever to the representatives of the people affected.

Mr. Corboy: And the court must take cognisance of the figures presented to them, when making the declaration.

Mr. PANTON: Yes. That is all the court can base the declaration on. For three declarations there is to be only one witness—the Government Statistician. For one declaration out of the four, we are to have a full dress discussion in the Arbitration Court. Where is the logic of that? Why give the union representatives the right to be heard once a year? The July quarter is usually the lowest quarter of the year. If the Arbitration Court fix the rate for April, they will not go back beyond that. I certainly appeal to the Minis-

ter to give the representatives of the people who are most affected the right, as a matter of British justice, to put up their case to the court that will make the award. Otherwise, why waste the time of the court by giving those representatives the right to put up a case at one hearing? If the court declare a basic wage at the end of July, and if at the end of three months they are sufficiently impressed with the figures of the Government Statistician to alter the basic wage, the evidence given for the July declaration can only apply for three months.

The Minister for Works: That would depend on the index figures.

Mr. PANTON: It does not matter when the declaration is made, it has to be made on index figures submitted by the Government Statistician.

Mr. McCallum: The Bill does not limit the July application to the index figures.

Mr. PANTON: Assume that the court declares a basic wage of £4 5s. on the 1st July, and that at the end of three months the figures submitted to the court by the Government Statistician induce the tribunal to lower the wage to £4 3s. Is not that possible?

The Minister for Works: Yes.

Mr. PANTON: And suppose the union representatives have no voice whatever at that particular juncture. Surely the Minister must agree that if it is good enough for the union representatives to discuss the case in court during June, they should have the right to discuss it there three months later. I acknowledge that this is a matter for the Committee stage, but I bring it forward now so as to give the Minister an opportunity, when he replies, of explaining what is in his mind. I will not make a belated appeal to the Government to withdraw the Bill. Notwithstanding what they were in the habit of saying, when in Opposition, about the Labour Party, they have made up their minds to put their Bill through irrespective of what is said by any member of the present Opposition. If the Government are determined to go on with the measure, I appeal to the Minister to reconsider his decision by giving the union representatives an opportunity to challenge the figures of the Government Statistician whenever the court is asked to alter the basic wage.

MR. SLEEMAN (Fremantle) [2.45]: Without wishing to be in any way rude, I must say that this is a wages repudiation Bill. Other Australian Governments have at least been honest enough to admit that similar Bills brought down by them were in the nature of repudiation. The Queensland Premier said, "We admit that this is repudiation, but times are bad and we want to get on with the job." On the other hand, the Western Australian Government bring down the Bill with sugar coating. I am not surprised at their having brought it down. At election time nearly every Labor candidate predicted that if the then Opposition were returned to power, they would attack the Workers' Compensation Act and industrial arbitration. This Bill is the attack on arbitration, and I suppose that if we wait patiently we shall see the attack on workers' compensation. Sir James Mitchell's supporters in the general election repudiated the suggestion that if returned to power he would attack industrial arbitration. They said they would not have such a thing on their minds. They told the electors that there was no chance of Sir James Mitchell's interfering with working conditions. The workers were then asked to believe that Sir James Mitchell was the best friend they had ever had. And now we have this Bill. I think it would have been more to the credit of the Government had they brought in an amendment of the Arbitration Act not for the purpose of reducing wages, but for the purpose of including other workers within the scope of the Act. When an amending Bill was before Parliament in 1925, a vigorous fight was made against the inclusion of domestic servants. Their inclusion is necessary in order that they may get a fair deal. There is also the consideration that we do not have arbitration for the unemployed. Some people contend that the passing of the Bill will do much to relieve unemployment. My opinion is that its effects will be a mere bagatelle in the solution of the unemployed problem. There are other measures which, if the Government had been prepared to introduce them, would have helped materially in the financing of work for the unemployed. But the Government are not prepared to attack the wages of the landlord and the bond-holder. If we suggest any alteration in the income of landlords

or bond-holders, we at once hear talk of repudiation and of interference with the liberty of the subject. If it is right to attack the wages of workers, despite the fact that the declaration of the basic wage was to have applied until June next, it must be equally right to tell the bond-holder that he must accept reduced interest, and the landlord that he must accept a smaller return on his outlay. During years past when the cost of living went up by leaps and bounds, wages always lagged behind. Now, because there is evidence that the cost of one or two lines is coming down, the Government seek to reduce wages on that score. I object to the proposal to allow the Government Statistician to adjust the basic wage quarterly, instead of the Arbitration Court continuing to function along present lines. While I do not wish to reflect on the Government Statistician and his staff, I confess that some of their decisions have been simply ridiculous. The most glaring instance was in connection with house rents. The Government Statistician submitted figures regarding house rents which varied to the extent of about 10s. between what he gave as the average rental and what would actually have to be paid for a four-roomed house.

The Minister for Works: For which year did those figures apply? I have them here.

Mr. SLEEMAN: If the Minister looks through those figures he will recognise himself that the details regarding house rents represent the statistician's worst performance. The member for North-East Fremantle (Mr. Parker) said he would be pleased if interest rates did decline. We would all be pleased to see a start made in that direction, and as the member for North-East Fremantle sits behind the Government, he may be able to force Ministers to do something to remedy both interest and rent charges. That would be a distinct service to the country.

The Minister for Works: Rents are being reduced now.

Mr. SLEEMAN: It is possible that in the near future landlords will be lucky if they receive half what they are getting now. The information I have regarding Fremantle rents shows that they have not been decreased, although one or two of the business people have been successful in securing reductions. Some claim that the law

of supply and demand will automatically adjust rents, but that has not been established at Fremantle. I do not think decreased wages will mean increased employment. If that were so, why is there so much unemployment in low-wage countries? As a matter of fact, every country seems to suffer from the unemployed difficulty, and some are in a worse position than Western Australia. I hope we will be able to alter the Bill in Committee, and for the moment I have much pleasure in entering my protest against such an iniquitous piece of legislation.

MR. CORBOY (Yilgarn - Coolgardie) [2.58]: I am astonished that the members of the Government and their supporters are content to sit in their seats incapable of replying to the protests entered by members on the Opposition side of the House.

Mr. H. W. Mann: We had an object lesson extending over six years.

Mr. CORBOY: Never during that period did we have anything like the exhibition we had had this session of Government members sitting silent, nothing to say, no reply to make, no views of their own to express. The member for Perth (Mr. H. W. Mann) regards it as a matter for amusement at the moment, but he will find it difficult to explain his silence later on. I have referred to the anomalous position of members sitting on the Government cross-benches, and what I said regarding their complacency applies equally to those in the position of the member for Perth. He obtained during the last election and previous elections the support of people by certain definite undertakings. The Government he supports have broken those undertakings; yet the hon. members sits there without protest and continues to support that Government. The discipline displayed on the Government side is extraordinary striking. Members on that side have no views of any sort to express, and so one can only conclude that if they were permitted to speak they would announce their opposition to the Bill. We had that spectacle only the other night.

Mr. SPEAKER: The hon. member will discuss the Bill.

Mr. CORBOY: With all respect, I must say I seem to be the unfortunate member told to confine my remarks to the Bill, after everybody else has been allowed to discuss anything they like.

The Attorney General: Only members on your side.

Mr. CORBOY: It would be a welcome change to hear members on the Government side discuss the Bill, or indeed anything else. The Bill proposes a radical change in the method of fixing the basic wage, and I am very dubious as to the result. The action of the Government will only accentuate existing difficulties. We are suffering from the evils of deflation, and it is proposed in the Bill to increase those evils, for at every opportunity we are to have deflation of the wages of the people. If anything is necessary at present, it is the continuance of the industrial peace we have enjoyed for some time past. Ever since the late Government amended the Arbitration Act, we have had a continuous period of industrial peace.

Mr. Brown: What about the shearers' strike?

Mr. CORBOY: The shearers are not under the State Act. They are under an Act which includes the very provision it is now attempted to put into the State Act.

The Attorney General: The basic wage has nothing to do with the shearers.

Mr. CORBOY: That is so. As I say, we have had industrial harmony in Western Australia for some years past. The Government are doing something extremely dangerous when tinkering with the arbitration law.

The Attorney General: What do you mean by industrial peace?

Mr. CORBOY: Ever since the Act was amended by the late Government, employers and employees have worked contentedly, without strikes.

The Attorney General: Only about half of them are working now.

Mr. CORBOY: Which is to the discredit of the Minister and his Government. The number that are working will not be increased by the Bill.

Mr. Parker: At all events it is keeping the printers busy setting up the "Hansard" report of this debate.

Mr. CORBOY: The hon. member's side of the House is not keeping the printers busy. The Government are bound to create discord by forcing down the conditions under which men on the basic wage are working. Surely the Government can find sufficient work in trying to rescue the State from its present difficulties without tinkering with Acts that are not inflicting any grave bur-

den on the community. Yet, instead of attempting to do those things which will assist the community, the Government are playing with the Arbitration Act and, in seeking to amend it, creating industrial discord. Surely the deputation to the Premier yesterday showed that bitter feeling is being engendered amongst some of the workers. We understand that the Government also contemplate tinkering with the Workers' Compensation Act. Apparently they are doing all sorts of things, all directed to the one end of hitting the wage earners. Is it the Government's desire to arouse in the workers' minds the impression that they must take drastic action, such as creating industrial turmoil, in order to defend themselves? Is it the Government's desire that the enormous number of unemployed already on their hands should be augmented as a result of industrial discord, thus enabling them to force down the living standard of the workers? This session is one during which the Government could well have refrained from tinkering in any way with industrial legislation that is operating satisfactorily and could have been allowed to operate for some time without worrying much about it. During the election campaign the Premier gave definite assurances on this point that are being broken, just as other assurances he gave have been broken. His supporters also gave definite assurances, and though those assurances are being broken by the Government they support, they sit dumbly by and offer no protest. On the 29th March the "West Australian" published a report that the Premier had stated definitely that if returned to office, he would carry out the awards of the Arbitration Court. I say this Bill is a definite breach of that undertaking. The basic wage determination was fixed for 12 months and the Premier now proposes to alter it before that period expires. Despite his definite and unqualified undertaking that he would observe the determinations of the court, he now says he will not do so. The Premier also stated that if he was returned to power, there would be no interference with any conditions or wages that the workers were enjoying under arbitration awards. Yet the programme of the session, instead of being directed to solve the difficulties under which the State is labouring, is almost entirely designed to break down the standard of living of the wage earners. The Government, by this legislation, are show-

ing themselves in their true colours. They are in office on behalf of the people who provided them with the sinews of war with which to fight the election. They are definitely in office to obey the dictates of the Chamber of Commerce and the Chamber of Manufactures. In the programme the Government have submitted to Parliament, they are giving effect to the wishes of those bodies. We know that conferences have been held between the Government and the representatives of those bodies. There can be no doubt that, in their legislative programme, the Government have definitely declared themselves on the side of those organisations who desire to see the living standard of the workers reduced, and they show a desire to hamper by all means in their power the ability of the working people to live in decency in future.

MR. WANSBROUGH (Albany) [3.15]: I do not intend to delay the House for any length of time. After listening to all the speeches that have been delivered, one can find little to say without repeating what has been said already. The effect of the Bill will be to make the Arbitration Court merely a machine. The Government Statistician will be the authority upon whose evidence the basic wage will be determined. We have the admission of the Minister for Works that once in every four sessions of the court the unions meet and the basic wage is determined for the ensuing 12 months. The Bill, however, provides that the court shall sit every three months, but the unions will not be permitted to give evidence or to refute the statements of the Government Statistician. Therefore I say that the Government Statistician will in future be the ruling factor. It appears to me that the Bill has only one object, and that is to abolish the Arbitration Court. I can come to no other conclusion. I merely rise to enter my protest and relieve myself of any responsibility for the repudiation of the court's determination issued in July last.

THE MINISTER FOR RAILWAYS (Hon. J. Scaddan—Maylands) [3.17]: I shall not detain the House long, but I wish to express an opinion on a matter that might easily be misunderstood. I represent what is recognised as one of the industrial centres of the metropolitan area, and nat-

urally it embraces many wage and salary earners. Consequently, I ought to give an account of my stewardship when such importance is claimed for the Bill by our friends opposite. I do not know that there is any need to try to convince members of the Opposition against their will, because that would be impossible.

Mr. Millington: Do not be too optimistic.

THE MINISTER FOR RAILWAYS: I shall not attempt to do it. There have been efforts to make this Bill appear to be entirely different from what it really is. Although the words "basic wage" are used, the Bill does not deal entirely with men on the basic wage. The basic wage is only a starting point. Where an agreement or award provides for an adjustment to be made on an alteration of the basic wage, it applies to all in receipt of wages and salaries under an award of the court. Therefore, without this Bill if any variation was made in the basic wage, all the wages under awards delivered by the court would automatically rise or fall accordingly.

Mr. McCallum: Do you say that is so now?

THE MINISTER FOR RAILWAYS: Yes.

Mr. McCallum: Nothing operates automatically. It has all to be done by application to the court.

THE MINISTER FOR RAILWAYS: But the court fixes the basic wage and in some cases where there are no awards, agreements are made—sometimes they are not written agreements—that the parties to the agreement will abide by the decision of the court on the basic wage, and that wages shall rise or fall accordingly.

Mr. McCallum: You said that the awards and agreements were automatically altered. There is nothing automatic about the matter. Application must be made every time.

THE MINISTER FOR RAILWAYS: Then there is less ground than ever for the complaints of members opposite. If they do not achieve anything there can be no reason for complaint against the variation of an award every three months instead of every 12 months. It cannot be suggested that anything desperate will happen. Professional officers of the Railway Department are operating under a Federal award, and their salaries are automatically varied by the figures produced by the Commonwealth Statistician, not by

the decision of the Arbitration Court. The result is that since July last these professional officers have actually suffered a reduction in their salaries at the rate of £16 per annum. The railway officers, apart from the professional officers of the department, are working under an agreement or decision arrived at by their classification board. The parties to that agreement, the Commissioner on the one hand and the Railway Officers' Union on the other, have agreed that when there is a variation in the basic wage fixed by the Arbitration Court either party will approach the classification board, which will vary the salaries in accordance with the re-adjustments in the basic wage.

Mr. Kenneally: Of course they cannot get it both ways.

The MINISTER FOR RAILWAYS: They will not get it both ways. Throughout the Public Service we are actually operating under awards in which a variation can occur in accordance with any decision of the court, and according to the decisions arrived at by the Commonwealth Statistician, by the production of figures every quarter of the year. I agree entirely with much that the Leader of the Opposition has said. I do not deny—rather do I affirm—that for a great number of years, owing to the difficulty of approaching the court, the wage-earner and the salary-earner were well behind what they were actually entitled to receive because of the increase in the cost of commodities. That does not alter the position with which we are now confronted. It does not help us to deny it or to state it. Today commodity prices are falling rapidly. They fell for the first quarter of the year 11½ per cent. At the moment I am speaking of commodities, other than house rent, disposed of in the metropolitan area. These commodities have fallen presumably since the 1st July, and since the basic wage for the current term was fixed by the Arbitration Court. What would arise under this Bill if it became law? The court having fixed the basic wage—under what conditions it does not matter for the moment—will at the expiration of each quarter of the year, on figures submitted by the Government Statistician, and subject to its being shown that such figures are evidence that the cost of living has been reduced, or varied, by a difference of 1s. per week, take notice of this and make a re-adjust-

ment of the basic wage, if it thinks fit. The Bill does not say the court shall make a reduction of the basic wage nor that it shall increase it in accordance with any increase in the cost of living.

Mr. Kenneally: The Bill says it shall take notice of the figures.

The MINISTER FOR RAILWAYS: Yes.

Mr. Kenneally: That is a direction to it.

The MINISTER FOR RAILWAYS: That is the only condition under which the court can function and vary the basic wage, namely, the figures supplied by the Government Statistician. Members opposite have enough faith in the Arbitration Court, and their own representative there, apart from the President himself, and the employers' representative, to believe that the court would not be influenced in varying the basic wage merely by the figures of the Government Statistician, unless after its own inquiries the basic wage had been fixed upon such figures. The position might arise that although the figures show a reduction or an increase of 1s. a week the court might not accept that as a direction to reduce the basic wage or increase it by that amount. The court will not accept these figures as definite, because when the basic wage was adjusted in July it took other things than these figures into account. I said, by interjection, when some member opposite was speaking, there was no guarantee that the basic wage would rise or fall exactly according to the amount shown by the Government Statistician as being a reduction or an increase in the cost of living. The court will not accept the figures without question, but must take them into account as the basis on which to function.

The Attorney General: The basic wage will not vary in exact proportion with the cost of living figure.

The MINISTER FOR RAILWAYS: No. No one would argue that the court in fixing the amount in July, after proper investigation, merely accepted the figures of the Government Statistician or that it will not accept them again to the same extent or that it is being instructed to do so to a greater extent.

Mr. Kenneally: The Bill says the court must have regard for them.

The MINISTER FOR RAILWAYS: It does not compel the court to do this.

Mr. Kenneally: If the words are of no use, why put them in the Bill?

The MINISTER FOR RAILWAYS : This is not an attack upon the conditions of employment of the wage earners of the State.

Mr. Kenneally : What a pity.

Mr. McCallum : The dissenting judgment of Mr. Somerville shows that there is a marked difference in the ratio of the figures.

The MINISTER FOR RAILWAYS : I have confidence in members of the court. I do not believe they will accept figures that are given quarterly without question, unless they were accepted without question in July. They were not the basis upon which the court finalised its decision.

Mr. Millington : The members of the court have a new instruction now.

The MINISTER FOR RAILWAYS : We are not giving instructions to anyone. To confuse the provisions of this Bill with the question of the standard of living is absurd. If it stands for anything at all, we can throw back on our friends opposite that they deliberately set out to interfere with working conditions by providing that 12 months should be the duration of the basic wage. After all, it is only a question whether there shall be interference with the standard of living quarterly or annually.

Mr. Kenneally : It is a question whether you shall be permitted to repudiate.

The MINISTER FOR RAILWAYS : It is not a question of repudiation. The member for East Perth (Mr. Kenneally) was bowled over by the member for Leederville (Mr. Panton), who said, "What can the Government expect when the Arbitration Court will go into recess during December and remain in recess until March? The Court can give only one declaration of the basic wage during that period."

Mr. Kenneally : It will be repudiation to that extent.

The MINISTER FOR RAILWAYS : With the utmost possible regret I express my belief that before the end of March arrives, there will be more serious questions to deal with than this matter. I believe those questions are here now, but that we cannot see them. Taking the Western Australian community as a whole, I believe they do not at the moment appreciate the seriousness of the position. Almost uninterruptedly for the last 25 years we have been going on, sometimes budgeting for a small surplus but almost invariably winding up the financial year with a deficit. No regard is paid to the

fact that for the past five months we have a deficit of nearly £1,000,000. The public do not appreciate the fact that the only money that can be made available is money that the people themselves put into the Treasury. No money is available from outside sources. We are once more dependent on the Loan Council to provide money for works which this House has approved. We cannot yet give a guarantee that those works will be undertaken. What is the use of talking about repudiation? There will be lots of repudiation before we are through with this business.

Mr. Kenneally : Be careful with that word "repudiation"!

The MINISTER FOR RAILWAYS : Certain members opposite know quite well that no Cabinet can be formed in which Ministers will not sometimes disagree on questions. The point is whether a question on which they disagree is sufficiently serious to cause disruption. No Cabinet ever went along swimmingly on the basis that all members of it thought alike. And the case is just the same with the community. There are times when things of a most unpleasant nature have to be done, things quite out of touch with public opinion. Do not hon. members who have worked in the Labour movement know that they have had to stand up in congress and fight down by the strongest opposition proposals which they knew were not in the true interests of Labour? So it is with Governments. I venture to say that this Bill, which now appears to some of our friends opposite so important, such a tremendous affair from the aspect of being against public opinion, will seem trivial when we get away from it; will be accepted as of rather a trifling nature when we know what unfortunately is going to happen in the near future. Many of us will have to suffer more than we can appreciate now. We have all gone along in the belief that we can enjoy ourselves. Now we come to the stage when we must realise our difficulties. Take the Labour Government of South Australia. If there is one man to-day who is unpopular amongst his constituents, it is Mr. Hill the Premier of South Australia. Another unpopular man is Mr. Hogan of Victoria, because the Labour Government of Victoria see, as the Government of this State see, what is around them—what the public cannot see or will not see. Those two Labour Premiers are being de-

nounced by the very people whom they serve. I suppose the members of this Government will get a lot of curses too—far more kicks than halfpence. But that prospect does not deter us from doing what we believe to be right. I am convinced that when action has been finally taken, some members will acknowledge that unless the course proposed is adopted, a more serious course will have to be adopted later. The member for South Fremantle (Mr. McCallum) has recommended the reading of Henry Ford's book "My Life and Work." I read it some years ago.

Mr. McCallum: It has been published only two years.

The MINISTER FOR RAILWAYS: The edition the hon. member has in mind is the eleventh. However, I will not dispute about that. I happen to have with me an extract from the book, and the hon. member will see that it is my own extract, made at the time I read the book, two years ago or four years ago. After all, Henry Ford is not a good illustration for my friend opposite to use, because Henry Ford has been a tyrant as an employer. Above all else, he insists upon absolute discipline among his employees. Failing that, they have to walk out. Here is an extract from Henry Ford's book:—

We expect the men to do what they are told. The organisation is so highly specialised, and one part is so dependent upon another, that we could not for a moment consider allowing them to have their own way. Without the most rigid discipline, we would have the utmost confusion. I think it should not be otherwise in industry. The men are there to get the greatest possible amount of work done and to receive the highest possible pay. If each man were permitted to act in his own way, production would suffer, and therefore pay would suffer.

That is the sentence I wish to emphasise—"Production would suffer and therefore pay would suffer." Unfortunately some people have not got a complete grip of the meaning of "value." Wages are only the equivalent of commodities. The standard of living must be based on how far the wages paid to an individual enable him and his family to live in proper comfort. But if we cannot produce the commodities, we cannot pay the wages. That is what Henry Ford says. The quotation continues—

Anyone who does not like to work in our way may always leave. The company's conduct towards the man is meant to be exact and impartial.

The object of the quotation is to show that Henry Ford did not allow the organisations to run his industry for him. Further he says—

Now, hardly anyone has only one pair of shoes, and shoemaking is a great industry. Now, every time you so arrange that one man will do the work of two, you so add to the wealth of the country that there will be a new and better job for the man who is displaced.

There again is evidence that if we produce a greater amount of commodities, we can give more employment. Our friends opposite say that if £1,500,000 is saved by reduction of wages, that amount will go into the pockets of the employers and be lost. As a matter of fact, the £1,500,000 would be used for the purpose of employing others, who again would produce additional commodities. That amount of money would be released for that purpose. Western Australia pays about £20,000,000 annually for imported goods of which half should be produced here. If we had the power to say that we would not permit the importation of goods which can be manufactured here, there would be work for all the men we have out of employment to-day, and, in addition, we would have to send for other men.

Mr. Hegney: The Country Party would not support them.

The MINISTER FOR RAILWAYS: We would not require any support for that, because we could not do it. We have not the power to prevent any goods being imported from the Eastern States. Not less than £10,000,000 is spent annually on the purchase of goods in the Eastern States that we could produce here. If we could do as the Federal Government can, and raise barriers against the importation of goods into the State, we could employ all the people I have indicated, and our wages bill would then not require to be variable because the commodities produced would provide the real wages, and nothing else. In another portion of the statement regarding Henry Ford, there appears the following:—

The fact that a piece of work is now being done by nine men which used to be done by ten men does not mean that the tenth man is unemployed. He is merely not employed on that work, and the public is not carrying the burden of his support by paying more than it ought on that work—for, after all, it is the public that pays.

That is the point. There is the evidence in support of what we are endeavouring to do.

Mr. Kenneally: Did you take any extracts from Henry Ford's book regarding hours?

The MINISTER FOR RAILWAYS: I have dozens of them, but they have no bearing on the point I am making. I am dealing with the phase regarding wage funds and the prices of commodities, which represent the equivalent of the wages paid. The worker loses nothing by a reduction of the cost of commodities even if his wages are brought down in conformity with that reduced cost. Is the wage earner any better off nowadays than when he received half he gets at present? Let members opposite put that question to the workers, and they will find that the latter will reply in the negative. The working man should receive a wage that will enable him to purchase all he requires to live comfortably, with something in additional in order to enable him to enjoy the pleasures of life. The Bill does not attack that principle at all. His standard of living will remain exactly the same. In the circumstances, I cannot understand why Labour members have endeavoured to make it appear that the Bill represents an attack on wages. In conclusion, may I express my regret that an interjection of mine may have caused the member for Leederville (Mr. Pantou) to lose his temper even momentarily; he generally looks after it very well. I am sorry I said anything that caused him to depart from that attitude, but, of course, we are both jack-blunt.

Hon. P. Collier: At any rate, he is still smiling.

The MINISTER FOR RAILWAYS: That is so. I merely wish to make the position clear that the Bill does not represent any attack on the living conditions of the worker.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Mount Marshall—in reply) [3.45]: In concluding the debate on the Bill, I think I should take the opportunity to reply to statements made by some hon. members, and particularly by the member for South Fremantle (Mr. McCallum). As usual, whenever he talks about me he becomes personal and takes every step possible to belittle any assertion I have made. He

dealt with some of my statements when I moved the second reading of the measure. He mentioned some figures I quoted, and with which he also dealt; they were prepared for both of us by the one officer. He spoke about the 120,290 wage and salary earners in Western Australia. He insinuated that I did not explain to the House what proportion of them were working under Arbitration Court awards, but the member for Leederville interjected, "He mentioned that." Before I dealt with the total number of wage and salary earners in Western Australia, I gave the Arbitration Court figures from the same particulars that the member for South Fremantle made use of. They were prepared by the Government Statistician. I pointed out that a total of 55,511 workers were governed by arbitration awards. That appears in "Hansard"; I have it here. When I mentioned the 120,290 wage and salary earners in Western Australia, I explained that they included all such wage earners and did not represent only those working under Arbitration Court awards. I pointed out that if there was any alteration in the basic wage, approximately half of those workers would be affected directly and the other half indirectly. That statement also appears in "Hansard." The hon. member read portions of my speech. I do not know whether he got a copy of it from "Hansard," or whether he secured it in some other way.

Mr. McCallum: You are saying something that does not appear in "Hansard" now.

The MINISTER FOR WORKS: Well, I will read it. These are notes I have taken from "Hansard."

Mr. McCallum: No one understands what you mean.

The MINISTER FOR WORKS: I can understand the hon. member not understanding. Here is what appears in "Hansard"—

Hon. P. Collier: Are these Government or private wage and salary earners?

The Minister for Works: The figures refer to all the wage and salary earners in Western Australia. The number of male earners is 96,938, and of female earners 23,360, or a total of 120,290. I want to make it clear that these are not all people working under arbitration awards. It is not easy to arrive at the exact number governed by such awards. The State Statistician has furnished me with estimates that there are 52,322 males and 3,159 females, or a total of 55,511 workers governed by Arbitration Courts awards. Taking those 1929 figures, an alteration of 1s. per week in the basic wage means to the Western Aus-

tralian Government an expenditure of £44,000 per annum. Taking the whole of the wage and salary earners in the State, it means an additional cost of £312,750 per annum.

Yet the member for South Fremantle says my statement is not in "Hansard."

Mr. McCallum: I did not say that was not in "Hansard." You talked about the aggregate number of 120,000, and now you admit that they are not all covered by Arbitration Court awards.

The MINISTER FOR WORKS: I made that clear when I was speaking. I pointed out that 55,511 workers were governed by Arbitration Court awards, and I pointed out the effect of an alteration of 1s. in the basic wage. The next point I want to deal with relates to the Federal industrial awards. When I was speaking, one hon. member interjected that I was not correct in saying that the Federal industrial awards were not uniform in the various States. I had perviously dealt with that point and I have my notes, which are clear on the point. I referred to several of the awards, including that of the Merchant Service Guild, the Seamen's Union, and others, to show that in some instances the figures were for five towns and in others for six towns. In some there was no adjustment for an alteration of less than 20 points, while in others the minimum alteration was 13 points. I do not think it fair that the member for South Fremantle should indulge in his sneers and endeavour to unnecessarily ridicule any member of this Chamber. Each one of us is allowed to express his views. "Hansard" proves that the statements I made were correct. The member for South Fremantle also referred to something Mr. Somerville had said in connection with the basic wage declaration. I have a copy of the declaration and the reasons issued by the court in 1925. The hon. member talked about how the basic wage was fixed. I will give Mr. President Dwyer's reasons in his own words. This is what he said—

The next consideration was what would be the sum sufficient to support such a worker. Here there were again two opposing contentions. Mr. Andrews, acting as the representative of the employers, stated that there should be no change in the basic wage as fixed by the Federal Arbitration Court, founded upon what is popularly known as the Harvester Judgment, and revised from time to time, and that no court in Australia had departed from that practice.

The member for South Fremantle declared that high wages were good for any country. These extracts show that industry could not carry the high wage of the Federal Commission. But take Mr. Justice Piddington himself. In his memorandum to the report of the Basic Wage Commission, he said—

The increased burden on industry from raising a present basic wage of, say, £4 to £5 16s., would be for one million employees the sum of £93,000,000 per annum So far as manufacturing industries for export are concerned, they would be ruined The increase in the price-even of the products of our primary industries would before long be a formidable drawback to their development and possibly to their continuance.

I have Mr. Somerville's judgment in 1925 and I want to read a portion of it as follows:—

The figures announced are 7s. 6d. in advance of the Harvester standard brought up to March of this year, and 4s. 6d. in advance of the Harvester augmented by the 3s. allowance for lag which the Federal court have allowed.

Even in that instance Mr. Somerville said the court fixed the basic wage at 7s. per week higher than the Harvester judgment. And here is what Mr. Bloxsome said on that occasion—

In considering the question of a basic wage in the State of Western Australia, it is, I think, clear that this court should be mainly guided by the basic rates fixed in other States. There are two good reasons why this should be so, one because all our secondary industries are carried on in competition with the Eastern States, and the other because the whole question of the relation between the basic wage and the cost of living has been most exhaustively examined in two of the States, namely, New South Wales and South Australia.

Mr. Bloxsome finished up in this way:—

I am firmly of the opinion that Western Australia cannot prosper and thrive on a wage in excess of the equivalent of that paid in other States.

So when the member for South Fremantle puts up his case, we must remember that there are two sides to the question. Hon. members have said that if the Act passed in 1924 had been left as it existed in past years the worker would have been considerably better off, because the cost of living has gone up much faster than have wages. I want to remind members that the basic wage is fixed on the 14th June in each year. The first wage fixed was £1 5s. That was

in 1926. During the next four years the basic wage remained at that. So even if the cost of living went up faster than did the wages, the fact remains that the same court allowed the basic wage to stand at the one amount for four years. In 1929 they increased it, but this year they reduced it to £4 7s. The Government Statistician provides the index figures each quarter, the index figures being the price, not the quantity of certain commodities. The court decides what the quantity shall be, but the court does not decide the price, which is provided by the Government Statistician. Members have said to-night that the highest month in regard to the cost of living is July.

Mr. Panton: Not the highest, but the lowest.

The MINISTER FOR WORKS: These figures show that the highest month is May. The court, when they fix the basic wage, do not fix it on the last preceding quarter, but on the preceding 12 months. It has been said that during the war period the wages of the worker lagged behind the cost of living. To an extent that is true, but only to an extent. The Labour Report No. 20, on pages 79 and 80, deals with nominal and effective wages from 1901 to 1929. From that we find that in 1911 the effective wage index number for Western Australia was 1023, while that for Australia was 1000. In 1914 the effective index number for Australia was reduced to 948, and in 1919 to 907; but the Western Australian number for 1914 was raised to 1070, in 1919 it fell to 1008, and in 1920 it was set at 1012. Since 1920 the wages have increased in greater proportion than has the cost of living. These are the Statistician's own figures, taken from the Labour Report No. 20. Up till 1920 the cost of living rose in steeper ratio than did wages, but since 1920 that has been reversed. Members have attacked us for introducing the Bill. In moving the second reading I quoted what the member for South Fremantle said on the Tenants, Purchasers, and Mortgagees' Relief Bill. He said the Bill would not be justified were it not for the abnormal times, and I said that abnormal times constituted the reason for the Bill. The member for Mt. Hawthorn asked me whether I would have introduced the Bill if it had not been for the great reduction in the cost of living. I said I would have introduced

it whether the cost of living had receded or increased. The fluctuation that has taken place during the last six months is unprecedented. The member for Victoria Park (Mr. Raphael) mentioned that we were getting down to the level of some of the Governments in the Eastern States.

Mr. Raphael: No, I said the East, meaning Japan, China and such-like countries.

The MINISTER FOR WORKS: When moving the second reading of the Bill, I quoted the basic wage for every State in Australia, as well as the variations for the last 18 months, and I pointed out that the lowest rate is in South Australia, £3 15s. a week.

Mr. Raphael: Is not that on account of the importation of foreign labour from Southern Europe? Southern Europeans have been pouring into that State and Australians cannot get a job.

The MINISTER FOR WORKS: I am not aware that that has anything to do with the standard of living or the cost of living. I mention this because we have been twitted that we, a Nationalist-Country Party Government, have brought down this proposal. South Australia has a Labour Government, and the Minister for Railways has pointed out that the Premier of South Australia, Mr. Hill, in doing what he considered right, something with which every honest man must agree, has become unpopular in his own State. All Governments have done something similar to what we propose, and they are being criticised and abused by their own people. I have a copy of a statement by the secretary of the South Australian Railway Workers' Union published in the "Adelaide Chronicle" of the 6th November, 1930, stating—

During the past 15 months, Mr. Drummond said, employees of the local railways on the basic rates had had their wages reduced by 11s. 6d. per week. Men on the higher rates had lost more, and their margins had been reduced by approximately 25 per cent.

Mr. Panton: Mr. Hill was returned to office at the same time as you were.

The MINISTER FOR WORKS: That is so. The statement continues:—

Wages of youths, except youth labourers, will be reduced uniformly. The minimum rate will be 3s. 7d. a day instead of 4s. 4d. a day.

Mr. Kennecally: The months quoted indicate that the period includes portion of

the regime of the previous Government led by Mr. Butler.

The MINISTER FOR WORKS: I have given the date showing that the basic wage was reduced during the last two months, and during that period there has been no change of Government. However, I am not stressing that point. I think Mr. Hill has done something that was quite unavoidable.

Mr. Kenneally: I am referring to your quotation. The months quoted indicate that you are referring to portion of the business transacted while the Government previous to the Hill Government were in power.

The MINISTER FOR WORKS: I am quoting from a statement of railway men's wages published in the "Adelaide Chronicle" on the 5th November. Within the last two months the South Australian court has reduced the basic wage from £4 5s. 6d. to £3 15s., and the Government there have reluctantly done what we have been compelled to do. We have been twitted with reducing the standard of living. The standard of living is fixed by the Arbitration Court, and all we are asking is that the court be allowed to function.

Mr. Panton: What about the taxes you have imposed on the workers?

The MINISTER FOR WORKS: We are asking that the court be allowed to function and decide the standard of living on the same basis as before. The member for Leederville asked about an inquiry.

Mr. Raphael: You have pinched nearly all the workers' wages by your new taxes.

The MINISTER FOR WORKS: This is a short Bill.

Mr. Raphael: But it goes a long way.

The MINISTER FOR WORKS: It does not affect Section 121 of the Act, which deals with the fixing of the basic wage. Something is added to the section but no alteration will be made to the provision that the inquiry shall be held before the 14th June. The member for South Fremantle asked what a reference to "other information" included. I should have thought that he would understand. It deals with the price index number and similar information. Members know that there is no index number for house rents. The actual figures are collected include provision to cover house rents. I by the statistician. Therefore we have to hope members will agree to the Bill. Although some rather hard things have been said, I maintain that the Government are

not being run by the Country Party. Members of Cabinet were unanimous that this legislation should be introduced because we believe it will be in the interests of the State as a whole.

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

Ayes	..	..	..	..	23
Noes	..	..	..	..	20

Majority for 3

AYES.

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

(Teller.)

NOES.

Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munsie
Mr. Coverley	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Walker
Mr. Lamond	Mr. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Panton

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Wells	Mr. Wilson
Mr. Teesdale	Miss Holman
Mr. J. M. Smith	Mr. Cunningham

Question thus passed.

Bill read a second time.

BILL—TRAFFIC ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it had proposed an alternative amendment to its amendment No. 1, to which the Assembly had disagreed, and had agreed to the further amendment on No. 18 of the Council, now considered.

In Committee.

Mr. Richardson in the Chair; the Minister for Works in charge of the Bill.

The CHAIRMAN: The amendment No. 1 disagreed to by the Assembly, and to which the Council proposed an alternative amendment is as follows:—

Clause 4, Subclause (1).—Before the word "subject," at the commencement of Subclause (1), insert "until the 30th day of June, 1932, but."

The alternative amendment made by the Council to its amendment No. 1, to which the Assembly disagreed is as follows:—

Clause 4, Subclause (1).—Before the word "subject," at the commencement of Subclause (1), insert "until the 31st day of December, 1932, but."

The MINISTER FOR WORKS: When the Bill was returned from another place, an amendment was made providing that it should cease to operate after the 30th June, 1932. From this it appeared that the new law would be considered only by one Parliament or session of Parliament. The alternative amendment, however, overcame this difficulty by extending the time from June, 1932, to the 31st of December, 1932. That being so, I move—

That the alternative amendment be agreed to

Question put and passed; the Council's alternative amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Council.

House adjourned at 4.13 a.m. (Wednesday).

Legislative Council,

Wednesday, 3rd December, 1930.

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

QUESTION—GOLD MINING ASSISTANCE.

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: With regard to the £165,905 set aside in 1926 to assist gold mining from the Federal Disabilities Grant of which, on 28th October last, the Minister stated there remained a balance of £8,083, 18s. 9d.: 1, Is it the intention of the Government to utilise this money to further assist the industry? 2, If so, in what direction?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, Yes. 2, The balance of £8,083 18s. 9d. forms portions of an amount of £14,224, to which the Department is already committed for assistance under the Mining Development Act.

BILLS (2)—THIRD READING.

1, Housing Trust.

Returned to the Assembly with amendments.

2, Land Act Amendment.

Passed.

BILL—LOAN, £2,335,000.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.37] in moving the second reading said: The Bill is required to provide authority for the Government to borrow money for expenditure on the works and services detailed in the First Schedule totalling £2,335,000, including the cost of raising, and for the re-appropriation of the amounts set forth in the Second and Third Schedules. Last year the amount authorised to be raised was £2,250,000 and, therefore, the totals in this and last year's Bills are small compared with the amounts in previous messages. The Bill authorises the raising of the money only, and the amount involved cannot be spent without the approval of Parliament on the Loan Estimates and the Appropriation Bill. Furthermore, the money proposed to be raised by this Bill can be spent only for the purposes set out in the First Schedule, unless, of course, re-appropriations similar to those suggested in