

something better than that until the articles have been paid for, comes within the scope of the Bill. I submit that the new clause is out of order.

The CHAIRMAN: I uphold the point raised by the Attorney General and at the same time whilst the clause is not relevant to the Bill, it is likewise contradictory to clauses already passed. I must therefore rule that it is out of order.

Title:

The ATTORNEY GENERAL: The select committee made an alteration to the definition of farmer by inserting the words "or grazing." The Crown Law officers now suggest that it would be wise to amend the title. I move—

That the title be amended to read "An Act for the adjustment of the debts of farmers and other persons engaged in rural pursuits and the equitable distribution of crop proceeds and moneys derived from the businesses of such persons, and for other relative purposes.

Amendment put and passed.

Bill reported with amendments.

House adjourned at 11.42 p.m.

Legislative Council,

Wednesday, 10th December, 1930.

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

QUESTION—EDUCATION DEPARTMENT.

Technical Schools and Continuation Classes.

Hon. W. J. MANN asked the Minister for Country Water Supplies: 1, At what centres does the Education Department conduct (a) technical schools; (b) continuation classes? 2, How many students attend (a) technical schools; (b) continuation classes? 3, How many teachers and assistants are employed at (a) technical schools; (b) continuation classes? 4, What was the total cost to the State for the year ended 30th June, 1930, of (a) technical schools; (b) continuation classes? 5, What was the revenue received for the year ended 30th June, 1930, from (a) technical schools; (b) continuation classes?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, (a) Technical schools exist at Perth, Fremantle, Boulder and Midland Junction; (b) continuation classes are held at Albany, Bassendean, Boulder, Bridgetown, Bunbury, Busselton, Claremont, Collie, Fremantle, Geraldton, James Street (Boys'), James Street (Girls'), Kalgoorlie, Katanning, Maylands, Merredin, Midland Junction, Narrogin, Northam, North Perth, Subiaco, Victoria Park and Wagin. 2, (a) The number of students attending technical schools for the year ended the 30th June, 1930, was: Perth 2,828, Fremantle 595, Eastern Goldfields 208, Midland Junction (including railway apprentices) 428; (b) the number of students attending continuation classes for the year ended the 30th June, 1930, was 2,813. 3, (a) The number of teachers and assistants employed in technical schools for the year ended the 30th June, 1930, was 39 full-time and 103 part-time; the part-time lecturer averaged about four hours per week; (b) the number of teachers and assistants employed in the continuation classes for the year ended the 30th June, 1930, was 178. 4, (a) The total cost to the State of technical schools for the year ended the 30th June, 1930, was £28,661 2s. 8d.; that amount includes, in addition to instruction and stock, expenditure by the Public Works Department (buildings and light); part of the special grant for this particular year was made to replace obsolete machinery; sanitation charges are also included; (b) the total cost to the State of continuation classes for the year ended the 30th June, 1930, includ-

ing salaries, stores, and incidentals, was £8,466 11s. 1d. 5, (a) The amount of revenue received from the technical schools for the year ended the 30th June, 1930, was £2,779 4s. 11d.; (b) the amount of revenue received from the continuation classes for the year ended the 30th June, 1930, was £284 5s. 6d.

QUESTION—GOLD MINING, ASSISTANCE.

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: With reference to the answer given by the Minister to my questions on the 3rd December, as to £165,905 of the Commonwealth Disabilities Grant being applied to assist gold mining, in which he stated that the Department of Mines had a balance of £8,083, but a commitment of £14,222, will he state on what date and by what means the commitment was made, and how the £14,222 is to be expended?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: Cabinet approved of the loan of £78,000 to the Sons of Gwalia, Limited, on the 20th December, 1927. The loan is secured by a mortgage and bill of sale over the mine and plant. The commitment of £14,222 is portion of the loan, and is for the purchase of and installation of machinery and plant on the Sons of Gwalia Mine.

MOTION—STANDING ORDERS SUSPENSION.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.40]: I move—

That so much of the Standing Orders be suspended as is necessary to enable Bills to pass through all stages at one sitting, and Messages from the Legislative Assembly to be dealt with forthwith on their receipt.

This is the usual motion placed before hon. members at this stage of the session so that business may be facilitated. I trust hon. members will agree to it.

Question put and passed.

SITTINGS—ADDITIONAL DAY.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.41]: I move—

That the House sit on Fridays for the remainder of the session at 4.30 p.m. in addition to the ordinary sitting days.

I understand that a similar motion will be placed before another place. If hon. members peruse the Notice Paper, they will realise that it is quite likely it will be necessary to sit on Fridays as well as on the other ordinary sitting days, in order to complete the business before the House.

Question put and passed.

BILLS (3)—THIRD READING.

1, Friendly Societies Act Amendment.

Returned to the Assembly with amendments.

2, Entertainments Tax Act Amendment.

3, Forests Act Amendment.

Passed.

BILL—UNIVERSITY BUILDINGS.

Report.

Report of Committee adopted.

Third Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.43]: I move—

That the Bill be now read a third time.

HON. G. W. MILES (North) [4.44]: I regret that I was not in the House when the Bill was dealt with, otherwise I would have called for a division on the second reading. I wish to place on record my disapproval of this measure going through.

Question put and passed.

Bill read a third time, and returned to the Assembly with amendments.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. W. H. KITSON (West) [4.45]: Although this is only a very small measure, it is perhaps one of the most important introduced into this Chamber this session, mainly on account of the fact that the greater proportion of the working people of West-

ern Australia will be affected by its operation. It is only a few years since we had no basic wage in this State, and in those days there was considerable industrial unrest. Organisations found it necessary to take their individual claims to the court and spend large amounts of money in endeavouring to prove that wages should be higher than they were, and that the basis on which the court was operating should be a higher one. Those conditions led to a material alteration in the method of the Arbitration Court after the Collier Government took office in 1924. The amending Arbitration Bill introduced by that Government provided that the Arbitration Court should be empowered to declare a basic wage below which no man or woman would be expected to work. The Government of the day considered that it should be left to the court to determine just when any alteration should be made in the basic wage, but this Chamber thought otherwise and in its wisdom decided—and eventually carried the point—that if a basic wage had to be determined, it should be determined for a certain period. The period decided upon was 12 months. To justify that attitude, members of this House contended that it was necessary for industry to know where it stood for a reasonable period. The argument was used that if the basic wage were altered more frequently, it would have a bad effect on quite a large number of industries, particularly those in the metropolitan area. I do not wish to speak at length on that phase of the question, but it cannot be denied that almost every member of the House was satisfied that it was necessary from the employer's point of view to have stability in industry. The basic wage did give a certain amount of stability, irrespective of whether it was to be declared for 12 months or for any other period. I think we can claim that during recent years Western Australia has been more fortunate than any of the other States regarding the number and severity of industrial disputes experienced. The establishment of a basic wage in this State has been one of the most important factors in bringing that about. Now we are faced with a Bill which includes two major points. The first is to get away from the arrangement decided upon by this Chamber in 1925 that the basic wage should be declared once every year, and introduce a

system whereby it will be possible for the basic wage to be altered every quarter. I suggest that the alteration will not make for the stability of industry. From the point of view of certain employers, I can quite understand that it will suit them down to the ground, realising that there is little chance of the basic wage being increased for a considerable time to come, but every probability of its being reduced from time to time, no matter how frequently it might be reviewed. While it might be all right from the employers' point of view, it is all wrong from the workers' point of view, especially in the light of history. I suggest it is just as necessary that there should be stability from the workers' point of view as from the employers' point of view. After the war, when costs were soaring rapidly, and even prior to any basic wage being operative, it was almost impossible for the workers to receive adequate consideration at the hands of the employers through the Arbitration Court, principally on account of the long delays that occurred before organisations could place their cases before the court. In those days organisations had to wait up to three years before they could get any redress. One organisation with which I am closely associated had to wait for over three years. During the whole of that time living costs were rising rapidly, and when eventually a decision was given and some justice was meted out to the workers, the increases agreed to amounted in some instances to close on 100 per cent. This Bill will mean that the people who had to wait so long for an increase and who therefore lost enormous sums of money in the aggregate, will be called upon to suffer in the opposite direction.

Hon. J. Cornell: The hon. member does not seriously suggest that what the workers lost in good times can be made up in bad times.

Hon. W. H. KITSON: Not at all; it has been lost and cannot be made up.

Hon. J. Cornell: Your argument seems to follow that line.

Hon. W. H. KITSON: I do not think so. Any loss incurred in those times has gone and cannot be recovered. But if it was fair that the workers should bear the brunt of the losses in those days, it is fair that in these days the employers should stand any loss that might be incurred by a continua-

tion of the basic wage declaration once a year instead of once in every three months. A spirit of equity should guide us in dealing with matters of this kind. Ninety-five per cent. of the workers had to suffer as a result of the impossibility of getting an increase of wages while prices were rising, and there is no equity in calling upon them to agree to a reduction now that prices are falling.

Hon. G. W. Miles: Notwithstanding that unemployment is increasing every day.

Hon. W. H. KITSON: Notwithstanding that unemployment is increasing every day. I think I made it clear on a previous occasion that I do not believe any retrenchment or reduction of wages is going to solve our problems. The more I study the question and what is taking place, the more I am convinced that my conclusion is correct. I do not want to elaborate that argument. It strengthens my conviction that there is no equity in a Bill of this kind that requires the workers who can least afford to bear the loss to suffer a reduction of wages more quickly than it was possible for them to get an increase when prices were rising.

Hon. E. H. Harris: I have not heard many protests against the Federal quarterly adjustments that are operating now.

Hon. W. H. KITSON: There have been many complaints about the quarterly adjustments under the Federal Act, but that system has been in operation all the time. If the quarterly adjustments had been in operation here all the time, there would not have been any more complaint about them than about the Federal quarterly adjustments. Really there is no such thing as a Federal basic wage. It is spoken of as such, but I do not regard it as being a basic wage in the same sense that the State court declares a basic wage. As we have determined that it shall be part and parcel of our arbitration law that a basic wage shall be declared, I say there is no justification for calling upon the workers to bear an unfair proportion of the burden. Another point included in the Bill is the method by which the basic wage shall be determined. The method is most important. Originally when organisations desired to secure an increase of the basic wage, it was necessary to apply to the court, and produce evidence in support of their claim. In that way all phases of the question were considered. The em-

ployers, more often than not, opposed any application for an increase. They submitted their evidence and eventually the court arrived at a decision. Under this Bill, however, a different method will be adopted. The Government Statistician is to be the gentleman to determine, in effect, whether there shall be any alteration of the basic wage. The Bill does not provide that the various parties shall be heard, or that a decision shall be given on the merits of the case. The Bill simply provides that the statistician from quarter to quarter shall submit to the court a certain set of figures in a prescribed form, and that if there is any variation in the cost of living amounting to 1s. or more, there shall be an alteration of the basic wage. It is quite opposed to the principle that we agreed to originally, when it was decided that the basic wage should be established in this State. For several years I have not been satisfied with the method by which the statistics have been compiled, and on which the court has given decisions. This method is going to make the position many times worse than it is. I do not wish it to be thought that I am suggesting that the Government Statistician is at all biased one way or the other, or that he is submitting figures that are incorrect. It is just the way the figures are obtained, and the particular time at which they are submitted. The system, it seems to me, leaves room for improvement. I have heard it said, and I have seen a certain amount of so-called proof submitted, that many cases which are submitted to the statistician in connection with these matters are submitted at a given time when prices of commodities, by some means or other, are lower than usual. It is even said in court that owing to the method by which these prices are obtained, the prices do not represent a fair and impartial statement of the cost of the particular article. I have heard the argument advanced that it is not fair that the figures quoted by firms such as Charlie Carter and Wills Co., should be those on which the basic wage is to be determined, insofar as groceries are concerned.

Hon. Sir William Lathlain: Those are the prices to everybody.

Hon. W. H. KITSON: Of course, but everybody is not in the city. Even those people in the suburbs trying to procure these particular articles at the advertised prices

cannot do so without some added cost. It has also to be remembered that a large number of workers affected by Arbitration Court decisions would find it impossible to do their trading with those particular firms. I only mention this to show one or two small points with which fault has been found. I suggest that if the court takes into consideration a list of prices that may be submitted by the statistician, and a decision is arrived at as a result of those prices, then it is going to be distinctly unfair to a large section of the workers who will be affected by the application of the basic wage. Having mentioned these two points, there is no need to detain the House much longer. One could talk for quite a while around the subject, but I do not propose to do so. I realise that the Government have made up their mind that there must be a reduction in wages, and they are taking every possible step to bring that about. This is one of those steps. Once the Bill becomes law, it will mean that automatically the workers of the State will be faced with a reduction in their wages amounting to several shillings per week, notwithstanding that many of those workers very probably have had to wait many months before getting their cases heard in respect of increases to which they were entitled, and also notwithstanding that the wages they may be receiving now may have been in operation for only a limited time, in some cases perhaps a month or two. In view of the fact that the basic wage has been declared once every year during the last three or four years, I suggest it is only fair and equitable that that method should be continued. I have pointed out that in times of industrial stress, most of the Labour leaders, in this State at any rate, suggested to the workers that although they were suffering hardship at that time, in that they could not get the benefit of the increased wages they knew they were entitled to receive, that sooner or later the whole thing would work out itself. I pointed out that we would reach a period when prices might fall, and that in view of the fact that the basic wage was to be fixed for a term of 12 months, the workers would reap a little advantage which would compensate them to some extent for the disadvantage under which they had been working. In many cases our advice was accepted. I can quote numerous instances where it has been

difficult work to convince sections of organisations that sooner or later they would get some benefit from that particular provision of the Arbitration Act. Now, with the present Bill before us, it simply means that we are repudiating what we promised those people in the past. The present Government, having determined that wages must be reduced, will stop at nothing, will take every conceivable point to bring about a reduction at the earliest possible moment. I do not intend to say more but will register my strongest protest against the Bill and will vote against the second reading.

HON. SIR WILLIAM LATHLAIN

(Metropolitan-Suburban) [5.7]: One would imagine from the remarks of Mr. Kitson that the sole desire of the Government in bringing in this Bill was to reduce wages and so inflict a hardship on the working man. I am no upholder of anything of that sort, and I am sure that the Government, or indeed any member of this House, is not desirous of reducing wages. Unfortunately, owing to the exigencies of the moment, those who are engaged in business realise the difficulties and hardships being experienced by employers at the present time. One would imagine that the whole of the hardships were being borne by the employees. Let me give hon. members one or two facts. At the present time the basic wage in Western Australia is £4 6s. In Adelaide on the 10th October last the basic wage was reduced from £4 5s. 6d. to £3 15s. All our clothing and other factories have to compete upon this basis—our £4 6s. as against the Adelaide rate of £3 15s. It is no wonder that the industries in Western Australia cannot carry on successfully when there is such a vast difference in the basic wage. Freight on particular commodities is comparatively very low, and therefore that does not enter into the matter to any serious extent. Mr. Kitson made a strong point of the fact that employees should be secure for 12 months. But are the employees to have all the benefits, and are the employers to be debited with the whole of the losses in a particular year, while awaiting the convenience of the court?

Hon. W. H. Kitson: The employer has all the benefits.

Hon. Sir WILLIAM LATHLAIN: If the hon. member were an employer, he would

soon find out that the employer did not get all the benefits. Let me give him some specific instances. Recently there was an hysterical cry for a reduction in the salaries of the higher paid officers of the City Council. The council reduced those salaries from as high as 21 per cent. down to about 10 per cent. But only eight officers were affected; only that number were under the direct control of the council, whereas 47 or 48 of the others came under an Arbitration Court award and, notwithstanding the present position of affairs, these employees, by virtue of an award issued by the court some time back, have had to receive increases in their salaries. Those increases fell due on comparatively recent dates and some even as recently as the 1st November last. So we have the anomaly that while 47 or 48 officers were, under an award of the court, given increases in wages to the extent of £847, eight of the higher paid officers had their salaries reduced. Here is a further anomaly: several of the officers whose salaries have been reduced are at the present time receiving less than some of those who come under the arbitration award, and the latter are working under the other officers. Employers cannot afford to pay the rates of wages existing to-day. How long now will the City Council have to wait before it will be possible to make an appeal to secure a reduction in the wages of the men to whom I have referred, or even to appeal to the court in the direction of preventing the increases awarded being given effect? The Bill we are out to consider is fair and just and will not only meet the demands of the situation at the present time, but will act fairly to the whole of the employees when times change again. It is a well known fact, as Mr. Kitson has mentioned with regard to the fixing of the basic wage, that because potatoes happened to be at famine prices in a particular month, pounds per ton compared with shillings per ton to-day, that that affected the award. Mr. Kitson also quoted statistics in respect of groceries, but I venture to say that if he went from one end of the city to the other he would not find a difference beyond about 2½ per cent. in the prices of those commodities. In my opinion something in the nature of the Bill is necessary. Let me quote my particular business as an instance. I employ a staff of 120 people. When the depression was making itself felt I was loth to make re-

ductions of any sort. I called the heads of the departments together and said, "There is only one thing to do, and it is for you all to agree to time off." Eventually they agreed to one week off in every five. After trying that for some time I found it was unsatisfactory, because when stock-taking came on, managers were absent and there was no one to extend the stock sheets and carry out other activities incidental to that work. So I called them together again and told them that instead of the time off system I would make a reduction of 10 per cent. They agreed to that. But there are the motor drivers, the liftmen, the porters who clean the windows, and the despatch man, about 20 in all of the staff of 120, whom I cannot touch, for they are under an Arbitration Court award. So they cannot be reduced, although the cost of living has fallen by about 20 per cent. The incidence of the time off system is unfair because, while I am compelled to administer it in the only way possible, by standing off those who can be spared for a certain period, there are on the staff others whom it is impossible to do without. If they were to go away on holiday their places would have to be filled for the time being. According to Mr. Kitson's proposal, I am to wait until next June before a new basic wage is declared and relief granted to me.

Hon. W. H. Kitson: When the cost of living was rising you were never guilty of giving any increases.

Hon. Sir WILLIAM LATHLAIN: That is not true. Quite a number of my employees receive a good deal more than the Arbitration Court's award. There are no fairer employers in any other part of Australia than those controlling the big businesses in Perth. They give to their staffs a very fair deal on all occasions; the staffs have always received most sympathetic consideration. It is unfair to ask the whole of the employers in the metropolitan area to wait until next June before any reduction is made in the basic wage. A great deal of the present distress amongst young men has been brought about by the Arbitration Court's awards. Many young men employed by the big firms have to be paid £2 9s. 6d. when 19 years of age, and £3 7s. 6d. when 20 years of age. Then, on reaching 21 years of age, for that reason alone they have to be paid £4 19s. 6d. The result is that the majority of them do not get £4 19s. 6d. but

get the sack instead, because they are not worth that much to their employers.

Hon. E. H. Gray: If well trained, they should be worth it.

Hon. Sir WILLIAM LATHLAIN: I would not say the average shop assistant is of the highest class of intelligence; possibly that is why he is a shop assistant. As I say, the Arbitration Court awards have created hardships for those young fellows and for many of our girls as well. A very great sympathy has existed between the employers and the employees in Perth, and to have to make reductions is something that the employers feel very much indeed. Still, we have to conduct our businesses on business lines. If those who advocate the retention of the existing state of affairs had responsibility in business for a few months they would realise how urgent the Bill is, in order that relief may be afforded to the employers and others seriously affected by the present position. I will support the second reading.

HON. J. CORNELL (South) [5.20]: Rightly or wrongly we have decided to fix wages by means of conciliation and arbitration. The two speakers who have preceded me have taken each an extreme view, Mr. Kitson in his realm and Sir William Lathlain in his. Mr. Kitson has said that the passage of the Bill means the abolition of the basic wage, to which Sir William Lathlain, in effect, has said, "Nonsense." I do not think either can have read the Bill; if he has, then each is working purely from the standpoint of being a king in his own domain. I agree with Mr. Kitson that this House is going to pass the Bill. That being so, it devolves upon some member of the House to give a calm and dispassionate review of what is likely to happen to the worker under the Bill. The argument adduced by Mr. Kitson was that the basic wage should remain for 12 months because it had taken some of the workers such a long time to get to the court and secure a rise. Only one construction can be placed on that, which is that what the worker lost in good times we should, if possible, return to him in bad times. The difference between a worker waiting for a rise in good times and a worker waiting for a problematical reduction in bad times is this: In the one instance the worker is at work while waiting for his rise, whereas to-day about 25 per cent. of

the working community are out of work while waiting for the problematical reduction in wages.

Hon. C. B. Williams: Under the Bill they will get their reduction all right.

Hon. J. CORNELL: It does not necessarily follow that there will be a reduction under the Bill. When first the provision for a basic wage was brought down, it prescribed that the court might of its own motion fix the basic wage. That meant the court could fix it as often as it liked; three months, six months, 12 months, or five years. It was solely in the hands of the court. Then this House, in its wisdom, insisted that the basic wage should be fixed once in every 12 months.

Hon. C. B. Williams: What was behind that?

Hon. J. CORNELL: It is hard to say, but probably it was thought better to know where one was for 12 months than to reason that the situation might be altered within that time. Clause 3 of the Bill reads as follows—

The State Government Statistician shall, as soon as practicable after the end of each and every quarter in the year, supply to the court a statement indicating by price index numbers and other information the variation (if any) in the cost of living which has occurred during the then last preceding quarter, and if such statement shows that a change of one shilling or more per week has occurred in the cost of living, then, notwithstanding anything in this part of this Act to the contrary, the court shall of its own motion consider such statement, and may adjust and amend the basic wage declared.

Under the Bill, the court is free to reject any statement the Government Statistician may put up.

Hon. W. H. Kitson: The court is not likely to do so.

Hon. J. CORNELL: When first the President was appointed, I said, and I now repeat it, that he would do whatever he thought right, irrespective of the consequences. Everybody knows that the fixing of the basic wage for the 12 months is entirely a matter for the court. If the Government Statistician's method of calculating the index prices does not conform to the court's method, the court would be quite right in rejecting the statistician's findings.

Hon. W. H. Kitson: The court cannot reject it.

Hon. J. CORNELL: Of course the court can.

Hon. W. H. Kitson: It is provided that the court shall consider it.

Hon. J. CORNELL: That is all; it is permissive. If the court considers that the statistician is all astray—and sometimes statisticians are—and that his methods do not square with the court's methods in the fixing of the basic wage, the court will reject those methods. I would be dead against the Bill if it provided that the court had to accept the statistician's calculations.

Hon. W. H. Kitson: Read the concluding four lines of Subclause 1.

Hon. J. CORNELL: I have read the Bill. A lot of hot air has been blown about in order to obscure the issue, and I am endeavouring calmly and dispassionately to tell the worker where he is likely to be under the Bill. That is the only object I have in speaking.

Hon. W. H. Kitson: Then my remarks were hot air, were they?

Hon. J. CORNELL: I am satisfied the court will be as free and untrammelled under the Bill as it has been in the past. The court shall consider the statement of the Government Statistician, but is not bound to accept it.

Hon. W. H. Kitson: Read the last four lines of Subclause 1.

Hon. J. CORNELL: This says "one shilling or more per week has occurred in the cost of living then notwithstanding anything in this part of the Act to the contrary the court shall of its own motion consider such statement." This refers to the statement put in by the Government Statistician that the basic wage has fallen 1s. or increased 1s. When the court has sat and considered this, the subclause goes on to say, "and may adjust and amend the basic wage declared and for the time being in operation under this Act for the unexpired period of such basic wage or until the same is again reviewed under this section, and the court shall, when making any adjustment or amendment of the said basic wage, have regard to the change in the cost of living indicated above." That does not mean that it is bound to accept the statement. The punctuation shows that. It cannot be bound by anything the Government Statistician puts up. If the court is bound to accept the Statistician's figures on the basic wage, there

is no need for it to fix the basic wage. The sensible method then would be to say that the Government Statistician should fix it on his figures every quarter. If the court does reduce wages the wisacre will say, "I told you so," but the fact will remain that the court may have ignored altogether the Statistician's figures and have taken a method of their own, just as they took definite action recently under certain other conditions. This does not indicate that the court is bound to accept the Statistician's figures. The only objection that can be raised to the Bill is as to whether or not the court should adjust the basic wage at more frequent periods than once a year.

Hon. H. Stewart: That is the only point.

Hon. J. CORNELL: Down the years I have always recognised that the worker is invariably the one who is called upon to make the sacrifice.

Hon. G. Fraser: You are going to assist him now.

Hon. J. CORNELL: He will not be assisted any more by the defeat of the Bill than by its being passed. He is in a position of claiming something that someone else has to give; consequently he is expected to do all the giving and taking. Much has been said regarding the wage the worker ought to get. Money is worth only what it can buy. If a working man can buy as much for £3 a week as he could for £5, he will be just as well off. The man who has had it in the neck at all times under our system of arbitration is the married man with a family. He is expected to keep a wife and perhaps six or seven children on the basic wage, whereas the single man receives the same amount. For the last 10 or 15 years the single man has been living in a paradise, while the married man may be said to have lived in the antithesis to a paradise.

Hon. G. Fraser: Introduce the child endowment system.

Hon. J. CORNELL: If hon. members would make it their business to go round quietly they would find single men who were harder up against it than married men. I know of cases where married men on the basic wage, with four or five children, have got out of work, and have been able to stand a siege for a little while, whereas single men who have been receiving the same pay cannot find enough to pay their board the day after they lose their jobs. What is agitating the minds of most working men in

employment to-day is as to the continuity of their work, and that which is agitating the minds of those out of work is when they are going to get some employment. We ought to be honest in what we do and say. To say that in a world of fallen prices the worker should not come down in his wages is to provide a contradiction for the argument that in a world of rising prices his wages should not go up accordingly.

Hon. W. H. Kitson: That has never been said.

Hon. J. CORNELL: Mr. Kitson argues that as it took the worker a long while to reach his present wages no attempt should now be made to cut him down. Equity is a splendid thing, but it is a poor thing to advance to a man with an empty stomach.

Hon. W. H. Kitson: The Bill will not give any man more employment.

Hon. J. CORNELL: We are living in an atmosphere when no man knows what to-morrow will bring forth. The actual point at issue is whether the court shall sit quarterly, review the statistician's tables, and adopt them as it thinks fit, or whether it shall sit only once a year. To argue the Bill from a political aspect or a vote-catching aspect at this period of our history is merely a frivolity. He is a wise man who knows what to-morrow will bring forth, and he is an even wiser man who knows what the political morrow will bring forth for those who are in Parliament to-day. It is therefore criminal to argue this matter from the political aspect. What should concern us is that we should endeavour so to alter things as to allow of the situation being eased and more employment being found for the people.

Hon. W. H. Kitson: This Bill will not give one hour more of employment.

Hon. J. CORNELL: I know Mr. Kitson argues in favour of the Government Statistician. Last night Mr. Williams favoured statisticians, actuaries and economists, and quoted Mr. Wickens on inflation. Others may quote Professor Giblin or Professor Copland on what a reduction of wages means. Let us assume that the court sits in January, and of its own motion, even if it ignores the statistician's figures, reduces the basic wage 1s. per week, is that money going into the pockets of the man who paid it or will it remain in the industry and be used to employ more men?

Hon. C. B. Williams: Where do you think it will go?

Hon. J. CORNELL: I am convinced it will remain in industry. The man who has invested money in an industry must do one of two things, either cut his loss and get out, or improvise and endeavour to economise to save his administrative expenses and retain what he saves in his business. I have already said that the wages a man receives are only worth to him what he can purchase with them for his absolute requirements. I will give an illustration which I thought was true when I heard it, and which I am more than ever convinced to-day is true. Many years ago I heard Billy Hughes say in Boulder that in spite of our vaunted social system, in the final analysis the whole problem got down to bread, and that when there was a shortage of bread the millionaire was not too particular whom he trod on to get that bread or some of it. That can be traced throughout our social system. I have not forgotten, nor shall I ever forget, that I once worked for my living. I do not claim to be working now, because nobody would believe it. However, the man who after a lifelong association with the working man would throw that working man over, is not worthy of the name of man. If I thought the Bill would fundamentally injure the working man, I would be horse, foot and artillery against it. The fixing of the basic wage quarterly will be as safe in the hands of the court as the fixing of it annually has been.

HON. E. H. HARRIS (North-East) [5.46]: Before dealing with the principle involved in this short Bill, I desire to draw the attention of hon. members to a few of the observations made when the Arbitration Bill of 1924 was introduced, and the bearing which those observations have on the present Bill. In introducing the former measure in another place the then Minister for Works, Mr. McCallum, said that he would ask the Legislature to assist in making it an effective measure, and that it represented the matured consideration and judgment of those who had many years' close association with the working of the system of arbitration. Those remarks are quite correct. Many important provisions were included in the Bill to which so much time was devoted during 1924 and 1925. In a pamphlet issued by the authority of the Gov-

ernment printer, headed "Great Exposition in the Assembly on Arbitration and Compensation," the Minister is reported as having quoted from the Treaty signed in Versailles by the allied and associated powers and Germany, the following words—

The high contracting parties, moved by sentiments of justice and humanity

Then Mr. McCallum refers at length to humane conditions for labour and so forth, after which he proceeds to examine the clauses of his Bill. Having pointed out that one clause provides that the court shall sit periodically to establish a basic wage which shall operate for a specific period, he goes on to point out that if the court fail to move at the end of the 12 months, either of the parties may appeal to the court. Subsequently the Bill of 1925 provided that the court should from time to time inquire as to the basic wage. No specific period of 12 months was fixed, any more than a quarterly period. The basic wage was to be fixed from time to time, whenever the court thought fit. Subsequently an amendment was carried at the Minister's instance providing that the court might inquire at the request of the Minister. These circumstances indicate that what was in the mind of the then Labour Government was that there should be not an annual adjustment of the basic wage, but more frequent adjustments. An adjustment could even take place at the request of the Minister. If that provision were in operation to-day, the present Minister for Works, Mr. Lindsay, who has been so viciously attacked in another place, would be able to ask the court to take the necessary steps for a review of the basic wage, and indeed the court might have taken action to review the basic wage even before to-day.

Hon. W. H. Kitson: There is nothing wrong with that principle either.

Hon. E. H. HARRIS: No; but it sounds a little hypocritical for a person who introduced a Bill embodying that principle to make a vicious attack on a measure which provides for quarterly adjustments.

Hon. G. Fraser: What was your attitude in 1925?

Hon. E. H. HARRIS: My attitude at that time is disclosed by "Hansard," and I invite the hon. member to look up the records and make any quotations suitable to the occasion.

Hon. G. Fraser: At that time you supported the term of 12 months.

Hon. E. H. HARRIS: This House supported the 12 months. When the Bill went back to another place, although there was a conference lasting 19 hours on points of disagreement, the 12-months term was not among them. The Legislative Assembly accepted this Chamber's amendment of 12 months. The Bill before us will not do what the Government say it is intended to do. Indeed, it will do something it is not intended to do. Under Federal Arbitration awards there is provision for quarterly adjustments of awards. That has been a practice of the Federal Arbitration Court since its inception, and I do not know that the industrial organisations have quarrelled much because of the adjustments. From time to time the organisations have had rises and falls on that account. Dealing with the present Bill, I would point out that the existing Act fixes the term of the basic wage at 12 months. The basic wage is to have regard to the needs of the average worker, and represents the lowest wage which may be paid to an unskilled male worker, other than the aged or infirm worker, in the respective districts. That Act does not instruct the State Arbitration Court to accept the Harvester judgment. The State Arbitration Court were left to sift the evidence placed before them and to decide the question having regard to the provisions of the existing Act, which were taken from the original measure of 1912. The court made their first determination of £4 5s. on the basis of food £1 16s., rent £1, clothing 13s. 6d., miscellaneous 15s. 6d. Under the existing Act that determination could not be varied from time to time. The court have issued a small publication giving the reasons for fixing the basic wage, and those reasons make interesting reading. Now I wish to deal with Clause 3 of the Bill, and I ask hon. members to be good enough to look at the wording of the clause, which is as follows:—

The State Government Statistician shall, as soon as practicable after the end of each and every quarter in the year, supply to the court a statement indicating by price index numbers and other information the variation (if any) in the cost of living which has occurred during the then last preceding quarter.

It is possible that there may be two or three variations in the preceding quarter showing a change of 1s. or more in the index figures.

The clause does not say whether the first, or the second, or the third, or even the last of the alterations making the change of 1s. shall be the figure to influence the court in arriving at their decision. Further, the clause provides that the court may vary the award as declared for the unexpired portion of the award; that is to say, the unexpired period of the basic wage. Taking the clause as it stands, it says that the court shall once in each year fix the basic wage, and that at the expiration of any of the subsequent quarters figures shall be adduced by the Government Statistician, and that upon these the court may base a decision. The matter is optional. It is obligatory on the court to consider the figures submitted in regard to variation, but it will be optional with the court to make any adjustment whatever. Thus there is no force in Mr. Kitson's argument that this is a definite effort to reduce wages, for after the figures have been submitted the court can please themselves whether they make any variation of the basic wage or not. Then why the opposition to the Bill? The court has been established as an impartial tribunal, and the president subscribes an oath that he will faithfully and impartially discharge and perform his duties. Involved in those duties is perhaps the destiny of thousands of workers throughout the State. This Chamber decided upon a tribunal of that description, which would be able to deal with these important matters. The clause further states that in October there will be an unexpired portion of nine months. An award is delivered in June, and in October the award may be reviewed, there being nine months to run. In December there would be six months to run. The clause provides that the court may make an amendment of the award for the unexpired period. Although it has been suggested that there shall be quarterly adjustments, the court may make adjustments for six months or nine months, and it is optional for the court to make any adjustment or none at all. We may be able to make the position clearer. In any case, the court will sit before the 1st July and after an elaborate investigation will fix the basic wage on arbitrary figures. The State court is not bound by the Harvester judgment. The representatives of the employers and the employees will receive the determination of the court without any knowledge of the actual figures on which the decision has been based. In the Federal

Arbitration Court the parties know exactly upon what figures the determinations issued are based, and they argue on those contained in the Harvester award. No such conditions apply in our State Arbitration Court. The court has given reasons from time to time and has referred to certain phases, but the parties interested have not been able to pin down the exact figures that have influenced the court in issuing an award. The Bill says that the Government Statistician shall provide the court with index figures and other particulars required. Will the Minister give the House an indication as to what index figures are referred to? The court has not given any such definite figures in the past and I fail to see that figures produced by the Government Statistician will be of great advantage.

Hon. J. Cornell: The court may reject the figures.

Hon. E. H. HARRIS: And the wage may be left as it was then, notwithstanding that there may have been an alteration to the extent of 5s. in the cost of living.

Hon. C. B. Williams: Yes, up or down.

Hon. E. H. HARRIS: That is so. Mr. Kitson complained that if such a provision were agreed to, wages would fall. I suggest, on the other hand, that very shortly there will be an inflation of the note issue in Australia. In that event, prices will promptly rise, and that will afford the opportunity to the industrialists to approach the court to secure the increased wages they will be entitled to.

Hon. W. H. Kitson: And then there will be another amending Bill introduced!

Hon. E. H. HARRIS: In June there will be the annual revision of the basic wage. The September quarter may or may not result in any alteration in that wage. I suggest that in the December quarter the court will not sit at all. I made inquiries to-day and I found that the rules of the Supreme Court provide that the annual vacation shall commence on the 24th December and that the court will not sit again until the 25th February. Under Section 48 of the Industrial Arbitration Act, the tenure of office of the president is made the same as that of a Supreme Court judge, while it also specifies that the president shall be entitled to all the rights and privileges of a judge. I do not know whether the vacation dates are rigidly adhered to, but I take it that, according to the provisions of the Bill, early

in the New Year the court will be called upon to sit and consider some hypothetical figures that may be submitted by the State Statistician.

Hon. J. Cornell: It is safe to say that the Bill will not operate until June.

Hon. E. H. HARRIS: I do not think it will. I do not think the decision arrived at then will be altered in September or December. In March the court will be sitting, unless the Eastern vacation intervenes. In a recent debate relating to coal, Mr. Miles referred to some "unholy alliances." I would point out that under the Commonwealth arbitration system, an investigation of the index figures from 1914 to 1930 will show that the lowest figures are indicated in December—the period when the State Arbitration Court will not be in session. Thus there will be no alteration in the basic wage here. The Minister for Works in another place and the Minister here have been charged with bringing forward this proposal. I do not think the Minister for Works in particular could have done better if he had entered into a unholy alliance with the Beaufort-street Trades Hall people. December is the period when the workers will suffer because of the variation in prices at that period of the year, and yet the court will not be sitting then. To make the quarterly readjustments practicable, which is the desire of the Government, I suggest that the Federal method be adopted, and the quarterly adjustments made accordingly. I have a copy of an award relating to an occupation in which I was interested at one time. It applies to the federated engine drivers. The award was delivered by Sir John Quick in 1924.

Hon. C. B. Williams: How long is it since you were an engine driver?

Hon. E. H. HARRIS: I will look up the date if the hon. member requires it.

Hon. C. B. Williams: I wish you would.

Hon. E. H. HARRIS: The award provides for quarterly adjustments and the clause that appears in the award is embodied in every other Federal award. It reads—

The rate prescribed in Clause 1 are the rates payable under this award, subject to adjustment as hereinafter provided. On the 1st November, 1924, the said rates shall be increased or decreased according to the difference between the index number for each area or place mentioned in column 3 of Table "A"

and the relative index number for the quarter ending 30th September, 1924, such increase or decrease being made in accordance with the following table:—

Then there are set out a number of points representing specific sums of money. If there has been a difference of 11 points only, there is no variation in the basic wage. If there is a rise from 15 points to 32 points, there is an increase of 1s. in the wage; if there is an increase of from 32 points to 52 points, there is an increase of 2s. So the wage rises to the maximum amount of 14s. a week. The basic wage prescribed in the 1924 award was £3 19s. with quarterly adjustments as indicated by the court. I suggest to the Minister that the Bill will not accomplish what he desires and it will not be possible to have the four quarterly adjustments. No figures the State Statistician will submit to the court will be acceptable, because I question whether he is aware of the figures the court works on. In its present form the Bill is impracticable. As an alternative, I suggest that the Government adopt the system and method provided by the Federal Arbitration Court and if that were done it would merely amount to adding a few figures together and proclaiming the new wage in the "Government Gazette." That would be the position, once the original action had been dealt with.

Hon. G. Fraser: If the Bill is impracticable, why support it?

Hon. E. H. HARRIS: Have I indicated, Mr. President, that I shall support the Bill? I have said it is not worth twopence.

Hon. H. Stewart: Have you said that?

Hon. E. H. HARRIS: Well, I say it now. Mr. Fraser assumes that I will support the Bill.

Hon. G. Fraser: I was judging your attitude by your remarks.

Hon. E. H. HARRIS: I have indicated that I do not approve of the Bill in its present form and that it cannot achieve what the Government desire. The position in this State is unsatisfactory and has been for years past. In some industries we find a section of the men working under a Federal award issued on behalf of a Federal union of which they are members, while another section of the employees belong to a State union governed by a State Arbitration Court award. The rates of wages differ. In such circumstances, the employers are always crying because they have to pay one

section of the men more than another. On the other hand, the employees usually quarrel about the matter and ask for the highest rates prescribed in one or other of the applicable awards. If some uniform method were adopted by the authorities, it would be of advantage to employer and employee. Unless the Bill is to be materially altered so as to be made practicable, I shall not support the second reading.

HON. H. STEWART (South-East) [6.11]: Previous speakers have pointed out that the Bill is limited in its scope, and Mr. Harris has shown clearly that it will not bring about the alterations indicated by Mr. Kitson in his remarks.

Hon. W. H. Kitson: His mere statement does not prove that.

Hon. H. STEWART: Mr. Kitson indicated that there was a degree of iniquity evident in making the quarterly adjustments possible; but if we consider the scope of the measure, it must be apparent to us that the Bill may not lead to any alteration at all during the whole 12 months. It will be competent for the Arbitration Court to decide there shall be no alteration at all.

Hon. W. H. Kitson: I pointed out that we desired stability.

Hon. C. B. Williams: In any case, we have altered that position and we do not require it now.

Hon. H. STEWART: I find it difficult to deal with this intricate matter in my way without having to take notice of Mr. Kitson's interjections, however helpful they may appear to be. Subsection 2 of Section 121 of the Industrial Arbitration Act sets out—

The expression "basic wage" means a sum sufficient to enable the average worker to whom it applies to live in reasonable comfort, having regard to any domestic obligation to which such average worker would be ordinarily subject.

That indicates the scope of the court's work. There is no restriction at all. The court can award whatever is considered sufficient to provide a basic wage that complies with the terms of Subsection 2.

tained, while the standard of living for the average worker has been lowered, whereas if the basic wage had been lowered some months ago, I believe the average standard of comfort would have been higher than it is to-day and that there would have been less unemployment. The standard of living of the section who are fortunate enough to be in full time work has been maintained, but it has been by the sacrifice of the less fortunate. According to the latest figures, 20 per cent. of the unionists of the Commonwealth are unemployed, and they constitute 50 per cent. of the total who are out of work, leaving an equal number of non-unionists who are without employment. I should like to ask Mr. Kitson whether he does not think that in the circumstances a Bill like this, which simply gives elasticity to the court without imposing any obligation on the court, is not the very least thing that could have been done. I consider it is the minimum that could have been done. Almost all primary products have fallen in price; eggs, meat, wheat and wool, and butter is beginning to fall. Who would contend that nothing should be done in the circumstances to reduce the cost of production? The cost of production has been maintained, while the standard of living, considered by and large over the community, has seriously fallen without there having been any reduction in the basic wage or in the nominal standard of wages. What is the position of the growers of wheat and meat, and of men who are employed in producing those commodities? Under the existing Australian policy they are suffering a burden because of the higher cost of production. With wheat bringing 2s. a bushel, the wheatgrower has to face the same cost for railway freights, tallying, and lumping on the wharf that he had to face previously for a return that will not bring him anything like the cost of production, much less leave a margin. I do not want any member to think that I am not fully seized of the seriousness of the position of all people controlling industry or engaged in industry. Many of them have suffered and have lost their income, just as the primary producer has lost his, simply because work has not been forthcoming. As one member said this afternoon, many such people have got the sack. However, when the national income has been reduced, endeavour must be made to make it go round, and this is the only way in

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. STEWART: Unemployment has become increasingly widespread. Many men are out of work and many are on part time, and the cost of production is being main-

which it can be done. I must express the opinion that the basic wage, as fixed by the Arbitration Courts, is on an absolutely unsound economic basis, not only because it gives the single man the same wage as is paid to a married man who has domestic responsibilities, but because no regard is paid to the fall of national income. It is fixed with an almost entire disregard of the unsheltered industries. It is fixed purely for the sheltered industries, for the Governmental and semi-Governmental activities, which brings about an increase in the cost of production in industries that are unsheltered. The result of my thought is that we shall never reach a sound position until, in fixing the basic wage, the major factor of the national income is taken into account. The national income is derived practically from the exports of the country. The main factor in considering the basic wage must be what it is possible to pay and produce from the exports disposed of in the world's markets, on which we are dependent for our national income, leaving to the primary producer a fair and reasonable margin of profit. We hear talk of the standard of living and of its being maintained in accordance with the basic wage. It is merely a standard for those engaged in the sheltered industries, but since arbitration courts have been in existence, there has scarcely been a period when one could say that the same standard of comfort was enjoyed by the people engaged in the primary industries scattered throughout the country. If we had some such fundamental basis on which to fix the basic wage, the result would be that at a time when the export industries were suddenly threatened with extinction, the basic wage would recede in consonance with the low prices being obtained for our primary products. It would be a poor lookout for the Commonwealth and for a State such as ours if wheat growing and wool growing and stock raising were threatened with extinction. The first objective should be to preserve those industries that are essential to the well-being of the nation. If the fixing of the standard of wages had been soundly based in times when industries were prosperous, those industries could have been preserved when a serious fall in prices occurred, and the Government could have arranged to provide the necessary assistance to maintain them. Without them the country would become bankrupt. I sup-

port the second reading. I agree with the remarks made by Mr. Williams last night. It does appear that when troubles occur, the first attack is made on the workers. It is regrettable that that should be so. In my mind, one other thing also demands attention, and that is the cost of money. This is such an involved matter and so difficult to deal with that we have to be careful lest, in trying to remedy the trouble, greater evils than those we are suffering do not rebound upon us with boomerang effect.

Hon. H. Seddon: At present, is not the cost of money pegged?

Hon. H. STEWART: I do not want to deal with that matter. The interjection opens up a very wide subject. I am in agreement with Mr. Seddon. I feel that had the basic wage been reduced by the court months ago, the position of all the people engaged in industry would have been much better. There would have been less unemployment, and I believe such action by the court would have maintained the confidence of those who have no confidence in us today, and that the conversion loan now being raised by the Commonwealth would have been obtained at a lower rate than is being offered to attract subscriptions. However, I do not wish to elaborate that matter. I feel keenly that wages are not the only thing that should be dealt with. We are suffering from the high cost of money owing to the unsound economics in which we have indulged over a considerable period of years.

HON. C. B. WILLIAMS (South) [7.44]: I must do my duty to the people I represent by speaking on this Bill. I am not particularly opposed to the principle of fixing the basic wage quarterly. This applies to probably two-thirds of the trade unionists of Australia, who are working under awards of the Commonwealth Arbitration Court. What I am opposed to is that the working man is made the football of political parties the moment they attain office and power. Some years ago this House decided that the basic wage would be reviewed once in every year. It seems strange to-day that we find members expressing views in opposition to that decision which was arrived at previously by this House, and criticising those on the other side who have altered their opinions since. If I were in that position I would feel ashamed. It only shows the

shallowness of some minds. I repeat that some years ago members were responsible for the basic wage being reviewed annually and to-day they wish to alter that to the quarterly period as suggested by the present Government. Still we can live and learn, provided of course that we are prepared to acknowledge the fact that in consequence of circumstances having altered we alter our opinions accordingly. I have not very much to say about the change, but the party with which I am associated has, and some of the trade unions in my province also have a good deal to say about it. What I want to know is why the unions of Western Australia should be made the football for the political party in power for the time being. When the provision for the annual review was inserted in the Act, wages were on the increase. Then members thought it was good enough that wages should be reviewed once in every 12 months. That was not then to the benefit of unionists. To-day wages are on the downward trend; they are slipping. One hon. member stated that we might have inflation. I repeat what I said last night that that is our only hope.

Hon. E. H. Harris: Do you advocate that for an increase in wages?

Hon. C. B. WILLIAMS: I will advocate anything that will bring about an improvement of the present system, anything that will assist us to overcome the unemployment difficulty. Again, I have no wish to repeat what I said last night, but I cannot help stressing that those countries that are to-day holding the gold wealth of the world, are in a similar position to Australia. Can anybody dispute that?

The PRESIDENT: I hope the hon. member will not go beyond the scope of the Bill.

Hon. C. B. WILLIAMS: Very well, but I cannot help saying that that is how I see the matter. Mr. Stewart represents the primary producer. So do I. If to-day the basic wage is reduced 8s. or 10s. a week, it will not aid the farmer in any way at all. The farmer will not get any more for his wheat than world's parity. We know that a farmer cannot exist on the price he is getting to-day for his product. Why camouflage the position and say that wages and costs are stopping production in this country? What does it cost a man to grow wool? Does the basic wage worry him? Does the basic wage apply to the farmer?

Hon. E. H. Harris: Indirectly it does.

Hon. C. B. WILLIAMS: Indirectly it applies to everybody. Everything applies to everybody indirectly, but still it does not increase the wages the farmer pays. The farmer does not pay the basic wage. As far as the sheep grower is concerned, I will admit that the basic wage is reflected in the wages he pays the shearers. I am merely entering my protest—I know it is useless to do so because the Bill is going to be carried. At the same time we know that wages are on the downward trend. Take the workers in Kalgoorlie who are not affected by the Federal award, those who are governed by quarterly adjustments, and take the men on the mines whose wages are fixed by the State court and who have never had the benefit of the basic wage. What is going to happen to them?

Hon. E. H. Harris: What do you mean by "benefit"?

Hon. C. B. WILLIAMS: Any increase in the basic wage has never affected the men working in the mining industry. Outside those men, others are covered by a Federal award, and they have had the benefits of increases in wages; naturally when wages come down it will be their bad luck just the same. But the man in the mining industry governed by the State award has not been affected. Under the provisions of the Bill before us he will be affected. It is no use disguising the fact that wages will come down if this Bill is carried and becomes law. Mr. Harris told us that the Bill will not become law for another six months. I hope he is right. In reply to Mr. Stewart's remarks I would like to remind him that when England reduced its wage rate there was a huge increase in unemployment. In England also the reductions were not brought about by courts; they were brought about by the employers, and the men had to accept. I will leave it to Mr. Seddon later on to tell us how many more unemployed there are in Great Britain to-day than there were two or three years ago. I am not blaming the Government in Great Britain, and neither am I blaming the Mitchell Government for the unemployment that exists in Western Australia; it is a sequence of events throughout the world. But when any hon. member tells me that a reduction in the basic wage will add to the prosperity of the State, I can only say that I hope he is right. My opinion, however, is that the reduction will make for greater poverty, because there will be a

lower spending capacity and less employment. Sir William Lathlain is a business man, and I should describe him as being in control of a luxury business.

Hon. E. H. Harris: The ninon business.

Hon. J. Cornell: Ninon over none-on.

Hon. C. B. WILLIAMS: Yes, ninon or crepe-de-chene or the things you can buy at 1s. for the piece or at so much a yard. Sir William Lathlain told us a pathetic story about his business and one must believe him. I am inclined to believe him, and yet I am inclined to doubt him, and for this reason: one knows that Sir William Lathlain, and indeed any other business man, cannot keep going unless he shows a profit, no matter what the cost of his labour. He also told us that if one took shop assistants at their true value, anybody could be a shop assistant, and that people became shop assistants because they were not capable of being anything better.

Hon. Sir William Lathlain: I did not say that.

Hon. C. B. WILLIAMS: You did; I will stand corrected only when "Hansard" comes out. My answer is that you must be a greater fool than I thought you were for employing fools. That is the only answer I can make. You are prepared to trust all your wealth to these people—perhaps not yourself—

The PRESIDENT: The hon. member must address the Chair.

Hon. C. B. WILLIAMS: Very well. Sir William Lathlain is only the supervisor of his business and he does not know what goes on there except what he is told by those in control. He trusts the whole of his wealth to others who cannot or would not be occupying the positions they hold except that they are not capable of doing anything else. That is what he told us. Similarly we might say that there are only 30 people that can become members of the Legislative Council and that there are only 50 that can become members of another place, but that does not say that all the other people in the State are fools because they are not here. The hewers of wood are not fools. I admit, however, that none of us would be here but for the people that Sir William Lathlain called fools that exist outside.

The PRESIDENT: The hon. member must accept Sir William Lathlain's statement that he did not refer to shop assistants as fools.

Hon. C. B. WILLIAMS: I felt hurt at the moment and did not interject when he made the statement. It was one of the few occasions when I did not interject on hearing such a statement. Anyway, I accept his assurance. I repeat that Sir William Lathlain's is a luxury business. The very premises he occupies suggest luxury. Sir William Lathlain advocates a reduction in the basic wage, and he gives his reasons from the point of view of the business man in the city, a point of view that I think will carry a fair amount of weight. He contends that a reduction in the basic wage will make for the prosperity of Perth. A reduction in the basic wage of 8s. per week would, of course, mean an all-round reduction of 8s. per week, that is to say, with regard to those wages governed by the State arbitration award. Where would that 8s. go? It would not be earned; it would not be paid out. The worker would have 8s. less to spend. Would Sir William Lathlain put on more employees? Would it be possible for him to do that because his is one of the luxury businesses in the city? Being a luxury business, and there being 8s. a week less to spend, the first thing that would be cut out would be the purchase of luxuries such as those sold in Sir William Lathlain's business. The working man could not do without his bread, his meat, his groceries, his tobacco, or even his beer, though he might get some kind person to buy him his beer occasionally.

Hon. G. W. Miles: Could he do without his trousers?

Hon. C. B. WILLIAMS: Yes. How often did you have to do without your trousers in the days of your youth? How often have we in our young days had to patch our own trousers? Perhaps in summer we might be swimming half the day and would not worry about trousers; but being deprived of 8s. a week, the working man would make last year's clothes do for this year with a little renovation and cleaning. But could he make his bread of the previous month last until this month? The reduction of 8s. per week will be reflected in the reduced business carried on by Sir William Lathlain and others. That will be the natur corollary. The man who is receiving 8s. less will do without a number of what might be called luxury commodities. The businesses like that of Sir William Lathlain will be those that will suffer. What

is happening to-day at these big stores? They are competing one against the other and each selling a little cheaper than the other in order to secure the trade. Now, with the reduced basic wage, more employees will be put off and those that will remain at work will have less money to spend. Instead of men being put on as the result of reduction in the basic wage, numbers will be put off, because customers will not then have the money to spend at our big shops, and so the employers will have to cut their coats according to their cloth. It is useless for any man to tell me he is running his business at a loss. Of course there may be some businesses capable of being run at a loss for the moment; but before any business man tells me he is running his business at a loss, I will want to know what he includes in that loss. Sir Charles Nathan smiles at me. Possibly he is about the only one I will be up against in this regard if he takes me in that way. There is a limit to any business being run at a loss, and particularly those businesses in which the prices of commodities can easily be raised. As I know business, everything possible in the way of contingencies is allowed for in the selling of the goods.

Hon. G. W. Miles: If wages come down, could not the goods be sold at a lower price?

Hon. C. B. WILLIAMS: The difference if any, would be too small to consider, and even then it would not be evident for some time afterwards. If there were to be a reduction in the basic wage to-morrow, the ordinary business man would have the whole of the stock in his shop purchased at the old prices; his selling prices would not be reduced, and so he would show a great profit. If he were prepared to reduce his selling prices immediately the basic wage was reduced, it would be a very different matter; but he will not do that. Therefore a reduction of 8s. per week in the basic wage would mean a fortune to any big business man, because he has bought his goods on the old basis.

Hon. G. W. Miles: Oh no, he would sell them at a lower price.

Hon. C. B. WILLIAMS: I wish I could think so. The basic wage will certainly come down, and I only wish the prices of commodities would come down at the same time. But it is nonsense to say that a reduction in wages means additional

employment, for it does not mean anything of the sort. In England wages had to be reduced, and England to-day has a greater volume of unemployment than ever before. It appals me to think that members of this House should claim that a reduction in the basic wage will mean additional employment, when all the proof we have is to the contrary. We need not look to England for an example; we need not go past South Australia, where, as Sir William Lathlain himself has shown, the basic wage has been reduced to £3 15s. per week. Only to-day we find in the newspaper the announcement that South Australia's position is becoming worse than it was before. So where does the advocacy of low wages lead us? We have seen that in England and in South Australia wages have been reduced, and with them the standard of living; and we know that in England unemployment is greater than ever before, and that the position of South Australia has become worse since the basic wage in that State was reduced. Mr. Miles said by interjection that in the event of the basic wage being reduced in Western Australia, all our merchants and shopkeepers would reduce the prices of their goods. Even if that were done, the people who wish to buy those goods will have less money to spend and so will have to be content with buying fewer goods. I know the Bill will be carried, but I should like members to wake up to the position we are in, and not advocate reduced wages all the time. Even with the basic wage as it is to-day, the farmer is not able to sell his wheat, except at ruinous prices. What should be happening in this country is that wages should be going up and the State should be guaranteeing the farmer 6s. per bushel for his wheat for local consumption.

Hon. G. W. Miles: How would you pay it?

Hon. C. B. WILLIAMS: The hon. member by his interjection shows that he has not gone into the prices of food in this country at all. He has but to note the price of bread to-day and consider what it was when wheat was at 7s. per bushel. If he did that, he would realise that it would not hurt us to pay the farmer a price that would serve to keep him on his farm. It would be much better for the prosperity of the State if country members of the House, instead of advocating a reduction in the basic wage were to seek to increase it so as to allow

the workers to buy more wheat in the shape of bread. I trust members will soon wake up to the fact that reducing wages is only reducing the standard of living and will not mean the employment of one additional man per thousand.

HON. J. M. DREW (Central) [8.8]: The Bill is not calculated to promote good feeling among the several political parties in this State. Members of the Ministry have publicly declared that this is no time for party warfare, and that all sections of the community should combine in order to bring about a condition of political harmony. It is a worthy aim, and for many years past no other Parliament in the Commonwealth, or probably in the British Dominions has gone so far as Western Australia has done to achieve that end. But the Government must not expect members of this House or of another place to abandon their principles in order to bring about that peace which appears to be so much desired. We have had in this Chamber examples of adherence to political principles from non-Labour members of the House when legislation antagonistic to their principles was submitted for their consideration. For instance, I could name Mr. Stewart. We have a coalition Ministry in which the Country Party and the Nationalist Party have equal representation. Mr. Stewart is a member of the Country Party. Yet Mr. Stewart a few nights ago felt justified in running counter to the will of his Government. When one of their taxation measures was before the House Mr. Stewart would not consent to the sacrifice of his principles in order to relieve the Government. So it is with the Labour Party. That party, like every other party, has its own political principles, and when a Government introduce legislation hostile to those principles it is too much to expect that that party should do something in the interests of political peace. This Bill is resented by the Labour Party. It is resented because it seeks to interfere unjustly with existing rights. It seeks to interfere with the basic wage which, under legislation passed by this Chamber, will be operative until the end of next June. The portion of the Act which the Government propose to amend is the product of this House. That is beyond question—the product of this House. In the amendments of the Arbitration Act introduced to the

Legislative Council in 1924 and 1925, it was provided that the court should have power to declare a basic wage from time to time, as it thought fit. When in 1925, the Bill was under consideration in Committee, Mr. Lovekin in the course of some criticism expressed his views in this way—

The clause provides that the court on its own motion shall from time to time make a determination declaring what shall be the basic wage. We do not wish this to be done every three months. If the amendment be agreed to, it will be done once in each year.

The hon. member then moved that the following words be inserted, "And such determination shall have force and effect during the ensuing 12 months." Mr. Lovekin said his amendment had been agreed to by the Committee in the previous session, and that there was no necessity to discuss it. I could quote from "Hansard" what other members said on that occasion, all agreeing with the attitude taken up by Mr. Lovekin. There is no doubt the Committees of this House in 1924 and 1925 knew what they were doing. What they did do they did after calm and deliberate consideration. They decided that the basic wage should be declared only once in every 12 months. That was at a time when owing to the rising cost of living, wages were going up. But to-day, as has been pointed out by other members, the cost of living is coming down. Hence the course that is being pursued by the Government in order to take advantage of the workers in the circumstances. In the first place certain people, I believe the Employers' Federation, clamoured for the suspension of the Arbitration Act. Evidently the Government showed no sympathy whatever with that proposal, but decided to accept the alternative of making provision that the basic wage, or practically the basic wage, should come up for consideration every three months. No doubt the Government did that because they are large employers of labour, and hope to reap considerable advantages as a consequence of such action. Whether this House is ready to go back on its principles as laid down in 1924 and embodied in an Act of Parliament, remains to be seen. If I may judge from past expressions of opinion when a similar principle has been at stake, I would come to the conclusion that this Bill will be rejected, or so amended that the basic wage features of it will not come into operation until after the 1st July next. The

last declaration of a basic wage came into force on the 1st July last, and it will operate until the 30th June next. Under this Bill the Government could within the next fortnight, if they so desired, and despite the criticism of Mr. Harris, bring it into effective operation, and upon the Government Statistician supplying the necessary figures the court could sit and alter the basic wage.

Hon. E. H. Harris: What figures would he supply? What figures do the court use in determining the basic wage?

Hon. J. M. DREW: I do not know, but the framers of the Bill know where they stand. I assume they know already what the figures are for the last quarter, and probably have made every preparation to put the Bill into action as soon as it receives the Governor's assent.

Hon. E. H. Harris: The court will be in recess then.

Hon. J. M. DREW: There is nothing short of attempted repudiation in this measure. It has been said that it will mean a saving to the State and a saving to industry, but that is altogether beside the question, and should not be entertained for a moment. A saving to the State or to the individual is not relevant to the subject. What we have to consider is not whether it will be a saving to the State but whether it is the proper and just thing to do. If anyone can prove it is the just thing to do, it will be perfectly right and proper to pass the Bill into law. The industrial workers have the decision of a judicial tribunal which says they will be entitled to certain wages up to the end of the present financial year. That decision was based on legislation actually framed by this House. We are now asked to amend it in order to defeat the decision of the judicial tribunal. Certain politicians in the Eastern States have been branded as repudiationists, because they suggest that owing to the widespread poverty in the Commonwealth the payment of the interest bill should be postponed until next year. I have no sympathy with such a proposal, and none with this legislation, which attempts to deprive poor people, who are mostly on the bread line, of rights they acquired when they approached the judicial tribunal that was appointed to try these arbitration cases.

Hon. G. W. Miles: What is the bread line?

Hon. J. M. DREW: The basic wage has been the bread line.

Hon. J. Cornell: It may be the bread line for a married man with five children, but it is not that for single men.

Hon. J. M. DREW: The standard of living is that required for a man, his wife and two children, and in some instances he has had to pay house rent at 30s. a week. What else is the basic wage but the bread line? Simultaneously with the introduction of this legislation we have Ministers of the Crown pleading for the elimination of party politics in the State. Such an appeal in such circumstances is woefully out of place. Side issues have been introduced by the majority of speakers in support of the Bill. Those members have failed to see the real point involved. Side issues cannot obscure the one great outstanding fact that this is an interference with a statutory contract. Disguise it as one may, that is what we have to justify here. It cannot be justified by any line of argument based on justice. If it can be justified, it will be a proper thing for Parliament, when it feels inclined, to interfere with the course of justice in both criminal and civil courts. Let no one mistake my meaning. I do not say that Parliament has not the power to amend the Act, but what I say is that Parliament should not amend the law in such a way as to thwart the decision of the court deliberately given and intended to operate for a specific time. I shall vote against the second reading and against the second reading of any other Bill containing a similar vicious principle.

HON. A. LOVEKIN (Metropolitan) [8.22]: I intend to say very little after the speech made by Mr. Drew, because I agree with it in the main. We can accept the facts as stated by Sir William Lathlain that, in view of the selling price of commodities, costs are higher than at which it is possible profitably to carry on business. But such is beside the question at present. In 1924-25 the Labour Government brought down an Industrial Arbitration Bill, one of the clauses of which proposed that the court might from time to time declare a basic wage. The existing position was that every union was entitled to get its own basic wage declared, and the court was congested with applications by innumerable unions for that purpose. When the Bill came before this House, members were almost unanimous in

agreeing that something must be done to check that congestion. The Government measure was amended so that, instead of providing that the court might from time to time declare a basic wage, it should do so of its own motion and make the declaration stand for a period of 12 months. The majority of members fought the Government to have that provision inserted, and finally we succeeded, and it was agreed to by the House almost unanimously. From then on once a year the court has determined the basic wage. Curiously enough, after the first basic wage was declared, the cost of living went up. If this Bill had been in force, six months afterwards there would have been another application to the court for an increase in the basic wage, and there is no doubt the application would have been agreed to. As it was the Act bound the workers to 12 months and they had to wait until the end of that time. That was to the disadvantage of the workers, but no complaint was made by them that the Act operated harshly. They accepted it in a proper spirit and went on with their work until the court could declare a new basic wage. Abnormal circumstances have arisen to change the position. Instead of the cost of living rising, it is falling. The employers on their side are now asking Parliament to change what we practically enforced upon the workers in 1925 so that the position may now work to their advantage and they can secure an immediate reduction, owing to falling costs, in the basic wage. That is neither honourable nor statesmanlike. The Bill provides that the court must take the statistician's figures of the last quarter. In this case the last quarter will be the December quarter. All the courts begin their vacation about Christmas time, and nothing can be done by the Arbitration Court until March. The employers who are asking for this immediate reduction in the basic wage can only gain an advantage of about £5 per employee for three months if they get as much as they are asking for.

Hon. J. Cornell: Does the hon. member contend that the court is bound to accept the statistician's figures?

Hon. A. LOVEKIN: No, but I should say the court would accept them. There is no doubt prices are on the down grade. Assuming that the court does reduce the basic wage, the return to the employers can only

mean at most £5 per employee for a period of three months. In June next the basic wage will be declared again, and I have no doubt there will be a further reduction. If, however, we go on until June we shall have kept faith with the workers, and shall not have dishonoured ourselves by altering a position which we really forced upon the workers at the time of the passing of the Act. There is another point of view. No doubt, as Mr. Drew says, if we carry the Bill it is nothing less than repudiation of a moral contract. It was forcibly put to the House by Mr. Holmes and other members—in fact, the previous Bill went to a conference which sat for 19 hours—that it was necessary to have the stability of the basic wage because no contractor otherwise could enter into a contract without loading his tender by an increase to guard him against any possible increase in the basic wage. It was urged that if the basic wage were fixed for 12 months, the contractor could enter into a contract at a reasonable rate, knowing that during the 12 months the wages could not be increased. Under this Bill it is impossible for the contractor to enter into such a contract, because the basic wage may be increased on him three months after he has entered into the contract. Consequently every contractor henceforth must load his price in order to protect himself against an increase of wages. Another aspect is that of repudiation. One sees in the Eastern States a majority of the Caucus urging that payment of loans shall be deferred and that interest rates shall be decreased. A loan is being offered to-day at 6 per cent. Persons who take that loan make a contract with the Commonwealth that for the term of the loan they will be paid 6 per cent. interest. Suppose after the people have subscribed to the loan the Government say, "We are reducing this rate of interest because when we fixed the rate 25 bushels of wheat represented the interest on £100, but to-day, owing to the fall in wheat prices, we have to provide 60 bushels; therefore we must reduce the rate of interest, as we are still paying the number of bushels of wheat that we had in view when we contracted the debt." That would be complete repudiation. We do not want to give a handle to anyone outside to make a Bill such as this an excuse to come in and reduce interest or defer payment of debts, things which

they would be perfectly justified in doing on the principle of this Bill. They could say "You by Act of Parliament decided that the basic wage was to be fixed once a year. Because it does not suit you for the time being, you alter your terms and say the basic wage must be fixed once in three months so that you may immediately lower our wages." Is it not logical and sound that those people would be fully justified in saying that the rate of interest to-day does not suit them and that therefore they, by Act of Parliament, after agreeing with the lenders to pay a certain rate will reduce it? What is the gain for which we are going to lay ourselves open to such a happening? We are supporting an argument in that direction by our very action in connection with this Bill. What do we gain by doing it? What do we gain for the risk we are taking? The most that we can hope to gain, if the court reduces the basic wage as low as it can possibly be reduced, is £5 per employee for three months. That is not good business. For those reasons I think, as Mr. Stewart put it, that this Bill is a sort of boomerang which may come back and hit us very hard.

Hon. H. Stewart: That is a misapplication of my statement.

Hon. A. LOVEKIN: The hon. member said that we must be careful not to throw a boomerang which might come back and strike us. I say that is quite sound. We should think very carefully before carrying this Bill, because the gain is very little and the price to be paid hereafter is so great. Therefore I cannot support it.

HON. E. H. H. HALL (Central) [8.36]: Having listened to two old members of this Chamber whose logic is generally worthy of serious consideration—I refer to Mr. Drew and Mr. Lovekin—I cannot but express surprise at their remarks on the Bill. First let me deal with Mr. Drew's references to Mr. Stewart sticking to his principles so far as to cause him to refrain from supporting the party from whom the present Government is drawn. According to Mr. Drew, Mr. Stewart is sticking to his principles. Certainly Mr. Drew should know more about the principles of the Labour Party than I do, but I have yet to learn that in voting for this Bill either Mr. Drew or any other supporter of the Labour Party will be voting against his principles. I entirely disagree with Mr. Drew and Mr. Lovekin when they say that members who vote for the

Bill will be doing something in the nature of repudiation. The Bill simply affirms a decision made by this very Chamber six years ago. No principle of the Labour Party is involved if the period of the basic wage is altered.

Hon. W. H. Kitson: The House would be somersaulting.

Hon. E. H. H. HALL: In the light of experience the House would be quite justified in altering its decision of six years ago. That is how the matter appears to me. I sincerely hope that the conclusions stated by Mr. Harris this afternoon are not correct. The hon. member says that if the Bill is passed, there will be no opportunity to bring it into effect within the next six months. Without entering into the financial questions which are discussed so much nowadays, I do want to point out that one of the many distressing features that contribute to the existing situation is the failure of men holding different political views to get together. They should sink, for the common good, the principles which they hold so dear. One can understand men who have advocated certain principles all their political lives finding it difficult to forsake them. At the cost of reiteration, I say there is no principle of the Labour Party involved in the Bill. For that reason there should not be such bitter criticism of the Bill as has been levelled at it in another place and to a less degree in this Chamber. I fail to see that either this House or another place, having had six years' experience of the working of an Act of Parliament, may not be justified in amending it. That being so, I shall certainly support the Government on this occasion. Bearing in mind the remarks of various hon. members that the measure cannot ease the position, I wish to point out that we are continually hearing the question asked, which is better—to have a few men employed at a big wage or many men at a lesser wage? The idea behind the Bill is to keep in employment as many men as possible. The Government deserve every encouragement in that direction, and therefore I support the Bill.

HON. V. HAMERSLEY (East) [8.40]: In view of the very strained position as to the employment of labour, I am astonished that there should be so much opposition to the Bill. Mr. Williams raised the point whether the Bill applies to the farming and pastoral industries so far as the

basic wage is concerned. However, the basic wage affects every industry in the country. This Chamber having been responsible for engineering the 12-months amendment in the measure of 1924, it would not reflect discredit on us if we changed our minds in that respect. In view of the difficult financial position and the large number of unemployed, it is high time for us to consider seriously what is wrong, and what remedies can be applied. Undoubtedly the basic wage deters many people from employing labour which otherwise they would employ. They find that by reason of their reduced incomes they have not the wherewithal to employ on the same scale of wages as in the past. The basic wage and the rules laid down by the Arbitration Court render it impossible for them to reduce the cost of production, and so they refrain from embarking their money in the employment of labour. It is for those reasons they are not inclined to go on encouraging the industries of this country. I can speak with regard to wheat growing and wool growing.

Hon. W. H. Kitson: The basic wage does not apply to those industries.

Hon. V. HAMERSLEY: Mr. Williams said the basic wage did not apply to the wool and wheat industries, and Mr. Kitson reiterates the statement.

Hon. W. H. Kitson: There is hardly one farmer in the State paying the equivalent of the basic wage.

Hon. H. Stewart: How does the farmer's produce get to the market?

Hon. V. HAMERSLEY: The man who is carting wheat by truck works on the basic wage. The man weighing and tallying wheat at the siding is on the basic wage. The man who rails wheat from the siding to the port has his wages fixed by the Arbitration Court. The same remark applies to the lumper who handles the wheat at Fremantle. The same thing applies to the ships that enter our ports. The whole of the wages affected in these various avenues are fixed at an arbitrary rate, and are maintained to-day at the same level as when wheat was bringing 6s. a bushel.

Hon. G. Fraser: The Bill will not affect the lumper.

Hon. V. HAMERSLEY: All these freights and rates are charged against production. The raw material that has to

be shipped to the superphosphate works is affected, and prices are increased accordingly.

Hon. E. H. Gray: The superphosphate workers are paid low enough wages, goodness knows!

Hon. V. HAMERSLEY: That may be so, but their payment is not so low as that received by the farmers. I fail to understand Mr. Williams and Mr. Kitson when they say that the basic wage does not apply to the agricultural industry.

Hon. W. H. Kitson: Hardly any farmer in the State is paying the basic wage.

Hon. V. HAMERSLEY: The farmer finds himself in the position of not being able to pay the ordinary expenses of farming or pastoral operations.

Hon. G. Fraser: For how long has that operated?

Hon. V. HAMERSLEY: For several years, but the position is intensified this year. Yet there has been no reduction in the wages bill. The principle that should be recognised is that when prices are reduced, there shall be a corresponding reduction in the charges against industry.

Hon. G. Fraser: How many workers on a station will be affected by the Bill?

Hon. V. HAMERSLEY: Apart from the recent reduction in the wages of shearers, no relief has been accorded the pastoralists. Even that reduction did not apply to shed hands, and so the costs to be borne by the pastoralists to-day are greater than they were when the price of wool was higher. Wages and other considerations seem to be regarded as sacrosanct by the industrialists, and the unfortunate farmers and pastoralists are in an unenviable position. How many of the farmers will attempt to put in their crops during the coming year? They will make no profit at all this year; in fact, the farmers of Western Australia stand to lose at least £2,500,000 on their crops this year.

Hon. G. Fraser: Is that the fault of the basic wage?

Hon. V. HAMERSLEY: The basic wage has a great deal to do with it. The only hope is to make everyone realise that we are all involved in the trouble. By reducing costs all round, we shall assure the planting of a crop next year, which is so necessary for the welfare of the State. Al-

though Mr. Harris contends that the Bill will not have the effect desired by the Government, I hope his prediction is wrong. I hope we shall be able to secure the desired results and that those who have embarked in farming and associated industries will promote production so that the State may benefit accordingly. On the other hand, the farmers would like to see some consideration extended by the workers who are in receipt of very substantial wages. I have come into contact with a number of farmers in the inland areas who are concerned about their positions. They ask why they should produce wheat, from which they derive no return whatever. They ask whether it would not be better, in their own interests, to refrain from taking the harvesters into the fields, and to allow the wheat to rot there. Their sense of loyalty to their country, however, makes them realise that there is wealth in the grain, and that it should be garnered. Even when they do take off the crop, they find when they get to the railway sidings, all sorts of charges are entered up against them, with the result that there is no return secured for their labour. The same position applies largely to those who deal in stock. Their charges are the same now as when high prices ruled. We should not have an arbitrary fixing of the basic wage once a year, particularly when prices are tumbling down and rents are being reduced?

Hon. E. H. Gray: Not rents.

Hon. G. W. Miles: Of course they are being reduced.

Hon. V. HAMERSLEY: Undoubtedly that is the position. In my opinion, the basic wage should operate like a pulse, and should rise and fall with the increased or decreased cost of living. If we were all prepared to help along these lines, the workers, instead of being thrown out of work, would find fresh avenues of employment.

Hon. E. H. Gray: That has not been the experience in other countries.

Hon. V. HAMERSLEY: It is not merely a question of the basic wage. Before our troubles are over, we shall have to reconsider many of the Acts that are on the statute-book to-day. We shall probably have to repeal the Industrial Arbitration Act, the Workers' Compensation Act, and several other measures that undoubtedly interfere with the free use of capital, which

is so necessary for the free development of Western Australia.

HON. H. SEDDON (North-East) [8.55]: The operations of the Bill will be contingent on prices. I listened with interest to the speeches by members of the Labour Party. Their utterances were delivered merely with the idea of conveying to the general public that they were safeguarding the interests of the workers. I was at a loss to note any suggestion by those members as to what they proposed in order to meet the present crisis. Two Labour members have spoken, and I have risen to express my views at this stage in order to permit Labour members who have not yet addressed the House to explain the attitude of the Labour Party on this question. Mr. Williams has been quite frank. His suggestion is that by means of inflation we can temper the blow, and alleviate the position confronting us to-day. The inflation question has been dealt with exhaustively both inside and outside Parliament. Experience of inflation elsewhere is that it has been embarked upon with more or less freedom and hope, and its effects have not always been evident in the early stages. Inflation is like a man who takes drugs. He must go on. Sooner or later the community find themselves in the position of being unable to maintain the desired prosperity, and further inflation becomes necessary, until the whole value of the currency is destroyed.

Hon. W. H. Kitson: Does that not apply equally to deflation?

The PRESIDENT: Order! I would remind the hon. member that the question of inflation is not under discussion.

Hon. H. SEDDON: Inflation, unfortunately, is affected by the Arbitration Act.

The PRESIDENT: An incidental reference to that phase will be in order, but I would point out that the general question cannot be discussed on this occasion.

Hon. H. SEDDON: Then I will refer to the Bill in order to point out that it is sought to secure a variation of the basic wage in conformity with the cost of living. Unfortunately the cost of living is affected because in the past Western Australia has lived beyond its income.

Hon. H. Stewart: Involving inflation.

Hon. H. SEDDON: Borrowed money has gone into circulation, and an artificial pros-

perity has been created, and to that extent, inflation has been resorted to.

Hon. W. H. Kitson: That does not apply to the basic wage.

Hon. H. SEDDON: The basic wage is determined by the rise or fall in figures that are indicated in the variation of the cost of living. Mr. Williams said he could not understand how any attempt to reduce the basic wage would benefit the worker. He has evidently lost sight of an important economic law that falling prices increase markets. The only remedy available in an attempt to rise above a period of depression, is to apply that law as quickly as possible; the quicker that is done, the more promptly will the community recover because of the increased demands for commodities, resulting from falling prices. It is recognised that wages constitute between 50 and 60 per cent. of the cost of goods. Consequently a fall in wages will naturally affect the price of goods. It has been stated that it does not necessarily follow that the price of goods will be reduced should there be a fall in wages. If any attempt were to be made in that direction, the first indications would be in the reduction of prices. That would lead to a stronger demand for goods. Work would be increased as a result, and there would be a certain amount of activity restored and stagnation removed. Two or three methods have been adopted to meet the present position. One has been the reduction in the number of persons employed, and I regret to say that many members of the Labour Party have been quite content to see that policy put into operation, rather than contemplate a reduction in the rate of wage. Another suggestion has been that of part-time work. That has been strenuously opposed in many instances and it has proved unsatisfactory, but the general result has been a reduction of wages. What is the most important thing to do to overcome the crisis quickly and prevent its causing unnecessary suffering? The Bill provides that a reduction shall take place only when there is a reduction in the cost of living and it is to be proportionate to the reduction in the cost of living. Consequently, real wages will not suffer by a reduction of nominal wages. Under those conditions, can members opposite show how the working man is likely to suffer if wages are regulated according to the cost of com-

modities? Another point I should like them to deal with is whether the effect of the fall in the cost of living will not actually create further employment by reason of the greater activity it will cause.

Hon. E. H. Gray: That does not apply to low-wage countries.

Hon. H. SEDDON: I am inclined to think that the discussions on the present wage crisis have been directed from an entirely wrong standpoint. The purchasing power in high wage and low wage countries and in primary and secondary industry countries has been entirely ignored, and until that fact is taken into account we shall have a continuance of the depression. I hope to deal with that phase on the Appropriation Bill. Members who claim to represent the working men of the country should deal with these aspects, and tell us how they propose to overcome the present trouble, which has arisen directly from a reduction of the national income. How would they propose to distribute the reduction over the community? Here is a machine provided whereby the distribution is effected by the Arbitration Court. I want those members to tell us what method they propose, outside of inflation, to meet the position. My opinion is that this Bill will not entirely meet the position. The basis on which the basic wage is fixed is so entirely artificial that it has operated through the years with constantly increasing force, until we have reached a stage when we have either to mitigate the effect of the fall in prices by such methods as this, or face a State-wide catastrophe. I ask members whether they are prepared to accept an adjustment made from quarter to quarter, or whether they are prepared to carry on until the pressure becomes so acute that a far greater number of men than those now workless will be unemployed and the country is faced with a paralysing crisis that will leave it helpless.

Hon. W. H. Kitson: Do you seriously suggest that this Bill will lead to the employment of more men?

Hon. H. SEDDON: I seriously suggest that a reduction of wages is intimately connected with employment. I ask members opposite to tell us how they propose to deal with the economic crisis and mitigate unemployment.

Hon. W. H. Kitson: You have had mine. You will not mitigate it by retrenchment or by the reduction of wages.

Hon. H. SEDDON: Then how would the hon. member meet it? Any artificial interference with the economic life of the community, although it may be bolstered up by legislative action and may continue long past the time when it has served its usefulness, must sooner or later rebound, and the greater the time and the extent to which it has been distorted, the greater will be the reaction in every direction. I should like to know how members opposite would meet the crisis, apart from inflation, because I have heard no remedy suggested that would be capable of dealing permanently with the situation.

On motion by Hon. E. H. Gray, debate adjourned.

BILL—METROPOLITAN TOWN PLANNING COMMISSION ACT CONTINUANCE.

All Stages.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [9.7] in moving the second reading said: The Act expires on the 30th December and the Bill is designed to continue it for three months. Certain adjustments remain to be made by the Commission, such as disposing of the furniture and straightening up generally, and those adjustments cannot be completed by the end of the year. I assure members that no more cost will be incurred on behalf of the Commission through the continuance of the Act. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Third Reading.

Bill read a third time and passed.

BILL—FARMERS' DEBTS ADJUSTMENT.

Received from the Assembly and read a first time.

BILL—LOCAL COURTS ACT AMENDMENT.

Select Committee's Report.

HON J. NICHOLSON (Metropolitan) [9.13]: I move—

That the report of the select committee be adopted.

The report is printed and is before the House; the evidence is on the Table. The report reads—

Your Committee report having held five sittings and examined six witnesses, and after considering the evidence they are agreed that the Bill should be modified in the manner suggested by the amendments set forth in the First Schedule hereto, and they recommend same accordingly. In addition to the amendments embodied in the First Schedule some of the members of the Committee are of opinion that it is desirable to insert in the proposed new Subclause (6), to be added to Clause 5, a further amendment as shown in the Second Schedule.

The first schedule shows the various amendments. Instead of increasing the jurisdiction to £500 the select committee recommend that it be extended to £250. It is also recommended that the provision for including actions for libel, slander, seduction or breach of promise of marriage, be deleted. It will be remembered that the Bill proposed to extend to the Local Court jurisdiction relating to libel, slander, seduction or breach of promise, and it was thought by the committee, after hearing the evidence, that all reference to these matters should be struck out. The committee also recommend that a proviso be added to Clause 5 which will give parties the opportunity of allowing cases to be heard and determined even by a magistrate where the amount of the claim exceeds £100. As the Bill stood when presented, it was questionable whether a party would have such a right. The proposed amendment will set all doubts at rest. There are certain other amendments also which will bring Clause 6 into line with the provisions of the County Courts Act in England. There is also an added clause which embodies the clause on the Notice Paper to be moved by the Minis-

ter, relating to interest. With regard to the Second Schedule, that has reference to the amendment proposed by certain members of the select committee to Clause 5. All these amendments can be dealt with when the Bill is in Committee. I move—

That the report of the select committee be adopted.

Question put and passed.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charges of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of Section 30:

Hon. J. NICHOLSON: I move an amendment—

That in line 2 "five hundred" be struck out and "two hundred and fifty" inserted in lieu.

This is the first of the select committee's amendments.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That the words "or for libel or slander or for seduction or breach of promise of marriage" be struck out.

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

Clause 4—Amendment of Sections 31, 32, 59, 60 and 87:

Hon. J. NICHOLSON: I move an amendment—

That "five hundred" be struck out and "two hundred and fifty" inserted in lieu.

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

Clause 5—Repeal of Section 70 and substitution of new section:

Hon. J. NICHOLSON: I move an amendment—

That in Subclause 4, after the word "judge," the following words be inserted:—"but if both parties to any action to which this subsection applies agree by memorandum signed by them or by their solicitors that a magistrate may try the action, then such magistrate shall have jurisdiction to hear and determine such action accordingly."

The purpose of this amendment is to give parties in the country the right to ask that a magistrate shall hear and determine the action.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That the following new subclause be added, to stand as Subclause 6:—" (6.) Subject to the last preceding subsection and to section sixty-one of this Act, any action, pending or proceeding in a local court which in accordance with this section ought to be heard and determined by a judge, shall be heard and determined either in the place appointed for the holding of the sittings of the said court, or in such other place as the judge shall direct."

This is the clause in connection with which there is another amendment suggested by the select committee. It was proposed by certain members of the committee that after the word "place" in the last line the following words be added:—"being within the same magisterial district as the place aforesaid." If these words are inserted it will mean that the trial of an action must be at a place within some magisterial district as the place mentioned where the trial is taking place. Perhaps Mr. Drew will submit the amendment after the one we are now discussing has been disposed of.

Amendment put and passed.

Hon. J. M. DREW: I move an amendment—

That in proposed new Subclause (6), immediately after the words "or in such other place," appearing therein, the following words and brackets, namely:—" (being within the same magisterial district as the place aforesaid) " be inserted.

This amendment was not agreed to by the select committee as a whole; there was a difference of opinion about it. There is power under the Bill to transfer a case to the Perth Local Court. Under the amendment suggested to the First Schedule it would be possible for a judge to direct that the trial take place in the Perth Local Court. That will centralise the effect of the Bill. I for one am doubtful whether we will get judges to visit country districts. In October, 1901, the James Government introduced a Bill that had two objects, the first being to have an efficient Full Court, and the second to establish practice courts in the country, provision being made for a judge to visit the different centres in the State. Take

Geraldton. A judge has visited Geraldton on only three occasions, the first being a criminal case, the second a court of disputed return, and the third a murder charge. It is over 20 years since a judge visited Geraldton, and unless we make provision that a judge can direct that a court can be held within a magisterial district, I am afraid most of these cases will be transferred to Perth.

Hon. J. NICHOLSON: I should like to point out that if these words are inserted the unfortunate litigant will be very much the loser. He will be the party who will suffer. This provision deals with cases of over £100, which must be tried by a judge or, alternatively, a commissioner. In actions over £100, where it is not merely a simple debt on a promissory note or a cheque, where there is some involved question of law, it will be necessary for the parties to seek the services of the most able counsel in order to have their cases properly argued before the judge or, alternatively, the commissioner. Take, for example, the case of a man who has to go to Wyndham or some other remote place to have a case tried. This section will be imperative, not permissive, for with Mr. Drew's amendment, it will read as follows:—

Subject to the last preceding subsection and to Section 61 of this Act, any action pending or proceeding in a local court which, in accordance with this section ought to be heard and determined by a judge, shall be heard and determined either in the place appointed for the holding of the sittings of the said court, or in such other place (being within the same magisterial district as the place aforesaid) as the judge shall direct.

That makes it absolutely compulsory for the judge and his retinue and for counsel on behalf of each of the parties, to travel to that remote place. What is the cost going to be to both the parties concerned, apart altogether from what it will cost the country? Will the parties be better off or worse off, better served or worse served? No king's counsel will travel to such a place and remain away, except at very great cost. It would be cheaper for the parties to have the case heard, as it would be at present, in Perth. Under the amendment I moved, where there is not an important point of law involved, the parties could get over the difficulty by agreeing to have the case heard by a magistrate, and so be relieved of the high cost involved in having it heard by a judge of some remote place.

Hon. G. W. Miles: What are the views of the Government on this amendment?

Hon. J. NICHOLSON: I cannot say. In view of the fact that this provision makes it absolutely imperative for the case to be heard at a place situated within the same magisterial district, the expenses will fall on the shoulders of the litigants, and instead of getting cheaper litigation, they will get dearer litigation. Katanning, Narrogin, Wagin, Beverley and Wagin are all in the same magisterial district. Under this amendment the judge or commissioner, on proceeding to Albany, could hear cases from all other places in that town.

Hon. H. Stewart: He could take them all at Perth if your amendment were carried.

Hon. J. NICHOLSON: The hon. member will be doing an injustice to his province. The matter ought to be left to the discretion of the judge, because I am sure the Government will see that someone is appointed to go on circuit.

Hon. H. STEWART: Mr. Nicholson's hypothetical case does not apply to the Bill. He said the matter might be one of over £100, which would involve important points of law, and warrant the parties in employing eminent K.C.'s to appear for them. At the beginning of Mr. Drew's amendment it says "subject to the last preceding subsection," and this requires that if both parties to any action agree that the magistrate may try the case, such magistrate shall have jurisdiction to hear it accordingly. I take it Mr. Nicholson did not put up this amendment himself.

Hon. J. Nicholson: I did.

Hon. H. STEWART: I join issue with him in his claim that he was personally responsible for it. The select committee as a whole accepted it. It is not playing the game that one member of the select committee should claim something as his own when it emanates from the committee as a whole. Under Section 31 of the Local Courts Act and Section 68A, litigants can apply to have their case tried in Perth if they mutually agree on the point. It would be cheaper for them to do that than to have it heard in some magisterial district. It is intended by Mr. Drew that any case involving over £100 or under £250 would be tried where the contract was made, subject to the preceding subsection to which I have referred. If the parties did not apply to have the case heard in Perth the judge or commissioner would

go to the magisterial district in which the case had to be tried. To talk about taking K.C.'s into magisterial districts is like taking a big stick with which to kill a flea.

Hon. J. M. DREW: My amendment is really a modification of the Bill. The select committee thought it well to limit the expense, and to confine this provision to the magisterial district which the judge might select. According to a return furnished to the select committee, only 30 odd cases out of some 1,200 went to trial. However, when a case does go to trial, the expense of witnesses may be very considerable; and according to the legal gentlemen who testified before the select committee, the fees of counsel would be very heavy indeed.

Amendment on the amendment put and passed.

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

Clause 6—Amendment of Section 86:

On motions by Hon. J. Nicholson, "one hundred," line 2, struck out and "forty" inserted in lieu; "two hundred and fifty," lines 3 and 4, struck out and "one hundred" inserted in lieu; and the words "and of the word 'fifty' for the word 'ten'" struck out.

Clause, as amended, put and passed.

Clauses 7, 8—agreed to.

New clause:

On motion by Hon. J. Nicholson, the following was added to stand as Clause 7:—"Section 5 of the Ordinance 6 Victoriae, No. 15, as amended by the Act 64 Victoriae, No. 27, shall apply to any judgment in a local court except where the amount of the debt, claim or demand allowed by the judgment does not exceed £100."

New clause:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the following be inserted to stand as Clause 8:—"Section 111 of the principal Act is hereby amended by the insertion, after the word 'power' in the second line, of the words 'to affirm, reverse, or modify the judgment, order, or other decision or determination appealed from, and to give or make such judgment, order, decision or determination as ought to have been given or made in the first instance, and to review any finding of fact, and'."

Hon. J. M. DREW: I would be glad if the Minister would explain the object of the new clause.

The MINISTER FOR COUNTRY WATER SUPPLIES: I thought the select committee would have taken this new clause into consideration, in view of the previous new clause.

Hon. J. M. DREW: There is a Petty Debts Court with jurisdiction up to £100, and the scale of fees obtaining in that court is very low. The reason is that in the past the scale has been put up by the Attorney General. I have ascertained that the last scale was prepared in 1887 by the late Mr. Septimus Burt. Under the existing law the scale is prepared by the Attorney General, then goes to the Executive Council, and thereupon is laid on the Table here. If we pass the new clause as it stands, the preparation of the scale of fees and of the rules connected with the Petty Debts Court will be in the hands of the judges. That seems to me altogether the wrong atmosphere for the purpose. As regards the increased jurisdiction between £100 and £250, the judges should come in, but otherwise the position as regards the Petty Debts Court should remain as it is. The rules of the Supreme Court are laid on the Table here, but not every member would care to move that those rules be disagreed to. The Minister should report progress and take steps to ensure that the Petty Debts Court will remain separate from the higher jurisdiction.

The MINISTER FOR COUNTRY WATER SUPPLIES: For the information of Mr. Drew, I may say that I do not intend to move the proposed new Clause 10.

New clause put and passed.

Title—agreed to.

Bill reported with an amendment and the report adopted.

BILLS (2)—FIRST READING.

- 1, Finance and Development Board.
- 2, Sandalwood Act Amendment.

Received from the Assembly and read a first time.

BILL—LOAN, £2,335,000.*Second Reading.*

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [10.20]: I wish to deal briefly with the Bill because on the present occasion it is important we should consider just exactly how far we are prepared to go regarding further borrowing. Apparently we must have a Loan Bill. On this occasion there are one or two important features in the Bill. For instance, we find that last year £200,000 was held in suspense for which authority must be obtained and therefore that amount is included in the present Loan Estimates. Section 36 of the Audit Act reads—

The annual estimates submitted to Parliament shall contain a statement of all outstanding liabilities in respect of public works in progress or contracts in execution for which any unexpended appropriation for the preceding year shall have been made by law, and provision for such liabilities shall be shown separately in the appropriation for the current year, and shall be a first charge thereon.

Under that heading there is an amount of £136,488. Both the items I have mentioned are involved in the Loan Bill, and to that extent the measure is necessary. One of those items involves a commitment, and the other represents money actually spent. In connection with the Loan Bill, the statement has been made by the Government that money authorised by the Loan Council to be raised has been expended, but not provided for by way of loan. It has also been asserted that that explains the position of the loan account. Under the agreement arrived at by the Premiers' Conference, money so expended has to be replaced with loan funds when available. I understood the Premier to say that the amount involved is now £2,500,000. It is interesting to note the allocation arrived at by the Premiers' Conference and to appreciate the fact that Western Australia's proportion was £1,750,000, whereas the Bill provides for a loan flotation of £2,335,000. I hope the Minister will tell us when he replies why the Bill seeks authority for the larger amount, when the authorisation provided by the Loan Council was merely £1,750,000.

Hon. A. Lovekin: I asked a question about that phase of it to-day.

Hon. H. SEDDON: Another point arises. Last year £2,250,000 was authorised to be raised. On the other hand £3,639,000 was spent, and in addition £200,543 was held in suspense, making a total of £3,383,595. That was done in spite of the fact that practically no money was raised by means of loan flotations, although it is true that Treasury bills were disposed of in London to the value of at least £5,000,000 for all Governments, which will mature on the 31st December next. Although we hear complaints about the lack of money last year, we see that the actual loan expenditure was nearly up to the average of £4,000,000 for past years. One feature associated with the loan expenditure that has been stressed this year includes the fact that in the past loan money was spent before it was received. The decision arrived at by the Premiers' Conference was that that practice was to be stopped. I ask the Minister to tell the House whether that agreement has been observed during the past five months. That position should be made quite clear to the House. I also want to know whether the deficit of last year is included in the amount provided for in the Bill. Last year's deficit amounted to £518,000. Is that amount included in the Loan Bill. Under the Financial Agreement, that money will have to carry a 4 per cent, sinking fund. I want to know whether provision is made to meet that liability. Another point we should consider before we give our authority to the raising of the loan is: What are we to pay for the money? That is particularly important in view of the attitude of the Labour Party regarding the burden of interest. Some strong comment has been made under that heading.

Hon. E. H. Gray: Do not you think the interest rate is too high?

Hon. H. SEDDON: It is remarkable that during the period the Labour Government occupied the Treasury bench, they chased money and paid the rate of interest required. Right throughout that period, I did not hear any comment, while they were getting the money, about high interest rates or the excessive burden the interest bill would represent to the people. As soon as the time came when they could no longer raise further loans and add to the interest bill, we heard talk about interest rates being too high, and about that excessive

burden on the people. We have heard since then how the worker is being ground down by excessive interest rates, notwithstanding the fact that he has had the advantage of the spending of the money. He took that money, well knowing what he was doing, and now when he is faced with the obligation of paying for the loans, we hear about his grievous burden.

Hon. E. H. Gray: Is it not a burden?

Hon. H. SEDDON: In view of statements of that description, is it opportune or desirable that we should give our authority for the raising of further loan funds?

Hon. G. W. Miles: That is the point. Let us cut it out!

Hon. H. SEDDON: Is it desirable that we should ask the people in London to lend us money as cheerfully as they did in the past, and that we should not say anything so long as they are willing to provide the money? Are we to say to them, "As soon as you stop, we shall start squealing about the excessive burden that interest imposes on our people"? In the face of such circumstances, to authorise the raising of the loan and to continue the present state of affairs would be to maintain a position that could not stand investigation from the standpoint of integrity. I ask the Government if they expect to secure the money freely, even if we authorise the raising of the loan? Last week there was a discussion in the Legislative Assembly, and the Leader of the Opposition stated that he considered a measure of inflation was inevitable, although he agreed it was dangerous. Then the Premier has been dabbling in dangerous suggestions and offering sacrifices before strange gods. He asserted that some degree of temporary inflation to provide for the financing of the wheat crop might be advisable. When we have the leaders of the two principal political parties in Western Australia making references to inflation in such terms—one saying it is inevitable and the other suggesting it might be desirable—I want to know what effect that will have when we approach the London money market to raise, roughly, £2,500,000 to promote the development of the State. Just exactly what rate do the Government expect to pay for the money, especially when such statements as I have referred to are spread throughout the financial world? Last night, and again this evening, we heard references to inflation. Mr. Kitson, a prominent member of the Lab-

our Party in this House, made reference to the proposed release of credit. I asked him by way of interjection just what he meant by that remark. The only conclusion I could come to was that he advocated a form of inflation. A Commonwealth conversion loan is being floated at the present time. Pamphlets have been circulated by one of the Federal Ministers—Mr. Anstey—who has advanced two proposals, both embodying inflation. One proposal is that our credit shall be increased by £20,000,000 in order to deal with unemployment. A further proposal was that we should redeem our loans by the issuing of notes, thereby securing a loan free of interest. Those two proposals have been widely canvassed. Although money can be obtained at short call in London at something like $1\frac{1}{2}$ to 2 per cent., our loans in London are standing at a considerable discount, and it is exceedingly doubtful whether we shall be able to raise any money at all there. Even if we were able to raise it, we should have to pay a very high price for it. Is this House prepared to have the Government go on the loan market when doctrines of the kind I have mentioned are being advocated, both in the Federal and State spheres? If so, do members consider they would be justified in going on the market and having to pay the high interest rate that would be charged us for carrying out works essential to the State? Regarding the proposal for the release of credits, I think it should be examined to see how far it would be likely to extend. The proposal was that a credit of £20,000,000 should be released by the Commonwealth Bank, the money to be devoted to providing employment. There is not the slightest doubt that such a sum would provide a considerable amount of employment so long as it lasted. The release of that credit, whether in the form of a note issue or in providing credits through the banks, would cause a certain amount of inflation and, when the money had been spent, there would be a recurrence of unemployment and the only way to cope with it would be to have a further issue of credit. Inflation would be very apparent if the credit were issued in the form of notes; it would not be so very apparent if it were made in the form of increased advances. According to a statement by the Federal Treasurer, bank advances total something like £271,000,000, and an addition of £20,000,000 would not look very big, and for a while we would not

feel the effect of the inflation to any marked extent. But when we continued the process, we should find ourselves getting into deeper and deeper water. The experience of countries that have adopted inflation has been that, while the effects were not immediately visible, it was not long before they operated with increasing severity. I raise these points because we have before us a proposal to give the Government authority to borrow money. It is quite possible that money might be made available to this State by the releasing of credits by the Commonwealth Bank. This State might thus benefit by this proposed releasing of credits and, to that extent, be a party to inflation. Whatever might be the opinion of another place, this House should rigidly set its face against any suggestion of inflation and should be no party to it. We should go so far as to get an assurance from the Government that they will not take advantage of any inflation proposals that would give them money under the guise of extending to them a loan. Loan works in the past have largely been relief works at standard rates of pay. When we investigate some of the works undertaken, we find that they have been put in hand without adequate preparation. They have simply been a means to cope with the unemployment that existed. No consideration was given to the question of the return to be received from such works and the result has been, as I shall show later, that the State is carrying a financial burden—and will do so for 58 years—in connection with loan works which have cost such a high figure that it is questionable whether they will ever be reproductive in the sense of being able to earn interest and sinking fund charges. When we examine the way in which loan money has been expended in this State, I do not know that our record is such as would inspire confidence in persons lending money. To quote a few instances: There is a road known as the Canning-road which cost of £120,000 for the construction of eight miles—about three times what it would have cost to build a railway of the same length. That is one instance of loan money having been expended, and we have to pay for it. There is the Herdsman's Lake scheme which involved the State in a tremendous amount of loan expenditure, and I have yet to learn that any return has been received from that expenditure. There was the 3,500 farms scheme. Work was undertaken on that area

and then further investigation was made and the scheme was dropped like a hot brick. It would be interesting to know how the money was spent in those districts, how much in the way of clearing, how much in the way of making roads. That money, so far as I can gather, has been entirely lost, because the scheme has dropped into the background. There are many other instances I could quote—the Fremantle dock, the Lake Clifton railway, the Peel Estate, main roads construction—"election" roads, as they were called—the McPherson rock scheme.

Hon. Sir William Lathlain: What is meant by "election" roads?

Hon. H. SEDDON: In the early part of 1927 a select committee were appointed to investigate the matter of main roads. If the hon. member consults the report of the select committee he will find the reference, and if any further information be desired, we can supply it from the records we kept of the inquiry.

Hon. W. J. Mann: Did the select committee call them "election" roads?

Hon. H. SEDDON: The hon. member was a member of the select committee and no doubt knows the answer to his own question. Those schemes all involved the expenditure of loan money and much of it has been lost. The people of the State are responsible for that expenditure and for two generations they will be carrying the expense of it. No doubt, the remarks of succeeding generations on our extravagance and improvidence will be worth hearing. In addition we have funded a deficit of £6,250,000 which has been incurred in the administration of the Consolidated Revenue fund of this State. I again ask if those particulars were laid before an investor, would it have the effect of encouraging him to invest without the interest rate being affected? I wish to refer to a table that has been placed before the House during the present session. The table is contained in the financial returns and is headed "Classification of loan assets, 1929-1930." The whole table covers an amount of £72,500,000. The interest charged against those undertakings was £3,823,814, and the net earnings for the year were £2,250,000, leaving a deficit of over £1,000,000. When we realise that many loan works have been undertaken without adequate preparation and embarked upon largely as relief works, when engineers have

been called in by responsible Ministers and asked to find work and find it quickly, and when they have endeavoured to the best of their ability to carry out their instructions, I ask is it to be wondered that money has been wasted? Work has been put in hand without plans having been prepared. We discussed that during our investigation into main roads administration, and we have heard of it in other cases. Is it any wonder that many works have been undertaken that can be referred to—as Mr. Collier has referred to them—as monuments of engineering incapacity? Is it any wonder that that should occur when the responsible professional officers are not allowed time to prepare for the works? Before being asked to embark upon any work, even though it be relief work, the professional staff should be given an opportunity to prepare and suggest works, and should not be asked to embark upon them unless plans have been properly prepared, estimates completed, and all necessary arrangements made for the works to be put into operation in the proper way. The scamping of preparatory work invariably results in excessive cost of operations. I have raised these points because I think the record of Australia can be well described, as it has been described in many parts of the popular Press, as a record of boom, borrow and bust. The sooner that is driven home to the minds of the people and the sooner they realise the fallacy of living beyond their means, as they have been doing by the extravagant expenditure of loan funds, the better it will be. I think the time has arrived when we should reconsider our loan expenditure. We should keep it down to the absolute minimum, because only by such means shall we be able to bring home to our people the necessity for living within their income. When we have done that, we shall have a chance of obtaining loan moneys for necessary works, loan expenditure that we can justify, at a reasonable rate of interest. I do not wish to ignore the other aspect that our loan expenditure has undoubtedly resulted in a very considerable increase in the production of the State. That production has been enabled to progress by the facilities provided. But we have provided only a skeleton. All the railways and other facilities have not been adequately supported by filling in behind the

skeleton anything like the amount of development that should have been filled in. Many of our railways are not paying, and will not pay for years to come, because the development is not anything like adequate to pay for the services provided. Therefore any suggestion for providing additional railways should be closely scrutinised. They should be more closely scrutinised from the fact that if those railways are to be built in the wheat belt, the times through which the wheat growers are passing are such that we should be very cautious about undertaking any further railway construction until we know how the position is likely to turn out. When we come to the question of harbours and rivers, we have to consider an item of £100,000 for Fremantle harbour works. I think we ought to have additional information as to the exact work on which that money is to be expended. For the development of goldfields and mineral resources £50,000 is set down, including boring for coal. Perhaps Mr. Miles will have something to tell us about that.

Hon. W. J. Mann: Where, in the North-West?

Hon. H. SEDDON: That is what I should like to know. It appears to me that any question of further expenditure on boring for coal should be closely examined. I hope Mr. Miles will take the matter up. It appears to be a matter that comes within the scope of an inquiry into the coal position. There is an item of £75,000 for water supplies in the agricultural districts. I do not think there is any avenue of expenditure more justified than that because if there is one thing that is going to help our wheat farmers to surmount their troubles, it is providing them with facilities whereby they can undertake lines of production other than wheat. In order to do that they must have water supplies. Therefore I think any expenditure the Government propose to undertake should be concentrated on this aspect of development. Under the heading of Development of Agriculture the amount is £1,450,000. I do not intend to refer to the question of agricultural expenditure generally, save to allude to the very important fact that out of the 72 millions of loan money that have been expended 25 millions have been spent directly and indirectly on agriculture, and that aspect of our loan expenditure might be gone into more thoroughly. In view of the present condition

of affairs generally, and in view of the attitude of the loan market towards Australia, is it desirable that we should embark on loan expenditure to the extent of 2½ millions? Is it not more desirable that we should concentrate on making the best use of the facilities now existing, and seeing whether we cannot get our assets on a better paying basis than has been the case in the past. The best recommendation we can give to investors is to show them that our existing loan works have been placed on a paying basis. We can drop any suggestion of inflation or of interference with payments, and we can let them know that we are prepared to set an example of sound finance and sane administration. I ask the Minister when replying to answer these questions that I have submitted, and to tell us whether it is wise to go ahead with the suggestion of raising further loans in view of our present position.

On motion by the Minister for Country Water Supplies, debate adjourned.

BILL—SALARIES TAX.

Second Reading.

Debate resumed from the previous day.

HON. J. M. DREW (Central) [10.48]: This Bill is called a salaries tax Bill. If it were intended to be such a tax, it could not be justified because it would not be right to impose on one small section of the community a burden which should be spread over the whole of the income-earning section of the people. We have pretty good evidence that this is not regarded as a salaries tax Bill, even by the Government responsible for its introduction. We have it from the very best possible source. When the Bill was introduced in another place representatives of the trade unions waited upon the Premier and pointed out that many of those who came under the Bill were subject to awards of the Arbitration Court and should be exempted. Sir James Mitchell readily agreed to do so. He recognised the possibility of getting a reduction of wages through the Arbitration Court without bringing the particular section under the Bill. If it were a genuine salaries tax it would be reprehensible. In the first place it would be a severely restricted class tax, and in the second place it would impose a tax out of all proportion

to the income earned. I will give an example to the House. If the salary is £204, under the Bill a Government employee will pay tax amounting to £7 16s. a year and on top of that he will have to pay State income tax of £2 6s 4d., making a total of £10 2s. 4d. Next we come to the Government employee receiving £300 a year. He will have to pay a special tax of £14 6s., and in addition State income tax of £4 5s., or £18 11s. in addition to the hospital tax. A Government employee receiving £360 a year will have to pay a special tax of £22 15s. and State income tax of £5 14s. 7d., or a total of £28 9s. 7d.

Hon. A. Lovekin: He will pay Federal tax as well.

Hon J. M. DREW: Yes, and hospital tax, without getting any direct benefit. The man receiving £408 will have to pay the special tax of £26 and State income tax of £7 10s. 4d., a total of £33 1s. 9d., again in addition to the Federal income tax and hospital tax. The man on £504 will pay a special tax of £37 1s. and State income tax of £10 2s. 9d., a total of £47 3s. 9d. The man on £600 will pay a special tax of £44 17s., and State income tax of £13 15s., a total of £58 12s. It is only a salaries tax Bill in name; in reality it is a salaries reduction Bill, and in the circumstances that fact makes it still more obnoxious than if it were what it pretends to be. As such the Bill is a repudiation of contract—another attempt at repudiation. We had one before us to-night—a contract entered into by civil servants and teachers with the Government, and confirmed by both Houses of Parliament. I shall have to go back into a little history in order to make my meaning clear. Ten years ago the civil servants and the teachers suffered a grave injustice. Their salaries were at the whim of the Government of the day, and it is admitted that for years previously they had been miserably underpaid. In vain they sought relief by constitutional means, and eventually they went on strike. After some weeks a settlement was effected, and the basis of that settlement was that the civil servants and the teachers should be given a statutory board, a board to which they could appeal against the classification of their salaries and any interference with their rights. The Government introduced a Bill which was passed by Par-

liament carrying out the contract they had entered into with the Government employees. A Public Service Appeal Board with a Supreme Court judge as chairman was appointed, and that court has been functioning ever since. I will quote from the Act in support of what I say. Section 3 of the Public Service Appeal Board Act dealing with the constitution of the Board, says—

The Board shall be constituted as follows:—

(a) If the appeal relates to matters with which the teaching staff of the Education Department is not concerned, the Board shall consist of a judge of the Supreme Court who shall be chairman, one member to be appointed by the Governor, and one member to be elected in the prescribed manner by the members of the Civil Service Association of Western Australia:

(b) If the appeal relates to matters with which the teaching staff of the Education Department only is concerned, the Board shall consist of a judge of the Supreme Court who shall be chairman, one member to be appointed by the Governor, and one member to be elected in the prescribed manner by members of the State School Teachers' Union of Western Australia:

Now I come to the jurisdiction of the board. The Act says—

The Board shall have jurisdiction—

(a) To hear and determine any appeal by any public servant or class of public servants from the Public Service Commissioner (whether acting alone or in conjunction with assistant commissioners) or the Minister of Education, in respect of—

(i) The classification, re-classification, salary or allowances of such public servant or class of public servants, or his or its office or offices; or

That Act was passed in keeping with the contract made with the Government of the day with the civil servants and the teachers. Now the whole of that good work is to be nullified by this Bill. The Government have taken it upon themselves to say what the salaries shall be, and they do so by what they call a tax, but what is only a subterfuge and one of a transparent character. The Government could have dealt with the question in a constitutional way if they considered that the civil servants and the teachers were overpaid. They could have arranged a reclassification of both services. Last year we amended the Public Service Act and the Education Act, and made provision that there should be a

reclassification at least once in every five years. This House amended that Bill so that there should be a reclassification once in every ten years. That amendment was not accepted by another place, and as it appears on the statute-book to-day the provision is for a reclassification at least once in every five years. Another reclassification will be due next year, and the Government could have made the reclassification without the necessity of doing the thing in the back-handed way the Bill proposes. The reclassification could have been for the whole of the Civil Service, and that would have been a constitutional action to take.

Hon. E. H. Harris: You suggest they should make a reduction in that way.

Hon. J. M. DREW: If it were done in that way it would be subject to appeal to the Public Service Appeal Board. If the Government considered the salaries should be reduced, they would have to produce evidence to the board in support of a reclassification. There is no necessity for a new reclassification. It is not fair to reduce any of the salaries. There is no justice in reducing salaries, but the Government wish to avoid approaching the Public Service Appeal Board, and so are taking away the rights of the public servants.

Hon. G. W. Miles: What are the Federal Government doing?

Hon. J. M. DREW: I do not care what the Federal Government may be doing. I am surprised to hear Mr. Miles quote the Federal Government as an authority. By this Bill the Government are endeavouring to drive a coach and four through the Public Service Appeal Board Act and to disown their obligations to the public servants and the teachers. Originally it was proposed to include all Government employees in this Bill, but when it was pointed out to the Premier that it would affect men working under awards of the Arbitration Court he agreed to remove that section from the operation of the Bill. The public servants and the teachers are entitled to a recognition similar to that granted the men working under awards of the Arbitration Court. Those men have an appeal to the Arbitration Court once a year, and the teachers and public servants have the right to appeal to the Public Service Appeal Board when there is any attempted interference with their salaries or allowances. Since the Premier recognised the justice of the request of the trades unions that men

working under the awards of the Arbitration Court should not come into the Bill, he should also have recognised the justice of the request of the public servants that an appeal should go to the Public Service Appeal Board.

Hon. G. W. Miles: Perhaps it would be better to let Parliament and the Government retire, and the public servants take charge of the affairs of State.

Hon. J. M. DREW: It was quite illogical to grant the one request and refuse the other, to exclude the one section from the Bill and include the other.

Hon. G. W. Miles: You are using this for political purposes and pandering to the public servants.

Hon. J. M. DREW: Who is?

Hon. G. W. Miles: You are.

The PRESIDENT: Order! I ask the hon. member to withdraw that statement.

Hon. G. W. Miles: I withdraw.

Hon. J. M. DREW: I accept the withdrawal. I certainly am not pandering to the public servants or to anybody else. I oppose the Bill, which is in effect a repudiation of a contract which was entered into in 1920. It is a Bill which aims at a reduction of salaries, and which is contradictory to the first principles of a Bill which was introduced here ten years ago and passed into law, which gave the public servants of Western Australia rights which this Bill proposes to take from them.

HON. A. LOVEKIN (Metropolitan) [11.4]: I wish to associate myself with the views so ably put forward by Mr. Drew. This is either a reduction of salaries Bill, in which case it is a repudiation; or it is a tax Bill, in which case the incidence of the tax is most unfair inasmuch as it is imposing on one section of the community a super tax which the rest of the community does not have to pay. I wish to refer to Clauses 3 and 4 of the Bill in the hope that the Minister will give us some explanation when he replies. Clause 4 reads as follows:—

In computing the amount of salary for the purposes of this Act, the value of board and lodging, or of board, or of lodging, or of rent of premises provided free of charge to an officer, or of any other similar privilege shall be included in the salary of an officer having the benefit thereof.

That is to say, if board and lodging is supplied to some lower paid officer, it has to be

taken into account in computing his salary for the purposes of the Bill. But in Clause 3, under definition of "salary" we find the term does not include travelling allowance or any other allowance or emolument which the Governor may in that behalf determine. So we get the position that whilst the salary of the lower paid officer would be inflated by 25s. for board and lodging, officers in receipt of large salaries can with the consent of the Governor be employed in other offices and their additional emoluments will not be taken into account in their taxable salaries. The other day we had a return laid on the Table. From that return it appears that one officer receives £1,200 by way of salary and with the consent of the Governor draws £720 per annum from another source. Under this Bill the £720 will not be added to the prime salary, as the board and lodging of the smaller paid officer is. This highly paid officer is to be free from tax on that extra amount of £720. From that same return we find another officer drawing £1,020, with an addition of £150 from another job which the Governor agrees to his carrying out. That extra £150 is not to be added to his taxable salary. Another officer drawing £960 from one office, draws £300 from a second office and £250 from a third office—and I do not know how much more from various other offices which he is permitted to occupy. But none of these amounts is to be added to his principal salary for the purposes of taxation, although it is clear that that officer cannot attend to all his outside duties and still give full service to the Government. Yet that officer is to be taxed only on the £960 salary that he draws. Another officer draws £1,020 and also £125 from another office which he is permitted by the Governor to occupy. That £125 is not to be added to the £1,020 for the purposes of the Bill. I suggest to the Minister that this is not equitable. Unless we get some explanation of it before we go into Committee on the Bill, I will there move an amendment to strike out those words, "Or any other allowance or emolument which the Governor may in that behalf determine." I will do that, of course, with a view to bringing together into one taxable amount all the several salaries these highly paid officers receive.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [11.10]: I wish to dissociate myself from the views of both

Mr. Lovekin and Mr. Drew. Mr. Drew has said this is a class tax.

Hon. J. Cornell: So it is.

Hon. Sir WILLIAM LATHLAIN: What about the position of the employees of commercial houses? Mr. Drew told us about the man receiving £312 having to pay a tax of five per cent. A man on a similar amount in the commercial world has already had ten per cent. deducted from his salary, and has to pay State and Federal income tax just as does the public servant. Then a man receiving £400, it seems, will have to pay a tax of 6 per cent. But the commercial man on a similar salary has had deducted 10 per cent., and has his income tax and hospital tax to pay just the same as the public servant. Mr. Drew stoutly contended that the Bill was a repudiation of a contract. Is not every commercial house in exactly the same position?

Hon. J. M. Drew: No.

Hon. Sir WILLIAM LATHLAIN: Undoubtedly it is. I engaged my staff at a set salary.

Hon. J. Cornell: They ought to form a union.

Hon. Sir WILLIAM LATHLAIN: They have received that set salary for some years but now, owing to the circumstances, I have been compelled to reduce their salaries. Could that be called a repudiation of a contract?

Hon. J. Cornell: Yes.

Hon. Sir WILLIAM LATHLAIN: If the hon. member thinks that, he ought to be in the commercial world for a time.

Hon. E. H. Harris: If they were to form themselves into a union and get a common rule, you would not be able to treat them in that way.

Hon. Sir WILLIAM LATHLAIN: Mr. Drew also pointed out that a number of people had escaped inclusion in the Bill because they were working under an award of the Arbitration Court. They will be dealt with by the Arbitration Court in accordance with the cost of living. For the cost of living shows a decided fall, and as everybody knows, the basic wage is formulated on the cost of living. So there is a reduction awaiting those in the Government service who are working under an award of the Arbitration Court. One would imagine that public servants were superhuman and deserving of special treatment. They must all be dealt

with in some such measure as this, for all private employers have been compelled to take drastic action in order to meet the present position. Big firms engaged in agencies for the pastoral industry, big manufacturing concerns, big commercial houses, banks, insurance companies and the like, all have found it necessary to reduce salaries and wages owing to the decline of business and of resources. Unless public servants are dealt with as proposed in the Bill, it will be difficult to find some other way of dealing with them. I will support the second reading.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [11.15]: Some people may view this as a special or class tax on civil servants. Taking it as a whole, and in consideration of the fact that the whole of the community is being caught in the same net, I do not think this can be called a special tax. Civil servants have to be dealt with in a special way. If the board shelters them as Mr. Drew suggests, we should disband the board, and let them and the whole world know that they are employees of the State, and when the occasion arises have to be handled in a way to carry out the desires of the Government. The Bill exempts from the tax members of both Houses, but purports to bring within it the salaries of Ministers. I am disappointed there has been no recommendation to reduce the number of Ministers to the original six. The suggestion that the number should be increased to eight received the support of this House, because it was felt that the Leader had too much to do and should have assistance. The present Government have given no assistance to the Leader of the House. There are seven Ministers in another place and the representative of the Government here is called upon to do all the work himself. When Mr. Drew was Leader of the House he was almost murdered by over-work, until towards the end he had the help of an honorary Minister. The Government are throwing the whole of the labour of the House on one Minister regardless of his interests.

The Minister for Country Water Supplies: If members think that, why not assist me by declining to adjourn the debate so often?

Hon. J. M. MACFARLANE: I am suggesting a reduction in the cost of Govern-

ment. Seven Ministers in another place are too many and the number should be restored to six all told. This would save the cost of paying two Ministers. I have always felt this House was not being treated properly in the matter of the representation of the Government in this Chamber.

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

BILL—LICENSING ACT AMENDMENT.

All Stages.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [11.19] in moving the second reading said: The object of this Bill is to extend the provisions of Part V. of the Licensing Act to December, 1933. That particular part of the Act deals with licenses reduction. Originally that part of the Act expired in January, 1929, but was continued by Act No. 27 of 1928 to the 31st December, 1930, on which date it will cease to operate unless this Bill be passed. In licensing matters there are two bodies dealing with the same people—the Licensing Court, and the Licenses Reduction Board. The latter body was created by an amendment to the Act of 1922. It was then given a life of a definite length, but the life was extended, and will expire on the 31st December of this year. The Government feel that the powers of the Licenses Reduction Board are useful in the control and proper conduct of hotels. Its main power is to close up licenses where the requirements of the district do not justify them. The bulk of the work of the board has been accomplished, but as Western Australia contains many districts with varying populations, such as mining towns which arise and are deserted very quickly, it seems that it would be useful for the court to retain the powers of Part V., though it would not continue to use them to a large extent. The continuation of this power will not involve any additional cost. The court must continue and it can exercise the powers of the board. The continuation of Part V. of the Act merely enables the court to exercise certain functions which

could not be exercised without the authority of the part referred to. I move —

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Third Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [11.23]. I move—

That the Bill be now read a third time.

HON. G. W. MILES (North) [11.24]: I hope the Government will bring down a measure to amend the Licensing Act. When it was first before Parliament, certain powers were given to the board. There was no appeal against their decision. It was never the intention of Parliament that the board should delegate the whole of their powers to a magistrate. I hope the Government will take steps to see that the Act is amended to prevent this. In many cases doctors who are appointed as resident magistrates have had no legal training. The powers given to the board are delegated to individuals, who may be good doctors but know nothing about law. I hope the Leader of the House will see that the Act is amended to remedy that defect. I know of magistrates who have refused to renew licenses that have been held by people for over 20 years without having been convicted, and the licensees have had no right of appeal nor to compensation. I am sure that was never the intention of Parliament.

Hon. J. Cornell: Parliament never intended that magistrates should take away licenses.

Hon. G. W. MILES: Some magistrates have refused to renew licenses.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [11.26]: I will see that the matter is placed before the Minister responsible for the administration of the Act.

Question put and passed.

Bill read a third time and *passed*.

BILL—APPROPRIATION.*Second Reading.*

Order of the Day read for the resumption from the previous day of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading.

Read a third time and *passed*.

BILL — LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.*Second Reading.*

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [11.32] in moving the second reading said: This amendment of Section 37 of the Land and Income Tax Assessment Act is desired on account of the severe fall in land values that has taken place in the last few months owing to the depression, and in order to enable the Commissioner of Taxation to make assessments for this year on the present values instead of the inflated values of the last few years. Under the Act the Commissioner is authorised to make assessments at any time, and those assessments must remain in force for five years. That provision is a distinct hardship in the present circumstances; and it has become necessary to relieve it, which this Bill proposes to do by the cancellation of the five-year period in favour of reverting to the original method of assessing on annual values.

The Government are not entitled to collect taxation on the values that prevailed a year ago. Agricultural land is practically unsaleable at the moment, and in many instances values have declined to half of what was once paid for properties. If the Bill is passed, it will enable the Commissioner to make a percentage reduction on the valuations as fixed for taxation last year. The values at the 30th June last will form the basis of the assessments to be issued during the current year, and the Bill authorises the

Commissioner to amend them at his discretion. In addition, it provides that the values shall be fixed from year to year.

The proposal for a percentage reduction of the present valuations is considered the most serviceable means of relieving the immediate situation. It would be impossible to make fresh valuations; and the most equitable method would appear to be a reduction on a percentage basis, to be fixed by the Commissioner for the separate districts after he has gone into the facts as fully as possible. As previously stated, the fixing of the values will rest solely with the Commissioner.

Land values have increased rapidly during the last few years. In some cases the increases were unwarranted, and undoubtedly the high values came about because the high prices of primary products and the good seasons induced a feeling of optimism. When the State returns to normal conditions an arrangement for the fixing of the values for a number of years can be considered. At present that ought not to be persisted in; but when values go up, the State should be able to increase assessments. The deflation of land values is the cause of many of our present troubles. Under the Bill the Commissioner will collect taxation on something like the value of the land at the 30th June last. The Bill is easily understood; it provides power for the Commissioner to make the valuation for this year, and that method of assessment will continue year by year while the depression lasts. I move—

That the Bill be now read a second time.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—EAST PERTH PUBLIC HALL.*Second Reading.*

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [11.36] in moving the second reading said: Some time ago the East Perth Progress Association, being desirous of having a hall for public purposes in the district, raised money by various means, and induced the Government to vest a piece of land, intended for reserve purposes, and make it available for the building of the hall. The structure was erected, and then there was

a variance of opinion as to whether the hall was to be used entirely for public purposes, and the matter fell into an argument between the various parties. After consultation with the persons concerned, an agreement has been reached whereby the land with the hall on it is to be vested in five trustees, two to be selected from four persons nominated by the progress association, two to be selected from four persons nominated by the Lord Mayor of Perth, and one to be chosen by the Government. That solution of the difficulty being acceptable to all parties to the discussion, this Bill is submitted in order to give the arrangement the force of law, and also to create the body of trustees to control the operations of the hall.

The hall is an excellent building, and it is important that it should be conducted properly in the interests of the whole of East Perth. Certain debts were incurred for the building of the hall, and the creditors to whom those debts are owed have not yet been paid. Therefore, in the Bill power is given the trustees to raise money on the security of the property and pay off the creditors. Most of the clauses of the Bill are purely machinery clauses, and are such as would appear in a legal document rather than in an Act of Parliament. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Clause 1—Short Title:

Hon. H. STEWART: I should like to state that if earlier in the evening I conveyed an impression to the effect that I doubted the word of Mr. Nicholson, I am very sorry indeed and withdraw what I said.

Hon. J. NICHOLSON: I did not wish Mr. Stewart to make any further reference to the matter, but I thank him for what he has done.

The CHAIRMAN: I did not intervene at the time, though I felt inclined to point out that the Committee stage of the Bill was no place for repeating the discussions of the select committee. However, I am glad that everything is now satisfactory.

Clause put and passed.

Clauses 2, 3—agreed to.

Clause 4—Appointment of trustees:

Hon. J. T. FRANKLIN: This matter has come before the City Council. Sir William Lathlain was not Lord Mayor at the time. The City Council have appointed their trustees, and from that aspect the matter is perfectly in order. There has been difficulty regarding the erection of the hall and also as to various other matters. The hall is now practically built, and provision has been made for shops; but the business is held up pending this authority being obtained from Parliament.

Clause put and passed.

Clauses 5 to 14, Title—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Read a third time and passed.

House adjourned at 11.43 p.m.

Legislative Assembly,

Wednesday, 10th December, 1930.

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