

depredations of the pest are paying already so that the dingo may be destroyed in the North-West.

Mr. Lamond: Settlers in the North-West for a number of years have been paying to maintain the rabbit-proof fence to keep the rabbits out of the farming areas.

The PREMIER: The member for Kataning will realise that for every one kangaroo in the South-West there are perhaps thousands in the North. Let us agree that there shall be a special tax for the destruction of the kangaroos. If anything is done, it will have to be limited to the farming districts.

Mr. Coverley: Why not abolish the royalty?

The PREMIER: I realise that something should be done to protect farmers against kangaroos where the pest is destructive. I hope the amendment will not be carried because it will be utterly impossible to do what is proposed, and it would be impossible to pay royalty from any collections we might make no matter how heavy the tax might be.

Mr. PIESSE: I have no desire unduly to worry the Government in this matter, but I assure the Premier there is good reason for what I propose. I am surprised that the Minister for Agriculture is not more sympathetic, because the district he represents was one of the first to declare kangaroos vermin. I suggest that the Minister should make inquiries and try to evolve a scheme by which assistance could be rendered to those people who are being ruined by the pest. With the permission of the House I will withdraw the amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 8—

The MINISTER FOR AGRICULTURE: I move an amendment—

That "fifteen" be struck out and "twenty-four" inserted in lieu.

When the original specification for the fence was put into the schedule, it was four feet, and the depth for the standards was 15 inches. Now we are specifying for a fence 6ft. 6in. in height and the depth of 15in. is not enough. It will be necessary to increase the depth to 24 inches.

Mr. J. I. MANN: It is unnecessary to sink to such a depth with a fence 6 or 7ft. in height.

Mr. J. H. Smith: The Minister might compromise between the two depths.

Mr. J. I. MANN: Will the Minister agree to make the depth 18in.?

The Minister for Agriculture: Make it 20in.

Mr. J. I. MANN: Very well. I move an amendment on the amendment—

That "four" be struck out.

That will let the word "twenty" remain in the Minister's amendment.

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

Bill reported with an amendment.

BILLS (2)—RETURNED.

1, Licensing Act Amendment.

2, Appropriation.

Without amendment.

House adjourned at 11.51 p.m.

Legislative Council,

Thursday, 11th December, 1930.

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

QUESTION—WYNDHAM MEAT WORKS.

Hon. E. H. GRAY asked the Minister for Country Water Supplies: 1, What was the cost of running a canteen at the Wynd-

ham Meat Works in 1927 season? 2, Was the canteen in that year conducted on a co-operative basis by the men themselves? 3, If so, what was the profit, if any? 4, In that year were hours reduced and wages increased to the canteen employees? 5, Did the employees undertake the responsibility of the profit or loss of the canteen during the 1928 season? 6, What was the financial result? 7, Was a sum of £180, being the surplus of the 1928 season, distributed in comforts to the inmates of the Old Women's Home and the Old Men's Home? 8, Did the management undertake the control of the canteen during the 1929 season? 9, Has any explanation been furnished to the Minister why there was a loss in this department of £1,694 during this season? 10, Are visitors, callers, and Government officials provided with free board at the expense of the canteen account at the Wyndham works? 11, Do the Government contemplate making an investigation into the unsatisfactory financial management of the canteen operations during 1929 season?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, As the canteen was run co-operatively by the employees, the meatworks has no data from which to supply this information. 2, Yes. 3, The profit was £180 1s. 7d. Had conditions been normal, it is estimated that there would have been a loss of over £200. This was obviated owing to the failure of steamers to deliver goods and the consequent shortage of rations, resulting in practically a bread and beef diet, which naturally reduced the working cost very considerably. Although run by employees, the meatwork's management made allowances that year of £60 for wages and fares of canteen employees, and £73 12s. 1d. cartage of canteen stores as their share of such expense. By adding these three items together and given normal conditions, the result of operations for the working season only would have been £333 12s. 1d. loss. The result of the 1928 working season, when the management conducted the canteen, was £376 loss. The result of the 1929 working season, was £382 loss. This included loss of operating the canteen during the slack season, which is necessarily greater in proportion, as the smaller number of employees makes the rate per head much greater. The slack season lasts for approximately seven months of the year. During such slack season the cost

of meat is 6d. per pound, compared with ½d. per pound during the operating season, when the meatworks supply from their own store. 4, Yes. 5, No. They declined to continue its conduct, and intimated this decision to the management. The management therefore had no option but to continue to conduct same. 6, The result for the 1928 working season was £376 loss. 7, No. 8, Yes. 9, No. 10, No. 11, A general investigation is now proceeding, which will include the financial operations of the canteen during the 1929 and the 1930 seasons.

QUESTION—LOAN MONEYS.

Hon. A. LOVEKIN asked the Minister for Country Water Supplies: 1, Of loans already authorised, how much has yet to be raised? 2, Is the Western Australian quota of the next loan flotation, as authorised by the Loan Council, approximately £1,760,000? 3, If so, what is the reason for the additional amount provided by the Loan Bill now before the House?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, £1,502,169. This figure is exclusive of temporary advances and bank overdrafts. 2, The revised loan programme for the Australian Government is £15,000,000. If this amount can be raised during this financial year, the State's proportion will be £1,760,000. 3, Authority in advance is necessary to enable money being raised as opportunity offers.

TENANTS, PURCHASERS AND MORTGAGORS' RELIEF BILL—SELECT COMMITTEE.

Report Presented.

Hon. H. SEDDON brought up the report of the select committee on the Tenants, Purchasers and Mortgagors' Relief Bill.

Report received and ordered to be printed.

MOTION—STATE FORESTS, REVOCATION.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.37]: I move—

That the proposal for the partial revocation of State Forests Nos. 5, 20, 24, 29, 33 and 36, laid on the Table of the House by the command of His Excellency the Governor on the 10th December, 1930, be carried out.

This motion is in accordance with the papers that were laid on the Table last month. The Conservator of Forests agrees that the blocks are no longer of any use for forestry purposes, and the Lands Department agrees that a number of them are very suitable for land settlement. It is estimated that in the future probably there will be large numbers of such blocks to be revoked, in which event, of course, Parliament will be asked to approve of the revocation so that the land can be settled instead of lying idle. From these blocks under consideration all timber of any marketable value has been taken, leaving the land useless for timber production, but very valuable for agriculture. Members will agree that it is much better to make use of that land than to have it lying idle, especially as there are many applicants for the blocks.

HON. J. NICHOLSON (Metropolitan) [4.39]: I am not rising to oppose the motion, but I am sorry the Minister did not give us some information as to the situation of these blocks. I understand he did give that information on a previous occasion, but unfortunately I was not then present. I should like to know where the blocks are situated. I realise that, as the Minister says, many of these areas that have been occupied for the conservation of timber are no longer suited for the purpose and would be much better applied to agriculture.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [4.40]: The information required by the hon. member is contained in the papers laid on the Table. With the exception of two or three small blocks, all the areas are adjacent to Manjimup. The Conservator of Forests is of opinion they are useless for reforestation, but agrees they are very valuable from the agricultural standpoint.

BILL—LOCAL COURTS ACT AMENDMENT.

Read a third time and returned to the Assembly with amendments.

Question put and passed.

MOTION—FINANCE COMMITTEE.

HON. A. LOVEKIN (Metropolitan) [4.41]: I move—

1, That in view of the existing economic position, it is desirable to appoint a non-party committee to assist the Government in matters of finance and to consider and co-operate with Ministers as to the best means of affording relief to our primary industries and of alleviating unemployment. 2, That such committee be composed of eight members, six to be chosen by the Legislative Assembly and two by the Legislative Council. 3, That such committee have power to call for papers and persons, and to report to the Premier from time to time as occasion may require. 4, That the foregoing resolution be transmitted to the Legislative Assembly and its concurrence desired therein.

Since, at this stage of the session, time is precious, I will try to make my remarks as brief as possible. Members will have read recently the announcement of Mr. Latham in the Federal Parliament, and also the interviews which have been given to the Press by Mr. Keenan, Mr. Davy and Mr. Latham, members of the State Government; so I ask members here to take that announcement and those interviews as read for the purpose of this motion. I realise the position is much worse than the general community is aware of and, I regret to have to say it, I think it will be even worse next year. Hence it is necessary that we should face facts. If ever there was a time when the people of the State should get together and ignore the political party spirit, this is the time. I have put this motion on the Notice Paper as an intimation to another place that at any rate this House is prepared to do its part towards united action to meet the exigencies of the times. With the President of the Nationalist Party, I realise that the formation of a composite Government is not practicable in Australia, because it is part of the religion of the Labour Party not to coalesce with any other party. That being so, and facing the facts, I am suggesting the setting up of a committee on which all parties can have a place, to discuss matters in the best interests of the State, irrespective of party spirit. Party Government, especially where Governments exist with very narrow majorities, as is the case here, and will probably be the case for many years, can seldom do what is the right thing for the country. We have an instance of it here. I am informed that a section of the Nationalist Party de-

manded the repeal of the Industrial Arbitration Act. Some of the followers of the Government were opposed to that, hence no such proposal could come forward without involving the defeat of the Government. A compromise was, therefore, put up which may or may not be of any value. It is a measure we discussed yesterday and I will not further deal with it. Many unpleasant things need to be done at a time like this, but I venture to say they cannot properly be done with a party Government when there is only a majority on one side or the other or two or three. If there were some means by which all parties could sit round a table and take the responsibility for the unpleasant things that have to be done, nothing but good would follow. The Government have been in office for eight or nine months and we are nearing the end of the session. Looking round I fail to see anything that has been done that will substantially assist in overcoming the present position. The farmers are in dire stress, but nothing has been done for them. The Leader of the Opposition the other day made a suggestion that the price of wheat for local consumption should be put at 5s. a bushel, in order that the difference between that and the overseas market value of the wheat might go to the farmers, and perhaps be of some little value to us. Unfortunately, in proportion to our yield of wheat, we are a small consuming State. Perhaps, therefore, Mr. Collier's suggestion would not carry us very far, but it would help in some measure towards what is an absolutely necessary relief. I find from figures that are to hand to-day that the guaranteed price of wheat in New Zealand is 6s. 2d. a bushel, flour is £16 a ton, and a 4-lb. loaf is sold at 11d. In Australia the price of flour is £8 10s. a ton, and a 4-lb. loaf is selling from 11d. to 1s. to the ordinary consumer. As showing that the price can either be materially reduced, or on the other hand more can be paid for flour, I find as a fact that at Blackboy Camp a 4-lb. loaf costs only 5½d. as against 11d. or 1s. to the ordinary consumer. In England to-day a loaf costs from 7½d. to 8d., so that there is a fair margin. I take it that a good deal of the cost to the ordinary consumer is due to the method of distribution and the wages that are paid to the carters. These wages are coming down and the community might well pay a little more for their bread, or at any rate no more than

at present, and create a fund as the Leader of the Opposition suggests.

Hon. G. W. Miles: It would have to be a Federal matter.

Hon. A. LOVEKIN: It is quite a State matter.

Hon. V. Hamersley: The Eastern States would ship their wheat to our area.

Hon. A. LOVEKIN: I am putting it forward as a proposition which the committee could discuss around the table. It may be it is wholly within the province of the Federation, but if it is we will have a non-party representation from this State requesting the Federal people to put it into effect. I am not suggesting that the committee will do anything but offer advice and investigate.

Hon. J. Cornell: Is it going to charge for the advice?

Hon. A. LOVEKIN: We are not admitted to the bar and therefore cannot charge for advice. The wheat question is a very important one. We must look outside the State to see what may happen. I have little else to do at present but to read, mark, learn and inwardly digest the papers and information that comes to hand. I regret having to advance the view I am going to submit, but I do like facing facts. I say it is quite on the cards that the wheat industry of Australia, for at least a decade or more, will be of no value whatever to this country. I am guided by a certain sequence of facts. The Soviet Government of Russia decided upon a five-years' campaign to rehabilitate their country. To my knowledge, because I have seen them, there are factories in Germany working in full swing for the manufacture of agricultural implements, for use in the Ukraine. The Russian Government have also lent their support to the establishment of a huge factory for the manufacture of tractors for use in Russia. I find that two committees are sitting in London, one to find out how much Russia owes England, and the other how much England owes Russia. The Soviet Government have agreed that whatever the difference in the account is they will pay in wheat. Here is yet another factor which has had an immediate effect on the market. The Russians have sent 500,000,000 bushels of wheat into the world's market for sale at a price at which it cannot be produced here. They believe that next year they will be able to produce still

more wheat, and in the fifth year of the campaign the Soviet Government expect to export 20,000,000 bushels of wheat more than represents the total consumption of Great Britain. The price at which it can be produced and shipped from Black Sea ports to England is negligible compared with what it would cost this country to produce a similar quantity of wheat. We must keep these facts in mind. I do not vouch for the accuracy of these statements, but this is the information I have gathered from my reading. With such an outlook it is necessary we should get together and ascertain the facts and see what we can do to meet the circumstances. The unemployment question has so far not been touched except that money has been found through the charity department for doles, which have not been given for work but have really been wasted. That is not a good thing for any country, especially one in which there is a shortage of money. I think the Leader of the Opposition suggested using some of the money for prospecting parties. The Government are content to pay the dole to hundreds of men at Blackboy and keep them chopping sticks in the National Park, but if parties desire to go out prospecting, and perhaps do much good for the country, the dole is not available. I cannot see why it should not be paid to a man who goes out prospecting just as well as to a man who cuts timber at Blackboy. There is another matter which might be inquired into. We might ascertain whether it is not advisable to use some of the unemployed in clearing portion of the 100 farms at Nornalup. When they are cleared men who would provide their own capital could be put on to them and they would purchase their own cows. That is better than putting inexperienced men from the streets upon the holdings and risking all the capital on behalf of the State for their benefit, or the State's loss according to the ability of these people to succeed. What we want is a comprehensive scheme to cover the whole position. Various taxation measures have come before us. I suggest that a non-party committee could take the responsibility of bringing down a comprehensive measure of taxation which would cover all the needs of the State until such time as it was able to turn round. One must look still further. What is the outlook of the Federal caucus in Canberra, and the outlook of New South

Wales with Mr. Lang at the head of affairs? This State might well set a better example than those people are doing, seeing that they are injuring the credit of Australia and doing the country no good. If Western Australia, by bringing its best men together to form a committee, were to set an example to the rest of Australia, I think it might be very beneficial to the Commonwealth as a whole. This is a brief outline of my ideas on the subject. I have the support of the Federal Leader of the Opposition, Mr. Latham, and of the Chief Secretary, the Attorney General and the Minister for Lands of this State. All thinking men who have the best interests of the country at heart will, I think, agree that something of this character is absolutely necessary. I suggest that power be given to call for persons and papers. I do not intend the ordinary meaning to be applied to these words. They are intended to mean that the committee would call upon the bankers and business men to help to elucidate the problems that were before the committee. If we send this motion by message to another place we shall be able to see what they have to say. They may amend it or put it in some better form than it is at present. I hope the motion will be carried and passed on to another place, so that it may appear that this House at any rate is alive to the position, and is desirous of doing what is obviously the best thing to be done in the circumstances. I submit the motion.

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

BILL—EVIDENCE ACT AMENDMENT.

Returned from the Assembly without amendment.

BILL—VERMIN ACT AMENDMENT.

Assembly's Amendment.

Bill returned from the Assembly with an amendment which was now considered.

In Committee.

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

The CHAIRMAN: The Assembly's amendment is as follows:—"Clause 8, line 35, strike out '15' and insert '20' in lieu thereof."

THE MINISTER FOR COUNTRY WATER SUPPLIES: The clause provided that standards of a certain height should be 15 inches in the ground. The Assembly desires that the depth in the ground shall be 20 inches. This will make for the greater security of the fence, although personally I think that even 20 inches is not deep enough. It would have been better to have made the depth 24 inches. I move—

That the amendment be agreed to.

Question put and passed; the Assembly's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. E. H. GRAY (West) [5.10]: I desire to register my emphatic protest against the introduction of this Bill. I feel distinctly flattered at the remarks of Mr. Seddon who challenged the two remaining Labour men in the House to state their opinions in respect of what should be done to meet the present crisis.

Hon. Sir William Lathlain: He asked for a remedy.

Hon. E. H. GRAY: I feel flattered to think that I shall be able to give him a remedy. Arbitration was born in a welter of industrial unrest. Those who have closely studied the history of the Australian Labour movement will know why that movement threw all its weight into securing legislation to improve the condition of the workers. There was quite a mass of opinion against obtaining this legislation because a certain number of workers or their leaders did not have confidence in arbitration. Some will remember the industrial turmoil of the nineties—the maritime strike, the A.W.U. strike, and the strike of '92 at Broken Hill—one of the cruellest and bitterest industrial conflicts that has ever occurred in any part of the world. After that turmoil Labour was forced to find some other way of securing justice for the working classes. In my opinion arbitration legislation is based on confidence. So sure were the workers that

they had a case to present, that they were willing to submit that case to arbitration. At that time the sweating conditions of Sydney and Melbourne were as bad as in any other part of the world. If members will read up industrial history, they will find that in Sydney, appalling conditions were suffered by young men, and especially young women employed in factories. Those conditions were such that the indignation of the people of Australia was aroused. The suffering that was inflicted upon defenceless men and women was such that steps were taken to inaugurate arbitration legislation, so as to secure better conditions. So absolutely sure were the workers of their case that they felt convinced a fair deal would be given to them.

Hon. Sir William Lathlain: The Bill does not alter the conditions.

Hon. E. H. GRAY: All through the years the workers have relied upon arbitration which is based on confidence to secure justice. Here now we have legislation proposed that undermines that confidence. It is nothing but repudiation, a wages reduction measure.

Hon. W. J. Mann: Your party repudiates the Arbitration Court.

Hon. E. H. GRAY: My party repudiates nothing. The success it has attained in bringing about an improvement in the workers' conditions is due to the equitable basis upon which the party rests. The Labour Party cannot be likened to the Nationalist Party; it is based on ethics similar to those that permeate Christianity, is actuated by justice and has inspired confidence. Now, however, we have reached a stage when the Government and this House desire to repudiate legislation for the annual fixation of the basic wage, because it will mean a reduction of wages and a lowering of production costs. As Mr. Lovekin pointed out, it would not matter much whether the adjustment were made annually or quarterly so long as the conditions of the Act were observed. When the annual period was fixed for determining the basic wage, the rapid rise in the cost of living told heavily against the workers. It would be interesting to know how many thousands of pounds the workers actually lost through the adoption of the annual period. It would not be so bad if those who support the amendment were prepared to carry out their contract so that now,

when costs are falling, the worker could obtain some compensation for his previous losses. Supporters of the Bill are guilty of repudiation, which is most unfair to the workers. I have some knowledge of the views entertained by members here regarding the honouring of contracts, and I cannot see how it is possible for such stalwarts consistently to support the measure. However, it seems that the Bill will be passed. In any event, it should not come into operation until July next. To defer it for that period would be only fair and reasonable, and it would be one means of escaping the charge of repudiation. Let the measure take effect in July after the court has sat and decided the basic wage. I do not think it would make much difference then, but to bring it into operation at this stage is a matter of vital importance to the workers. It is hardly necessary to say that the psychological effect of the amendment upon the public is very disquieting. We should endeavour to inspire reverence for the integrity of the law and for the Parliament that makes the laws, but the action of the legislature in making so radical an alteration under the lap is likely to do considerable harm. Many speeches have been made in this House about our getting together to discuss the problems that confront us. How is it possible to preach such a doctrine when people who are anxious to secure a reduction of wages take such a point as this in order to get home on the workers?

Hon. A. Lovekin: If we had got together, this Bill would not have come forward.

Hon. E. H. GRAY: No. The object of the Bill is obvious; it is to save money to the Government and help them to balance their Budget by bringing about a heavy reduction of wages all round.

Hon. H. Seddon: That is what you read into it.

Hon. A. Lovekin: The State will not get the money.

Hon. E. H. GRAY: My point is that the workers will lose it.

Hon. E. H. Harris: But that is not what you said.

Hon. E. H. GRAY: Mr. Seddon asked rather pointedly last night how we would propose to remedy the present situation. We are in earnest in our endeavours to do something, but it might appear almost in-

prudent for laymen to propound a scheme for solving what is a tremendous international problem. In our own sphere we can do much to ease the position. Mr. Lovekin this afternoon mentioned the price of bread, meat and milk. That is a line we might take and by so doing save the people an enormous amount of money. It is rather a coincidence that there has just been tabled a report by a select committee on the cost of living. I suggest that for a start we tackle seriously the problem of saving much of the existing waste in the cost of distributing bread. I have some knowledge of the subject and I know that under the zone system at least 1d. per loaf could be saved.

Hon. H. Seddon: Would that make for further employment? Would not that affect the men distributing the bread?

Hon. E. H. GRAY: It would render unnecessary a number of drivers at present employed, but there would be compensations in other ways.

Hon. E. H. Harris: Do you propose to save that money through the municipality?

Hon. E. H. GRAY: I am submitting a scheme that I think is reasonable. Let me draw a comparison between the manufacturer of boots and the baker of bread. Would anyone say that a bootmaker working in a little shop and without machinery could turn out a pair of boots as cheaply as Pearse's factory at North Fremantle or one of the more modern factories in Melbourne?

Hon. H. Stewart: The boots made by the small man would last much longer.

Hon. E. H. GRAY: A pair of boots made as I have described, would cost three times as much as a factory-made pair.

Hon. E. H. Harris: How do you connect boots with this Bill?

Hon. E. H. GRAY: I intend to connect them. On the other hand, a baker in a small way can produce bread at the same price as the most modern bread factory in Perth. He is successfully competing with the bread factories at present.

Hon. A. Lovekin: Why should the price of bread be 5½d. at Blackboy and 1s. to me?

Hon. E. H. GRAY: There is something wrong when a one-man bakery can turn out bread in competition with the finest factory in Perth. The Perth bakehouses have the most modern machinery. Years ago I

was offered an appointment at a civil service bakery in Melbourne. The civil servants, like myself, were co-operators, very keen on revolutionising the world. They built a bakery which I think would have been capable of supplying the whole of Melbourne with bread. Of course they made a big mistake and lost a lot of money.

Hon. Sir William Lathlain: They went bung.

The PRESIDENT: I should like to remind the hon. member that whilst a general reference to the situation is allowable, this is hardly the occasion to make a policy speech designed to deal with the problems confronting the country. Incidental reference may be made, but there is no occasion for the hon. member to enter into details.

Hon. E. H. GRAY: There are other ways of meeting the situation, apart from introducing legislation of this kind. If the best brains in the State conferred, it should be possible to devise a system for distributing bread that would result in a tremendous saving. Even if we paid the same price as we pay to-day, we could subsidise the farmer until times with him improved.

Hon. Sir William Lathlain: Why not milk and meat as well?

Hon. E. H. GRAY: It is easier to tackle bread on account of the rapid development of machinery. It is easy to standardise the quality of bread and, by organisation, the people of Perth could be supplied much more cheaply than they are supplied at present. It would be possible to cut out enormous waste.

Hon. Sir William Lathlain: Did you attempt it when you were in that business?

Hon. E. H. GRAY: Yes.

Hon. A. Lovekin: He is an expert.

Hon. Sir William Lathlain: I mean the problem of distribution.

The PRESIDENT: Order!

Hon. E. H. GRAY: Milk is another commodity, the price of which should be reduced. It would be better to tackle that problem than to adopt the method contained in the Bill. At least 8d. per gallon could be saved on the cost of distributing milk.

Hon. W. J. Mann: Would not that lead to some unemployment?

Hon. E. H. GRAY: It might obviate the necessity for so many motor trucks and delivery turn-outs, but the waste of distribution would be saved and the people would be supplied with a better commodity handled under better supervision. The re-

sult to the country would be much better than that of legislation of this kind.

Hon. E. H. Hall: Why not make a start and tackle it?

Hon. E. H. GRAY: I have been preaching it for 30 years and endeavouring to get it adopted. The House would be well advised to reject the measure and adopt methods such as I have indicated to ease the burden on the people. I hope members who stand solid for the honouring of agreements will seriously consider their attitude. I shall vote against the second reading.

Hon. H. Seddon: That is your answer to my question?

HON. J. NICHOLSON (Metropolitan) [5.28]: In view of the expressions of goodwill that have emanated from the leaders of certain political parties in the Federal sphere, as well as from certain Ministers in this State, I was hoping that we were going to reach a somewhat happier stage, no doubt influenced by the approach of the season of goodwill. Judging by the dissent to this Bill expressed by members here as well as in another place, there is very little chance of securing that feeling of amity which is so desirable and which I think every member believes is absolutely necessary if we are going to reach the proper basis from which to rectify the present serious position. I am not going to excuse myself—as Mr. Gray has sought to do—from the responsibility laid upon us as legislators to try to do something. Even Mr. Lovekin has held out the olive branch and sought to suggest something which may help to bring about a solution of these great troubles. I contend that it rests upon every one of us to suggest such proposals as in his opinion would be productive of good. What can be more distressing than the evidences of unemployment that exist all around us? And as we cast our eyes further afield, we find more evidence. It behoves every man engaged in public life to do what he can to help the Government in the work they have in hand. The duty of the Government is to try to keep the wheels of industry going. It must be recognised that this Bill, which has been formulated and submitted by the Government after due consideration, is an earnest endeavour on their part, at least to try to stop the present drift. Everyone must deplore the existence of so much unemployment. So long as it exists we will be confronted with the present difficulties.

If we can arrest the drift, surely we shall be doing something of a constructive and beneficial nature. I believe that all of us, including Mr. Gray and his colleagues, are alike interested in helping forward the progress of Western Australia. In answer to Mr. Seddon's speech, Mr. Gray suggests that some saving may be effected by the zone distribution of bread. From where has he taken that suggestion? I presume from a report which has just—

The PRESIDENT: Order! The report is not now before the House. I would remind the hon. member that the Bill before the House relates to whether or not certain powers shall be given to the Arbitration Court.

Hon. J. NICHOLSON: If I may be allowed to make a passing reference—

The PRESIDENT: This is not a debate on the Address-in-reply.

Hon. J. NICHOLSON: Mr. Gray did suggest certain measures as a cure. I have pointed out that the Government submit the Bill as a means of trying to remedy conditions now existing. Mr. Gray suggests as a remedy the zone distribution of bread and of milk—I take it the suggestion applies to other necessities of life as well.

Hon. W. H. Kitson: The hon. member did not claim that that suggestion would solve the present trouble.

Hon. J. NICHOLSON: I understood Mr. Gray to suggest that that was a means by which the present trouble could be overcome.

Hon. W. H. Kitson: One of the means.

Hon. J. NICHOLSON: A means by which the wheels of industry could be set going. If so, I am rather surprised. While Mr. Gray was speaking an hon. member interjected, "Would it not result in a lessening of the number of men employed in those industries?"

Hon. E. H. Gray: It would make money available for employment.

Hon. J. NICHOLSON: There would be more unemployment, and greater need for legislative enactments.

Hon. E. H. Gray: We could keep the farmer going by passing the saving on to him.

Hon. J. NICHOLSON: It would mean fewer customers, because the men at present employed would not be able to buy bread and milk. The point is that we are asked

to amend the existing arbitration law in a very simple way. I admit that the efficacy of the way may be questioned. A great deal has been said by some hon. members as to whether the measure will produce the results desired. I am inclined to favour some of the views expressed by those hon. members. The Bill does not propose to amend the main provision of the principal Act, dealing with the basic wage. It does not seek to amend Section 121 of the principal Act, but imports a new section to provide for quarterly adjustments of the basic wage. Mr. Harris drew a comparison between the position existing under the Federal arbitration law and that existing under the State Act. He pointed out, and quite rightly, that there is nothing in the Federal Arbitration Act as there is in the State Act, providing for a basic wage or the fixing of it. Section 121 of the State Act sets forth that the court shall, before the 14th day of June in every year, of its own motion determine and declare the basic wage. The Federal Act contains no such section: but the Federal court, by a process of reasoning, or a process of rules and methods which have been adopted, have fixed a basic wage, and have imported into practically every Federal award certain provisions as to quarterly adjustments. This Bill seeks to do more than the practice in the Federal Arbitration Court does at the present time—make quarterly adjustments of the basic wage. But, as Mr. Harris clearly pointed out, there is a disparity between the method adopted by the Federal Arbitration Court for quarterly adjustments and the method proposed in this Bill. The determination of the basic wage is left to the State Arbitration Court without any fixed rules. In the Federal Arbitration Court it is done by the method known as proceeding on the Harvester judgment with certain loadings provided for in the Powers award, etc. I merely refer to that aspect because I think it would be much better if the Government, when introducing the Bill, had sought to bring those particular sections of our State Act into line with the practice of the Federal Arbitration Court. Under the Federal law the quarterly adjustments are made easily, and without reference to the court at all. They are made on the index figures of the Commonwealth Government Statistician as determined by him. So far as I am aware, they have been found to work

with a considerable amount of satisfaction. That being the case, I am rather surprised that the Government do not propose to adopt the successful Federal practice here. Under our Arbitration Act, "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 responsibilities to which an average worker would be ordinarily subject. That is fairly wide. At the same time, I think the method adopted by the Federal court is much more satisfactory. Those particular sections of our Act might well be eliminated in their entirety. I think Mr. Drew suggested that the basic wage is a statutory contract. We all know that it is a legislative enactment, and not a contract at all. It is merely an enactment like any other enactment, liable to be amended at any time. However, what will the actual result be if this amending Bill should be carried? It has been pointed out, and I wish to emphasise this, that the Bill cannot possibly take effect until, practically, March next.

Hon. W. H. Kitson: It might be proclaimed this week.

Hon. J. NICHOLSON: Yes; but the Arbitration Court is about to go into recess. The Bill could not possibly take effect until the end of the year, by which time the court will have gone into recess for the usual vacation. So that two quarters of the year which it is complained the Bill, if passed, would affect, will have gone. However, we should look at the matter in a spirit entirely different from that which has been suggested here. Clearly, the Bill is introduced with the one definite purpose of trying to help employment. It is hoped by means of the Bill to save the situation as far as possible, in place of having so many men unemployed.

Hon. G. Fraser: How will this legislation provide employment?

Hon. J. NICHOLSON: It will assist. We desire to maintain our industries, but so long as the Arbitration Act remains as at present, it must prove an obstacle to their development. Sir William Lathlain pointed out that certain industries were hampered because some of the men worked under a State award, while others worked under a Federal award.

Hon. W. H. Kitson: That has always been so.

Hon. J. NICHOLSON: It should not be so. It is necessary to mention the position regarding the basic wage only to make that point clear. The basic wage was fixed in June last by the State Arbitration Court at £4 6s., whereas at the same period the basic wage specified in the Federal determination was £4 2s. When the quarterly adjustment was made under the Federal Arbitration Act in September last, the basic wage of £4 2s. was reduced to £3 19s.

Hon. W. H. Kitson: Therein lies the reason for the Bill.

Hon. J. NICHOLSON: The basic wage of £3 19s. applied to municipal districts, but in country districts on the four-town basis, the Federal basic wage was reduced to £3 17s. Prior to last September, the rate applicable to those country districts was £4 5s. It will be seen, therefore, that there was a difference of 7s. between the Federal basic wage for municipal districts and the rate provided by the State Arbitration Court. On the other hand, the difference between the State determination and the Federal adjustment for the country towns was 8s., the difference between £4 5s. and £3 17s. Hon. members must realise how such a position must act to the disadvantage of industries in this State. How can Western Australian manufacturers hope to compete with those operating in the Eastern States when the latter have to pay 7s. per week per man less than employers here are called upon to pay their workers. Under such conditions it is impossible for our industries to survive. All that is necessary to cripple them is for the Eastern States manufacturers to dump their goods here, because they can undersell our products every time. Will that help employment? Cannot reason guide us and triumph in this attempt to assist men who are dependent upon industry for their livelihood? That is the laudable purpose of the Bill. Instead of some hon. members condemning the Bill, I should think they would recognise it as a sincere effort to do something towards rectifying the difficult position in which so many of our people find themselves to-day.

Hon. W. H. Kitson: The hon. member used a different argument when the Act was originally agreed to.

Hon. G. W. Miles: The State was not in the financial position then that it is in now.

Hon. J. NICHOLSON: I have always indicated my support of local industries. I do not want them stifled. When we are confronted with such a serious financial position, it is necessary to do what we can to relieve all concerned. Mr. Cornell pointed out truly that the court may adjust the basic wage quarterly, but the question is whether that readjustment should not be made compulsory. Mr. Cornell thought it better to leave it permissive, but personally I think that in the interests of all concerned in industry, employees as well as employers, it should be compulsory for quarterly adjustments of the basic wage to be made.

Hon. W. H. Kitson: That is right; go the whole hog!

Hon. J. NICHOLSON: What I suggest is for the benefit of the State as a whole, for the employer and the employee alike.

Hon. V. Hamersley: Of course it is.

Hon. J. NICHOLSON: To hear some hon. members talk in this Chamber one would think that the Bill had been introduced to destroy industry, instead of preserving it.

Hon. G. Fraser: It will destroy industrial harmony.

Hon. J. NICHOLSON: The effect of the Bill will be to increase employment considerably. Unfortunately, the criticism indulged in regarding the Bill has been destructive. I support the second reading of the Bill.

HON. G. W. MILES (North) [5.53]: I also support the Bill. I am sorry it was not introduced months ago. I trust the argument advanced, that the Bill will not take effect until March, is not correct. The Government should see that the measure becomes operative immediately it is passed.

Hon. W. H. Kitson: The September figures are already available.

Hon. G. W. MILES: The sooner the Bill operates, the better it will be for the workers, and particularly for those who are at present unemployed. The effort to keep up wages is all right for those who are in work, but they are most selfish who advocate the basic wage shall remain as it is at present. Those who contend along those lines are not concerned with their duty to others.

Hon. G. Fraser: I do not think you are competent to judge.

Hon. G. W. MILES: In my opinion, I am. Those who are opposed to the Bill are acting in the interests of those who are in work and are doing their best to prevent those who are unemployed from having an opportunity to get work. I congratulate Mr. Cornell on the logical speech he delivered. The issue is not that of employer or employee; the interests of the whole State are at stake. The Bill will be in the interests of those who at present cannot secure employment and will also benefit the employers and the employees. It will reduce the cost of production and that will mean increased opportunities for work. I hope the Government will make the Bill operative as soon as possible.

HON. E. ROSE (South-West) [5.55]: The provisions of the Bill should be beneficial throughout the State. When we consider the high charges that the farmers have to shoulder, it must be evident that unless something is done to reduce the costs that have to be borne by the producers, there will be very little wheat grown next year or in the following year. Unless steps such as those contemplated in the Bill are taken, there will not be anything like the employment available for men in the country areas that there is to-day. Many of the farmers are not even making a living out of their industry in these days. That applies to the wheat farmer, the sheep farmer, the fruitgrower, the dairy farmer, and others engaged in primary production. Unless produce can be marketed at less than its costs to-day, a great many of the producers will have to close down, and the men they employ will be added to those who are now out of work. I agree with what Mr. Miles has said, and I am convinced that the passage of the Bill will do much to assist the unemployed because it will increase the opportunities for employment. I was glad to hear Mr. Nicholson contrast the difference between the Federal basic wage and that fixed by the State Arbitration Court. The points he raised under that heading provide a convincing argument in favour of the Bill. How is it possible for us to compete with the producers of the Eastern States if our basic wage is 6s. or 7s. higher than that paid elsewhere. Some members have referred to the Bill as amounting to repudiation. I cannot understand how they can arrive at such a conclusion. All Bills can be amended at

any time and therefore how can they amount to repudiation? I support the second reading of the measure and hope that its provisions will be put into force by the Government as quickly as possible.

HON. G. FRASER (West) [5.58]: I oppose the second reading of the Bill. For the life of me I cannot understand many of the arguments advanced by those who have spoken in support of the measure. Mr. Rose based his support mainly on the cost of marketing agricultural produce. How many of those mentioned by him are paying the basic wage, and how many of their employees will be affected by the Bill?

Hon. E. Rose: All the machinery men, those on the chaffcutters, the fruit men, railway employees, wharf lumpers, and all others who handle the produce.

Hon. G. FRASER: Not half of those men are affected by the basic wage! How many men in the dairying industry receive the basic wage?

Hon. G. W. Miles: Employers cannot afford to pay the basic wage under ordinary conditions.

Hon. G. FRASER: Then why argue that he will have to pay it?

Hon. G. W. Miles: All those men are affected indirectly.

Hon. G. FRASER: The argument that various people will be affected indirectly can be used in quite a number of instances, but to suggest that the basic wage will affect those who have been mentioned, is absolutely ridiculous.

Hon. J. Nicholson: It may also affect the price of bread.

Hon. G. FRASER: It will not do that. The basic wage could be dropped 10s. tomorrow and it would not affect the price of bread in the slightest. To-day the price of bread is much the same as it was during the war years, when the price of wheat was very much higher than it is now. The reducing of the basic wage will not have any effect on the commodities mentioned by the hon. member. We know, too, that although the price of wheat is so low to-day, it is not reflected in the price either of flour or of bread.

Hon. J. Nicholson: Oh yes, in the price of bread.

Hon. G. FRASER: Comparing the present prices of the three commodities with

what they were during the war years, we find that bread is much dearer than it should be. The report of the Royal Commission definitely established that in Leonora, a sheep country, uninfluenced by the basic wage, mutton is sold at 1s. per lb., while in Perth, where the basic wage does exercise an influence, the same commodity is retailed at a quarter that price.

Hon. E. H. Harris: How do you account for that?

Hon. G. FRASER: Well certainly it is not due to the basic wage, for if the basic wage were a factor the price in Perth would be higher than that in Leonora.

Hon. E. H. Harris: If there are such big profits in the meat industry, it is a wonder some of you do not go into that industry.

Hon. G. FRASER: I know nothing of the profits, but I do know the prices that are being charged, and I know also that the basic wage can have no effect on the price of mutton in Leonora. I mention that, because some members have contended that the basic wage must have an effect on the prices of commodities, and I am seeking to show that they are reasoning from false grounds.

Hon. J. Nicholson: Ask the Commonwealth Statistician.

Hon. G. FRASER: I do not wish to ask the Commonwealth Statistician anything, but I am prepared to accept the facts. Frequently the statistician's figures are very hard to understand. When one, having noted the statistician's figures, consults his own personal experience as to the actual price of a commodity, he wonders where the statistician could have got his figures. To walk down the street and buy commodities at the prices stated by the statistician is not always practicable. There is frequently a wide divergence between the two.

Hon. J. Nicholson: How do you explain the divergence between the Commonwealth basic wage of £3 19s. 6d. and the State basic wage of £4 6s.?

Hon. G. FRASER: They are worked out on totally different bases.

Hon. E. H. Harris: Can you tell us the bases on which they are arrived at?

Hon. G. FRASER: No. This is not a rehearsal of the calculations underlying the basic wage.

The PRESIDENT: Order! Members must allow Mr. Fraser to complete his remarks.

Hon. G. FRASER: The point at issue is whether the court is to declare a basic wage once a year or once a quarter. When the question was before the Chamber in 1925, Mr. Holmes moved a motion for an annual declaration of the basic wage, and Mr. Lovekin, Mr. Nicholson and Mr. Harris supported it.

Hon. E. H. Harris: And the House did not even divide on it—it was not regarded as being of sufficient importance.

Hon. G. FRASER: That was not the reason; it was because members were so unanimous on the point.

Hon. E. H. Harris: Including members of the Labour Party.

Hon. G. FRASER: That is so. We all supported the fixing of it at 12 months. The Labour Party to-day is just as keen on having it fixed annually as Mr. Harris was in 1925. There is no denying that to declare the basic wage every three months is sheer repudiation.

Hon. C. B. Williams: What an awful word!

Hon. J. Nicholson: I am glad Mr. Williams thinks so.

Hon. G. FRASER: It is an awful word, yet many members have endeavoured to fasten it to the party to which I belong, because certain small unnoticed factions—

Hon. H. Seddon: In the Federal Cabinet.

Hon. G. FRASER: No. But certain men have put themselves forward, and as a result members have endeavoured to identify the Labour Party with the views of those men. However distasteful the word "repudiation" may be, I declare that in effect the passing of this Bill will be repudiation. On the 14th June of this year the State Arbitration Court declared a basic wage which was to stand for 12 months. Notwithstanding what Mr. Nicholson has said about breaches of contract, it was a contract with the workers that that amount would be paid to them until a new declaration is made on the 14th June of next year. All workers or contractors or men of business have taken that as the basis for the full 12 months. Contractors have based all their contracts on the basic wage delivered in June of this year. Now, in December, we have this Bill which will give the court power to adjust the basic wage every three months. It is repudia-

tion of the wage which was guaranteed to the worker on the 14th June last. Subclause 1 of Clause 3 prescribes that there shall be supplied to the court statements indicating by price index numbers, "and other information." I should like the Minister, when replying, to tell us what "other information" means. Price index numbers one can understand.

Hon. E. H. Harris: How can one understand them?

Hon. G. FRASER: Well, you were entangled in them, and I propose to avoid becoming entangled. However I do not understand those words "other information," and so I should like the Minister to enlighten me. I register my protest against the passing of the Bill. Judging by the tone of the speeches already delivered, I believe the measure will be passed.

Hon. Sir William Lathlain: Then you are a good judge.

Hon. G. FRASER: But I warn members that by passing the Bill they will be undermining the work of those of us who for many years have striven for industrial peace.

Hon. E. H. Harris: But surely you will not cease to work on those lines if the Bill passes!

Hon. G. FRASER: When an attack of this sort is made on the worker, naturally the worker will not take it lying down. All through the war years the worker put up with wages that were far behind the cost of living. By agitation and other means, eventually he succeeded in securing some relief; but it was assessed only on the cost of commodities at the time the award was delivered, and so in the course of a month or two his wages were again behind the cost of living. In 1925 the basic wage was introduced to stand for 12 months. But until the last year or two the wages of the worker have been behind the cost of living. Only those who had to live on the wages received in those years of stress really know the sufferings of the workers during that time. I was one of them, and so I can fully appreciate what it meant to those workers when the basic wage was proclaimed. It was really the first step in the direction of giving to the workers some security regarding wages. Even on the 12-monthly basis we found that within two or three months the wages were again below the cost of living. Still, although many

workers were advocating more drastic action, we were able to keep them in check. But the passing of this Bill is going to undermine any influence we may have had with the vast body of workers. Only a week or so ago, as the result of a protest by a number of workers it was found necessary to hold a meeting at which to explain the provisions of this Bill. That protest represented a spontaneous request made by the workers immediately they knew the basic wage was to be attacked. They understood that their wages were to be interfered with every three months, instead of once a year.

Hon. Sir William Lathlain: But it did not mean that their wages would be reduced.

Hon. G. FRASER: The hon. member knows that the cost of living has fallen during the last few months.

Hon. J. Nicholson: How do you know it will not increase again?

Hon. G. FRASER: If the cost of living had not fallen, the Bill would not have been introduced.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. FRASER: If this Bill is passed it will make it harder for those of us who are in close contact with the workers to prevent industrial unrest.

Hon. W. J. Mann: You mean a red revolution.

Hon. G. FRASER: Members do not realise the seriousness of the position. Only recently when this Bill was introduced in another place the workers thought so seriously of it that protest meetings were organised by them.

Hon. C. B. Williams: That did not keep them from voting for the other party a few months ago.

The PRESIDENT: Order! I must ask the hon. member not to continue interjecting.

Hon. G. FRASER: If they had the opportunity they would reverse that vote. Now that these attacks have been made upon the workers, disturbing elements are likely to creep in and create chaos. No lead has been required from any of the so-called strike mongers to stir up an agitation. During the past few months the workers have been following closely the doings of Parliament. They know every move in both Houses. There is a chance that if this and other measures are proceeded with, that industrial peace, which has been such a feature of the

State in recent years, is likely to be disturbed.

Hon. Sir William Lathlain: Is that a threat?

Hon. G. FRASER: No. It is merely a statement of fact. When the cost of living was rising and the workers were in some cases three years behind it, great difficulty was experienced in inducing the men to remain at their trades. It was logical for the workers to assume that when the cost of living was rising, their wages should also rise.

Hon. V. Hamersley: Did not the rise in wages create the increase in the cost of living?

Hon. G. FRASER: I fail to see that. The workers were two or three years behind their rights. Even when they got an award before the court they were several months behind. When the amending Bill was passed in 1925 the workers were very thankful, although members of this House made no provision for allowing them to catch up to the cost of living. Now in the first year of a decrease in the cost of living, this Bill is brought down. Mr. Nicholson has compared the State basic wage with the Federal, because in the Federal basic wage provisions there is a similarity to this Bill. Actually, there is a vast difference between the two. When the Federal court gives an award, a section of it states that an adjustment shall be made quarterly according to the increase or decrease in the cost of living. That is provided for when the award is made, consequently the workers keep abreast of the cost of living all the time. Furthermore, this provision was inserted when the cost of living was going up, and the workers under Federal awards received the benefit of the increase. Here the reverse is the position. Whilst the cost of living was going up, the workers were in many cases 12 months behind, but immediately it begins to fall the Government bring down this Bill.

Hon. J. M. Macfarlane: What about the retrospective clauses in the different awards?

Hon. G. FRASER: There are none in the basic wage.

Hon. C. B. Williams: No award in Western Australia has a retrospective effect.

Hon. G. FRASER: Only with regard to Parliamentary allowances. The only argument advanced by members in favour of the Bill is that its passage will create more

employment. That is a farcical argument. The idea of suggesting that an alteration in the basic wage will create more employment! Has there been any decrease in unemployment in South Australia where the basic wage was altered some time ago? Can members point to any other State in the Commonwealth where there has been a decrease in unemployment consequent upon an adjustment of the basic wage? The reverse has been the case in all those States. Although the legislation has been in existence for some time, each of those States can tabulate a greater number of unemployed than was the case before wages were reduced. Most employers in this State engage but a small number of people. Will it not create more employment if the wages remain as they are? The wage earner is the greatest spender we have in the community. If a man were employing ten people and secured a reduction of 3s. in the basic wage of each, would the extra 30s. induce him to put another man on the job? Sir William Lathlain advanced that argument, but there was nothing in it. The money will go into the pockets of the employer. Are the employers so generous that, although they might secure a reduction in the basic wage they would, out of the money saved, employ extra labour? That is the only view that can be adduced from the hon. member's argument. Good and all as the hon. member may be, I doubt very much whether, if the basic wage were reduced, he would put on more men.

Hon. Sir William Lathlain: I would put off less.

Hon. G. FRASER: The hon. member is at bedrock now. Many other employers are in the same position. They are working their staffs part time or are employing a skeleton staff. Very few of the industries in the State could carry on with less employees than they have to-day.

Hon. Sir William Lathlain: I question that.

Hon. G. FRASEK: They are enjoying all the advantages it is possible for them to get by working their people part time and for longer hours. Members who have agreed that most workers are receiving less money to-day, now want them to be still further reduced, as the result of the passing of this Bill. None of the arguments that have been put up convince me that greater

employment will be created by such legislation as this. Members have referred to dairy farmers, but I maintain that very few of these people are paying the basic wage to those whom they employ. It would be news to me to know that they were. I am pleased to hear that some farmers are paying the basic wage. I trust that members will stand by the measure they carried in 1925. This remark applies to those who were in the Chamber at the time. I want them to be consistent and record their votes as they did on that occasion. I know that Mr. Lovekin will stand to his guns and I trust the lead given by him will be followed by others, in sufficient numbers to enable us to defeat this measure.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter East—in reply) [7.43]: Mr. Harris said that the State Court had never yet indicated what basis is used in its declaration, and it was therefore difficult to say how the statistician's figures would be applied. In reply to that statement, I desire to point out that the President of the Arbitration Court in delivering the 1926 declaration stated that he had determined on a basis somewhere between the Federal Court Harvester Judgment and the finding of the Commonwealth Basic Wage Commission reduced to a family of two children instead of three. Further, when delivering the 1929-1930 declaration, the president stated—

With regard to the method of calculating the basic wage, the system adopted has been to take as a basis the figures as fixed in the declaration made in 1926, and operating from 1st July that year, as applied to each of the constituent elements. By use of the appropriate and latest available index numbers in the "All Commodities" Table (Base 1914) for a twelve months' period, these figures are brought to date and the results added together. The amount so ascertained is then subject to further consideration of the surrounding circumstances and the various interests involved.

With regard to house rents, an actual average rental figure of four and five-roomed houses is taken for rent and that is the reason for the inclusion of the words "and other information" in line 6 of Clause 3. Mr. Lovekin directed special attention to the fact that while living costs were rising, wages had lagged and that the workers had not protested. In that connection the difference between nominal wages and effective

tive wages should be borne in mind. Wages are said to be nominal when they represent the actual amounts of money received in return for labour, and are described as effective when their equivalence in purchasing power is expressed, that is, their purchasing power according to some definite composite unit or regimen, the cost of which is ascertained at a particular date or during a particular period adopted as a datum for reference. The fluctuations of the effective wages is dealt with in the Commonwealth Bureau of Census Labour Report of 1929. In that report it is stated—

Compared with 1911 the effective wage in 1901 was 3.6 per cent. less for full work. During the period 1912 to 1920 while wages increased steadily, prices increased at a greater rate, with the result that the purchasing power of wages was less in each of these years than in 1911, the lowest point reached being in 1915 when the full time index number was 14.6 per cent. less than for the base year. The first occasion on which the effective wage was higher than in 1911 was in 1921, when wages increased considerably while prices declined, the increase in effective wages being 7.6 per cent. Both wages and prices fell in 1922, but the former less than the latter, resulting in a further increase in the effective wage. As wages remained practically stationary while prices rose, the effective wage for 1923 showed a decline. A rise in wages coincided with a fall in prices during 1924, and the effective wage increased. Wages and prices both rose during 1925 and 1926, the latter in 1926 reaching their highest point up to date, but, as prices rose more rapidly than the rise in nominal wages, effective wages decreased.

Again, in regard to the remarks of Mr. Lovekin, it should be borne in mind that it is of no benefit to the workers or to the community at large if wages are not in accord with economic conditions. That fact was given prominence by the 1925 Economic Commission on the Queensland Basic Wage. That report states—

The chief consideration in determining wages is the capacity of industry to pay. This capacity depends upon a number of influences, none of which are susceptible of exact measurement, and all of which vary in relative strength from time to time. Although it cannot be estimated with any certainty, there is at any given time an amount of wages, underpayment or overpayment of which causes friction and social loss. If more than the due amount is exacted, either (a) some production becomes unprofitable, or (b) prices rise and the consumers of the affected product suffer, or (c) all prices rise and the wage increase itself becomes nullified. The reactions following upon these re-

sults are discussed later in sections 6 and 7. It will be sufficient to say that in any case the economic equilibrium is disturbed; unemployment follows; enterprise and saving for investment is restricted, and the volume of production is diminished with disastrous results. The disaster falls especially upon wage earners who are dependent upon continuity of employment and production. The capacity of all industries taken together to pay wages depends primarily upon their net aggregate production. The only possible measure of this is value. The aggregate value is found from the volume of production and the price of a unit. It will not be desirable for any rigid formula to limit the general discretion of the Court, but it may be possible to introduce a guiding principle by which the general level of wages may be made to conform more closely to changing economic conditions.

Before I get away from this subject I should like to refer to Mr. Lovekin's statement that it did not matter about the amending Bill at this stage, and that next June there would be another adjustment of the basic wage and that there would be plenty of time then to bring in the amendment. If a special session of Parliament is held next year—should there be one we do not want all the measures held over for that session—it will be towards the latter part of it before the amending Bill can be dealt with by both Houses of Parliament. Then we shall find ourselves in the position we occupy to-day. We might be a month earlier, but in the meantime the position would be created that the basic wage board would have to abide by the present position. I have no wish to delay the House, but I should like to give Mr. Harris the information that he wants. This is from the "Labour Report," 1929, No. 20, of the Commonwealth Bureau of Census and Statistics. On page 18 we find this—

The method by which the "index numbers" are compiled is briefly described hereunder—

(a) The prices of the various articles as supplied by the several people in each section are "averaged" and represent "average predominant retail prices ruling at the 15th of each month." The average rent is computed quarterly from returns received from representative house agents.

That is not followed out here.

Hon. E. H. Harris I have been telling the House that.

The MINISTER FOR COUNTRY WATER SUPPLIES: Will the hon. member have a little patience? It goes on—

(b) These "averaged" prices are then "weighted" by a number representing their relative importance in the household consumption. The "composite unit" shows not only the list of articles but the relative "weight" given to each. These "weights" represent the approximate relative annual consumption of the commodities set forth. It follows, therefore that a small rise in the heavily-weighted articles would be immediately reflected in the resultant total, while a comparatively big rise in the lower-weighted commodities has little effect.

(c) The "weighted aggregate cost" at a particular point of time resulting from the above operations compared with the "weighted aggregate cost" of an exactly similar series of commodities for another point, represents the variation over the intervening period. For convenience of comparison the whole of the "aggregates" are related to the aggregate cost of the corresponding series in the six capital cities for a specified period and this latter aggregate is made equal to 1,000. The fact that they all related to the one base renders the resultant index numbers comparable throughout.

Hon. E. H. Harris: All that relates to the Harvester judgment.

The MINISTER FOR COUNTRY WATER SUPPLIES: They take food, clothing, and miscellaneous. We have heard used to a great extent that obnoxious word "repudiation." It is wonderful how it can be used first by one and then by others. We have heard nothing but "repudiation, repudiation," and whilst Mr. Drew stepped into shallow waters, being too much of a tactician to go out of his depth, Mr. Lovekin, on the other hand, waded in right up to his neck. Where is the repudiation? The hon. member in an illogical way, not in his customary way, compared repudiation of interest with the supposed repudiation under this Bill. The person who lends an amount of money on interest for 12 months lends it on a defined arrangement. But what is the foundation of the basic wage? It is based on the cost of living.

Hon. G. Fraser: For 12 months.

The MINISTER FOR COUNTRY WATER SUPPLIES: That suits the hon. member's purpose at the present time, but who knows, it might not be very long before there is a rise, and he will then be very sorry he did not support the Bill. The basic wage at the present time may be too

high or too low, and the Government are not taking the stand that they are out to reduce wages. The Government, under this Bill, are placing the matter in the hand of the Arbitration Court, and that court will decide it of their own volition on figures supplied by the statistician. If the basic wage to-day is being paid at a rate higher than the cost of living, is there repudiation in that? It has been said here that a reduction of the basic wage will create unemployment, and the Eastern States have been cited as an example. The economic conditions are such that no person can say what is bringing about the results in the direction quoted. Even supposing the basic wage did go up, the economic conditions are so bad that the position cannot be remedied. Figures that have been given to me show that 1s. per week either one way or the other means £200,000. Say that the present basic wage is 5s. above the cost of living, and that it should come down 5s. There we have a million pounds left in the hands of industry. Is there any hon. member who would have the effrontery to say that that would not provide a lot of employment? Every shilling we leave in the hands of industry means that it will be expended towards creating employment. Is it not reasonable, if there should be a reduction in the price of commodities, that the basic wage should come down to the standard set? I am sure no one in this Chamber, or indeed anywhere else, and least of all myself, wants to interfere with the standard of living. There has been no interference with the basic wage. It is as it was when it was first declared. There is no need to stress the matter further, but I do appeal to members to look at the subject in a reasonable light, and to realise that if there is any necessity for an alteration in the basic wage, and the matter is left to the court to decide, the Government will not take any part in it. We cannot, however, get away from the fact that the basic wage should be brought down to the standard of living which we set up for our workers here.

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

Ayes	16
Noes	8
<hr/>				
Majority for	8
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AYES.

Hon. F. W. Allsop	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. E. H. Hall	Hon. J. Nicholson
Hon. V. Hamersley	Hon. E. Rose
Hon. G. A. Kempton	Hon. H. Seddon
Hon. Sir W. Lathlain	Hon. H. Stewart
Hon. J. M. Macfarlane	Hon. C. H. Wittcnoom
Hon. W. J. Mann	Hon. J. T. Franklin (Teller.)

NOES.

Hon. J. Cornell	Hon. E. H. Harris
Hon. J. M. Drew	Hon. W. H. Kitchin
Hon. G. Fraser	Hon. A. Lovekin
Hon. E. H. Gray	Hon. C. B. Williams (Teller.)

Question thus passed.

Bill read a second time.

In Committee.

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

Clauses 1, 2—agreed to.

Clause 3—Provision for review and adjustment of basic wage during the currency thereof:

Hon. E. H. HARRIS: Provision is made for the Statistician to get information regarding the index numbers, etc. Nobody but the court knows what the index figures are. The Minister quoted from the Statistician's Bulletin the headings and certain figures, but they conveyed nothing unless one looked up the Harvester judgment. Will the Minister indicate how many points represent 1s., and how many points represent the regimen of food, rent, clothing and miscellaneous? If that cannot be answered, I submit that the Statistician will not be able to compile the figures. The Minister also said that the court made their own investigations regarding rent, etc.

Hon. G. Fraser: You can imagine Mr. President Dwyer going around looking at houses!

Hon. H. Seddon: The court have done it before now.

Hon. E. H. HARRIS: On one occasion they went to Kalgoorlie to investigate rents. Estate agents supplied information and, I believe, satisfied the court that rents were considerably lower than they were in Perth. Had the court made an investigation, the basic wage at Kalgoorlie, which at present is less than in the metropolitan area, might have been considered considerably reduced.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Harris knows that I am not the Government Statistician, a member of the Arbitration Court, or an actuary. If he, who has made a lifelong study of the matter, cannot find out those particulars, how can he expect me to have a knowledge of them?

Hon. E. H. HARRIS: The Minister is sidestepping.

The CHAIRMAN: The hon. member has misconstrued the remarks of the Minister who, I think, made an open declaration that he knew nothing about it.

Hon. E. H. HARRIS: I am prepared to accept that interpretation of his remarks. The basic wage is fixed on the 30th June for 12 months. Assuming that the Statistician could supply the necessary figures, the court could fix the basic wage for the remaining portion of the period. In other words, the court at the end of September, having been supplied with certain figures, could alter the basic wage for the next three, six or nine months. If the court could make an alteration for one quarter, they could make an alteration for six months or nine months. Assume that in the quarter October-December there was a rise of 2s. in the cost of living in the first fortnight, a decrease of 3s. in the next fortnight and a rise of 1s. in the next fortnight, would the court have the right to take any one of those three variations, must they take the last variation, or would it be within their power to take the average for the period? That is an important point.

The MINISTER FOR COUNTRY WATER SUPPLIES: The court will be guided by the figures of the Statistician, which will be supplied at the end of each quarter.

Hon. E. H. Harris: That is no answer.

The MINISTER FOR COUNTRY WATER SUPPLIES: What answer does the hon. member want?

Hon. E. H. HARRIS: I thought I made the point quite clear.

The CHAIRMAN: Is it necessary to re-quote it in view of the Minister's answer?

Hon. E. H. HARRIS: Yes.

Hon. A. Lovekin: The Minister does not understand it. Why press it?

Hon. E. H. HARRIS: We are asked to pass a Bill to authorise the court to determine an issue that will increase or decrease the wages of thousands of workers. The

Bill does not clearly indicate what power the court will have. If they have to make a determination on the figures supplied by the Statistician, when would that be? Would it be at any time in the quarter or every week in the quarter? Suppose in the 13 weeks of the quarter there was an alteration of 1s. every week, what would happen? Will he determine on the figures at the end of the quarter? The Bill does not say so.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: This provision works quite satisfactorily in the Federal arena. The Federal basic wage is determined on figures supplied by the Commonwealth Statistician.

Hon. E. H. Harris: What figures?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Cost of living figures.

Hon. E. H. HARRIS: The Minister is evasive in his reply, or else he has not quite grasped the importance of the Bill. I voted against the second reading because the Minister had not answered the questions I put to him in my second-reading speech. Why does the clause say that "the court shall consider the figures adduced by the State Statistician and may make an award?" It is not obligatory on the court to make any variation; the court "may" do so. The variation may be for a period of three, six or nine months. When Clause 3 was under discussion in another place, the Minister for Works said there would be no adjustment for the first quarter of next year, since the Arbitration Court would be in recess. Probably that will be the case every year.

The **CHAIRMAN**: Order! What is the source of the hon. members information?

Hon. E. H. HARRIS: The "West Australian" report of the proceedings in Committee. The court would not be sitting at Christmas time. The Leader of the House says, "The Federal people make these adjustments." The quarterly adjustments made by the Federal Arbitration Court are a practice of the court. There is no reference to them in the Federal Arbitration Act. The State Arbitration Court, if they used the powers vested in them, could now make a wage variable in every quarter. The Minister for Works is also reported as having said there cannot be a variation of the award for March; that the court could not give one in December, and that there-

fore it would appear that the only period in which there might be a variation would be the September quarter. Is that so?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: My speech indicated that there could not be a variation until the end of March.

Hon. A. LOVEKIN: I suggest to Mr. Harris not to worry the Minister any further.

Hon. E. H. Harris: The Bill will be valueless.

Hon. A. LOVEKIN: When it goes to the court and any application is made under it, the judge will say, "I think most people who read the Act say they do not understand what it means. We have a basic wage determination at the end of June, and all parties are responsible. I will not do anything at this stage." The clause will not do any harm, though it looks stupid.

Hon. E. H. H. HALL: I consider that any hon. member possessed of special knowledge of arbitration matters should give the Chamber the benefit of it.

Hon. G. FRASER: The Minister said the Federal Arbitration Act works all right. However, the Federal Act does not give satisfaction. The point raised by Mr. Harris has been the cause of great dissatisfaction. We are told that the Commonwealth Statistician obtains his figures on the 15th of the month. That fact being known to traders, the 15th, peculiarly is the cheapest day of the month. The Commonwealth Statistician's figures do not truly reflect prices for the month. On what date are the figures to be obtained? The Minister has not been able to supply the information that is required on this clause.

Hon. J. NICHOLSON: What does "each and every quarter of the year" mean in this clause? I do not think there is any definition of a year, as to either its commencement or its termination. A year might commence on the 1st February. How the State Statistician is to measure it out I do not know, unless Parliament clearly states on what date he is to begin. Section 121 provides that—

Before the 14th day of June in every year the court of its own motion shall determine and declare a basic wage.

Why this clause was not altered in view of that section I do not know. It might be wise either to reconstitute the clause or eli-

minate it entirely. It proposes a quarterly instead of a yearly declaration of the basic wage. Then why should we preserve the section dealing with the yearly declaration?

Hon. E. H. Harris: I think there is a good reason for that. I will state it directly.

Hon. G. Fraser: The basic wage is declared once a year. On the other occasions there is merely discussion of some figures.

Hon. J. NICHOLSON: We should make it clear when the year begins.

The Minister for Country Water Supplies: I will show you that in the Act.

Hon. J. NICHOLSON: The clause mentions "in the year" and that may mean in the year 1930 or the year 1940.

The Minister for Country Water Supplies: Certainly not.

Hon. J. NICHOLSON: The Minister will find out later on that that will be one of the points fought out elsewhere. The matter should be more clearly defined. I agree with Mr. Harris also when he claimed that the clause provides an alternative action for the court to take, whereas we should make it definite that the adjustments shall be made quarterly.

The Minister for Country Water Supplies: Why not suggest an amendment?

Hon. J. NICHOLSON: If the Minister will agree to defer the consideration of the Bill to a later stage of the sitting, I will look into the matter and see whether an amendment can be framed to get over the difficulty.

Hon. J. M. DREW: Another point that the Minister and Mr. Nicholson might give attention to is that the clause provides for the Government Statistician supplying index figures and other information to the Arbitration Court once in every quarter. That will mean at the end of March, June, September, and December. The court sits for the determination of the basic wage in June and makes its declaration on the 14th of that month. That declaration is arrived at only after exhaustive evidence, extending over some weeks, has been taken regarding the cost of living. If the clause be agreed to as it stands, it will mean that in July, the Government Statistician will present his figures and perhaps upset the basic wage that has just been declared. That is not consistent. If we agree to the clause as it stands, we may make ourselves appear ridiculous.

Hon. J. Nicholson: That is a phase that requires some thought.

Hon. W. H. KITSON: I hope the Minister will indicate his intention regarding the further consideration of the clause, because I desire to move an amendment, and if I do so, Mr. Nicholson will be unable to deal with the amendments he has in mind, unless the Bill is recommitted.

The MINISTER FOR COUNTRY WATER SUPPLIES: I have the information that Mr. Harris sought regarding the index figures arrived at by the Government Statistician. Every month he takes 46 different lines of groceries; the rentals are taken as at the 15th of each month, and the price of clothing at the end of each quarter.

Hon. E. H. Harris: What does he base his figures on?

The MINISTER FOR COUNTRY WATER SUPPLIES: On the figures submitted to the department. In order to meet the wishes of hon. members, I shall defer the further consideration of the Bill to a later stage of the sitting.

Progress reported until a later stage of the sitting.

BILL—FARMERS' DEBTS ADJUSTMENT.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [8.40] in moving the second reading said: So much publicity has been given to this measure that members must already have at least a general idea of its contents, but owing to the fact that the Bill was sent to a select committee of another place and that that committee recommended very very substantial amendments, members may have some confusion in their minds as to what was in the original Bill presented and what it now contains. I will endeavour to state shortly the scheme of the measure in its present form, and then deal with some of its provisions in more detail.

It is proposed to appoint an official, who will be termed a director. A farmer who is being pressed by his creditors may apply to the director for the benefits of the Act. Forthwith on such application being made,

the director will issue a stay of all proceedings against the farmer, and at the same time will appoint a person to be a receiver of the rents, products and profits of the farmer's farm and all the chattels and property used in connection with the farmer's business. The trustees of the Agricultural Bank are willing to allow their district inspectors to be appointed receivers where the director thinks fit. On the appointment of a receiver, it will be his duty to summon a meeting of the farmer's creditors. At that meeting an endeavour will first be made to induce the creditors to come to an amicable arrangement for the adjustment of the farmer's debts and the carrying on of his operations. If such an amicable arrangement cannot be arrived at, then the creditors may, if they think fit, carry a resolution, by a majority in number and value of those present in person or by proxy, that the affairs of the farmer be adjusted and arranged under, and subject to, the Farmers' Debts Adjustment Act, 1930. If that resolution is carried, from then onwards, the farmer will carry on his business, subject to the inspection of the receiver, whose duty it will be to receive the products of the farming operations, market them, and distribute the proceeds in accordance with the scheme laid down in the Bill.

The stay order will continue so long as the farmer is subject to the Act, which will be until he is discharged either on the creditors having been paid their debts in full, or on the director and the creditors coming to the conclusion that, by reason of the conduct of the farmer or of any creditor, or of any other circumstances, the continuance of the operation of the Act in respect of the farmer can no longer be of advantage; or if the farmer is in a position to arrange his own affairs satisfactorily without the assistance of the Act.

Such is the general scheme, and it is firmly anticipated that very few farmers will come under the operation of the Act further than the stage of meeting his creditors. In that connection it is interesting to note that in South Australia, where a similar measure has been in operation since 1929, there are at present only 134 farmers under the Act, and although it is not possible to state definitely what is the reason for this, it is thought it is because once the creditors of the farmer meet together a private arrange-

ment is, in the majority of cases, come to. The Government feel sure the same position will arise here.

Dealing with some of the details of the measure: the stay order will apply to all creditors, whether secured or otherwise. Securities, however, will not be interfered with any further than that the secured creditor will be prevented, without an order of the judge, from exercising his powers of sale, seizure, etc., for the time being. Should the farmer come under the operation of the Act—which it is anticipated, in many cases he will not do—the method of distribution is laid down in Clauses 21 and 22. A perusal of those clauses will show that out of the proceeds of the crop there will first be paid the current expenses of carrying on the farm, an allowance to the farmer by way of maintenance, and wages of any employee—not being a member of the farmer's family—which had become due within three months prior to the farmer coming under the operation of the Act. After those payments are met the receiver will set aside a sum of money which in his opinion will be sufficient to carry on the farmer. It is to be noted that the receiver largely will be subject to the wishes of the creditors, so it is not likely he will set aside too large a sum, thereby leaving the creditors with nothing.

After the setting aside of the reserve, certain debts will have preference. For instance, wages of any employee due at the time of the resolution, except the three months' first preference; debts due for clothes and stores supplied within the previous year; rents or instalments of purchase money due to the Crown; debts due for fertilisers, machinery and other farming requisites purchased during the preceding year, etc. When the second group of preferences have been paid, any balance will be available for distribution amongst the farmer's creditors.

There may be items to which hon. members will take some exception, but the whole matter has been pretty thoroughly thrashed out before a select committee who examined a large number of witnesses representing various interests, and it is hoped that hon. members will enable the measure to become law as quickly as possible. It is not suggested for one moment that this measure represents a cure for the farmer's ills. It is purely a piece of machinery to give the farmer a

short breathing space and enable him to get his creditors together, state his position fully to them, and allow them to determine the future in the manner most advantageous to themselves and the farmer. I move—

That the Bill be now read a second time.

Hon. J. CORNELL (South) [8.48]: Before proceeding to offer a few remarks on the Bill I should like to know from the Minister whether the Government really propose to conclude the session this week.

The Minister for Country Water Supplies: That is so.

Hon. J. CORNELL: Yet the Minister has expressed the hope that we shall agree to the Bill as speedily as possible in order that it might become law. It is an outrageous proposal, seeing that the Bill has been on the Notice Paper for nine or ten weeks in another place and has been before a select committee, and now, in the closing hours of the session, we are expected, not to consider it but to swallow it and take it for gospel in order that the Government may forthwith conclude the session. If there is one thing necessary it is that Parliament should sit on in order that we might get a thorough understanding of this measure. The consensus of opinion is that the Bill as it stands is useless.

Hon. E. H. Harris: Like the Arbitration Bill.

Hon. J. CORNELL: That being so, it is an insult to the House to ask us to pass it without proper investigation. The charge brought by the farmers, by business men and by financial institutions is that the Bill as framed is so much waste paper and is likely to cause irritation between the farmers and their creditors. If there is one thing we should try to avoid, it is irritation amongst farmers and their creditors. The hire purchase provisions in the Bill declare to the machinery agent that he is a different class of creditor, a class apart. I have come into contact with scores of farmers and I can say the farmer is as anxious to do a fair thing as is any other section of the community. He recognises that his past debts are just debts and he is determined to pay them when he can. All that he asks for is time and better prices and good seasons. I have sounded commercial men in respect of the Bill. One in particular whom I consulted some two months ago is as much involved in the hire purchase of machinery system as

all the other merchants put together. His considered opinion of the Bill is that it is useless. In his view, the agricultural industry must be carried on at any price. Members will agree that a temporary solution of the present situation is some method by which the farmer will retain from this season's crop enough money to put in next season's crop. It is a sound and reasonable proposition that the farmer should be allowed to keep sufficient money to put in next year's crop. The Minister has said that if the director is agreeable, the Agricultural Bank inspectors will be appointed as receivers. I happen to know quite a lot of Agricultural Bank inspectors. The President and Mr. Williams and I represent more impecunious farmers than do all the other members of the Chamber put together. Also we know an army of inspectors. They are all good men, anxious to do the right thing, but the last thing they want is to be appointed receivers. The Bill itself says that every receiver shall be under a bond of £500. If the Agricultural Bank inspectors are appointed receivers, who is going to bond them for them for £500? Will the Government put up the bonds? The Agricultural Bank inspectors do not want the job, and will not do it. They have too much to do already. The weakness of the Bill lies in the receivership. The receiver will be the centre of all the machinery, despite the popular idea that the director is going to be the be-all and end-all. I am not posing as an exclusive authority on this question, for I have lived long enough to learn that no man can be an authority on all things. If a man wants the best advice about anything, he has to go to the man who he considers knows most about it. That is what I have done. I have asked a totally disinterested man, who knows the subject from A to Z, what he thinks of the Bill. He said that amongst other things the machinery of the Act will be found to be unworkable if any considerable body of farmers take advantage of the Act. Also he said there were only about eight firms of qualified accountants in Perth capable of carrying out the duties of receivership, and he explained that the maximum number of estates that any office could efficiently and expeditiously handle would be not more than 100, and that the calling of meetings of, say, 1,000 farmers, if the convenience of the creditors was to be considered, might easily occupy the best part of a year. This friend

of mine is of opinion that the only men qualified properly to act as receivers will be qualified accountants. I think he is right, and I am informed by Mr. Macfarlane to-day that they will not be available because of a ruling by the Official Receiver that they will not be able to get more than 1 per cent. That again narrows down the choice. I submit that the success or failure of the whole concern is going to rest with the receivership. My friend goes on to say:—

What the position calls for is a simple provision that immediately a stay order is issued, the first mortgagee automatically becomes the receiver of his mortgagor's crops, with necessary power and obligation to hold retention moneys and to distribute the surplus as provided for in Clauses 21 and 22 of the Bill unless, within 14 days of the issue of the order, a majority in value and numbers of the creditors lodge in writing an objection to the settler carrying on, in which event the director shall then appoint a trustee to take over the proceeds from the receiver and proceed to administer the estate under the provisions of the Bankruptcy Act. As the Agricultural and Associated Banks are, in the great majority of cases, the first mortgagees, and would no doubt prefer to have the handling of their own accounts, this procedure would be simple, inexpensive and likely to cause the minimum of delay and congestion. In the case of a mortgagee who is unwilling or who, in the opinion of the director, is incapable of carrying out the duties of receiver, he could be empowered to make another appointment. A charge of 1½ per cent. should fully remunerate the receiving banks for the trouble involved, such amount to be deducted from payments made to the settlers' creditors, as provided for in the Industries Assistance Act.

He sums up the whole question in 2½ lines of typing as follows:—

Under this proposal only such settlers as a majority of creditors consider unworthy of further assistance would have to call meetings.

That is the object we should aim at. There is only one course to adopt. If this House is satisfied that the basis of the Bill is not laid on a sound foundation in this respect, an effort should be made by a select committee to find out from those people most vitally concerned, the first mortgagees and others who follow them, who should be the receivers. We can safely say that 80 per cent. of the people who are likely to be dealt with under the Bill will be clients of the Agricultural

Bank. Would it not be better in the interests of all concerned as well as of the settler that instead of the director appointing some firm of accountants or some other individual to act as receiver, the bank should carry on as it is doing to-day? In the case of the majority of the clients of the Agricultural Bank the institution is functioning practically in the capacity of a receiver. In the case of a chartered bank, would it not be better, if such a bank is the first mortgagee, that the individual should continue to do his business with that bank as before and not go to an outsider? I am satisfied that the mercantile and trading community, without whose support and forbearance the industry could not be carried on, would raise no objection to the Agricultural Bank being the receiver. The inspectors of that bank would then function in their proper capacity. They would see to it that the client was doing that which he ought to do. I am prepared to accept good advice when I get it. If the receivership basis is not altered, I must wash my hands of the Bill. A man may want further accommodation from his bank in order to buy machinery from say the Westralian Farmers. That firm would get the opinion of its agent, and I am quite sure would also get the opinion of the officers of the Agricultural Bank or of the chartered banks as the case may be. It is upon that basis that most of that type of business is done. There has been a good deal of unnecessary criticism aimed at machinery agents. As one who too late indulged in the luxury of farming and knows the vagaries and simple habits of farmers, I say that if they have over-purchased in machinery they are as much to blame as the agents. Had they followed their own common sense in many cases they would not have bought the machinery. Firms worth their salt recognise that at the present price of wheat farmers cannot pay their way. The simple course before the legislature is to endeavour to establish confidence amongst the farming community, to the extent of encouraging them in the belief that it will be only a matter of time before there is a change for the better. I hope no effort will be made to close down Parliament this week. If it is made I am going to stand foursquare behind members who are prepared to give further consideration to the provisions of this Bill to

see if they cannot be made more equitable, simple and satisfactory. If the matter were referred to a select committee, it would not take long to arrive at a decision. If there is one section of the community which has a respect for this House it is the farming section. They are prepared to leave the matter in our hands. Their representatives have said they are not satisfied about the receivership business and that they do not know where they are. It is for members to make up their minds as to the fundamental alternative. If it is considered that the receiver should be the first mortgagee, with certain safeguards, the task of the select committee would be a simple one. If on that point events went against them, that would be the end of their deliberations. If there are provisions in the Bill of an equitable nature, no doubt the select committee would put forward recommendations. They would also be in honour bound to drop the receivership business if their recommendation was not given effect to. I am told by men who are deputed by hundreds of farmers to represent them that so long as their affairs are left to those with whom they have been dealing for years, that is the Agricultural Bank and the chartered banks, they will be satisfied. That being so, I trust members will agree to refer this Bill to a select committee. The Leader of the House will know that we have no desire to waste time but merely wish to get a grip of the situation. I support the second reading in the hope that this suggestion will be adopted. Another place had the measure in front of it for nine weeks but brought down a very barren effort to this House. In a matter of two or three days a select committee of this Chamber should be able to evolve something that will be satisfactory to the whole community, as well as to those who are carrying on the industry and others who are standing behind it.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [9.15]: I understand it is the desire of the Government to close the session within the next 24 or 48 hours. I hope I shall not be accused of using exaggerated language when I say that we are called upon to discuss and pass a Bill which, to my mind, transcends in importance any legislation that has been before us this ses-

sion. I say that advisedly. With all the taxation and arbitration measures and everything else, no Bill that has been brought before this House is fraught with such importance to the community as is the one with which we are now dealing. In this Bill we are striking at the root of the prosperity of the State, and I venture to say—again I hope without using exaggerated language—that if the Bill goes through as it appears before us, it will completely undermine the whole of the credit of the State. Members who have spoken on other measures, have referred to the unfortunate position in which the farmer finds himself. The Government, with a legitimate desire to assist those men in what is undoubtedly a crisis in their career, have devised this measure. But it is not the farmer himself, or the farmer's existence that is at stake. Every member of this community, every banking institution, every industry and every commercial firm is as much interested in the welfare of the farmer as is the farmer himself. If we look dispassionately at the position, or if we attempt to size it up judicially, we will find that the whole of the assets of this community are now invested in the farmer, and at the moment it is not only the farmer's assets that are frozen; it is the whole commercial community that is frozen along with the farmer, and consequently it is due to every individual in the community to keep the farmer afloat. But I submit that under the conditions imposed by this Bill we are throwing a boomerang that will come back and hit us very severely. The Bill is designed with good intentions in an endeavour to keep the farmer on the land, but the distrust that will be set up by interfering with established securities by providing preferential treatment, by the creation of a Government department to handle the farmers' affairs, will induce such a feeling of unrest in the minds of the commercial community that, rather than farmers being brought within the province of the Bill, many who otherwise would be carried along by those interested, will be forced into the Bankruptcy Court.

Hon. H. Stewart: I hope the hon. member will give us specific instances of the injurious parts of the Bill.

Hon. Sir CHARLES NATHAN: If it is the desire of the House, I will deal with the Bill clause by clause and show the de-

fects. If I did that, however, I might be obliged to detain the House for a considerable period. In the past quite simple methods have been devised by which positions such as we are now contemplating have been overcome, and I see a ray of hope in the remarks of Mr. Cornell, in that the proceedings outlined by him have been adopted in a number of instances during the past year. After all, what is it that we want? We want to keep the farmer on the land, and we want the farmer to have sufficient funds at his disposal to enable him to put in his crop next year in the hope that he may have a good season, and in the hope also that the prices of commodities may have so increased as to enable him to discharge, in part, his obligation. Surely when introducing a Bill of this kind the Government might have submitted a simple measure which would have provided for the effective carrying out of their desires. In the past, in many instances, the proceeds of the farmer's crop have not been sufficient to discharge his liabilities, and there has not been sufficient to carry him on to the coming season. The Agricultural Bank has taken possession of the proceeds of a crop and distributed it equitably amongst the creditors, who, recognising the position and that the distribution would be reasonable and fair, have been glad to accept what was coming. If the suggestion of the hon. member is carried out, the procedure might be set up without in any way interfering with the securities already established, without any question—I am sorry to have to use the word again—of repudiation, and without placing the farmer in an unfair position. Mr. Stewart has asked me to cite one or two instances of the evil effect the Bill is likely to have. If hon. members will turn to page seven of the Bill, they will see that it is provided that a wheat order that may have been granted during the past few months shall be cancelled and annulled. A storekeeper in good faith may have been asked to supply a farmer with food to keep him going over the season, and if the farmer has not any money the storekeeper may say, "Very well; give me a wheat order." Then having received the wheat he supplies the farmer with food.

Hon. E. H. Gray: That would apply more to cornsacks.

Hon. Sir CHARLES NATHAN: Cornsacks are protected. In Clause 19 it is provided—

The owner of any machinery which is in possession of a farmer under a hire purchase agreement shall not, during the operation of a stay order, take any steps to terminate the agreement, or take the machinery out of the possession of the farmer without the leave of a judge.

In Subclause 2 it is set out—

For the purposes of this section "rents" shall be deemed to include any instalment of purchase money (not exceeding one-fifth of the total price) which has become payable under a hire purchase agreement of machinery, whilst the business was being carried on under this Act.

The actual effect of that clause is this: After the crop is harvested and the farmer finds he is unable to meet his indebtedness, a meeting will be called. The harvesting machinery has been used to take off the crop, the tractor has also been used to carry the crop to the siding, the motor car may also have been used and yet not one person will be entitled under the Bill, to draw one penny from the proceeds of the season. Despite the fact that all the appliances are diminishing assets, being subject to wear and tear, no one will get one penny from the proceeds. I mention this to show what will be the result if such a condition of affairs is brought about. The creditors will be placed in such a defenceless position that they will be likely to invoke the aid of the Federal Bankruptcy Act under which they will at least be able to seize the machinery.

Hon. W. H. Kitson: Is the hon. member placing the correct construction on that clause?

Hon. Sir CHARLES NATHAN: I think so. I confess, however, that the clause has been skilfully constructed, but if one looks at it closely, the conclusion must be arrived at that the construction I have placed upon it is correct. At any rate, the machinery is cumbersome. It will be setting up another Government department which in itself will be a grave disadvantage and it impels me to believe that the Bill as it is at present will prove unworkable. Instead of protecting the farmer and his interests it will be more likely to bring about harsh action on the part of people who otherwise might be induced to work amicably with the far-

mer. I think some scheme such as that suggested by Mr. Cornell would be of benefit to all concerned.

HON. E. H. H. HALL (Central) [9.28]: I move—

That the debate be adjourned.

The Minister for Country Water Supplies: I have already intimated to members that it is the desire of the Government to terminate the session to-morrow. I hope the hon. member will not press his motion.

HON. E. H. H. HALL: The Minister's remarks will not have the slightest weight with me.

The **PRESIDENT**: Order!

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

Ayes	..	..	..	15
Noes	..	..	..	7
				—
Majority for	..	..	..	8
				—

AYES.

Hon. F. W. Allsop	Hon. W. J. Mann
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. M. Drew	Hon. Sir C. Nathan
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. G. A. Kempton	Hon. H. Stewart
Hon. W. H. Kitson	Hon. C. H. Whitehead
Hon. A. Lovekin	Hon. E. H. Harris
Hon. J. M. Macfarlane	(Teller).

NOES.

Hon. C. F. Baxter	Hon. V. Hamersley
Hon. J. T. Franklin	Hon. C. B. Williams
Hon. G. Fraser	Hon. E. Rose
Hon. E. H. Gray	(Teller.)

Motion thus passed; debate adjourned.

BILL—LOCAL COURTS ACT AMENDMENT.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—SALARIES TAX.

Second Reading.

Debate resumed from the previous day.

HON. J. CORNELL (South) [9.34]: I think the passage of the Bill through this House is assured, but there are some features that ought to be stressed. There is

no escaping the fact that the Bill provides for a temporary reduction of wages under the guise of a tax, just as did the Parliamentary Allowances Amendment Bill. When the Bill was before another place, it included all Government workers, whether they were covered by an industrial award or not. The opposition to the Bill was such that the Government modified it to include practically only civil servants, teachers, and railway officers, together with certain individuals who come under special Acts. It has been argued that because civil servants are the servants of the Government or of Parliament, we as Parliamentarians have every right by legislation to tax their salaries. That argument would have more substance if Parliament fixed their salaries, but Parliament does not fix their salaries. Parliament has done for the civil servants precisely what it has done for workers who come under the Arbitration Act. Civil servants are forbidden to register under the Arbitration Act and are provided for under the Public Service Act. Teachers to a large extent are similarly provided for, and so are railway officers, except that a board has been constituted to fix the salaries and conditions of railway officers. But the Public Service Commissioner, the Public Service Appeal Board, the Teachers' Classification Board and the Railway Officers' Appeal Board, who fix the salaries, have not been consulted, and we are asked gaily to override those bodies and say, "Because you are Government workers and times are bad, Parliament usurps the authority and will tax you so much per cent. on your salaries." It has been argued that because members of Parliament reduced their allowances, the salaries of civil servants should be reduced. There is no analogy between the two. We reduced our remuneration because there was no one else to do it. If the individuals to be affected had had some say in the matter or had been given some redress, there would have been stronger reasons for the Bill. It seems rather contradictory that, in the case of other workers employed by the Government, the tribunal that fixed their salaries in a proper and lawful manner will continue to deal with their salaries. That is the method that ought to be adopted with the Civil Service. Sir William Lathlain said that, because of economic conditions,

he had reduced the salaries of his staff by ten per cent. and that civil servants should be reduced also. There is no analogy between the two. The authority that fixed the wages for Sir William Lathlain's staff was the authority that reduced them. If his staff desire to get a hearing in future, the best course they can adopt is to form a union and register under the Arbitration Act. I know that 90 per cent. of the civil servants, teachers and railway officers consider themselves fortunate to be in employment, and will consider themselves still more fortunate if they continue in employment. They are not averse from making some sacrifice in the present altered conditions, but what they do object to is the method by which they are being taxed, which, as Mr. Drew said, absolutely undermines and abrogates all that the civil servants and teachers have fought for and gained, namely a tribunal independent of the Government or the legislature to fix their wages and conditions. There is validity in that objection. They do not object to making a sacrifice. Taking them by and large they are good men and women, as they proved themselves during the war, but they do object to the method adopted. Another place deleted from the definition of "officer" reference to any Government worker under an arbitration award or industrial agreement registered in the court. That being so, will the Minister explain why in Clause 4, dealing with the computation of salary, provision is made for assessing the value of board and lodging "in accordance with the provisions of any relative industrial award or industrial agreement for the time being in force"? I was opposed to the police force coming under the Arbitration Court. I have many friends among the members of the force, and I have told them that in my opinion the worst possible thing the police force could do would be to register under the Arbitration Act. I have said to them, "By doing so you will to a large extent lower your status and your dignity." If there are two institutions for which this State has reason to be thankful, it is the Education Department and the police force. One corrects and guides youth; the other directs and keeps in bounds the adult. If the police force, occupying the unique position they do in our

social environment, cannot inculcate a healthy regard for their wages and conditions, it is bad luck for the force and bad luck for the community. That would be a difficulty which the Arbitration Court could not overcome. However, we live and learn. The fact of the police force coming under the Arbitration Court has achieved this, if nothing else, for them, that their employer cannot through the Legislature alter their working conditions and wages, or has not been game to do so, without the authority of the tribunal. The example set by the police force is one that might in future be followed by the Public Service and the teachers. That is a thing I do not wish to see. Good times will come again, and the members of the civil service, having memories, will then probably act in the direction of obtaining greater security in the event of bad times recurring. The future may show that the only adequate safeguard for the civil servants, the teachers, and the railway officers is to come down to the level of those who go to the Arbitration Court. I do not think any member of the community desires to see that.

Hon. G. W. Miles: Parliament can prevent it?

Hon. J. CORNELL: Parliament can prevent many things by the vote of the majority. Parliaments live and Parliaments die, but electors rarely forget. One of the worst features of Parliament, in my considered opinion, is that as soon as one party go out the incoming party fall over themselves to upset what the other party have done. That is a course which Mr. Miles does not advocate but does suggest when he says Parliament can do a certain thing. Members of Parliament should endeavour to see that reflections cannot be cast upon them. I repeat that the great mass of the men and women affected do not object to the individual and general sacrifice, but do object to the arbitrary method which has been adopted.

HON. G. W. MILES (North) [9.50]: In my opinion, the Public Service are making no sacrifice whatever. The cost of living has fallen by 15 per cent., and the reduction proposed by the Bill amounts to only 6 or 7 per cent. I regret that the Government have not had the courage to double the amount by which salaries are to be re-

duced, and that they did not have the courage to introduce a measure on those lines months ago. I predict that before we overcome this crisis, the Government will have to propose another reduction of salaries, not only of civil servants but for members of Parliament as well. The position must be grappled with; and the sooner that is done, the better. Had the Government brought in an adequate measure last July, we would not have had the unemployment that exists to-day. I hope the Bill will pass. Had the question been tackled properly and promptly, we could have got through with smaller reductions that must result from the dilly-dallying of the past.

HON. E. H. H. HALL (Central) [9.52]: I am both glad and sorry that this Bill is before us. I am glad that the Government have had the courage to take this action, notwithstanding the excellent case made out by Mr. Cornell. The hon. member suggests that the tribunals which fixed wages and salaries should be the tribunals to reduce them. However, the Government should be given credit for having had the courage to do what has been done. I am sorry that the Bill includes only civil servants. At such a time as this everybody should be made to contribute something to carry the country through the crisis.

Hon. J. Cornell: I am with you there.

Hon. E. H. H. HALL: We shall be told that we cannot tax the country into prosperity, and that if we attempt to include everybody in this taxation business people will pass it on, with the result that things will become worse than they are now. The present income of the business man may be left to the attention of the Commissioner of Taxation; but surely there are many men drawing salaries and wages who are not civil servants. It is unnecessary for me to detail them. They must be well known to the members of the Government. Why managers of businesses and similar employees should be let off scot free is more than I can understand, and is a matter I greatly regret. I have said here that every man and woman in employment of any sort should contribute something to relieve the unfortunates who have been thrown out of employment. I have also said here that most of those men and women would be glad to contribute. The fundamental causes of the financial crisis I shall not attempt to deal with; but

some members of Parliament, and some members of the community, profess to understand them. In my opinion, any member of this Chamber who has read the opinions of the London "Statist" as reproduced in this morning's "West Australian" will begin to consider whether one course which has been advocated should not at least receive consideration. As I said last night, we get people with fixed ideas. There is no harm in mentioning names, and I will remark that people belonging to the Labour Party regard their principles as sacrosanct—I do not use the word in any offensive sense. One of their principles is that rates of wages must not be touched. May I be permitted to say that the Mayor of Geraldton called a public meeting to decide whether the citizens of that town were willing to impose upon themselves a tax of 6d. in the £1 for the benefit of the unemployed. Between £3,000 and £4,000 was raised, and that sum did effectually deal with local unemployment in the municipality. If a local governing body can successfully adopt a measure of that kind, how much more successful could the State Government have been if they had introduced a Bill for that purpose! Mr. Cornell has drawn attention to the fact that a measure of this kind is introduced in the dying hours of the session. Everyone must realise the difficulties confronting the Government. We have all been inclined to be a little impatient because the Government did not progress faster towards a solution of those difficulties. We are, however, entitled to ask why this Bill was not brought down earlier. If local governing bodies have been compelled to take steps of this kind, why did not the State Government take the lead?

Hon. C. B. Williams: Are you a member of the Ministerial Caucus?

Hon. E. H. H. HALL: I have been warned against replying to interjections.

The PRESIDENT: I trust the hon. member will ignore interjections.

Hon. E. H. H. HALL: I should like to reply to this interjection if you will permit me, Mr. President. I do not attend Caucus meetings of Government members. I have given Mr. Williams his answer, and I hope he is satisfied. Notwithstanding that those who are allied with the Labour Party say wages should not be interfered with, many people have been looking to the Government for months to introduce a Bill such as this. Many of the people affected by the measure

will willingly contribute towards the maintenance of the unfortunate unemployed. That is exemplified by the action of the Geraldton municipality. What more does the hon. member want? Our duty is as clear as the sun at noon, yet some people will not appreciate that fact. I will not delay the House any further except to say that I am at once glad and sorry that the Bill has been introduced. I am positive that the great bulk of the civil servants will recognise the need for some deduction from their salaries at the present juncture in order that those out of employment may receive more assistance.

HON. E. H. HARRIS (North-East) [10.1]: When he introduced the Parliamentary Allowances Amendment Bill and also the Bill now under discussion, the Leader of the House stressed the dwindling revenue of the Government and pointed out that, financial difficulties having brought them to their knees, it was necessary to impose certain forms of taxation, including that embraced in the Salaries Tax Bill, in order to enable them to regain their feet. The public servants affected by the Bill are more or less sheltered in their occupations as compared with other citizens of the State, and I claim that they are entitled to take a share of the burden in the stressful times confronting us. When the Bill was discussed in another place, a massed attack was made upon it by the Labour members, in the course of which they claimed the Bill represented class taxation.

Hon. E. H. Gray: So it does.

Hon. E. H. HARRIS: If it is, the fact remains that the civil servants represent a section of the community who are receiving their bread and butter from the citizens of the State generally. The State has to shoulder a heavy burden and the civil servants must expect to accept their portion of the load. The Bill was attacked on the ground, among others, that it applied to Government employees whose wages and working conditions were determined by the Arbitration Court. I understand the Government took the view that as they appointed an independent tribunal—the Arbitration Court—to undertake that work, those who came within the purview of the court should have their awards referred to that tribunal for revision. As

the debate proceeded in the Lower House, I understand it was pointed out that certain of the Government employees whose wages were determined by the Arbitration Court, still remained within the scope of the Bill. As a result the Government apparently, decided to remodel the Bill to some extent and, following on a deputation that waited on the Premier, the employees I have referred to were withdrawn from the scope of the Bill, and since then their wages and working conditions have been determined by the court. If the principle that prompted the Government to exclude from the measure certain of the Government employees in order that their position might be reviewed by the Arbitration Court under the conditions I have indicated was right, I want the Leader of the House to tell us whether it would not be equally equitable to refer the public servants to the Public Service Appeal Board for a review of their salaries and conditions. In 1920 we passed the Act that provides for the establishment of the Public Service Appeal Board. I have looked through the Act and I note that the appeal board is an independent tribunal in much the same position as the Arbitration Court, which is presided over by a president, with the status of a judge, and a representative of the employers and the employees. The court fixes wages and conditions and is a sovereign tribunal from which there is no appeal.

Hon. C. B. Williams: And the Public Service Commissioner takes no notice of the board.

Hon. E. H. HARRIS: If hon. members glance through the Public Service Act and the measure under which the Public Service Appeal Board was constituted, they will find that the constitution of the board consists of a judge and representatives of the Government and the civil servants, or, where teachers are concerned, of the teachers themselves. Under Section 6, the jurisdiction of the board is defined and their power to deal with salaries and allowances and classifications is indicated. Under Clause 11 the board can determine appeals made by the Government or civil servants. The board is empowered to redress or correct anomalies, to deal with officers whose salaries take them beyond the scope of the Arbitration Court, with allowances to be added to salaries, and so forth. I submit that under that legisla-

tion there is provided a tribunal that is on the same basis as the Arbitration Court, and that the civil servants and teachers could have their position dealt with by the appeal board. Then, again, in 1920 we made legislative provision for the establishment of the Railway Classification Board to deal with matters affecting railway officers along similar lines. There again is an independent authority, the members of which hold office for three years. The duties of the classification board are defined, and if members glance through the Act they will see that the Government, in these stressful times, could have referred the railway officers to that board for a determination regarding wages and conditions. I have indicated that there are these two independent tribunals—the Public Service Appeal Board for civil servants and teachers and the Railway Classification Board for the railway officers. If the principle was good enough for the Government to exclude from the Bill those who are governed by Arbitration Court awards and to have their position reviewed by the Arbitration Court, why should not the same principle operate with the civil servants, teachers and railway officers. The necessary machinery is provided in existing legislation under practically similar conditions. I want the Minister to tell us why the Government discriminate between the two sections, one of which is despatched to the Arbitration Court and the other is dealt with under the Bill. I believe it is the duty of everyone in the State to share in the troubles confronting us. My complaint is merely against the method adopted by the Government in respect to the employees I have mentioned.

HON. E. H. GRAY (West) [10.11]. I strongly oppose the Bill, and endorse the remarks of those who have spoken against it. Here is another example of unsettling legislation. It places a terrific burden upon civil servants, teachers and railway officers, which will create a feeling of resentment and do more harm than the questionable amount of good urged on its behalf. I was impressed by the remarks of Mr. Hall and I congratulate the people of Geraldton on having collected the large amount indicated by that hon. member. Surely it must be a record for the State. It is a pity there are not more people who are seized with

the seriousness of the crisis we are passing through. Evidently the people of Geraldton have done far more than the citizens in other parts of the State. Sooner or later we will have to face, so we are told, more desperate measures than those yet suggested by the Government. I presume that means that the Government will bring forward measures that will assure that everyone in a position to pay will be made to pay towards the enormous cost of unemployment. If that should be done in the future, it will mean that the burden placed on civil servants, railway officers and teachers will be double-banked. At Fremantle the teachers especially have done remarkably good work in subscribing to the unemployment relief fund. Regularly they have placed a certain proportion of their salaries to the credit of the fund and they have a representative on the relief committee. That money has been advanced consistently since the fund was inaugurated in May last. The Bill will not encourage them to continue their good work. I subscribe to the opinion that it would be far better for Parliament to impose a tax on every member of the community in a position to pay towards the balancing of the Budget and the solution of the unemployment problem. That is the only reasonable way by which the position can be met. It seems to me that many people in high places fail to realise the position of thousands of other people. Many could render valuable assistance, but are doing nothing, and so the burden falls on the few. I do not think legislation of this character is likely to meet the position.

Hon. J. Nicholson: But we have to co-operate in the interests of industry.

Hon. E. H. GRAY: I agree with that, but this legislation will not induce people to co-operate. I will vote against the Bill, although I am afraid it will go through. It will cause great resentment and will be totally inadequate to meet the position.

HON. W. H. KITSON (West) [10.16]: I desire to register my protest against this measure. I do not propose to repeat the arguments I have used in this Chamber on a number of other measures this session, except to say that I agree with those members who have characterised this Bill as sectional or class legislation designed to compel one section of the community to pay more than a fair share towards the finances of the

State. Public servants are one and all prepared to bear a fair share of the burden. I do not think there has been heard from them any protest that would lead us to believe they are not prepared to do that. But they have protested as strongly as they can against being taxed in this way and then being called upon to bear their share of any further taxation which may be levied. We have had quite a number of taxation measures this session, all of them being designed to relieve the position of the Treasurer. It seems to me the Government would have been better advised if, instead of introducing so many tiddly-winking little measures they had taken the bull by the horns, and brought down a comprehensive taxing measure by which those who are able to pay would be called upon to pay. By that means the Government would have done more for the State and given greater satisfaction than is likely to be given by measures such as this. I have elaborated that argument on many occasions, and I do not propose to say anything further in that regard to-night. There is, however, one point I would bring under the notice of the Minister. I understand that when salaries were raised a little time ago many public servants were compelled to take out additional insurance policies. That was all right when they were receiving higher salaries, but when the Bill becomes law many of those public servants will be receiving perhaps less than they were prior to the last increase, and the additional premiums they will have to pay in order to maintain the increased insurances will in some instances, I understand, amount to a hardship. I do not know what the Government can do in that respect, nor do I suppose they intend to inflict any greater hardship than is necessary. But from one or two instances quoted to me I gather there is really something in that point, something to which the Government might well give attention. I do not propose to say anything more on the Bill. I do not agree with it in principle, and consequently I will vote against the second reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [10.20]: I thank all those members who have indicated their intention to support the Bill. Mr. Lovekin asked that when replying I

should give an explanation of Clause 4. I fancy the hon. member was confusing Clause 4 with Clause 3. It is there provided that an officer to whom board and lodging or house rent is supplied will have to pay tax on the value of those services. That is quite right. Then the hon. member pointed out that where an officer has an allowance for travelling expenses, or motor cars, the amount is not added to his taxable salary. Of course the one is an advantage and the other a disadvantage. The one is an advantage because the officer is receiving something of value, whereas in the other he is merely being recouped for amounts he has had to pay out.

Hon. J. Cornell: But the point Mr. Lovekin took was the extra emoluments received by officers in addition to their own salaries.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I have a copy of his speech, in which he complained that the lower-paid man had to suffer as against the higher-paid man. Mr. Cornell asked about Clause 4. That is meant to apply to railway officers. When there is a variation in the basic wage, that variation is reflected in the salary of the officer.

Hon. E. H. Harris: Does that cover the whole of the railway service?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Yes, all those who are not actually on the basic wage.

Hon. E. H. Harris: It does not apply to the Public Service?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: No. Then Mr. Harris referred to the two appeal boards, and asked why the Government did not refer the reduction to the appeal board.

Hon. E. H. Harris: The power is provided.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: No; that is outside the jurisdiction. The appeal boards were established for officers who thought they were justified in appealing against their classification. We could not delegate to an appeal board the power of altering the salaries paid.

Hon. J. M. Drew: You could make a reclassification.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: But the life of the Bill is only 12 months. We could not make a reclassification for 12 months.

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

Ayes	..	..	..	17
Noes	..	..	..	5
				—
Majority for	..			12
				—

AYES.

Hon. F. W. Allsop	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. E. H. H. Hall	Hon. E. Rose
Hon. E. H. Harris	Hon. H. Seddon
Hon. G. A. Kempton	Hon. H. Stewart
Hon. Sir W. Lathlain	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. V. Hamersley
Hon. W. J. Mann	(Teller.)

NOES.

Hon. J. M. Drew	Hon. A. Lovekin
Hon. E. H. Gray	Hon. G. Fraser
Hon. W. H. Kitson	(Teller.)

PAIRS.

AYES.	NOES.
Hon. H. J. Yelland	Hon. C. B. Williams
Hon. J. Cornell	Hon. J. J. Holmes

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1, 2—agreed to.

Clause 3—Interpretation:

Hon. A. LOVEKIN: I move an amendment—

That in line 3 of paragraph (a) the words "or any other allowance or emolument which the Governor may in that behalf determine" be struck out.

Some officers have been permitted by the Governor to engage in employment other than that of their own particular offices. Thus we have one officer in receipt of a salary of £1,200 and, by permission from the Governor, he earns £720 in another capacity. Under the paragraph as it stands that officer will be taxed only on his main salary of £1,200 and will be allowed to enjoy the £720 free of tax.

The MINISTER FOR COUNTRY WATER SUPPLIES: If the hon. member were right in his assumption I would agree with him. There may be cases where amounts are paid that are not covered by

the clause, but this refers to those amounts that are paid as out of pocket expenses. It does not cover extra allowances that are paid to officers in the sense referred to by Mr. Lovekin.

Hon. W. H. KITSON: This refers only to emoluments received from the Government. The amount paid to the officer referred to by Mr. Lovekin, a matter of £60 a month, is paid by a private company, and would not come within the scope of the Bill.

Hon. A. Lovekin: For work done in Government time.

Hon. W. H. KITSON: I agree that it should be taxed, but it cannot be taxed under this Bill.

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

Ayes	..	..	..	9
Noes	..	..	..	14
				—

Majority against .. 5

AYES.

Hon. F. W. Allsop	Hon. W. J. Mann
Hon. J. M. Drew	Hon. G. W. Miles
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. J. Nicholson
Hon. A. Lovekin	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. Sir W. Lathlain
Hon. J. T. Franklin	Hon. J. M. Macfarlane
Hon. G. Fraser	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart
Hon. G. A. Kempton	Hon. C. B. Williams
Hon. W. H. Kitson	Hon. Sir C. Nathan
	(Teller.)

Amendment thus negatived.

Clause put and passed.

Clauses 4 to 9—agreed to.

Clause 10—Salary tax paid to be a deduction for income tax purposes:

Hon. A. LOVEKIN: Would it not be wise to take this clause from the Bill and insert it in the Assessment Bill? It is very convenient to have all such deductions in the Assessment Act.

Clause put and passed.

Clause 11—Operation of Act:

The CHAIRMAN: Standing Order No. 175 says that any clause which provides for the temporary duration of a measure shall appear at the end thereof. This clause is

not at the end of the Bill. I would draw attention to the fact that this is the third Bill of a temporary duration which has come from another place and not one has conformed to the standing orders or to ours in regard to this matter. The number of this clause should be altered to 12.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I move an amendment—

That Clause 11 be transposed to stand as Clause 12.

Amendment put and passed.

Clauses 11, 12—agreed to.

Schedules 1 to 3, Title—agreed to.

Bill reported without amendment and the report adopted.

Re-committal.

On motion by Hon. H. Stewart, Bill re-committed for the further consideration of Clause 3.

In Committee.

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

Clause 3—Interpretation:

Hon. H. STEWART: I move an amendment—

That in line 3 of paragraph (a) the words "or emolument" be struck out.

I am not at all clear from the explanation of the Minister what is intended to be covered by the word "emolument." The Minister said there were all sorts of items that might be covered. Why is this drag-net paragraph necessary in view of the definition of salary, which seems to cover everything desirable?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: In Bills of this description it is always necessary to include a clause such as that referred to by the hon. member. From time to time it is found that there are items it is necessary to cover.

Hon. H. Stewart: To exempt them?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Yes. Even if we agree to strike out the words suggested, there are various payments that could not be dealt with. I can assure the Committee that the Government are out to get every possible penny.

Hon. A. LOVEKIN: It is desirable that legislation shall be consistent. The definition of "salary" indicates that it includes every emolument payable. Then in paragraph (a) we say that the term "salary" does not include emoluments.

Hon. H. Stewart: If the Governor so desires.

Hon. A. LOVEKIN: I do not think the drag-net clause is necessary. It has been inserted insidiously, the object being, perhaps, to protect certain emoluments.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I ask the hon. member to withdraw the statement that the clause has been framed with that object in view.

The **CHAIRMAN**: I am sure Mr. Lovekin will withdraw the remark to which the Minister takes exception.

Hon. A. Lovekin: I will withdraw anything.

Hon. G. W. MILES: There is one point upon which I should like an explanation from the Minister. When first this Bill was introduced in another place the Premier announced that the tax would be imposed from the 1st October. Since then it has been given out that the tax will not start until the Bill comes into operation. The tax of 10 per cent. on the allowances of members has been in operation from September.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: It makes no difference; the period of this Bill is for 12 months, just the same as the measure taxing members of Parliament; so both members and public servants will be taxed for 12 months. It amounts to the same thing.

Hon. G. W. MILES: It does not. I think these reductions should begin from the time when members' salaries were reduced. I understood that that was to be the arrangement.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: If this tax on public servants were to be made retrospective to the 1st October, the public servants would have to pay it for 14 months.

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

Bill reported with an amendment, and the report adopted.

Third Reading.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the Bill be now read a third time.

HON G. FRASER (West) [10.55]: I have no wish to delay the third reading, but I missed my opportunity to register a protest on the second reading. I do sincerely want to record my protest against this Bill. It has often been declared by members that all public servants should be free from political interference. The railway officers have their salaries fixed by a classification board, but under the Bill they are to be subject to political interference to the end that their salaries may be reduced. And not only is there about the Bill this ugly aspect of political interference, but public servants and teachers who will suffer this reduction have already suffered the loss of their district allowances, and some will suffer a further reduction by the amendment of the basic wage. So they are being penalised to a greater extent than are any other workers in the State. It is wrong that such legislation should be carried. Railway officers, school teachers and public servants will now have to carry a greater burden than other sections of the community. Members who vote for this measure are utterly inconsistent. One day, when no wages or salaries are affected, they record protests against political appointments being made, but when it comes to a man's living they think nothing of exercising political interference. The Premier, because of certain representations made to him, excluded from the scope of this measure Government employees working under an Arbitration Court award. I agree with that, but I say the Premier should have gone further and dropped the Bill altogether.

Question put and passed.

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

BILL—HOSPITAL FUND.*Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 3 to 8 inclusive made by the Council and had disagreed to amendments Nos. 1 and 2.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the President do now leave the Chair and the House resolve into Committee to consider the Message.

Hon. A. LOVEKIN: Does not the Minister intend to give us an opportunity to see what has been done before asking us to consider the message? I do not know what the amendments are, and it is only fair that we should know before we are asked to consider them.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Chairman will read the amendments and, if members are not satisfied, I shall be prepared to postpone discussion until other items have been dealt with.

Question put and passed.

In Committee.

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

No. 1: Clause 4.—Insert after the word "week" in line 35 the following words:—"whether paid in cash or provided as board and lodging."

The CHAIRMAN: The Assembly's reason for disagreeing to both amendments is because it is not equitable to tax anyone in receipt of less than £52 per annum.

Hon. H. STEWART: It is always difficult to consider such amendments. Will the Minister tell us on what page of the minutes we can find them?

The CHAIRMAN: The minutes of the 3rd December.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the amendment be not insisted on.

It is not reasonable to tax people in receipt of less than £1 a week.

Question put and passed; the Council's amendment not insisted on.

No. 2. Clause 4, paragraph (11).—Delete the words "in respect of wages not less than one pound a week" in lines two and three (on page three).

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the amendment be not insisted on.

Hon. J. NICHOLSON: The reason why we deleted those words was that a man receiving 10s. a week plus board and lodging would be in a better position than a man receiving £1 or 25s. a week and living at home.

Question put and passed; the Council's amendment not insisted on.

Resolutions reported, the report adopted and a message accordingly returned to the Assembly.

BILL—HOUSING TRUST.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—UNIVERSITY BUILDINGS.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—FINANCE AND DEVELOPMENT BOARD.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [11.13] in moving the second reading said: Under this Bill it is proposed to create a finance and development board with power to provide funds for the Agricultural Bank so that its usefulness will in no way be jeopardised by the inability of the Federal Treasurer to raise money with which to carry on the institution. In the past Parliament has always appropriated funds for the bank, but from now on serious difficulties in the financing of the institution are anticipated if those appropriations are to be dependent on moneys coming from the Fed-

eral Treasurer. In view of that possibility the Government consider that the passage of the Bill provides a way out of the difficulty in safeguarding the continuance of the functions of the bank. The current responsibilities of the bank are great and they must be met. Men are engaged upon clearing land on authorities issued many months ago. Those authorities cannot be honoured by the bank unless the necessary money is forthcoming. A few days ago the total of the authorisations outstanding was just under £900,000. The bank thought it advisable to cancel all the long-dated authorisations; but even now there are outstanding authorisations to the amount of £330,000, and work is being done under them, and moreover other authorisations will have to be made. Therefore it is necessary that the State should be in a position to meet its commitments for the bank quite apart from the State's ordinary requirements. The Financial Agreement controls the raising of money and it is now difficult to secure even very limited funds for the purposes of the State.

In some of the States there are semi-Government institutions which possess separate borrowing powers; and by this Bill the Government are asking their own legislature to give the bank similar powers. On inquiry it has been ascertained that the Sydney and Melbourne Metropolitan Boards of Works, the Melbourne Harbour Trust, the Melbourne Tramway Board, and the Sydney Water and Sewerage Board all have separate borrowing powers, and all raise their funds outside the Loan Council. At the first meeting of the Loan Council attended by the present Premier, authorities totalling £7,200,000 to be raised by some of the bodies referred to were mentioned, and the Federal Treasurer was consulted in regard to the raising of that money. It is proposed that the Government shall be empowered to borrow money on behalf of the Agricultural Bank. It is hoped to make an arrangement with the London and Westminster Bank to finance the board.

The State has had an overdraft at that bank for some years. That overdraft has been used for loan purposes and the State has raised money in connection with that overdraft when the London and Westminster Bank thought the time favourable to pay off the overdraft. A similar course of action is proposed under this Bill. By

means of it the Government propose to borrow overseas and to secure the help of the London and Westminster Bank by way of a temporary overdraft, pending the borrowing of a long-term loan when the market is favourable. The same method of finance will apply as obtained prior to the advent of the Loan Council, and the Treasurer is confident that the London and Westminster Bank will co-operate in the matter. In times such as the State is now passing through, it is essential that it should have the means of helping farmers who will be in distress as regards putting in the next harvest; but the State is powerless to afford assistance unless the Federal Government is able to raise the necessary money and it is now apparent there will be a shortage of funds from that source. It is important that the development of our industries should be carried on. Our farmers, particularly our single-crop farmers, are long-term debtors. It has been the policy of all Governments to finance settlers in the initial stages of settlement, and to permit of the continuance of that policy it will be necessary to possess the wherewithal.

The indirect gain to the Treasury as a result of the assistance rendered by the Agricultural Bank is enormous. Last year agriculture returned about £25,000,000, which is nearly twice as much as is owing to the Agricultural Bank and the various concerns attached to that institution. In the absence of that indirect help, the State would be helpless in meeting its obligations. Therefore authority to appoint a finance board to raise a fund, that is absolutely essential to further development, is imperative. Under the scheme proposed in the Bill the Commonwealth will not make any contribution towards sinking fund, which the board will have to find. The present funds of the Agricultural Bank will be transferred to the board, and all moneys, no matter how raised for the Agricultural Bank will pass to the control of the Board. The Treasurer has ascertained that there will be no objection to the course proposed in the Bill. The scheme of procedure will be somewhat similar to that followed by other semi-Government institutions in the Eastern States. Those semi-Government bodies experience no trouble in borrowing. They are not subject to the Financial Agreement, but they always consult the Federal Treasurer who refers them

to the Loan Council. Naturally it is not proposed to rush on the market in competition with the Federal Treasurer. That would be a suicidal policy, and the State would lose if it followed that course of action. Under the Bill borrowing can only take place with the approval of the Governor in Council.

The board appointed to control the financial section will consist of three members. The General Manager of the Agricultural Bank will be Chairman, and the Under Treasurer will be the second member. The third member may or may not be a member of the civil service, but it is proposed for the present that he shall be a member of the civil service. The board will not only be responsible for the raising of the money, but also for the payment of interest and sinking fund. It will be the duty of the board to see that the interest and sinking fund are got together. If the interest and sinking fund do not come in, the board will have to cover the matter temporarily by the use of its own funds.

Usually, there is something approaching a million pounds of interest outstanding on account of the activities of the Agricultural Bank. That would be about a year's interest on the capital of the bank. Sometimes the amount is lower. At any rate, the board will become responsible in that respect, even if it has to apply to the Government for the money. There is no intention to make any changes in the personnel of the Agricultural Bank, who will carry on their work as they are doing now. It will be necessary for them to satisfy the finance board that the money is being wisely spent and that interest is being collected.

Enormous sums are being controlled by the Agricultural Bank to-day. On the 30th June last the advances outstanding were:—

Agricultural Bank	£5,700,172
T.A. Board	2,481,011
Soldier Settlement Scheme ..	4,456,400
Total	<u>£12,637,584</u>

Because of the existing position the outstanding loan authorisations are lower now than they have been for years past. The State is responsible for all money that the bank has invested and will be responsible under the new scheme. It is hardly neces-

sary to point out the effect of a bad season to the Treasury. This season's crop is a record one, but unfortunately the prices are at a very low level and those prices will be reflected in the receipts of the Treasury.

The position of the Agricultural Bank has been serious since the State accepted the limitations imposed under the Financial Agreement. In the interests of the farmer and of the new settler it is advisable to remove the current difficulties as far as they can be removed by the appointment of the proposed finance board. The finance board will be charged with the responsibility of raising funds and of financing operations generally, but will not interfere in the slightest with the operations of the Agricultural Bank. The General Manager of the Agricultural Bank will be chairman of the finance board, and will still be in charge of the bank itself. There will really be the finance board between the trustees and the Government, but the board will have nothing to do with the work of the Agricultural Bank trustees.

The powers sought in this Bill are additional to those in the Agricultural Bank Act. The authority embodied in the latter Act will still be necessary. It will still not be possible to spend money, even when it is raised by the board, unless that money is within the margin available under the limitations imposed by the Agricultural Bank Act. Under that Act, there is at present a considerable margin of authority for increased funds, and the moneys to be raised by this Bill will be used to satisfy it.

The various clauses of the Bill deal with the establishment of the board, the appointment of the members and their duties and provide the necessary machinery for carrying out the purposes of the board. It is provided in Clause 3 that after the commencement of the Act no moneys shall be raised by mortgage bonds as provided in the Agricultural Bank Act of 1906. That method of raising money has not been resorted to for many years, until quite recently when debentures for £200,000 were given to the Commonwealth Bank. If the Board is established, that means of obtaining funds will not be availed of.

Clause 4 deals with the establishment of the board which is to consist of the managing trustee of the Bank, the Under Treas-

urer and a third member to be appointed by the Government. Sub-clause 1 of Clause 5 provides that the managing trustee and the Under Treasurer shall be members of the board by virtue of their respective offices, and Subclause 2 of the same clause provides for the appointment of a third member for a period of seven years. Clause 6 deals with the appointment of deputy members during the illness, suspension, or absence of any member of the board. Clause 7 declares that a member or deputy member of the board shall not be deemed to be employed in the Public Service of the State. That provision is necessary in view of the possible appointment of unofficial members to fill the third position, or as deputies. Clause 8 provides for a quorum.

Clause 9 deals with the fees to members of the board who are not members of the public service. The fees for such members must not exceed five guineas for each board meeting attended, and the clause stipulates that the total fees paid in any one year must not exceed £250. Clause 10 contains provision for the appointment of officers to assist the board. They are to be appointed under the provisions of the Public Service Act. Clause 11 provides for the disqualification of members who may become officers of any bank, firm, or institution making advances on the security of land in this State.

Clause 12 relates to the vesting in the board of certain funds in the nature of advances to (a) the Agricultural Bank, (b) the Discharged Soldiers' Settlement Board, (c) the Industries Assistance Board. Under the clause the board becomes responsible for all funds used in the operations of the Agricultural Bank and its allied activities.

Clause 13 is one of the most important in the Bill. It provides that the board may, with the approval of the Governor, borrow money for making advances to the Bank. Clause 14 provides for money being borrowed on debentures and secured on the income, assets and other property of the board. Clause 15 prescribes the form in which the debentures must be issued.

Clause 16 provides that prior to obtaining the approval of the Governor to a proposed loan, the terms, including the rate

of interest, must be approved by the Treasurer. Clause 17 orders the appropriation half-yearly of the interest due on all debentures outstanding. Clause 18 provides that the board shall invest a sinking fund at the rate of 10s. per centum per annum on the principal sum of the debentures issued; the sinking fund to be invested in the name of the board, and to accumulate at compound interest. Clause 19 gives the board power to invest the sinking fund in the purchase of debentures issued by the board, and orders the cancellation of debentures so purchased. Clause 20 provides that the board must continue to contribute a sum equal to the half-yearly interest and sinking fund contribution on such cancelled debentures for such period as they would have been current. Clause 21 enables the board to use the sinking fund for the redemption of any loan on its due date. Clause 22 deals with the payment of interest to the debenture holders.

Clause 23 enables the board to obtain funds placed at its disposal by the Treasurer, in addition to any moneys that it might raise under Clause 13. Clause 24 makes the State responsible for all the moneys due by the board. Clause 25 enables the Governor to authorise the sale or disposal of debentures outside the State and to appoint agents. Clause 26 provides for the keeping of a register of debentures. Clause 27 provides for copies or extracts of the register being obtained.

Clause 28 provides that in the issue or transfer of any debentures the board shall not recognise any trust expressed or implied or constructed. That clause is very desirable. It may obviate any possibility of legal difficulty arising under trust, etc. A similar clause is already inserted in our Loan and Inscribed Stock Act. Clause 29 provides that the issue of the debenture will be sufficient proof to the person advancing the money. Clause 30 provides for the replacement of debentures defaced by accident. Clause 31 provides for the replacement of debentures lost, burnt, or otherwise destroyed.

Clause 32 enables the board to advance to the bank any moneys the board may consider advisable so as to enable the bank and its sub-branches—the Soldier Settlement Board and the Industries Assistance Board to operate. The clause also provides for advances under Part 3 of the Industries As-

sistance Act, 1915, being made by the board. In the past the advances referred to have been made direct from the Treasury. Sub-clause 2 provides for the provisions of the Industries Assistance Act operating in regard to such advances.

Clause 33 provides for the receipts, whether interest or repayment of principal, being first used for a percentage payment of administrative purposes as prescribed by the board but otherwise to be repaid by the board to carry on the provisions of the Act. Clause 34 provides for the making of regulations.

Continuing my remarks on the general purposes of the Bill, it will be found that in a finance board, clothed with the responsibility of meeting interest charges on existing investments and in respect of any further borrowings, the State will have a body that will assist considerably in the management of our financial institutions generally. It is also necessary to carry on the operations of the bank untrammelled by any failure on the part of the Loan Council to procure funds. That is the condition that obtains at present and the only way to relieve it is to borrow overseas. The State cannot afford to pay 6 per cent. on money borrowed for Agricultural Bank purposes, and that is the rate that applies to Australian borrowings. Moreover it is considered inadvisable to borrow on the Australian market.

Hon. G. W. Miles: At what rate do you reckon on paying for money borrowed overseas?

The MINISTER FOR COUNTRY WATER SUPPLIES: I should say 5 per cent. The cheapest money possible is required for the Agricultural Bank and the State must be in a position to secure it when it is available. There are many advantages to be derived from that method of finance. It will free us in respect of any money that the Federal Government can borrow for loan works that have to be carried out. Every year our authorisation for the Agricultural Bank goes on. This year the State may not have to spend quite so much as previously because at the moment wheat growing is far from popular. The bank has not been able to clear the additional area desired for crop and, in the circumstances, one cannot wonder at that.

A considerable percentage of our borrowings has been used for Agricultural Bank purposes. The finance board will relieve the position regarding flotations authorised by the Federal Loan Council in respect of money the State will require for individuals. Western Australia lends a great deal more to individuals than is loaned from the borrowings in any other State. The trustees of the Agricultural Bank are always insistent in their demands for money to meet their requirements. Over a period of years, it will be found that the requirements of the bank have verged on £1,000,000 annually and sometimes it has been far more than that. In consequence important public works have had to be held over. It is anticipated that at least £2,000,000 will be necessary to assist those who will require aid in their cropping operations. It is in the interests of the bank's securities that the fallow land shall be cropped.

Naturally the bank must collect the interest owing so that it may be able to grant further assistance. People who are fighting the elements must take risks. Should the rains fail them, then they will have to fall back on the people who backed them, and the Agricultural Bank must not be restricted, as it is, to the limited borrowings permissible under the Loan Council. In the other States there are similar semi-Governmental institutions as that proposed under this Bill, that raise enormous sums of money and it would be wrong to deny ourselves the right to do likewise. This State will not require to raise an enormous sum, but it will need some funds to enable it to continue development and, therefore, it is proposed that the responsibility for raising the moneys shall be vested in the finance board. It will really be a farmers' finance board, charged with the responsibility of raising money, and of seeing that it is properly invested and the interest collected. I move—

That the Bill be now read a second time.

HON. J. M. DREW (Central) [11.35]: I have been able merely to glance through the Bill, but I have listened attentively to the clear exposition given by the Minister, and I am sure his description of the measure and its effect was accurate. If that is so, then the Bill has my hearty support. It is true it represents an evasion of the Financial Agreement, but we have had a

number of examples of that in the various States of the Commonwealth. Large sums of money have been raised for various purposes somewhat similar to that mentioned in the Bill. Last year the Collier Government introduced an amendment to the State Savings Bank Act to make provision for rural credits, and we adopted a somewhat similar method. The bank was to be made a body corporate, thus making it a separate entity of the Government. I should like an assurance from the Minister that the rate of interest that will be fixed by those administering the measure will not be in excess of that arranged by the Loan Council. Should our rate be in excess, trouble would be likely to arise, particularly under a Bill of this description, which will be permanent and not a mere temporary provision. Great care will have to be exercised to make sure that the Government will not come into collision with the Federal Loan Council. Just prior to his defeat Mr. Bruce, when Prime Minister of Australia, had contemplated action with a view to preventing semi-governmental institutions from raising loans and thus affecting the credit of the Commonwealth. In the circumstances, however, nothing was done. I feel sure the Government will be careful to fix the rate of interest so that it will not be higher than that offered by the Loan Council. The Minister intimated that it was expected the Government would be able to raise money in London at 5 per cent.

Hon. G. W. Miles: How can they do that if the Commonwealth cannot?

Hon. J. M. DREW: Six weeks ago the Premier said he would be able to raise the money; so, once the measure is passed, that phase will be tested. Even if the rate is lower than that at which money could be raised in the Commonwealth, there is a further feature to be taken into consideration. All the money raised for the purposes of the Agricultural Bank is loaned out and is returned to the bank eventually. The Financial Agreement provides that the Commonwealth shall find half the sinking fund contributions. We pay 5s. per cent., and the Commonwealth pays 5s. per cent. That means to say that the Commonwealth meet half our future liabilities. That phase should be taken into consideration. These are times when money is needed for the purposes of further development, and the fact that the money is to be used in that

direction will have some weight in the Old Country. It should result in support being given to the loan, and if the Government were able to raise a million pounds to assist the farmers through their present stressful times by means of loans through the Agricultural Bank, the Industries Assistance Board and other similar institutions, the addition to our funds would be welcome indeed. I may have to oppose certain clauses in the Bill. I have not examined them closely at this stage, and I have accepted the Minister's explanation. I hope that the Government will be able to render the necessary assistance to the farmers, and I shall support the Bill in order to have it placed on the statute-book as soon as possible.

HON. J. NICHOLSON (Metropolitan) [11.40]: I listened with interest to the exposition given by the Minister in moving the second reading of the Bill. I am glad Mr. Drew has referred to the question of interest and sounded a note of warning as to the desirability of the Government not paying a higher rate of interest than would be recognised in similar negotiations for loan purposes by the Loan Council. The position is a peculiar one inasmuch as we, one of the States of the Commonwealth, are going to formulate a scheme whereby we practically contract ourselves out of our agreement with the Loan Council. It looks as if we are about to commit a very serious breach of a statutory contract.

Hon. J. M. Drew: It is not a breach of the law.

Hon. J. NICHOLSON: It is very like a breach of the contract made with the Commonwealth Government. Yet the Minister has intimated that the State Government are safe in acting as they have done.

The Minister for Country Water Supplies: No objections have been raised to it.

Hon. J. NICHOLSON: In the light of the present circumstances, I am looking forward with interest to the London market being approached. We are part of the Commonwealth. It has been suggested that we should secede from the Commonwealth. I suggest that so long as we are bound by the ties of Federation, so long will our credit be affected by the condition of affairs within the Commonwealth. Unless we can control the actions of persons in other parts of the Commonwealth, I feel that in borrowings overseas the credit

of Western Australia is bound to be affected. We have been endeavouring to put ourselves upon a better financial basis than we are at present, but as partners in the Commonwealth we share the responsibility that all partners have. That being so, I am afraid we shall be confronted with difficulties. Of course it is very courageous on the part of the State Government—

Hon. G. W. Miles: Following out their borrow or bust policy.

Hon. J. NICHOLSON: There is certainly this to be said, that a great deal of courage is demanded on the part of any Australian Government that would go on the London market at the present time. Credit is influenced by the actions of those in charge of affairs. I do not know what the people in a position to lend money will think when they read of the decisions and deliberations taking place from day to day in our Federal Parliament. The lack of cohesion, the lack of unity, and the lack of wise effort on the part of the Federal Ministry will seriously impede us here in carrying out the purposes of this Bill. Until financial matters are put on a sure and better basis than they are at present within the Commonwealth, it will be hopeless to approach the London market. In the light of the threatened inflation, would any member recommend his friends in London to advance money just now on such securities as might be offered. If inflation is brought about, it will be a most serious thing for the whole of the credit of Australia and may destroy the hope we in Western Australia entertain in trying to improve our position. There is nothing more essential to our development than the securing to ourselves of a solid foundation for any proposals we may have to make to people in any other centre. The Bill proposes to appoint a board who will practically take over the securities at present held by the Agricultural Bank. Clause 12 states—

The following funds are hereby vested in and shall by virtue of this section be transferred and delivered to the board, that is to say, (a) All funds which are or shall come under the control of the bank and are or shall be available for the purpose of making advances under the Agricultural Bank Act, 1906, or any other Act.

The moneys that are to be taken over were raised on loan by the State years ago, and I understood that those funds came under

the Financial Agreement and that the Commonwealth had taken them over. If that is so, I doubt whether the clause is in order.

Hon. E. H. H. Hall: We shall soon find out.

Hon. J. NICHOLSON: But it is our duty to direct attention to the point so that the Minister may make inquiry and assure us of our position. Clause 12 mentions other funds that are to be transferred to the board as follows:—

(b) All funds which are or shall come under the control of the Discharged Soldiers' Land Settlement Board, and are or shall be available for the purpose of making advances or acquiring properties under the Discharged Soldiers' Settlement Act, 1918; and (c) All funds which are or shall come under the control of the Industries Assistance Board, and are or shall be available for the purpose of making advances under the Industries Assistance Act, 1915.

All those funds will be vested in the new board, but I take it they are already charged to the people who have advanced us the money. Whatever money is borrowed by the board will be borrowed on debentures, and I should like to know exactly what security will be given. Surely it cannot be created on the security which is practically charged under the loans already obtained in London! Surely it is not contemplated that the board should raise funds on securities that are already the subject of borrowings made years ago! The matter should be investigated. We must put ourselves in a fair and proper position with the authorities from whom we may borrow the money. Clause 24 provides that the State shall be responsible for all moneys due by the board. Naturally one could not expect the State to be otherwise than responsible, but I understand that the bodies such as the Melbourne Harbour Trust, the Metropolitan Board of Works and the body controlling the water supply of Melbourne are separate bodies and have been so for a good many years.

Hon. H. Stewart: The employees of the Board of Works are not Government servants.

Hon. J. NICHOLSON: That is so. But under this measure members of the board would be Government servants.

Hon. H. Stewart: Yes, appointed by virtue of their offices.

Hon. J. M. Drew: That would not make any difference.

Hon. J. NICHOLSON: It might not make any difference. Still, those bodies in the Eastern States were created under distinct Acts long before the Financial Agreement Act was passed.

Hon. G. W. Miles: Some of them were in existence before Federation.

Hon. J. NICHOLSON: Yes, and we are not entitled to say that a board created under a statute passed since the making of the Financial Agreement is in an analogous position to a board created years ago. Our position would be entirely different. Consequently the matter needs the fullest investigation to ensure that we shall not in any way infringe our position under the Financial Agreement. If the State is to be made liable for all moneys due by the board, as provided in Clause 24, it will be pledging all those assets. Perhaps the Leader of the House can ascertain whether in Victoria, for instance, the State actually guarantees the loans granted to the various trusts and bodies.

Hon. H. Stewart: The boards there do not need it; they can borrow for themselves.

Hon. J. NICHOLSON: I recall that a tramway trust on one occasion borrowed money on most favourable terms, certainly more favourable than the Government of the day were able to borrow. Perhaps the same position obtains in respect to other boards.

Hon. H. Stewart: The Metropolitan Board of Works is a wonderful security.

Hon. J. NICHOLSON: I do not think the Victorian Government have guaranteed any of the loans raised by that body, but it would be interesting to know definitely. I also want to know whether the fact of the Government guaranteeing the proposed board would not in some way or other infringe the provisions of the Financial Agreement Act. What I have said is sufficient to command serious consideration for the Bill. It would be my last thought to do anything that would prevent the development of the agricultural industry. I wish to see it progress and I wish to aid it, but any action we take must be along lines that are sound and proper and that could not be questioned later on. As to my attitude to the second reading of the Bill, I shall reserve my decision until I have heard further discussion on the points I have raised.

HON. H. STEWART (South-East) [12.0]: If the Minister is correct in his surmise, and cheap money can be obtained for utilisation in rural pursuits in this State, the Bill will prove very valuable. I have grave doubts whether people would lend this money, if they took into consideration only the figures quoted by the Minister showing the amount the bank has handled and the amount that is outstanding in interest. I do not think his optimism with regard to getting money at 5 per cent. would then be realised. No doubt there is plenty of money available where the character of the security is good and the lenders have confidence in it. We have the example of South Africa where, in spite of its gold production of £45,000,000 per annum and its agricultural and general industries, the people are passing through adverse times, and there is a considerable amount of unemployment. The illustrations quoted of the Melbourne Tramway Trust, the Melbourne Harbour Board, and the Melbourne and Metropolitan Board of Works—the last-named controls the sewerage and water supply schemes of Melbourne and suburbs and was inaugurated nearly 40 years ago—are not comparable with this proposed bank board. Anyone on reading this Bill would conceive the idea that this board was essentially a Government body, whereas the trusts to which I have referred are not even of a semi-Governmental character. These trusts are not even local governing bodies. They were created by representation from the local governing authorities within Melbourne and suburbs, so far as the Melbourne and Metropolitan Board of Works is concerned, and the Tramways Trust was a public company that had certain agreements with the local governing authorities and received certain concessions from them. More modern legislation has done away with the old Melbourne Tramways Trust. Since electric trams have become universal in the Victorian capital, I am not sure what the position is there. I think the whole business was taken over and put on a different basis. If those who have money to lend are satisfied that the scheme before us is a good one to invest in, and cheap money can be obtained, it will be a good thing for the country and rural development generally. The Bill does not make clear one point, although the remarks

of the Minister did. He was referring to Clause 32. He said that paragraph 2, which deals with the Industries Assistance Board, would be applicable to Part III of the Industries Assistance Board Act. That Part deals with something beside rural development; it deals with assistance to mining and other industries. Under that part of the Act large sums of money have been loaned and never recovered, and possibly never will be recovered. I think it would be found that a loan was made for the railway from Meekatharra to Horseshoe, but there is probably little prospect of getting any return from it for some time. I am inclined to think the loan ran into a large sum of money, and that if I mentioned somewhere about £50,000 I would not be wide of the mark. The Auditor General's report for the year ended 30th June, 1929, dealt with that matter, and I drew attention to it. I take it that the guarantee given by the previous Government to the Wiluna Gold Mine ran into about £300,000, and that this came under Part III of the Act, although the guarantee was subsequently backed by the Commonwealth Government.

Hon. J. Cornell: It does not come under that.

Hon. H. STEWART: We recall the advances made to Rayner's jam factory. The Leader of the House, when Honorary Minister in the Administration which made that advance, had a good deal to do with the matter. We know the difficulties experienced by that industrial concern.

Hon. Sir William Lathlain: And there were the Calyx works also.

Hon. H. STEWART: I was not going to forget that, or other enterprises to which advances were made. If it is understood that the Bill is given this wide scope, it will no doubt tend to depreciate the value of the security for advances to the agricultural industry, by comparison with the position that would be created if the reference to Part III of the Act were eliminated from the Bill. If the measure provided purely for rural credits, and nothing else, it would more readily inspire confidence, and as a result of inquiries made, people would not be faced with the position that the funds subscribed might be used to encourage various commercial ventures of a doubtful nature.

The Minister for Country Water Supplies: There is no fear of that. We shall not be able to get enough money for agricultural purposes alone.

Hon. H. STEWART: I am not talking about the amount that might immediately be raised or of the purposes to which it might be devoted. It seems to me if this fund can at some future time be diverted to these other purposes, as has been the case in the past, and as is provided in the Bill, it is quite unlikely that if the people who may be going to lend the money realised the position, they would demand a higher rate of interest because of the additional risk associated with the security compared with what would be the case if the money were spent purely on agricultural pursuits. As times goes on the land, for the development of which this money would be used, must be of increasing value.

On motion by Hon. G. W. Miles, debate adjourned.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

In Committee.

Resumed from an earlier stage of the sitting; Hon. J. Cornell in the Chair, the Minister for Country Water Supplies in charge of the Bill.

Clause 3—New section (partly considered):

Hon. W. H. KITSON: Mr. Nicholson has found it too difficult to frame an amendment to secure something he desires, and the Leader of the House has not been able to satisfy Mr. Harris as to the meaning of the Bill, or as to how the Government Statistician would deal with the position. However, the Minister has satisfied me that my statements on the second reading were quite correct. It is common knowledge that the Statistician prepares cost of living figures every month and every quarter. Those figures are published in the "Government Gazette" and in the Press. Recently published figures of his show a considerable decrease in the cost of particular items to which he refers. The Bill provides that after the basic wage has been determined on the 14th June of any year—all parties having been heard—the Government Statistician shall in each

quarter submit his figures to the State Arbitration Court, and that the court shall take them into consideration. If the Government do not intend the court to act on those figures, what is the reason for the Bill? Apparently the Government Statistician is substituted for the Arbitration Court as regards any alteration in the basic wage to take place in between annual declarations. Such action, I reiterate, is simply repudiation. Surely the worker is entitled to 12 months of what is termed stability, especially as the employer was able to obtain such stability during a period when prices were rising rapidly. I move an amendment—

That in Subclause 1 the following words be struck out:—"and if such statement shows that a change of 1s. 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 and for the time being in operation under this Act for the unexpired term of such basic wage, or until the same is again reviewed under this section."

If the amendment is carried, the Government Statistician will still have to prepare his figures and still have to submit them to the court, and the court will still have to take them into consideration. I understand that the Statistician's figures are supposed to give the average of the quarter. They may represent a fair average on the figures supplied to him by the interested persons from whom they are secured. However, there have been many complaints regarding the figures, and surely there is something to be taken into consideration besides the figures. If the Minister's statements are correct, there is not likely to be any immediate alteration of the basic wage if the Bill passes, because the Arbitration Court will be in recess. The Government Statistician will not be able to submit figures for the March quarter until April. The Arbitration Court is already directed, by the principal Act, to determine by the 14th June the basic wage for the next year. And so there can be no point in providing that the Statistician shall submit figures for each quarter and that the court shall take them into consideration. Under the amendment the Statistician will supply figures but the court will please itself as to what it does with them.

The MINISTER FOR COUNTRY SUPPLIES: I should say the only mistake Mr. Kitson has made is in not extending his amendment so as to cut out more of the clause and thus make it more effective. If the amendment were agreed to, the Bill itself would be destroyed. I shall not labour the point, as hon. members realise what the amendment means.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	13

Majority against .. 9

AYES.

Hon. J. M. Drew
Hon. G. Fraser

Hon. E. H. Gray
Hon. W. H. Kitson
(Teller.)

NOES.

Hon. C. F. Baxter
Hon. J. T. Franklin
Hon. E. H. H. Hall
Hon. V. Hamersley
Hon. G. A. Kempton
Hon. Sir W. Lathlain
Hon. J. M. Macfarlane

Hon. W. J. Mann
Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. E. Rose
Hon. C. H. Wittenoom
Hon. G. W. Miles
(Teller.)

PAIR.

AYE.

Hon. C. B. Williams

NO.

Hon. H. J. Yelland

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and passed.

House adjourned at 12.27 a.m. (Friday.)

Legislative Assembly,

Thursday, 11th December, 1930.

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

QUESTION—WYNDHAM MEAT WORKS.

Mr. COVERLEY asked the Chief Secretary: 1, Will he lay on the Table the report made by the Wyndham auditor on the Wyndham Meat Works for the year 1930? 2, What amount of money was paid to C. D. McCoombe for car hire while entertaining visitors and tourists during the last two years? 3, What other moneys, apart from salary, have been paid to C. D. McCoombe during the last two years, and what were the amounts for? 4, Does the Minister intend to carry out the recommendations of the recent Beef Commission and hold an inquiry into the management of the meat works?

The CHIEF SECRETARY replied: 1, The report will in due course be laid on the Table of the House. 2, The amount paid to C. D. McCoombe for car hire during the last two years was £130. Of this amount £102 relates to 1929 and £28 to 1930. 3, In the year 1929 a total sum of £530 was paid to C. D. McCoombe for milk, eggs, and vegetables supplied to the canteen. In 1930 for similar commodities he was paid the sum of £668 up to the latest advices. 4, I have not yet had an opportunity to consider the recommendations.