

Legislative Assembly,

Tuesday, 14th July, 1931.

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

PREMIERS' CONFERENCE, REPORTS.

THE PREMIER (Hon. Sir James Mitchell—Northam) [4.33]: I present copies of the "Hansard" reports of the Premiers' Conference proceedings. I should like to explain that the reports are not complete; the "Hansard" reporters were not present at all sittings.

QUESTION—DRIED FRUITS ACT.

Mr. THORN (without notice) asked the minister for Agriculture: Do the Government intend to bring down this session a Bill to extend the operations of the Dried Fruits Act?

The MINISTER FOR AGRICULTURE replied: Yes.

QUESTION—STATE FINANCE.

Floating Debt in London.

Hon. J. C. WILLCOCK asked the Premier: What was the amount of the State's floating debt in London on (a) 1st March, 1930, and (b) 1st June, 1931, and the rate of interest payable at each respective date?

The PREMIER replied: (a) 1st March, 1930: floating debt, £2,508,638; interest, average rate £5 2s. 4d. per cent. (b) 1st June, 1931: floating debt, £3,526,473; interest, average rate £3 16s. 1d. per cent.

QUESTION—WHITE CITY GARAGE.

Hon. M. F. TROY asked the Premier: 1, Is it a fact that the accounts of business firms and individual creditors of the lessee of the White City garage are guaranteed

(a) by the Government or (b) by the State Gardens Board? 2, Are the accounts for supplies of petrol to the lessee of the White City garage guaranteed by the Government or by the chairman or secretary of the State Gardens Board?

The PREMIER replied: 1, (a) No; (b) Yes. 2, Answered by No. 1.

BILL—CONSTITUTION ACTS AMENDMENT.

Introduced by the Attorney General and read a first time.

ASSENT TO BILL.

Message from the Administrator received and read notifying assent to the Farmers' Debts Adjustment Act Amendment Bill.

BILL—FINANCIAL EMERGENCY.

Second Reading.

Debate resumed from the 8th July.

HON. P. COLLIER (Boulder) [4.42]: There are few clauses in this Bill that I am able to bring myself to support; nor do I think the measure should receive the endorsement of the House. The Bill, if I may say so without offence, is a misrepresentation from the first line to the last line. It begins in the title by saying that a Plan was agreed upon by the Commonwealth and States for meeting the grave financial emergency existing in Australia, for re-establishing financial stability and restoring industrial and general prosperity. The Attorney General was a member of the committee engaged upon the drafting of the necessary Bills agreed to by the Premiers' Conference, and I rather think that if the Attorney General was in no way responsible for the title of this Bill—in moving the second reading last week he disclaimed responsibility for it—it reads very much like the Premier's policy speech of 12 months ago—"re-establishing financial stability: restoring industrial and general prosperity." Those words have a very familiar ring. Nobody will claim that this Bill of itself will re-establish financial stability or that it will restore industrial and general prosperity. How are you going to restore prosperity to the State by reducing a large per-

centage, probably more than 50 per cent., of the workers of the country to a starvation level? That is what the Bill does. It proposes to reduce the wages and salaries of the men and women engaged in industry in this State to a level which has been declared by the Arbitration Court—the tribunal set up to deal with wages and salaries—to be below a living wage. How the Bill is going to restore prosperity and stability I am not able to say. Of itself, it is not part of the Premiers' Plan, only insofar as it seeks to bring about a 20 per cent. reduction in Governmental expenditure, as at the 30th June of last year. The method of effecting that reduction is the Government's own policy. It has nothing to do with the Premiers' Conference. That will be clearly seen by the fact that each State has adopted a different policy or method to give effect to the decisions of the Conference to bring about this 20 per cent. reduction in Governmental expenditure. This Bill itself is not part of the Plan. It does not, as drawn, stand or fall by any agreement arrived at by the Premiers at the Melbourne conference. The only thing agreed to there was that there should be a reduction of 20 per cent. This measure to give effect to the reduction was not agreed to, so that Government supporters will be able to support amendments, and drastic amendments too, without endangering the Plan itself as agreed to in Melbourne. I hope before it emerges from the Committee stage, if it gets that far, it will be materially amended, so as to bear more equitably than it does now upon those affected. There are many things affecting the restoration of general prosperity to Western Australia that were not considered by the Premiers at the Melbourne conference. It is one of the crying scandals of Australia that we have so many duplications of services set up as between State and Commonwealth. Everywhere that we find a State department we find a Commonwealth department, conducting practically the same services. A large saving could be effected, running, I venture to say, into many millions of pounds, either by the abolition of the duplicate services or by an amalgamation of those services, whether they be taken over by the State or the Commonwealth. In this respect, the Commonwealth have been most to blame. They have rushed in—all Governments have done this—and established departments

which were duplicates of existing State departments, to provide services which were being and could be provided by the State. What need is there to have a Commonwealth Railway Department, just because the Federal Government own and control 1,000 or 1,200 miles of railway—leaving out the Northern Territory—between Kalgoorlie and Port Augusta? Surely the State Railway Department of Western Australia and that of South Australia could have managed and controlled that section of railway, just as is done between other capital cities of Australia. By agreement, the State departments conduct the services between Adelaide and Melbourne, Melbourne and Sydney, and between Sydney and Brisbane. There was no need whatever to set up a separate Commonwealth railway service with a Commissioner at a high salary, and all the other officers who go to make up the department. These overhead charges could well have been avoided, so far as the railway service is concerned, and to-day ought to be avoided. Unless the people of this country get down to insisting upon the abolition of unnecessary departments, whether they be State or Federal, we are not going to effect savings or give the relief to the taxpayers they are entitled to expect. Then we have two Electoral Departments. It is true this Parliament in some respects was responsible for that, because on two occasions the Government of which I was a member carried through in this House Bills for the amalgamation of the State and Federal Electoral Departments by handing the State department over to the Federal, but the Bills were lost in another place. Surely it is an extravagance which is not warranted to have a State Electoral Department, with its Chief Electoral Officer and staff of officers, and a Commonwealth Electoral Department equipped in the same manner, each doing work which could well be done by one department.

Hon. J. C. Willecock: There is a duplication of officers doing the same work.

Hon. P. COLLIER: There is a duplication of everything. The officers are doing the same work, going over each other's tracks, and there is entirely unnecessary expenditure going on. The Commonwealth Government also set up a Public Works Department in each State. In the early days

of Federation, and for many years the public works required by the Commonwealth were carried out by the State Public Works Departments, supervised by their engineers, plans being drawn by their architects and one staff engaged upon the undertakings in each State. The Commonwealth, however, set up their own Public Works Departments, with separate staffs, a separate Engineer-in-Chief and a separate set of officers to do work which was formerly done by the State officers. We know that practically the only work the Commonwealth does in this State is to build post offices. These are all built to standard plans. To argue for a moment that the State Public Works Department could not carry out such undertakings, so that it became necessary to set up a Commonwealth Public Works Department, is to argue something that is ridiculous.

Mr. Sampson: It has been a record of waste.

Hon. P. COLLIER: Yes. Right along the line that duplication exists. I suppose at the recent conference in Melbourne there was not time in which to discuss the question of giving effect to any reforms of this kind.

The Attorney General: The matter was discussed.

Hon. P. COLLIER: The other matters were considered to be of such importance, and it was so urgent that some reduction of expenditure should be effected almost immediately, and any alteration in the direction I have indicated would have taken some considerable time to bring about, that probably the question was set aside. It has been discussed, however, at every Premiers' Conference I have attended during the past five or six years, but nothing has resulted. This is probably largely due to the fact that either the State or the Commonwealth thought the other party should give way. It cannot be argued that the control of the railways should be handed over to the Commonwealth, having regard for the fact that they are running but a small section of the whole of the railways in the different States of Australia. It cannot be suggested that the States should retire altogether from railway management. It was agreed by our Government that the State Electoral Department could best be controlled by the Commonwealth. There ought to be some-

thing in the nature of give and take in this connection. These are things that will have to be tackled. This Plan of itself is not going to restore prosperity. At least for the next six or twelve months it is going to intensify the existing difficulty. It is going to add to the number of unemployed. If the spending power of a large proportion of the people is reduced, as is proposed by the Bill, this will inevitably cause a shrinkage in trade and commerce on every hand, and will have the effect of throwing a considerable number of men and women out of work. There is no doubt that the effect it will have will be to increase our unemployment difficulties for a considerable period. We know that the money expended by the various States as well as by the Commonwealth in unemployment doles runs into no less than £10,000,000, and it is expected to reach £12,000,000 next year. In this State alone something in the vicinity of half a million is being spent on sustenance. We can well understand, therefore, the effect that an increase in the numbers of unemployed will have upon the amount of money that will have to be spent in this direction. The title of the Bill is therefore false and misleading. I am sure the Attorney General will not object to its being amended.

Mr. Withers: He said he was not proud of it.

The Attorney General: I am not proud of it, and I do not like it.

Hon. P. COLLIER: It will not do what it says it will do. We certainly ought to begin this Bill with some regard for the ethics of the situation.

The Attorney General: It will be just as nasty under a different title.

Hon. P. COLLIER: Just as nasty, except that we shall not be telling the people we are going to do something we know perfectly well we cannot do, and concerning which they have been misled in the past. We know that this Bill seeks to break all contracts and agreements of every kind. That is admitted. It is argued that in the circumstances there is justification for this. But the fact that within 12 months of a general election the Government should have introduced a Bill breaking all Arbitration Court awards, all contracts and agreements, ought at any

rate to have the effect of making men in public positions pretty careful about the promises they make to the electors at election time.

Mr. Sampson: A gold printed label will not make the medicine any more palatable.

Hon. P. COLLIER: No, but when the people gave their votes in the belief that there would be no medicine at all, what then?

Mr. Marshall: And that no label was necessary.

Hon. P. COLLIER: That there was to be no pill, sugar-coated or otherwise. The people were told that the medicine, if any, was all going to be sugar-coated.

Mr. Sampson: Something is needed at this stage.

Hon. P. COLLIER: Yes, something is needed at this stage; but the position was not unknown 12 months ago. Though we were not so far into the trouble then as we are now, we were well on the road to trouble. When I pointed that out to the electors, and refused to make promises because I knew perfectly well what the position was, I was ridiculed.

Hon. J. C. Willcock: And you were not believed.

Hon. P. COLLIER: No. The people foolishly, as I knew at the time, believed the story told to them on the other side. That is what is the position to-day. The Bill proposes to make cuts, and one of the faults I have to find with the measure is that it seems to have been conceived on a rule of thumb method. It proposes practically a flat rate, varying from 18 per cent. to 22½ per cent. One may almost say that the rate proposed is a flat rate of reduction, regardless of the merits of each particular case, regardless of the needs and circumstances of those who are in receipt of certain wages and salaries. We have the Government saying that they are going to make a 20 per cent. reduction in the grants made either directly or indirectly by Parliament or otherwise. I do not think that is a judicious method. There may be some bodies which have been receiving Government grants in the past and which can get through with a 10 per cent. or a 15 per cent. reduction much more easily than other bodies could. The scope for reduction in the grant is not likely to be the same with all the bodies that receive them. For instance, it might cause great hardship to

make a 20 per cent. reduction in the grant to the University. It might well be that the largest reduction with which that body could carry on would be 10 per cent.

The Attorney General: That is what it would get, then.

The Chief Secretary: It says not exceeding 20 per cent.

Hon. P. COLLIER: The Treasurer is in need of money, and after he has made all these cuts and increased taxation in the manner he will have to do, he will still be faced with a very considerable deficit indeed at the end of the year. Therefore the utmost reduction permitted by the Bill will inevitably be made by the Treasurer. The financial position of the State will compel that to be done if we are going to aim at the balancing of the Budget that was decided upon at the Melbourne Conference. It is also proposed to make the reduction as it applies to Government employees, whether on wages or salaries, as from the 1st of this month. In fact, the reduction is already in operation. I do not anticipate that the Bill, having to pass this House, if it does pass, and go through another place, will be enacted for a few weeks. Notwithstanding that, it is now in operation. The first pay received by any Government employee after the 1st of this month will be reduced in accordance with this Bill. I do not think the measure should apply as from the 1st of the month. I consider that we have no right to override Acts of Parliament and tribunals set up for fixing rates of wages and salaries, until Parliament gives its sanction to that being done. Therefore, in my opinion, the retrospective reduction of the pay of Government employees is unfair. See what this means. There is to be an 18 per cent. reduction on the basic wage as at June of last year. I am sorry the Attorney General did not give us some examples of how this will work out, in the same way as the Commonwealth gave examples of the effect of the Bill to convert loans.

The Attorney General: I will have them worked out for you.

Hon. P. COLLIER: I shall be glad if that is done, beginning at £1 per week. The 18 per cent. reduction on the present basic wage is equivalent to 15s. 6d. per week. The rate of reduction rises to 20 per cent. on anything over £250, and 22½ per cent. on anything over £1,000. The man on £252, just slightly over the point

at which the 20 per cent. is reached, will lose £1 per week, in round figures. The £5 a week man will come down to £4, and the £300 a year man will come down to £240, and so on as the pay increases. But the vicious part of the Bill is that it makes no provision whatever for rationing or part-time employment. The men in Blackboy, say, on 24s. a week are to have 18 per cent. taken off the 24s. The man on £1 a week—there are many men now employed on part-time who receive only £1 a week—will be reduced to 16s. 6d. per week. The man in receipt of £2 a week, it matters not what the number of his family or his responsibilities may be, will have 7s. deducted, will be reduced to about £1 13s. per week.

The Attorney General: I do not think that is the intention of the Bill.

Hon. P. COLLIER: That is how it reads.

The Attorney General: As regards the man who is getting £2 a week by part-time work, why should not the amount of his work be increased?

Hon. P. COLLIER: That is just the trouble. The employers will not be able to increase the amount of work.

The Attorney General: The work the men have been getting in the past has been assessed on the basis of achieving a certain amount.

Hon. P. COLLIER: Perhaps the Attorney General is talking about the men in Blackboy, men on sustenance.

The Attorney General: Yes, on part time.

Hon. P. COLLIER: If the Government have got the money, the amount of work given to those men can be increased; but so far the Government have not been able to find the money. And what about all those in private employment who are rationed? I do not know the percentage, I do not know whether it has ever been worked out; but it is safe to say that a large proportion of the men and women in private employment to-day are working part-time only.

Hon. A. McCallum: It is estimated that 40 per cent. of the membership of unions are on part-time.

Hon. P. COLLIER: They are rationed in varying degrees. Some work one week in eight or nine, others one week in three, yet others one week in two. So that to-day large numbers of men and women are, because of part-time work, existing on very

small wages, amounting in some cases to £1, £1 10s. and £2 per week. But it does not matter how small the weekly earnings of, say, a married man on rationed time may be, if his earnings are only £2 a week, he is to suffer a reduction of 18 per cent.

Hon. J. C. Willcock: If a girl gets 5s. a week and food, the 5s. is to be taken away and she will get nothing, according to this Bill.

Hon. P. COLLIER: Yes, I think that is so.

The Attorney General: What girl gets 5s. a week and food?

Hon. J. C. Willcock: There are many girls getting 5s. a week and food.

Hon. P. COLLIER: Girls of 15.

The Attorney General: How will the Bill touch them?

Hon. P. COLLIER: How will the Bill touch them? The employers can make application.

The Attorney General: Employers can reduce without making application.

Hon. P. COLLIER: Of course they can.

The Attorney General: That does not affect the position under the Bill.

Hon. P. COLLIER: The employers can reduce those girls by 20 per cent.

The Attorney General: At the present moment, as the law is, people who work for 5s. a week and keep are not covered by any award.

Hon. P. COLLIER: Many of them are. The 5s. a week and keep is, of course, an extreme case.

Mr. Panton: What about the nurses in the Children's Hospital working for 7s. a week and keep?

Hon. P. COLLIER: The Bill proposes to deduct 18 per cent. from the actual wage received, although the wage is only a part-time wage, a two-days or three-days per week wage. The amount may be £1 per week, or £2, or £3 as the case may be; nevertheless the 18 per cent. is to be deducted from that wage. That is in this Bill, whereas the corresponding measures introduced into other Australian Parliaments in every case allow for the reduction of wages or salaries through rationing.

The Premier: They have already got the reduction.

Hon. P. COLLIER: Whatever they have got, they have got through tribunals set up in those States for the purpose of fixing rates of wages and salaries. They have got

those things through Arbitration Courts or Wages Boards, or other tribunals which represent the law of the land; and wherever there has been a reduction since the 30th June of last year in any of those States because of rationing, that factor is allowed for. The only exception is this Bill, which pays no regard whatever to the amount of the income, and so reduces tens of thousands of men to a wage or an income below that which has been prescribed by the Arbitration Court. The Arbitration Court is enjoined, in fixing a basic wage, to have regard to what is sufficient to keep a man and his wife and two children in reasonable comfort. This Bill, however, ignores all that.

The Attorney General: The present circumstances ignore all that.

Hon. P. COLLIER: Not in other States. In Victoria the wage reduction does not apply to anyone in receipt of less than £186 a year, which is the basic wage in that State. That is the position there, irrespective of whether the employee is working full time, is on part-time, or his income is less than the basic wage because of rationing. In other words, everybody on the basic wage, or below it, is exempt from this burden. In this State, however, the Bill seeks to provide that there shall be an 18 per cent. reduction, irrespective of how low the individual's salary may be. That sort of thing will not restore prosperity! Having regard to the great proportion of men and women who are working part-time, we are forced to realise that tens of thousands of the people who will be called upon to suffer the 18 per cent. reduction in their wages, are already in receipt of a starvation wage, a wage below what the Arbitration Court has declared to be a living wage.

The Attorney General: Of course, that is not what is desired.

Hon. P. COLLIER: But that is what the Bill means.

The Attorney General: When we reach the proper stage, we can discuss that phase further.

Hon. P. COLLIER: The Bill does not take into consideration the circumstances I have indicated, but merely decrees a wage reduction of 18 per cent.

Mr. Angelo: It is 18 per cent. below the rates ruling in June, 1930.

Hon. P. COLLIER: That is so, but the basic wage has been reduced since 1930 by about 9 per cent., and the Bill will mean a

reduction of a further 9 per cent. below what the court said was a living wage.

Mr. Thorn: It is reduced 20 per cent. in other States.

Mr. Panton: Nothing of the sort.

Hon. A. McCallum: The people referred to by the Leader of the Opposition have not been touched in the other States.

Hon. P. COLLIER: The Victorian Bill does not touch those who are in receipt of the basic wage or less. The Commonwealth Bill does not touch anyone in receipt of less than £182 a year.

The Attorney General: That is the present Commonwealth basic wage.

Hon. P. COLLIER: Our Bill affects everyone.

The Attorney General: As I have said, that is not the intention.

Hon. P. COLLIER: I am glad to hear that.

Hon. A. McCallum: We can see the intention; it is clear enough.

The Attorney General: That was not the intention, at any rate.

Hon. P. COLLIER: No matter what the intention may have been, the Attorney General has now indicated that we may have an opportunity to alter that later on.

Hon. A. McCallum: We know his intention.

Hon. P. COLLIER: If what I have suggested was not the intention of the Attorney General, no doubt he will be agreeable to deal with that phase later on.

The Attorney General: We do not desire to add a burden to people who cannot—

Hon. P. COLLIER: Afford it, people who are on a starvation wage.

The Attorney General: That is so.

Hon. P. COLLIER: We must surely agree that people in receipt of £2 a week, or 30s. a week, cannot suffer any such further reduction in their wages. Already they are in receipt of less than a living wage. In another respect the Bill before us is distinguished from any other legislation of which I am aware. It is the only Bill of its kind that, in pursuance of the decisions of the Premiers' Conference to effect a 20 per cent. reduction in Government expenditure, has been extended to private employers.

The Attorney General: That is true.

Hon. P. COLLIER: The provisions of the Bill extend beyond Government employment and say to private employers that, notwithstanding what the Arbitration Court may

have declared to be the basic wage or the rate of wages, they may, merely by serving a notice in writing to the unions concerned, reduce the wages of their employees by 20 per cent.

Hon. J. C. Willcock: They are invited to do it.

Hon. P. COLLIER: That is so. Not only does the Bill authorise the private employer to take that action, but the method provided amounts to a direct invitation to him to avail himself of the opportunity.

Mr. Panton: The employer will not want much inviting, either.

Hon. P. COLLIER: The provisions will apply automatically. The Bill is certainly not retrospective, but once the employer gives notice to the union concerned of his intention to reduce the wages of his employees by 20 per cent., his action operates automatically straight away. If an employee objects to the reduction of his wages, the onus is upon him to go to the President of the Arbitration Court to prove to the satisfaction of that authority that special circumstances exist in which the reduction ought not to be made. I dissent entirely from the proposal to go outside the scope of the Arbitration Court, to override the Arbitration Act and the Arbitration Court, and to give authority to a private employer to reduce the wages of his workers by 20 per cent. Even if we did decide to go that far, the onus of proof should be upon the employer to show that he was entitled to effect a reduction of 20 per cent. in the wages of his employees. Most decidedly it should not be for the employees to be required to prove that their employer ought not to make the reduction. I contend that no such wage reduction should take place until the employer had approached the Arbitration Court with an application for permission to effect a 20 per cent. reduction, and obtained the consent of the court to his application.

Hon. J. C. Willcock: Why should we interfere at all with the business of private people?

Hon. P. COLLIER: Yes, why? Every member sitting on the Government side of the House declared solemnly 12 months ago that they would not interfere with industrial conditions. I shall not hold members altogether to their promises made 12 months ago, because I realise that the times have changed, and perhaps they were not far-

seeing enough to note what was ahead of the State, or, if far-seeing enough, they were not concerned about the promises they made so long as they tided over the election. Be that as it may, it was solemnly declared by members on the Government side of the House that they would not interfere with the standard of wages; that it was not their policy and that it was for the Arbitration Court to deal with that phase; that the Government had nothing to do with the fixation of wages, which was a matter for the Arbitration Court.

Mr. Panton: And this is the second interference within 12 months!

Hon. P. COLLIER: Now we see that, while every other Government, in giving effect to the Premiers' Plan, have introduced Bills for reductions in governmental expenditure, not one of them, so far as I am aware, has included in the legislation, authorisation for the reduction of wages paid by private employers. The Government of Western Australia is the only one in the Commonwealth to do that. The measure provides that, on receipt of a notice from an employer of his intention to reduce the wages of his employees, the industrial union concerned may make application to the President of the Arbitration Court, not to the court, to restrain the employer from doing so. The Bill says, "If, on the hearing of the application, the applicant satisfies the President that there are special circumstances which make it inequitable . . . the President may make an order restraining the employer from making the reduction . . ." What interpretation are we to place upon the words "special circumstances"? There should be an interpretation clause setting out what "special circumstances" may mean. The Bill contains no guide for the President of the Arbitration Court in that respect. What might be regarded as special circumstances with one man might not be considered special circumstances with another man.

The Minister for Lands: You know there are other words in that subclause.

Hon. P. COLLIER: I know, but what are to be regarded as "special circumstances"?

Mr. Panton: The President of the court would take into consideration the circumstances as they are.

Hon. P. COLLIER: He would require to have some guide. For instance, an employer might say to the President, "I cannot carry on my industry unless I reduce the wages of my employees by 20 per cent. Unless I can do that, I cannot compete with industries in the Eastern States. I will have to close down my business." The employee might say to the President, "If this reduction is effected, I will not be able to live. A reduction of 20 per cent. in my wages, having regard to my rent and family obligations, will not enable me to exist." What will the President decide? Will he have regard to the employer's request and the closing down of industry, or to the viewpoint of the employee and his inability to exist?

Hon. W. D. Johnson: And, furthermore, to whom will the special circumstances apply?

The Minister for Lands: If the industry is closed down, the worker will still find it difficult.

Hon. P. COLLIER: Of course that will apply, too. I suggest to the Attorney General that the use of the words "special circumstances" is too wide and too broad in its application, and the term should be defined in some way, if the President is to take notice of special circumstances. Now I come to the question of mortgages. Here we see how the principle that has been applied to the employee in private employment has been reversed where mortgages are concerned. We have seen that the employee has to go to the President of the Arbitration Court and prove the special circumstances that will warrant the President in restraining the employer from applying the wage reduction to the worker. With regard to mortgages, it is not in the power of the mortgagor to effect a reduction in the rate of interest at all.

The Attorney General: He must get it, though.

Hon. P. COLLIER: In each individual instance he must make application to the Commissioner for a reduction of the interest on his mortgage.

Mr. Angelo: That will not be necessary if the mortgagee has already made the reduction.

Hon. P. COLLIER: Of course, that is so. Why could not the Bill set out with regard to the 22½ per cent. reduction, that

the principle adopted at the Premiers' Conference, and embodied in the Debt Conversion Bill that we have already passed, should also apply, and that the reduction should be effected automatically unless the mortgagee protested?

The Attorney General: I am rather with you there.

Hon. P. COLLIER: That is not what the Bill says.

The Attorney General: That provision is exactly what was adopted at the Premiers' Conference.

Hon. P. COLLIER: No, it reads the other way about—I mean so far as the conversion loan is concerned.

The Attorney General: Oh yes.

Hon. P. COLLIER: That the conversion automatically takes place, giving a reduction of 22½ per cent. interest, unless the bondholder objects within three weeks. This ought to operate in the same way—unless the mortgagee objects.

Mr. Sampson: That would place all securities on the same basis. Some would be high at five per cent. and others low at seven per cent.

Hon. P. COLLIER: No, 22½ per cent. as the holders of Government bonds are affected. But in this case it involves an application to the Commissioner by every mortgagor, who has to prove his case. This is how it is going to operate: Many of those mortgages are current, are not for any fixed term. For instance, the bank will not give an advance for any fixed term; it is from day to day; and the only people who would be protected from the action of the mortgagee would be those who had a loan for a fixed term. So far as I am aware, they do not exist. But if I were to take a bank to the Commissioner and apply for a reduction of interest, the bank would call up my mortgage next day.

The Attorney General: It is a difficulty, and undoubtedly it has to be met.

Hon. P. COLLIER: The bank could do so. I do not say they all would, but the mortgagee could call up the mortgage. If I had a £500 mortgage with a bank and were not in a position to pay it, I would hesitate before I took the bank before the Commissioner for a reduction of interest in the knowledge that the bank could call up my mortgage next day.

Hon. W. D. Johnson: And why should the mortgagor have to meet the expense of going before the commissioner and making his application?

Hon. P. COLLIER: We might well have that act in the same way as the reduction of interest on bonds, Government loans.

The Attorney General: But that portion of the Bill is word for word with what was adopted by the Premiers' Conference.

Hon. P. COLLIER: That may mean that you are committed to it.

The Attorney General: We have to communicate with the others.

Hon. P. COLLIER: Now a rather extraordinary clause in the Bill is that providing that when the President of the Arbitration Court makes a reduction of 20 per cent. or any lesser amount in the wages of private employees, he may make it a condition that the employer shall effect a reduction in the prices charged by him to his customers. Surely if ever there were an impossible clause, it is that one. It is turning the Arbitration Court into a price-fixing commission.

Hon. S. W. Munsie: The President only, not the court.

Hon. P. COLLIER: Yes, the President only; one man, a price-fixing commissioner.

The Attorney General: That is a power the Federal Arbitration Court has.

Hon. P. COLLIER: Suppose an employer such as Boan Bros. or Foy & Gibson's sells 1,000 articles. Is the President of the court going to say, "This commodity is to be reduced a penny, and that a half-penny?" How is he going to pass it on to the consuming public? If he reduces wages by 20 per cent., how is it possible for him to pass it on? Or if the employer be a grocer, is the President of the court going to say, "Sugar shall be reduced by one penny per pound, and tea by twopence per pound?" How is the President of the court going to pass that on?

Mr. H. W. Mann: It would apply all right in some cases.

Hon. P. COLLIER: Yes, in cases where the price was easily fixed, but there are very few of those, surely.

Mr. H. W. Mann: It would apply in the price of bread.

Hon. P. COLLIER: No, because many things govern the price of bread, as for instance, the price of flour. How is the

President of the court qualified to do that? But what this clause does indicate—I believe the principle behind it is a good one—

Mr. H. W. Mann: Well let us amend the provision.

Hon. P. COLLIER: No. What the clause does indicate is that there is necessity for a price-fixing Act to see that effect is given to it. We would require a board to investigate all the facts.

Mr. H. W. Mann: Is not that the intention?

Hon. P. COLLIER: The intention may be all right, but it is entirely impossible to carry it out under this measure. How could the president decide what reductions there should be in the prices of meat, bread, food and clothing consequent upon his having made a reduction of 20 per cent. in wages? The Arbitration Court is not equipped for work of that kind.

Mr. Pantou: And if the president did declare the prices of commodities, who would police the thing and see that it was carried out?

Hon. P. COLLIER: Yes. Suppose he says that a pair of knickerbockers is to be reduced by 6d. Is he to go around next day to see that every shop selling knickers has reduced the price by 6d.? I suggest to the Attorney General that it is impossible that the clause is utterly unworkable. But as I say, it does indicate that there should be some Act providing that the consuming public get the benefit of these reductions in wages. For instance, under this measure, many employers will be able to secure a 20 per cent. reduction in wages and will thereby make good profits and pay good dividends, but will not give any reduction at all to the consuming public. After all, although the times are bad, the effect has not hit everybody. One can read in the newspapers of firms and companies whose dividends to-day are as high as ever they were. Some are still paying 16 per cent. in dividends, as they were paying in prosperous times. Yet they will be able to get a 20 per cent. reduction in wages, and pay, I suppose, 20 per cent. in dividends without making any reduced charge whatever to the people they are dealing with. For the court could not pass it on. I strongly object if there is going to be any reduction in the wages of private employees. First of all, I strongly

object to the principle of this House over-riding the Arbitration Court. If we are going to pass legislation that will have the effect of reducing wages, it ought not to mean increased profits to the traders and the commercial community who ought to pass it on in reduced prices of commodities to the general public. The Bill will not secure that. I see no way of doing it, except by having a price-fixing Act which would deal with the whole thing. But the President of the Arbitration Court certainly cannot do it. The result will be that whilst many employers will get a reduction in wages to assist them in their industry, many others will get a reduction and put it in their pockets in the form of increased profits.

Hon. H. W. Mann: That must be prevented.

Hon. P. COLLIER: It cannot be prevented under the Bill. If the Bill becomes law in the form in which we have it now, it must be followed by a price-fixing measure, in which there will be included a control of rent. Whilst between this and the Debts Conversion Bill, that has passed this House and elsewhere, we are making cuts and reductions in every direction, so far there has been no legislation, no action taken to ensure a reduction in rent. I am aware that many landlords have voluntarily reduced the rents.

Mr. Angelo: They would be exempted.

Hon. P. COLLIER: Yes. But many have not reduced rents. I know of men with long leases at rentals fixed a few years ago under boom conditions, who are being ruined now and made bankrupt because of the high rents they have to pay.

Mr. Marshall: Have the Workers' Homes Board made any reduction yet?

Hon. P. COLLIER: From what I have gathered, I think when the Bill becomes law the Government will make a reduction of one per cent.

The Premier: Much will depend upon where the money was borrowed, whether in England or Australia. Already the board have made substantial reductions.

Hon. P. COLLIER: The reduction in the rate of interest will be passed on to the clients of the Government.

The Premier: Yes. An arrangement has been made under which they allow the repayment of principal to stand over.

Hon. P. COLLIER: Yes, I did not think the Government could resist making a reduction in the rate of interest. But so far there is no legislation in this State to force a reduction of rent. The only way is for the landlord freely to make the reduction himself. Why should the landlords go free? I had in mind also those who are the holders of preference shares in companies. As I mentioned by way of interjection when the Attorney General was moving the second reading, there are men at present drawing eight per cent. dividends from preference shares in companies, whereas ordinary shareholders are not drawing anything. But I understand there is power for the shareholders to attend to their own interest in that respect.

The Attorney General: Yes. It is rather a cumbersome business.

Hon. P. COLLIER: Yes, I believe that if a majority of the shareholders take action, they can get a suspension of that fixed payment on preference shares. In a case like that we might let them look after themselves.

Mr. Doney: What about investments abroad; would they come under the same category?

Hon. P. COLLIER: A few months ago the Commonwealth Government passed a Act to enable them to tax dividends or profits on investments abroad. Prior to that, there was no such taxation; a number of wealthy Australians invested money abroad and so escaped taxation. I do not desire to labour the question. When the Bill is in Committee I propose to move a number of amendments to bring the measure more into conformity with what I believe it ought to be. I shall move to reduce the rate of reductions, making them more graduated from the bottom, and lifting them at the top. Of course, I do not know whether they will give the Government the full 20 per cent. desired, but the unfortunate fellows at the bottom of the ladder are so numerous in comparison with those on the top that they will be hit very heavily in order to give the total amount of reduction that has been decided upon. To apply the same scale of reduction to the salary of £250 as to the salary of £1,000 is not right. For a man on £5 a week to have £1 a week taken off his salary is a much greater hardship than for the man on £1,000 a year to have £200 deducted.

The Premier: There are only 43 in that grade, including the judges.

Hon. P. COLLIER: The trouble will be to get the 20 per cent.

The Premier: That will be the whole trouble.

Hon. P. COLLIER: But we have not yet exhausted the possibilities of reducing expenditure. The Plan will not be complete whilst we go on paying the high bonuses we are handing out now; nor will it be complete while the abnormally high tariff, in many directions, remains as it is. The argument advanced by the Commonwealth Government in justification of the 50 per cent. reduction in the gold bonus is fallacious.

The Premier: Yes, it was very weak.

Hon. P. COLLIER: The argument was that the gold producers were receiving a 30 per cent. advantage through the exchange. But they are the exporters of other commodities getting it. Those who are getting the wire bounty in South Australia, amounting to 12½ millions over the past eight years, are getting the benefit of the 30 per cent. increase. So is everybody else who is producing any commodity for export, and in addition they are getting the benefit automatically of the high tariff. For instance, if a 50 per cent. tariff was considered to be fair two years ago, the people importing those goods to-day have to pay an extra 30 per cent., and so the tariff has been increased to 80 per cent. Thus the exchange has automatically increased the tariff.

The Premier: It is prohibition.

Hon. P. COLLIER: The time has arrived when the Federal Parliament might well reconsider the amount paid in bonuses. Certainly the bonuses have not been of any advantage to Western Australia, but they have been of considerable assistance to the other States. The Commonwealth should also consider the question of the tariff as it affects the primary producing States. The prosperity of these States depends upon the export of primary products and unless that is fully realised, nothing will save Australia from bankruptcy. All our schemes and plans will fall to the ground unless we are able to produce our primary products at a price which will allow us to compete with other parts of the world.

The Premier: And all other industries, too.

Hon. P. COLLIER: But principally the primary industries. We live upon our pri-

mary industries. How do we pay our commitments overseas except by the export of goods. We are not able to export manufactured articles because we cannot compete with other parts of the world. Thus we can pay our interest bill overseas by the export of commodities such as wheat, wool, timber, gold, copper and other base metals. Anything that will make the production of these articles unprofitable or increase the cost through the medium of the tariff or bonuses is detrimental to the well-being of every State of the Commonwealth.

HON. A. McCALLUM (South Fremantle) [5.53]: The Attorney General in introducing the Bill skated very lightly over its provisions; he appeared to feel that he was treading on anything but solid ground. The speech just delivered by the Leader of the Opposition has shown that the House was entitled to be given a fund of information and that the Attorney General neglected to supply it. I do not think there has ever been a Bill of so much importance to every member of this community, affecting as it does practically every home throughout the State, and about which so little information has been furnished. It was lightly skated over by the Attorney General. He realised that he was on thin ice all the time, that there was nothing solid to rest upon, and he took the stand that he was not bound to get into deep water by endeavouring to explain the provisions of the Bill to the House or to the public generally, or to state how it was going to operate. He told us that this was a physis that had been prescribed for a sick country, but he made no effort to explain how the physis was going to operate on the patient.

Hon. S. W. Munsie: If the Bill goes through, the people will have perpetual diarrhoea!

Hon. A. McCALLUM: We are asked to take the Bill on trust, as we have been asked to take a number of other measures that have been submitted to the House, and to accept it just as it has been introduced. The Attorney General has apparently adopted the attitude that the people of this country are to shut their eyes and open their mouths and see what God will send them. The one claim the Minister put forward in favour of the Bill was that it had been devised, or that the scheme had been propounded, by a committee that he termed experts. On that he rested. He did not justify the provisions of

the Bill itself, but he rested on the fact that it had been framed by a committee composed of different types of men, theoretical and practical, and that he thought there could not have been a better blend of people to make recommendations to any Parliament. The Leader of the Opposition has shown that the Bill is not part of the scheme, that in fact it contains many provisions not mentioned in the scheme at all. I think I will show, before I resume my seat, that instead of being in keeping with the decisions of the Premiers' Conference, it contains provisions that are absolutely in opposition to what was decided at that conference. It is not in keeping with the scheme as set out. One claim that the Attorney General put forward is that it will balance the Budget. Those who have advanced that view have not said anything about the destitution it is going to cause amongst people. Is the balancing of the Budget the only thing to which we have to look forward in this country? Are we not to consider the effect the balancing of budgets will have on the people, and the provisions set out to achieve that end? I am not going to argue that the balancing of budgets is not a desirable thing. Every Government strives to gain that objective, but if it is to be secured at the cost of making the people carry the burden, only poverty and destitution will result. The question the country must ask itself is whether it can afford to balance its budget at the expense of the whole community. This scheme in the aggregate means a withdrawal from circulation in Australia of 30 millions of money annually. What effect will that have on the people generally? Look at the high-flown title that was given to the Bill! It is going to create stability and restore industrial and general prosperity by withdrawing from circulation no less a sum than 30 millions of money? Will any individual, understanding the situation, tell us otherwise than that the withdrawal of that huge amount of money from circulation will not increase unemployment? Of course it will increase unemployment, and it will create poverty and mean the stagnation of business and further depress the whole of the commercial and industrial concerns of the continent. It cannot do otherwise.

The Attorney General: Is 30 millions the estimated saving?

Hon. A. McCALLUM: Yes. I remember the last time we discussed the amendment to

the Arbitration Act, the Chief Secretary put up the viewpoint that the reduction of 8 per cent. in the workers' wages would not come out of the wages fund, that it would mean a reduction for each individual, but the employment of more men. I ask the Chief Secretary whether he can name one individual in this country who has got a job as a result of the wage reduction. There was a reduction of £400,000 in the wages of the workers, and I defy the Chief Secretary or anyone else to point to one man or woman who has got a job in consequence of that so-called saving. Four hundred thousand pounds was withdrawn from the wages paid, the people's spending power was decreased by that amount, and we were told the saving would create employment. I was talking to a business man in the port the other day and he said that, with only his trade figures as a guide, he could rule a line across his books showing the stage at which the wage reduction operated. The moment it came about, the spending power of the people decreased and he had to dismiss more employees because of the decline of business. Wage reductions have been in process for a whole year, and the lower wages have fallen, the higher has the number of unemployed grown.

Mr. Marshall: That is always so.

Hon. A. McCALLUM: Unemployment is greater to-day than at any time in the history of the State, and wages have been declining during the last 12 months. This goes to show that the Plan, which proposes further cuts, further savings at the expense of the people who do not hoard their money but who circulate it so that it percolates every channel of commerce, must make for additional unemployment and additional depression in trade and commerce. To claim that the enormous cut of £30,000,000 under the Plan would create employment or rehabilitate industry is to disregard the bald facts that must appeal to anyone who examines the situation. Every increase of unemployment will make the balancing of budgets the more difficult; every man thrown out of work will become an added charge on the State. According to figures given at the Premiers' Conference there are out of work in Australia 350,000 potential customers—people unable to purchase because they have not the wherewithal with which to make purchases. Their spending power has gone. Three hundred and fifty thousand wealth pro-

ducers are idle, and the Plan that is going to add to that number, we are told, is going to balance budgets. Where is the sense in talking about balancing budgets while we have that enormous potential spending power idle?

Mr. Marshall: It is an economic waste.

Hon. A. McCALLUM: Surely the Plan begins at the wrong end! If all the budgets were balanced, we could not claim that Australia's position was stable while that enormous army of unemployed remained. How could we say we had re-established stability and confidence with such a large number of men and women out of work? To depress conditions still further and to levy extra tax and toll on the people is to lay the foundations for serious trouble. I warn the Attorney General, and also other members of the Government and all who are parties to the Plan that they will find the idle poor are much more dangerous to the community than the idle rich. If, by adopting such a scheme, tens of thousands are added to the idle poor, it will be a challenge to the whole community. We cannot expect people to tolerate such conditions. I do not think any member would argue that this measure will have the effect of providing work. The experts, in whom the Attorney General seems to have such confidence—I do not know what qualifications they have to entitle them to be called experts—had no misgivings about the Plan not creating employment. They made provision for increased expenditure on unemployment. They said that the present expenditure was £10,000,000 or £11,000,000 and that it would probably increase to £13,000,000 or £14,000,000 during next year. Consequently they are under no delusion that it will create employment or rehabilitate industry. The Premier himself cannot have any belief that the Plan will create employment. I listened to him speaking at the door of Parliament House last week to the huge body of unemployed who had marched up here, and he told them that the Government could hold out no hope for their securing employment until such time as he could again borrow on the London market. I do not predict an early demise for the Premier, politically or otherwise, and if the unemployed have to wait until he is able to borrow on the London market—well, I do not think it will be in his lifetime. It is a fallacy to believe that the London market will again be open to us

to borrow for public works. Certainly it will be many years before that happens, and to tell the workers that the Government can hold out no hope of their obtaining work until that time is condemning them to unemployment for many years. The whole of the Plan reflects the old orthodox method to meet an economic situation. It has been tried in most countries of the world, and England in recent years has put it into operation. Wages have been cut; working hours have been lengthened; special legislation has been passed to give relief to industry and to give employers the right to do as they liked with the men and women they employ. The more that policy has been enforced, the greater has been the number of men and women thrown out of work in that country. Under a scheme similar to that proposed to be introduced here, the number of unemployed in England has increased and is continuing to increase. In America a considerable section of thought advocates just the opposite policy. I read the other day of a meeting of the proprietors of associated steelworks, some of whom were accused of having disregarded a decision not to reduce wages. Strong exception was taken to their action in reducing wages, and all sorts of penalties were threatened, the majority holding the belief that it would be the worst policy that could be adopted. To deprive the workers of their spending power and lower their standard of living would merely accentuate the country's troubles. We in this State are asked to follow the orthodox plan, the scheme that has been put into operation in older parts of the world, a scheme that has always meant the great bulk of the people bearing the burden. Where it has been adopted, the country has not been assisted over its difficulties.

Mr. Sampson: The new plan of raising loans has not got us very far.

Hon. A. McCALLUM: Is it a new plan?

Mr. Sampson: Yes.

Hon. A. McCALLUM: So long as I can remember it has prevailed, though it may be new to the hon. member, who is just beginning to wake up.

Mr. Sampson: It is new in the history of the world.

Hon. A. McCALLUM: It is not new here or in other countries. But there are signs even in England that a section of thought is rebelling against orthodox methods. A

special commission has been appointed to inquire into the policy and operations of the Bank of England. The report of the commission has not yet been issued, but certain predictions of the purport of the report have been made. Whether they are well grounded remains to be seen, but often there are leakages from an inquiry of that kind. It has been said that the Bank of England is likely to be severely condemned for the policy it has followed, and may be recommended to reverse the old policy of deflation that has been adopted in recent years. The cable messages in the "West Australian" yesterday morning announced a rumour that the Bank of England was considering a reversal of its policy of deflation. Apparently we are to take no cognisance of what is happening there, but are to insist upon our people wallowing in the depths of despair, just as have people in the Old World for generations past. Whence will come the stimulus to industry? The Attorney General did not attempt to explain it. No one has attempted to explain it. The title of the Bill claims that it will stimulate industry, and that is all the information we have. If the Plan is to revive industry and enable men to be absorbed in industry, surely it would have indicated in what way employment would be created and industry assisted. No one has attempted to show how that will be brought about.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. McCALLUM: Before tea I was saying that the whole scheme made no pretence at stimulating industry or providing any means for creating employment. It has been argued that, when wages are reduced, certain costs are also lowered, and that this will lead to a stimulation of industry. Everyone knows that industry does not produce commodities simply because they are cheap. Industry produces commodities to sell. If there is no sale for them, the industry responsible for their production ceases to produce. It is no use industry producing if it cannot sell what it produces. Our industries rely almost exclusively on our local market. But the spending power of our community is to be further reduced. Already 400,000 potential customers are out of work in Australia. It is sheer fallacy to say that whilst the Government are going to reduce the earnings of our community a further 20 per cent., at the same time indus-

try will be stimulated. The moment a community ceases to buy, industry must cease to produce. That operation has already been going on in this country during the last year. The purchasing power of the people has decreased month by month, and more and more people have gone on the unemployment market. This Bill will add to the unemployment difficulty. Another £30,000,000 has to come out of the pockets of the people. The Federal Government are not content with taking that £30,000,000 away from the people, but it has now been decided to impose a further sales tax and an additional primage duty to bring in somewhere between £8,000,000 and £10,000,000.

Hon. P. Collier: And further income tax as well.

Hon. A. McCALLUM: Yes. The sales tax will bear heaviest on the man with the big family. He makes the big purchases. He is the man this 20 per cent. cut will hit the hardest, and the sales tax will strike the heaviest. He is getting it all round. It naturally follows that, even with his present restricted spending powers, he will have to limit himself even more. It is all topsy-turvy. We are going the wrong way to face our problems. I cannot see the least good in this proposition. As the Leader of the Opposition said, this Bill is a definite attack on the Arbitration Court. It is the first time in this country that any attempt has been made deliberately to undermine the authority of that tribunal. Up to now political parties have held that the fixation of wages has been a responsibility of the court. Members opposite, particularly those representing metropolitan constituencies, at the last general election said that wages would not be interfered with by members of Parliament, but would be left to the jurisdiction of the Arbitration Court. That is the stand that was taken at the conference. Despite that, the Government of this State bring down a Bill to attack the very basis of the court's authority. It can no longer be argued that the deciding authority for the fixation of wages will be the Arbitration Court. In effect, the Government say to the court, "No matter what you may say, we determine that the wages shall be 20 per cent. less. You can take evidence and find out what it costs a family to live, what is a fair standard of comfort for a man, his wife and children, how much it will take to keep them; you

can hear all that evidence and inquire minutely into costs, go into the full details and make inquiries spread over weeks and months, but notwithstanding all this we say that the wages shall be 20 per cent. less than you decide." This introduces a very vicious principle, one that I fought strenuously long before I entered politics. I fought it inside the trade union movement. I fought it at their conferences and I propose to fight it here. There has been a line of thought inside the Labour movement that has sought for the fixation of wages by Parliament. That policy has frequently been pronounced and supported by a section within the Labour movement. All I could do to denounce it and oppose it, I have done. I regard it as a vicious principle. Let us see what it will mean, when we come to the next general election. The Government bring down this Bill to reduce by 20 per cent. the wages determined upon by the Arbitration Court, to lower the standard that the court has set for our industrial workers by that figure. When we go out to the next contest, every man will have the question put to him, "What are you going to do about the 20 per cent. reduction?" We shall have to answer it. The principle at stake is, are we in Parliament going to fix wages or are we to leave it to the Arbitration Court? Everyone on the platform will be asked that question. Are we in Parliament in a position intelligently to decide what the basic wage should be, what the standard of living should be? We have not the information, and we have not the facilities nor the power to make the investigation. We clothe the court with that power; we give it the facilities and the authority. This Bill strikes at the fundamentals of the whole position. The Government say, "No longer shall that tribunal have a say in the matter, but Parliament shall have the authority to fix wages." Only a small apprenticed girl coming under the Factories and Shops Act has her minimum wage fixed in her industry. That is the only legislation I know of where Parliament has fixed wages. Now we are taking upon ourselves the whole responsibility. I ask the Attorney General to recognise where this will lead us. Are we expected to go on to the public platform at election time and bid against one another as to the wages that are going to be paid? Is it a question as to who will bid for the highest basic wage?

Hon. P. Collier: The highest bidder will get the votes, even if he cannot carry out his promises.

Hon. A. McCALLUM: The last election justified that. That clearly demonstrated the whole situation. I say the principle is wrong and vicious. Parliament is not equipped to arrive at an intelligent decision in the fixing of the basic rate.

The Attorney General: I remember using somewhat similar arguments against your eight-hours Bill.

Hon. A. McCALLUM: I propose to throw those back on the Attorney General now. I have never attempted to provide for the fixing of wages by Parliament. When I brought down an industrial arbitration Bill, I set down the basis upon which the court should inquire. I suggested that the basis taken by the court should be a family of five, a 5-roomed house, and a working week of 44 hours. I set out a formula like that and said, "From that basis the court shall fix the minimum wage." The Attorney General and those sitting with him said, "No, leave it to the discretion of the court; we must not interfere. We must give the court a free hand. We cannot lay down the basis. The court must be left entirely untrammelled." Where are members sitting opposite to-day? They are not going the length I suggested; they are going much further. They are not being stopped by the limits we had in our Bill, but are going the whole hog. Not only do they say, "There is the basis upon which you are to fix the rates, but, apart from that, we are going to deduct 20 per cent. Parliament is to be the deciding factor." The Bill says that all wages and salaries, irrespective of any evidence or argument that may come before the Court of Arbitration, shall come down 20 per cent. in the case of all employees. I put this to the Government: An expensive inquiry was finished within the last month and the court fixed a wage below which they declared no family should be called upon to attempt to exist. The Government now say, no matter what the court has determined, "The people must live upon less. We are not going to take notice of any standard the court may set, but are setting our own standard." The court may well say, "You cannot live on less than £3 18s a week." But the Govern-

ment say, "You must put up with 18 or 20 per cent. less than that." This House is entitled to some explanation from the Attorney General as to why it is this is the only Government in Australia, State or Federal, who are attacking the basic wage. How is that?

The Attorney General: You do not want me to answer now?

Hon. A. McCALLUM: That should have been explained to us when the Bill was introduced. All the other Governments represented at the conference are refraining from an attack upon the basic wage. All the other Governments provide exemptions in that respect. The Government of Western Australia provide none. At the conference our Attorney General fought for a flat cut without exemption. No matter what the conference decided, he has insisted upon giving effect to that in Western Australia. Nowhere else has the basic wage been attacked. Our workers are singled out for that. The standard established by our Arbitration Court is to be lowered by this vicious method. I have the Bills of all the other States which have introduced corresponding measures; South Australia is just introducing its Bill, I learn from to-day's newspaper. None of those Bills attacks the wage of juniors as regards the basis itself, and the percentages of reduction are far lower—in the case of the Commonwealth, only one per cent. The scheme under this Bill provides 18 per cent. as the lowest cut. The housemaid and the waitress getting £1 a week and their keep are to suffer a cut of 18 per cent. A girl may get £1 per week in wages and her board and lodging, which is counted as 25s., and then the cut is to be on the total of £2 5s. per week. Further, the whole amount of the deduction is to come off the wages. Nothing is to be allowed off the board and lodging: the whole deduction is to be made from the cash payment.

Hon. W. D. Johnson: The employer gets the whole benefit of reduction in the cost of board and lodging.

Hon. A. McCALLUM: Yes; if he can save on that, it is so much in his pocket. Again, men who get board and lodging—

The Attorney General: Men on farms are not governed by awards.

Hon. A. McCALLUM: The Bill is not limited to men who are controlled by awards.

The Attorney General: How does the Bill in any way touch the position of a farm hand?

Hon. A. McCALLUM: It does.

The Attorney General: How?

Hon. A. McCALLUM: The Bill contains a clause setting up commissions to deal with wages not fixed by awards or agreements.

The Attorney General: But that does not apply to a farm hand. He can have his wages cut to-morrow so far as the law is concerned.

Hon. A. McCALLUM: If there is no contract or agreement of service, he may.

The Attorney General: What contract of service is there between a farmer and a farm hand?

Hon. A. McCALLUM: There are such contracts of service. I speak for myself. I have agreements with farm hands. In the case of chaff cutters it is part of the award. Any number of men will be affected by Division 3 of Part V. That is a special division to deal with such classes of work.

The Attorney General: Division 3 cannot possibly affect people who already make their own bargains.

Hon. A. McCALLUM: I am not dealing with the man who may directly be reduced by his employer. Division 3, however, will affect cases where there is a contract or agreement of service.

The Attorney General: Farm hands do not work under agreements.

Hon. A. McCALLUM: Not all of them, but a percentage do. In nearly every case board and lodging are part of the wages of farm hands, just as in the case of girls in hotels and restaurants. The 18 per cent. reduction, I repeat, will come off the wages solely. And that 18 per cent. reduction will be 18 per cent. of the aggregate value of the wages and the board and lodging. Nothing is to come off the board and lodging. That is the point I set out to make. The Bill applies to juniors in a manner in which no other Bill arising out of the conference will apply. The Government of Western Australia are the only Australian Government who are not counting rationing as part of the sacrifice being made by the workers. In every other State where rationing has

been adopted in industry, it is counted as part of the worker's contribution to the national rehabilitation. But this Bill makes no such provision, which was a distinct understanding at the conference. I wish to quote statements made in that connection. They are reported on page 31 of the conference proceedings—

Mr. Scullin: We shall have to take rationing into consideration. If we make the reduction from the man who is already rationed, he will face starvation.

Mr. Hogan: There is no question that the reductions effected by rationing are part of the 20 per cent. reduction.

Everywhere else rationing has been adopted, and rationing is the order of the day in industry here. Only a very small percentage of the Workers of Western Australia are getting full time. During the past 12 months the financial membership of the trade unions of this State has been reduced by 28 per cent., and out of the reduced number only 60 per cent. are on full time. Of the financial membership of the unions to-day, 40 per cent. are on broken time. The 40 per cent. who have made that contribution towards rehabilitation of the State are to have no allowance made for it. The Bill calls upon them to suffer a further 20 per cent. cut on top of that. Thousands of men in this State are getting two or three days' work per week, or a week on and a week off, or one week on and two weeks off. The Bill asks those men to suffer a further 20 per cent. reduction, which means reducing them to the coolie standard.

Mr. Marshall: They are on that standard now.

Hon. A. McCALLUM: They are asked to accept reduction to a level on which no decent Australian should be required to exist. The workers of this State are being asked to make a greater sacrifice than any other workers in this continent.

The Attorney General: No, they are not.

Hon. A. McCALLUM: Yes, they are; and I will give the Attorney General a little more to show how his Bill singles out the workers of Western Australia for special reduction, in defiance of the decision of the conference. Here is one instance: rationing counts elsewhere, but does not count here. Practically every shop, every big establishment in the city, every great emporium, has rationed its employees—men.

women and boys. But that is not to be counted as any sacrifice.

The Attorney General: Who has allowed the rationing?

Hon. A. McCALLUM: The Arbitration Court has fixed the rationing.

The Attorney General: Yes.

Hon. A. McCALLUM: What has that got to do with it?

The Attorney General: Is it not likely that the Arbitration Court will take into consideration the fact that rationing exists?

Hon. A. McCALLUM: As regards employees showing special reasons why they should not suffer reduction, a closer examination of the position shows what it really amounts to. Here is the point: Government workers have no appeal. The cut goes in on all Government workers, and that is final.

The Attorney General: It has got to be.

Hon. A. McCALLUM: We will see whether it has got to be. Don't talk like that!

The Attorney General: Well, don't you talk like that!

Mr. Marshall: You have no right to threaten this House.

Hon. A. McCALLUM: We will see if it has got to be like that.

Mr. SPEAKER: Order!

Hon. A. McCALLUM: Government employees are reduced by this Bill without any appeal whatever. Private employers can reduce wages by simply serving notice on the union, and the union can appeal to the court. But this is the only ground on which the union can appeal, the only ground on which the decision of the Arbitration Court will be given—

If on the hearing of the application the applicant satisfies the president that there are special circumstances which make it inequitable that the same reduction as heretofore provided in Part II. of the Act in the case of officers within the meaning of this Act should apply to the applicant, the president may make an order restraining the employer.

So it has to be special circumstances as compared with Government employees! Not special circumstances as regards the applicant, but special circumstances as compared with Government employees. That is the point. How can a carpenter, a bricklayer, an engineer or a clerk employed by a private employer go before the President of the Arbitration Court and

say. "I should not come down the same as a Government employee comes down"? What would be his ground? But that is the ground to which the Bill limits him in appealing to the Arbitration Court. So the whole thing is loaded. The man's appeal is decided by that provision before he ever gets to the court. The appeal is a farce altogether. As regards rationing outside the Government service, thousands of men with families are merely existing, economising in every possible way. I venture to say that there is not a member of this Chamber with children going to school who does not have brought home to him tales of the teacher asking them whether they have any lunch to spare for other children who are without it. Yet a further 20 per cent. cut is to be made.

The Minister for Works: What you say does not apply in my electorate.

Hon. A. McCALLUM: In no other part of Australia is rationing disregarded. Here that sacrifice is to be made without its being recognised at all. To inflict a further cut of 20 per cent. on men who are rationed is nothing short of cruelty. The Railway Officers' Union, with a membership of a mere 1,100, taking into account all cuts and reductions during the last 12 months has lost a total of £30,434. That deduction has been made from 1,100 men, and still they are to suffer further reductions.

The Minister for Lands: Will they have to suffer further reductions?

Hon. A. McCALLUM: They will.

The Minister for Lands: It all depends. The reduction is 20 per cent. as compared with June, 1930.

Hon. A. McCALLUM: This Bill means another reduction of five per cent. for those men. Ours is the only Government, and the measure before us is the only Bill in Australia that suggests that the terms arrived at by the conference should be applied to private employers. No other Government in Australia have attempted anything of the sort. No other Government favour that course of action. The Bill is framed so as to allow the Government to go beyond their own employees. I notice that during the discussions at the Premiers' Conference, Sir James Mitchell took great credit for the economies he had effected in this State and he said that he had practically got down to a 20 per cent. cut in a number of his departments. On examination it has been shown

that the 20 per cent. cut he referred to, had been accounted for largely by dismissals and to a great extent by rationing. Those who have been dismissed are mostly on the dole and those who have to carry the penalty of rationing are not to be allowed to have that counted in when calculating the salary cut. I put it to the Attorney General and members of the Government that the decision to apply the 20 per cent. cut to private employees is in direct opposition to a resolution carried at the conference. The principle was opposed by the Premier himself, but evidently the Attorney General has had his way. The Attorney General fought all through the conference to get the other Governments to agree to bring private employers within the scope of their decisions. I can quote a number of arguments that the Attorney General advanced to influence the other members of the conference. He was told that it was not the business of Governments to interfere with the private employers. The Attorney General said—I am quoting from page 78 of the report—

It would be perfectly hopeless for the Western Australian Government to attempt to bring the decisions of their court into line with those of the Commonwealth Court, unless it had the approval of this conference.

He wanted to get the approval of the conference in support of the reduction of the decisions of the State Arbitration Court. On page 80 of the report I find that, in continuing the discussion, the Premier said—

I think our court can adjust wages in July. I am of opinion that we ought not to bother about outside matters, but should stick to our job.

This is the decision arrived at by the conference—

Conference resolves that the legal sub-committee be not asked to prepare legislation as to wages in private employment.

The Attorney General: Have you read the judgment of the President of our court?

Hon. A. McCALLUM: I am not concerned about the judgment of the President of our court; I am concerned about the phase I am discussing. The only argument the Attorney General advanced in favour of the Bill was that it had the backing of the Premiers' Conference and the legal sub-committee. I tell him, to the contrary, it is in defiance of the conference. His is the only Government in Australia to introduce such legislation. Conference decided that they had nothing to do

with the position of private employers. The Attorney General is throwing a spanner into the wheels of industry without any warrant whatever.

The Attorney General: Not at all.

Hon. A. McCALLUM: This measure proposes something that will cause dissension and disruption throughout the industries of the State, and the Attorney General has adopted this course without being asked to do so by anybody in authority. The Bill is no part of the Premiers' Conference Plan; it is in defiance of the scheme agreed upon there. I have quoted the decision of the conference against anything of the sort being done, although the Attorney General fought hard to commit the conference. The Premiers refused to be committed, but, in spite of that, the Bill has been introduced. Thus the Western Australian Government stand out as the only one in Australia to pursue that course, and to say that we are to agree that throughout industry there must be a cut below the wages fixed by the Arbitration Court, is absolutely atrocious. If it were left open to the private employers to go to the court and apply for a reduction in wages, it would be an altogether different matter, but to allow the employer to make the cut and provide a farcical method of appeal for the worker is ridiculous. The appeal will be decided before the man gets to court and, in fact, the worker will have no hope whatever. If it were a matter of costs having to come down and wages having to be reduced, and the court could be approached, I could understand it, but that is not to be the position. The cut is to be made first; then against that cut, the worker is to have a very limited and farcical method of appeal. As the Leader of the Opposition pointed out, when it comes to dealing with mortgages, quite a different principle is to prevail. There will be no relief from the conditions of the mortgage unless the decision of the commissioner has been obtained first. Where the wages man is concerned, the cut comes first, without the man's interest being considered in any way. This phase of the Bill appears to me as being altogether outside the scope of the Premiers' Conference decision. What does the Attorney General think he will gain by this provision? Will it help the Government to balance the Budget? The Leader of the Opposition has already pointed out that there are firms in this city that have paid

dividends of never less than 16 per cent. and frequently they have paid more. Notwithstanding that fact, they are to be invited to make a 20 per cent. cut in the wages of their employees. How will that help the country? Who will benefit by that action? It will merely serve to swell the profits of the few shareholders in the business concerns. Take the position of the Swan Brewery, for instance. It has never paid less than 16 per cent. dividends. Yet every employee of the brewery must suffer a reduction of 20 per cent. in his wages! Whom will that benefit? Will it help to rehabilitate Western Australia? Will it reduce our costs, and help the Government to balance the Budget? Will it restore confidence to industry?

Mr. H. W. Mann: In fairness to the Swan Brewery, you should remember that they did not reduce the wages of their employees under the last award.

Hon. A. McCALLUM: I am not adversely commenting on the Swan Brewery at all. My experience of the company is that it represents one of the fairest employers I know.

Mr. Kenneally: The Swan Brewery is much fairer than the Government.

Hon. A. McCALLUM: I do not know of a concern in this State that treats the employees more fairly. I have had numerous dealings with those controlling the Swan Brewery, and I did not mention the concern in an antagonistic spirit. I merely cited the brewery to lend point to what I was saying. How would a reduction in the wages of the brewery employees help Western Australia? What business is it of the Government to step into the sphere of private employers, and help them to reduce wages? It is a new field, and a particularly dangerous one. It will lead to extremely bitter discussions in the electorates and will result in side-tracking important issues that will not be decided on their merits in the face of the dissension this legislation will cause.

Mr. Kenneally: And ultimately it will hit those on the Government side of the House.

Hon. A. McCALLUM: The whole Bill reeks with want of confidence in the Arbitration Court. Why is it that the President of the court is referred to, not the court itself? That tribunal as at present constituted is not to hear appeals, but merely the President. Fancy the enormous responsi-

bility to be placed on the shoulders of one man!

Hon. P. Collier: He is to be a price-fixer, too.

Hon. A. McCALLUM: Yes. If it were merely a matter of confidence, I say that I have as much confidence in the president of the Arbitration Court to do justice as I could possibly have in any other man, but the Government propose to put too much responsibility on his shoulders. Why is this matter not left to the court to decide? Is it that the court have already given their decision and may refuse to stultify themselves and agree to a rate of wages below what they have specified, or is it thought that one man may listen where three members of the court would not be prepared to stultify themselves? Surely it is a further sign that the whole outlook of the Government indicates that they have no confidence in the court at all. I repeat that the Bill can have no effect other than to increase unemployment. It will throw thousands of men out of work and will further establish a set of conditions that will permanently fix upon Australia the dole system that we have in operation now. It started in much the same way in England, where it has been built up to enormous dimensions now. I am positive that legislation of this description will result in fastening permanently on Australia the dole system as part of our social order. There are any number of avenues of economy that could have been examined by the Premiers' Conference, but were not. It is true, as the Attorney General said, there was some mention of overlapping of Federal and State departments, but the question was not discussed. The Premier of Victoria, Mr. Hogan, said, "I have brought this matter up time and again, but nothing has been done." The representatives of the Commonwealth said they were inquiring into the matter. But nothing has been done. The duplication that takes place is nothing short of scandalous.

Hon. P. Collier: They have a Conservator of Forests at £2,000 a year, and they have no forests at all.

The Attorney General: I agree that it is a scandal.

Hon. P. Collier: They have a few pines at Canberra, but no forests.

Hon. A. McCALLUM: We have areas in the South-West, plenty of them, that are forests, but there are none at Canberra.

The Federal Government do not control an extensive area, so how could they have forests?

Hon. P. Collier: They have to send their forestry students to New South Wales and Victoria to gain experience.

The Attorney General: In order that they may see forests.

Hon. P. Collier: Yes.

Hon. A. McCALLUM: They now have a Federal Minister for Markets. It is a new branch and is operating to an enormous extent, but what good is that? The Federal Government have duplicated our Health Department.

Mr. Wells: It is a pity we have them at all.

Hon. A. McCALLUM: Who?

Mr. Wells: That we have the Federal Parliament.

Hon. A. McCALLUM: I do not agree with that.

Mr. Wells: You do not go quite so far.

Hon. A. McCALLUM: No, but it was never the intention of those who supported Federation that any such duplication should take place. Departments are duplicated and high salaries are paid, and enormous expenditure involved. The Premiers' Conference could have saved millions of pounds if the overlapping of State and Federal departments had been tackled. Then there is the system of government throughout the Commonwealth that could have been investigated. Here we have no fewer than seven Governors involving enormous expenditure. Certainly that question was brought up and discussed. Hon. members would have thought that much consideration should have been given to the economies to be effected under that heading, but the first man to raise his voice against the abolition of State Governors was our own Premier, Sir James Mitchell. He objected to the abolition of State Governors. After being in the Cabinet for six years I regard that position as a most farcical one. It is a useless office, a sinecure of the first water. During the six years I was a Cabinet Minister I do not think I attended Executive Council more than half a dozen times. It was an absolute farce. Bundles of papers were passed over to the Governor to sign, and he signed them as fast as ever he could, without having any idea whatever as to what he was signing. It would not do for him to know, for if he did know he might start to argue about it and get him-

self into trouble. But under present conditions to saddle this country with an expenditure of £8,000 per annum for the maintaining of a useless office is altogether beyond reason. We can talk freely just now, for there is no one in the office at the present time. The abolition of that office should be one of our first cuts. For the next one, we need only to remember that we have in Australia 14 Houses of Parliament.

Mr. Pantou: Thirteen.

Hon. A. McCALLUM: Yes, 13 Houses of Parliament! I do not think that in a State the size of Western Australia it would be reasonable to expect us in this House to represent the people direct with less than 50 members to do it. With any fewer number we would not be able to keep in touch with the people. The electors would be divorced from direct contact with their members, so big is the area of the State. But when it comes to the second Chamber, only one of the State Parliaments has abolished it for the unicameral system. In each of the others two Houses are still maintained. Here we are told that if the Legislative Council were to be abolished it would be the end of responsible government.

Mr. Corboy: The only State content with one House is in the best position of all.

Hon. A. McCALLUM: That is so. Queensland to-day is in the best position of all the States.

The Attorney General: One cannot be surprised at that when he thinks of the £8,000,000 that State pulls out of the rest of Australia.

Hon. A. McCALLUM: The cost of Governments in Australia should have been attacked from the top. There was there plenty of room for economies without getting down to attacking the basic wage, and wages even lower than the basic wage. When it comes to the rehabilitation of the nation and the revival of industry, there is in the report of the Premiers' Conference not a word said. I feel that until such time as wheat and wool can be produced in Australia at a profit, no matter what economic schemes may be put into force the outlook for Australia is very black indeed.

The Attorney General: We all agree with that.

Hon. A. McCALLUM: I do not know that. I have read through the report of the Premiers' Conference pretty closely and I have talked with men outside who are equally interested in the situation, and I am not at all sure that they hold that view. What did the conference do to help the position? Is there in it any idea, any suggestion as to how wheat and wool are to be produced at a profit? There is not a proposal, not a thought given out in that respect. Evidently no attention at all was paid to it. Take the position of our own State. If we had to go out of the production of wool and wheat, what future would there be for Western Australia?

The Minister for Lands: Or even with production on the present prices.

Hon. A. McCALLUM: And we have to look forward to this, that even if our producers can carry on for a year or two in the hope of things improving, it cannot be for longer than a year or two.

Hon. P. Collier: Probably it cannot last longer than the coming season.

Hon. A. McCALLUM: And for all the schemes to reduce the basic wage, unless wheat and wool can be produced in this continent at a profit, our outlook is very poor indeed. Can any man suggest what we are to do with the huge wheat belt if we have to give up wheatgrowing, or with the North-West and the Kimberleys if we have to give up wool growing? What are we to do with those valuable areas? We do export some other commodities, of course, but wheat and wool are the two that provide the very foundation of the State's existence, namely, the wealth. The Premiers' Conference did nothing in the way of suggesting how those two industries are to get back into their stride. To-day between £11,000,000 and £12,000,000 are being expended on sustenance for the unemployed, and the experts calculate that in all probability it will be increased by three millions next year. I should like the Attorney General, when replying, to give us some information as to the attitude of the banks towards making credit available for the revival of industry. After the conclusion of the conference it was published in the Press here that the banks had given an undertaking to make credits available for the revival of industry and the creation of employment. But subsequently the banks denied having given any such undertaking. We have been told here by our own Premier that the banks

cannot go on financing Governments, because they have not the money. He said, "The banks cannot lend us money until somebody else lends them money. They have not the money to lend to Governments, and so they have been forced to shut down on Governments." On the other hand, I see by this report of the Premiers' Conference that not only one Minister, but several Ministers, presented quite another story. And we know for ourselves that the banks in the Eastern States are turning away money offered on fixed deposit. They will not have it. They say that already they have so much on fixed deposit that they cannot find profitable investment for it. Surely that situation should have been examined by the Premiers' Conference. There is the whole basis of our credit system.

Mr. Angelo: Where did you get that information?

Hon. A. McCALLUM: Here, in the report of the Premiers' Conference.

Mr. Angelo: I mean the turning down of deposits?

Hon. A. McCALLUM: Here, in the report.

Mr. Angelo: But I think that refers only to the Bank of New Zealand.

Hon. A. McCALLUM: No, it refers to the Associated Banks. If the hon. member will read a Press telegram from Canberra shortly after the conference concluded, he will find that the banks disowned the obligation of finding credit for industry, and said they had more money offering on fixed deposit than they cared to take.

Mr. Angelo: That is extraordinary, for they are opening branches for deposits all over the place.

Hon. A. McCALLUM: But I am referring to fixed deposits. The banks are refusing to take them.

The Attorney General: Fixed deposits on short terms. Probably there is more offering than the banks care to take.

Hon. A. McCALLUM: It was certainly understood by the conference that the banks were going to reduce interest on overdrafts. But they have not done so. They have reduced it on fixed deposits but not on overdrafts.

Mr. Angelo: It will follow.

Hon. A. McCALLUM: It will follow, a long way in the rear. Why has it not been done? I direct the Attorney General's attention to the announcement published the

other morning, in which it was stated that the banks refused to reduce interest on overdrafts.

The Attorney General: But there was an announcement in the paper this morning to the effect that the interest had been reduced.

Hon. A. McCALLUM: I have not read what appeared in this morning's paper, but I know that the previous announcement by the banks conveyed the decision that they were not going to reduce interest on overdrafts.

Mr. Angelo: They will do so immediately they feel the benefit from reducing interest on fixed deposits.

Hon. A. McCALLUM: In other words, immediately they have made more profits. However, they are not going to do it yet. I want the Attorney General to look into the position of mortgages. This deals with mortgages that are in existence at the commencement of the Act; it allows for appeals to this tribunal for a reduction in interest on mortgages existing at the commencement of the Act. Probably he knows—it has been told to me at any rate—that already a lot of mortgagors have been notified that if the Bill becomes law, and they move to have their interest rates reduced, their mortgages will be immediately called up. Then this provision, which applies only to mortgages existing at the commencement of the Act, will not apply when new arrangements are entered into. So the whole provision could be nullified. I suggest to the Attorney General that already arrangements are being made in the city for that to be done.

Hon. P. Collier: The idea is to call up the old mortgage and issue a new one.

Hon. A. McCALLUM: That is the idea, and this provision of course will not apply to the new one. Some amendment should be made to prevent the calling up of mortgages. If the mortgage is called up, how is one to arrange in the new mortgage that this Act shall apply? If the new mortgage contains new conditions, and the idea is to get a reduction of interest below the existing rate—so far as I can learn, in nearly every one of the later mortgages there has been an increase in interest.

The Attorney General: There has been, yes.

Hon. A. McCALLUM: Well, then, could not something be imported into the Bill?

The Attorney General: The idea is that, generally speaking, it will bring down the market rate of interest.

Hon. A. McCALLUM: But I suggest that with the loopholes I have pointed out it will be nullified altogether. The Attorney General should look very carefully into that. Now another point: Most of the contractors who indulge in speculative building, build homes, arrange for a mortgage on the buildings and then sell under a contract of sale. While the contractor will be able to take advantage of the Bill in respect of his mortgagee, what about the householder who has to buy on a contract of sale? I have been advised that a contract of sale would not come under the Bill.

The Attorney General: It is intended to be under it.

Hon. A. McCALLUM: I suggest the hon. member should look into that. I am told by a gentleman who ought to know, that the point will not be covered.

The Attorney General: Look at paragraph (c).

Hon. A. McCALLUM: It appeared to me that contracts of sale would be covered, but I am told that under a legal interpretation they would not be covered.

The Attorney General: If so, we can fix that.

Hon. A. McCALLUM: I ask the hon. member to look into it and have it tightened up if he is not absolutely satisfied. All through the conference the Attorney General fought to get a flat rate. Though the conference did not agree with him, he is practically getting his own way here. The difference between 18 per cent. and 22 per cent. is a mere 4 per cent. A man on £255 will suffer the same reduction as a man on £1,000 a year, and surely that is not equitable. I suggest that the Bill needs modifying in many ways. Personally I am entirely opposed to the measure. The numbers will probably be against us when the division is taken, but in Committee I hope we shall be able to get sufficient support to remedy some of the outstanding evils. It is the experience of the Labour movement that the policy enunciated by it from time to time has proved unpopular and has been denounced, but within a short time has been adopted by the very people who had denounced it. Things are changing rapidly. In the short space of a few months tremen-

ous changes have taken place. A resolution of the Federal Labour Caucus to postpone the interest on Australia's debt a few months ago was blazoned throughout the world as repudiation and denounced as discreditable. Now we find the President of the United States of America giving it out to the world that that course should be followed by all nations to afford world relief, and he is acclaimed as a courageous man, a leader of thought, doing something materially to assist the nations. At the close of the war Labour advocated a policy of no war indemnities. For so doing we were decried and stigmatised as disloyal to our country. The cry went out, "Make the Kaiser pay." Now Washington is giving it forth to the world that the quickest, safest and surest relief that can be afforded is the wiping out of war debts. The Labour movement has out-lived the denunciations of the past. We have stood to the policy we considered to be right and, though decried at the time, it has, within the space of a few years, been adopted by the other side and proved to be correct. The policy we have proposed in the present crisis, though it has been denounced, will, I am sure, yet be the one to be adopted.

MR. PANTON (Leederville) [8.33]: The more I study the title of the Bill, the more am I inclined to agree with the Deputy Leader of the Federal Opposition (Mr. Latham) who, when speaking in the Commonwealth Parliament said, "I only wish that any Bill that any Parliament could pass could achieve the objects set out in this title." The title of the measure reads—

An Act to make necessary provision for carrying out a Plan agreed on by the Commonwealth and the States for meeting the grave financial emergency existing in Australia, re-establishing financial stability and restoring industrial and general prosperity.

No doubt any Parliament would be willing to accept legislation capable of securing those results. The Attorney General, when moving the second reading of the Bill and again to-night, said he did not like the title very much and was not wedded to it.

The Attorney General: As a matter of fact, I am a bit ashamed of it.

Mr. Corboy: You are responsible for it.

The Attorney General: No, I am not.

Mr. PANTON: I am not surprised to hear of the Minister's being ashamed of it.

I am going to suggest an amendment. I suggest that all the words after "for" be struck out and the following inserted:—"demonstrating repudiation, inequity and broken promises." The title would then read—

An Act to make necessary provision for carrying out a Plan agreed on by the Commonwealth and the States for demonstrating repudiation, inequity and broken promises.

That would be an appropriate title for the Bill and, if adopted, we could rightly discuss the whole of the provisions. There is not the slightest doubt that the Bill stands for repudiation, inequity and broken promises. Look at whatever part of it we may, it repudiates agreements of all descriptions. It repudiates agreements between private employers and employees; it repudiates arbitration court awards, and it even repudiates civil service agreements whether they be under appointment or on piece work rates. In my opinion the whole Bill, lock, stock and barrel, aims at repudiation, and, as the member for South Fremantle said, it is not going to achieve the object of restoring to work the 360,000 now unemployed. Any Plan, Federal or State, that does not provide for putting men back into work should not be discussed by this Parliament, for it is only a waste of time. Unfortunately, we are compelled to discuss and oppose this measure because it has been introduced by the Government. I should like to take this opportunity to congratulate the Premier, the Attorney General and the anti-Labour forces generally on having their policy put into legislative effect by the Parliaments of Australia, some of which are controlled by Labour Governments, unfortunately. It is a wonderful piece of engineering and it speaks well for the genius of the anti-Labour forces at the conference that they were able to put such proposals across the Labour men who attended the conference. I have vivid recollections of having sat in conference with some of the men who were present at the Premiers' Conference. Some of them I remember as far back as 1920 and 1921, and I then wondered whether I should ever be able to make such speeches as they made. Yet they are sufficiently unsophisticated to have such stuff as this Bill put across them.

The Attorney General: You mean simple, humble Mr. Theodore?

Mr. PANTON: Simple, humble Mr. Scullin.

Hon. P. Collier: Simple Mr. Lang?

Mr. PANTON: Mr. Lang is the one Premier across whom the conference has not succeeded in putting these proposals. I am wondering what sort of a needle was used on the others.

Hon. P. Collier: Mr. Lang signed the Plan.

Mr. PANTON: But he is not putting through the legislation.

Hon. M. F. Troy: He is playing his own hand and game.

Mr. PANTON: It is remarkable that the whole of the ideals built up by Labour for the past 40 years should thus be attacked, and that we should be placed in the position of fighting to preserve some of them. The Attorney General has indicated his agreement with one of the proposals submitted by the Leader of the Opposition and two proposals submitted by the member for South Fremantle. If he keeps on accepting suggestions from this side of the House, we shall succeed in making a better Bill of it.

The Attorney General: To which of the proposals did I agree?

Mr. Angela: He might agree to your proposed new title.

Mr. PANTON: If he does, the Bill will have a proper title.

The Attorney General: What about having a Bill without a title?

Hon. P. Collier: The Attorney General is not worrying about the title.

Mr. PANTON: The most extraordinary feature of the Bill is its inequity. Irrespective of whether the wages and salaries of employees are being paid by the Government, under arbitration court awards, or otherwise, they can be compulsorily reduced by 18, 20 or 22½ per cent. There is no argument about it: wages must come down. When the Bill deals with mortgages, however, it is quite a different matter. There is no provision for a reduction of 22½ per cent. from the same date, namely, the 1st July. Neither does the Bill contain any reference to rent. A man on the basic wage may have his wages reduced another 10 or 11 per cent., making 18 or 20 per cent., as from the 30th June, but the landlord can go around on pay day and demand his rent on the old scale. Not a word has been said by the Government about reducing rents. There

is no 22½ per cent. reduction for the landlord. If a man wishes to get his mortgage interest reduced, he has to apply to the court. There is no suggestion of that being reduced compulsorily and of the mortgagee having to apply to the court, as the employee has to apply to the Arbitration Court. The Bill is bristling with inequities. Why should we differentiate between mortgages and wages and salaries? Why should not rents be reduced equally with wages and salaries? When the Attorney General replies, he should explain those inequities. The Attorney General is a very astute young man.

The Attorney General: Thank you for that.

Mr. PANTON: I am prepared to pay a compliment when it is deserved. He is astute because he realised that the more he said about the Bill when moving the second reading, the greater would be the criticism he would have to face.

Mr. Marshall: And the less we would understand about it.

The Attorney General: You had a copy of the Bill to read.

Mr. PANTON: We have discovered something about the Bill, as the Attorney General will realise before the measure passes through the Committee stage. We have found some of the weak spots. Seeing that the measure is so comprehensive and far-reaching, the Attorney General should have told the House and the people who will suffer reduction precisely what the effect would be. He admitted frankly that he could not see how it would lead to any further employment. That being so, I do not think the Bill is worth discussing at all.

The Attorney General: I do not think I admitted that.

Mr. PANTON: Then the Attorney General said it without admitting it. Will the Minister say now that the Bill is likely to produce any more employment than the reduction of the basic wage produced a few months ago?

The Attorney General: I think I can say that.

Mr. PANTON: The member for South Fremantle wondered how this measure came to be framed. The reduction of wages and salaries has been advocated by the Employers' Federation, the Chamber of Commerce and the Chamber of Manufactures in this State during the last 12 or 18 months.

The whole plan has been advocated with one exception by labour's political and industrial opponents. Mr. Latham, when addressing the National Convention in Sydney on the 23rd June, said that in substantial measure at least the Government Plan represented the policy of the National Government. I can imagine the applause that would follow such an announcement. They had Mr. Scullin and Mr. Theodore in the unique position of putting into force their policy, but having to accept no responsibility for what happened afterwards. I am not particularly concerned as to whose plan it is if we are going to do any good. No member can show that a general reduction of wages and salaries, and thus the spending capacity of the community, has ever brought about more employment. I am afraid we cannot on this occasion depend upon another place, as we did in connection with the Workers' Compensation Bill. I am afraid another place will let us down this time.

Mr. Marshall: You bet your life they will.

Mr. PANTON: Evidently the hon. member is in the know and I will take his word for it. We can therefore assume that this Bill will become law as soon as possible. I venture to say that with the reduced purchasing power of the community the shops that are now working at rationed time will slacken off, and work a still greater rationed time if the unions are prepared to put up with it. That will be the result of the Bill. It may balance the Budget, but is balancing the Budget of greater importance than the feeding and clothing of the men, women and children? I am prepared to agree that the Premier shall continue his undefeated record of deficits if it means that the men are going to get work, and that the women and children are to be fed and clothed. Many people think that the Budget should be balanced. It has never yet been balanced by the Premier.

Mr. Kenneally: He is consistent.

Mr. PANTON: I hope his consistency will continue.

Mr. Angelo: Where will the money come from?

Mr. PANTON: From the unfortunate men, women and children who have scarcely any clothes to wear, and who are practically on the verge of starvation. That is how the Budget will be balanced.

Mr. Angelo: Suppose this Bill does not go through, where will the money come from?

Mr. PANTON: Where did the money come from last year?

The Attorney General: We will just chalk up deficit after deficit.

Mr. PANTON: That is all the Premier has been doing while he has been in charge of the Treasury bench.

The Attorney General: He was able to borrow.

Mr. PANTON: He is still hoping that when the Bill becomes law he will be able to borrow again. If he is successful, we shall simply have to go through all this performance over again. That is the position in which the Leader of the Government finds himself.

Mr. Sleeman: How will he get on with the Chief Secretary, who is not in favour of that?

Mr. PANTON: They will have to fight it out amongst themselves.

Mr. Angelo: The banks have warned us that there is no more money.

Mr. PANTON: I know the banks have warned us. I know that the banks as well as the Chambers of Commerce and the Chambers of Manufactures are all in one big financial group. They have all been warning us, but have gradually been whittling away from us those things which we have fought for year after year. They have even got hold of the leaders and threatened them. They have placed them in a corner and held a pistol at their heads until they had to throw up their arms and cry "Mercy, kamerad," and agree to the plan. Everyone knows what happened. I know the banks have warned us, but who are the directors of those institutions, and who are the shareholders? The same people who represent the Employers' Federation and the Pastoralists' Association, the Chambers of Commerce and so on.

Mr. Angelo: Would Mr. Scullin and Mr. Theodore have given in if they could have seen another way out? Of course not!

Mr. PANTON: As an old soldier I have many times seen one man with a bayonet at another fellow's throat. The latter could see no way to get out of his difficulty and so he put up his hands, just as Mr. Scullin and Mr. Theodore evidently did. I hope the hon. member will tell us what he has in mind.

Mr. Kenneally: He will not be permitted to speak.

Mr. PANTON: As the member for South Fremantle said, these wonderful experts, who are responsible for the Plan, realise the effect it will have upon unemployment. It means that the Commonwealth and the States will have to find another £3,000,000 for sustenance, in addition to the £10,000,000 they already have to find for the 360,000 men who stand in need of it. Even in the opinion of the experts, this Plan will bring about more unemployment. I have read all the debates that have taken place in the Federal Parliament. I find that the Federal Government are going to reduce the earning capacity of civil servants, reduce pensions, etc., by a total of £8,500,000. This money will go into the Federal Treasury. Against that they are going to increase the cost of living by means of an increased sales tax and primage duty to the extent of £7,500,000. In other words they are going to reduce the spending power of the community by £8,500,000 and increase the cost of living by £7,500,000. The Attorney General was at the conference and I should like him to tell us where the people are being landed. I do not think anyone will say that the Arbitration Court ever gave anything over what the figures allowed them to do as the basis of the cost of living. Whatever figures the court arrives at are to be reduced by between 18 and 22½ per cent. How are the people going to keep going? Will the Minister for Health tell us whether this Bill will apply to hospitals? Having for ten years been a member of the Perth Hospital Board and now being a member of the executive, I am particularly interested in the point, and am one of those who is endeavouring to economise to the best of our ability at the request of the Health Department. I am satisfied that the definition of "grant" contained in this Bill includes hospitals. If the measure is passed, will the staffs of the Perth Hospital and other hospitals be reduced in accordance with the schedule? I notice a silence that can be cut with a knife. The definition in question says: "Grant," except as hereinafter mentioned, means any payment, subsidy, contribution, or grant of money, which is either directly or indirectly provided for by any Act of Parliament and is payable to any State, instrumentality, institution, association, fund, etc."

The Minister for Lands: Would they not be affected without that?

Mr. PANTON: How would they be affected?

The Minister for Lands: They are affected by the Arbitration Court awards.

Mr. PANTON: Yes. They have been brought down 8s. a week already. Only one section of the hospital workers comes under an arbitration award, and under this Bill it would be brought down at least 20 per cent.

The Minister for Lands: Only 18 per cent., unless someone is drawing £1,000 a year, when the reduction will be 22½ per cent.

Mr. PANTON: Only the wardsmails and orderlies come under an award. The whole of the nursing, the medical and the professional staff are under no award. I presume the Minister for Health will demand, under this Bill, that they shall all be reduced 20 per cent.

The Attorney General: Their position will not be any different under this Bill from what it is now.

Mr. PANTON: Then it is agreed that the hospitals come under the Bill.

The Attorney General: The position of the people who are not working under an award will be exactly the same after the Bill is passed. They can make their bargain with their employer.

Mr. PANTON: That is nice to know. I hope the Minister for Health, who controls hospitals, agrees with his colleague; otherwise, as one of the five members of the executive, I shall be placed in the invidious position of saying to the whole of the staff of the Perth Hospital, "From the 1st July you are to be reduced 18 to 20 per cent." If the Minister is prepared to leave it to the executive, I venture to say that the majority of the members will do nothing of the sort. The staff will, therefore, not be in the same position after this Bill is passed as they occupy now.

The Attorney General: The independent employers can do just the same.

Mr. PANTON: We are not independent. We are entirely dependent on the hospital fund. If the Minister for Health says to our executive, "Your revenue is down 20 per cent.," we shall have to find some way of meeting the situation, and the only way will be for everyone to be reduced by 20

per cent. I am satisfied he agrees with me that hospitals will come under the Bill.

The Minister for Lands: Of course they will.

Mr. PANTON: Then we shall be expected to reduce the staff by 20 per cent.

The Minister for Lands: I did not say 20 per cent.

Mr. PANTON: By 18 per cent., if the Minister likes. By what right do the Government presume to take anything from the hospital tax? Here is a tax, the only one of its kind in the State, put on for a special purpose. The people pay 1½d. in the pound on every pound they earn to keep the hospitals going. That money goes into a fund which is used to finance the hospitals. Now the Government come along, after telling the people they are going to be taxed to this extent and for a special purpose, and say, "Under this Bill we are going to take charge of that fund, and demand that it may be used for some other purpose." It is a piece of utter repudiation. The Bill is all repudiation, but this is the greatest piece of repudiation in it. The people are still to go on paying 1½d. in the pound hospital tax. Is it proposed that when the Attorney General's Department reduce the revenues of the Perth and other hospitals by 20 per cent., the reduction is to be passed on to the public, as under Arbitration awards?

The Minister for Lands: Are you satisfied with the way we are disposing of that money now?

Mr. PANTON: That is not the question.

The Minister for Lands: It is paid into Consolidated Revenue.

Mr. PANTON: That money represents a special tax for a special purpose, and neither this Bill nor any other measure has the right to provide what is to become of the money. Obviously, the Government propose that the Bill should deal with hospitals.

The Attorney General: Why do you say it is obvious?

Mr. PANTON: Because the hon. gentleman's colleague says so. The Minister shakes his head. I should be very sorry to cause a split in the Cabinet. At the present time that would be a disaster to the country. How is the arrangement going to work out? In the Perth Hospital there are numerous young girls employed, many of whom in their first year get 10s. a week and board

and lodging. The work—I emphasise this—52 hours per week.

The Minister for Lands: They do not work 52 hours per week for board and lodging, but to learn their profession.

Mr. PANTON: I have heard that before. Their first year is practically slavery. I know something about it, because I have been in the hospital a good many times as a patient. In the case of those young girls, the board and lodging will be assessed, under the Bill, in accordance with the nearest relative assessment of the Arbitration Court. The nearest assessment I can find is that of employees under the same roof and working under an award. They were assessed £1 5s. 9d. for board and lodging as at the 30th June, 1930. Therefore, those girls in their first year will have their board and lodging assessed at £1 5s. 9d., which with the 10s. wage makes a total of £1 15s. 9d. From that will be deducted 18 per cent., or 6s. 5d. per week. Thus the girls will have a whole 3s. 7d. to draw every Friday.

The Minister for Lands: You know very well that will never be done.

Mr. PANTON: What is to be done under the Bill?

The Minister for Lands: You know very well that will not be done.

Mr. PANTON: So far as I am concerned it will not, but I am dealing with the legislation here proposed. Will the Minister show me any part of the Bill which prevents it? The Bill provides a deduction of 18 per cent. up to £250.

The Minister for Lands: It provides that that shall be the maximum, not the minimum; and you know it.

Mr. PANTON: The schedule distinctly states "Annual salary £250, 18 per cent. deduction," and similarly with the other ranges of salary. Where is the minimum and the maximum? The schedule says what it means. Under the 18 per cent. reduction those girls will receive 3s. 7d. per week.

The Attorney General: One does not read the schedule without the Bill itself.

Mr. PANTON: I have read it oftener than the Minister has.

The Attorney General: You read it to suit yourself.

Mr. PANTON: I read it as I know it will suit the Government to put it into operation. Under the Bill those girls will get for 52 hours' work the princely sum of 3s.

7d. Take another case. The Perth Hospital is a huge establishment, and is worked on a system of honorary medical officers. The only paid doctors there are the Principal Medical Officer, and the junior doctors, nine of them, working under the honorary staff. Those juniors come from the University immediately they have completed their course. They go to the hospital to complete their education. For £100 a year plus board and lodging they have worked there hour after hour, day after day, week after week. Lately we found that owing to a scarcity of young doctors, and owing to the fact that in the East £150 a year was being paid, we had to raise the salary here to the same amount in order to get a reasonable class of doctor. Now the juniors at the Perth Hospital receive £150 a year plus board and lodging. If their board and lodging is assessed at the same rate as in the case I refer to, it will be £1 5s. 9d. Thus their remuneration will work out at £150 cash plus £67 for board and lodging, making a total of £217. They will suffer 18 per cent. reduction, and hand back to the Treasury £31 1s. 3d.

Hon. W. D. Johnson: And that will come right off the salary.

Mr. PANTON: Yes. All the hospitals of this State depend on the rising generation of medical men. As our University does not train medical men, they have to come from the Eastern States. Otherwise they would have to come from England, and their fares would cost a mint of money. They are to be called upon to accept £150 less £31 1s. 3d. What class of men does the Minister for Health expect to secure in competition with the Eastern States on such conditions? And on top of that they will have to pay hospital tax.

The Minister for Lands: What amount of hospital tax have they to pay?

Mr. PANTON: A hundred and fifty times 1½d.

The Minister for Lands: Anyone would think they were paying half their salaries away in hospital tax.

Mr. PANTON: Under this Bill they are going to pay £31 1s. 3d., plus 150 times 1½d. In no other State has legislation of this kind been introduced.

The Attorney General: Are you going to lose your doctors?

Mr. PANTON: We shall lose the good class of doctors that we require.

The Attorney General: You will not get a good doctor for £150 if you cannot get one for £130.

Mr. PANTON: It is not possible to get a good lawyer just out of school for £100 any more than for £150.

Mr. Marshall: You cannot get one for £1,000.

Mr. PANTON: The young doctors who come to the Perth Hospital eventually become the doctors of this State. They go out into the country districts.

The Attorney General: They go back East again.

Mr. PANTON: Very rarely. Preference is given to Western Australian-born doctors, and when they come over here they generally take up practice in Western Australia. There are more opportunities for young medical men in this State than in any other State.

The Minister for Lands: The doctors have not asked you to state this case for them, have they?

Mr. PANTON: Nobody has asked me. I know the Minister for Health does not like this, but he will not stop me.

Mr. SPEAKER: Order! The Chair directs the conduct of the House, not any member. The hon. member is all right.

Mr. PANTON: Thank you very much, Sir. I am glad you mentioned that, because the Minister for Lands did not think so. I was just pointing out to him that he is placing me in the invidious position of having to bring about these reductions. I am not putting up this fight so much for the doctors as for myself. At the Perth Hospital I shall have, under the Bill, one or two things to put into operation to which I am totally opposed, against which I am prepared to fight here hour after hour. Otherwise I shall have to get out of an organisation to which I am proud to belong. There is only one thing a decent-minded man can do sooner than put into operation against those girls what the Bill proposes. I would rather step out to-morrow. Moreover, the Minister would have to find other executive officers.

Hon. P. Collier: I would not resign. I would put the Minister there to do it.

Mr. PANTON: I want the Minister to give the matter some consideration, because it is one of great importance. Here is another point. Does the Attorney General realise that it is intended to bring in ration-

ing or part-time working? I wish to refer to another section of the community in whom I am interested. The member for East Perth (Mr. Kenneally) and I a few months ago sat on a board with Mr. Munt and Dr. Battye, the Registrar of the Arbitration Court being chairman, to declare a wage for cleaners and caretakers. The wage fixed by the board was based on the fact that the bulk of the cleaners were Government employees who cleaned offices and schools, and that we were definitely informed by the representative of the Government that it was a job for which they were paid every week. Some of them were part-time workers, but we were given to understand that they were paid for every week. It was stated that even the cleaners employed in connection with schools, which have seven weeks' holidays, were paid for every week. The award was based on that evidence. But shortly after the present Minister for Education got a chance, they were paid only three weeks or a month out of the seven weeks' holidays at Christmas time, the remainder being deducted. A large number of these cleaners are widows. When the Government have a vacancy for a cleaner or a caretaker, they apply to the Child Welfare Department, so that a woman may be taken off sustenance. If a cleaner or a caretaker is required, she has to be obtained from that department. The bulk of them work on what is called part-time, not half-time as we know it now. They do not work a full week, but from 25 to 29 hours. At the 30th June, 1930, they were being paid £2 3s. 9d. per week. They work pretty solidly, starting at 6 in the morning, and going on again at 5 p.m. to work till about 8.30 p.m. Of course they are not at work during the middle portion of the day. The reduction of 18 per cent. of their £2 3s. 9d. per week is equivalent to 7s. 10½d. Most of them are widows with children. Now they are to be reduced from £2 3s. 9d. to £1 15s. 10½d., from which they will have to pay 3d. per week hospital tax. They will get £1 15s. 7½d., when the Attorney General with this Bill and the Minister for Health with his hospital tax, have finished with them. Does the Attorney General propose to deal with part-time workers in the same way as he has indicated he is prepared to consider the position of those whose work has been rationed? Is he going to ask women who are supporting four or five children and

who go to schools and offices undertaking cleaning work as I have indicated, to shoulder such a burden? If he does, it will simply mean that they will have to give up their work and go back to the Child Welfare Department and secure more by way of sustenance. This proposal is really a premium to force them to give up work and participate once more in the sustenance payments. I hope the Attorney General will give some consideration to this phase of the problem. I do not propose to deal with the measure at any great length, but I would like the Attorney General to explain what he means in the clause relating to the reduction of wages, when the worker is engaged on piece work rates or on commission. Does that mean that insurance agents, for instance, will have their commission reduced by 20 per cent.? Particularly in the metropolitan area, there are a large number of insurance agents who are working on commission. Under the provisions of the Bill their employers can say to them that in future their commissions shall be reduced by 20 per cent. If that is so, can the Attorney General say whether there is anything in the Bill to provide that premiums shall be reduced correspondingly? Will the principle that is to apply in the event of the Arbitration Court granting a reduction of 18 per cent., whereby the court must direct that the reduction is to be passed on to the public in the form of reduced charges, prevail where the insurance companies are concerned, thus effecting a corresponding reduction in premiums?

The Attorney General: But insurance agents are not covered by any award or agreement.

Mr. PANTON: The Bill does not say that they must be.

The Attorney General: They can do what they like, and the Bill will not affect them.

Mr. PANTON: Won't it?

The Attorney General: No. At the present time there are a large number of men who are working, and who make their own bargains from day to day with their employers. The Bill will not affect them.

Mr. PANTON: I agree with that, but the Attorney General must not forget that every bargain that is made to-day, in those circumstances, is fixed on the basic wage declared by the Arbitration Court.

The Attorney General: That is not so.

Mr. PANTON: The Attorney General can shake his head as much as he likes. Every such arrangement is based on the ruling rate of wages or the basic wage fixed by the Arbitration Court. When the court reduced the basic wage by 8 per cent., the other employers reduced their payments by 8 per cent. in accordance with the Arbitration Court's award.

The Attorney General: I have not heard that land agents or insurance canvassers suffered any alteration in their commission in consequence.

Mr. PANTON: The Minister does not mix with that class of person.

The Attorney General: Perhaps not.

Mr. PANTON: I do not say that in any derogatory sense, where the Minister is concerned, but the fact remains that he is engaged in a profession that takes him to his office each day.

The Attorney General: I have a job now that takes me to a Government department every day and all day.

Mr. PANTON: Yes, but the Attorney General does not meet these people as we do. He does not get their complaints as I get them in the street every day. I have received raps on the knuckles across the table from the employers of insurance agents when, as one of the representatives of the Labour movement, I have discussed with them matters relating to commission and wages. On every occasion the commission has been based on what was paid outside in the nearest related industry. If wages in any such industry are reduced by 20 per cent., it is only human nature that others in similar work shall have their wages reduced correspondingly. Human nature is the same, whether manifest in an office or behind a counter in a small shop. In each instance profits are sought. If there is to be a 20 per cent. cut in commission, why not give the insurance agents the same right as the other employees? The same thing applies to piece workers. For years I have sat in this House and have listened to debates. I have read papers and articles issued by the Employers' Federation. I have sat in the State Arbitration Court and have listened for hours to talk about payment by results. As Mr. Hedges is so fond of saying, "The curse of the country is the payment of wages fixed by the Arbitration Court instead of payment by results." We have heard that argument advanced hun-

dreds of times. At present thousands of men are employed on piece-work rates, and now we see the proposal of the Attorney General. In effect he says, "Now we have got you working on the basis of payment by results, we will reduce you a further 20 per cent. so that you must work still harder in order to get your wages." Down through the ages men who have been employed under piece-work conditions have had to put forward their best efforts in order to earn a little above the basic wage or the usual rates of pay in the work they were undertaking. Always we have found that the rate has been cut down still further, and now we have reached a stage when all the men on piece-work rates have to labour to the utmost limit to make a little more than mere wages. Yet the Attorney General says that notwithstanding the fact that those men are working their soul-cases out to make wages under the piece-work system, they are to suffer a further cut. That is the system the Attorney General, the Government as a whole, and those who support them have been advocating, and now they have got so many men under piece-work conditions they are going to enforce a 20 per cent. cut. That is the objection to that form of labour. As soon as the piece-worker is able to make wages, the rates are reduced. Now another burden is to be added to the lot of the piece-worker. Let me get back to the Attorney General's own argument. If these men are to labour under piece-work conditions, and agents are to be employed on commission, and they are to make their own agreements with their employers, why not cut them out of the Bill altogether? What right have the Government to ask Parliament to agree to such a proposal as that embodied in the Bill? It has to be remembered that the Bill, if passed, will become an Act of Parliament, not of the Government. If we agree to it, Parliament must accept the responsibility. This phase should receive further consideration from the Attorney General, and when we reach the Committee stage I hope he will agree to exempt piece-workers and men on commission from the provisions of the Bill. The member for South Fremantle (Hon. A. McCallum) has dealt at length with what will happen when the employer gives notice of his intention to reduce wages in accordance with the provisions of the Bill. I would like to ask the Attorney General: Who was the genius that sug-

gested the provision that when the President of the Arbitration Court agreed to a reduction he was to order that reduction to be passed on to the public? Surely the Attorney General, with his knowledge of the social system of to-day, realises that no army of inspectors and no law of the country could ever provide for the policing of such an extraordinary provision. I do not know what Foy & Gibsons or Boans propose to do if the Bill be agreed to, and I merely mention those firms for the sake of argument. Suppose Foy & Gibsons, for instance, notify their intention to the unions concerned to reduce the wages of their staff by 18, 20 or 22 per cent., whatever the rate may be. The unions concerned will approach the court and will endeavour to show that special circumstances prevail to induce the president not to agree to the reduction. I cannot imagine the president of any court, in the face of Parliament, which represents the people of the State, having said that we believe that wages and salaries must be reduced by 20 per cent., deciding not to agree to such a reduction. It is impossible to conceive that any man, whether President of the Arbitration Court or any other court, would adopt any other attitude in the face of Parliament's decision. There may be some special circumstances stressed such as the dangerous nature of the work that may be urged against the reduction of wages, but such instances will be extremely isolated. Therefore I say I cannot conceive that any president of a court would do other than agree to the wage reduction, in view of Parliament's attitude. Further than that, if the president did adopt a contrary attitude, I do not think he would be very long in his position. In fact it would be impossible for the President of the Arbitration Court to do anything but agree to a reduction and then order the firm to pass on the reduction to the public. It will be interesting to learn how the Government propose to police the latter provision.

Mr. Kenneally: The firms you mention would probably put it on to the price of pianos.

Mr. PANTON: There are no two departments in Foy & Gibsons that are worked on the same percentage basis. As between the grocery and fancy goods departments there may be a difference representing anything from 150 to 200 per cent. If the court agree to a reduction of 20 per

cent. I suppose we shall be asked to believe that the president would be so unsophisticated as to imagine that firm would go away and do the job. Of course the job will be done—like the sales tax. If anyone asks why the price charged is so high, he will be told that it is the sales tax that has caused the difference. If he were to work out the sales tax on the article purchased, he would probably find that he has been charged an extra 8 or 9 per cent. Personally I regard this proposal as the most idiotic that has ever been included in a Bill. It will be impossible to give effect to it. If it is a sop to the workers who are asked to believe that if their wages are reduced by 20 per cent. the cost of living will be reduced accordingly, I can assure the Attorney General that the workers are not quite so unsophisticated as to believe anything of the sort. If they are, they will soon find out that there is no possibility of the reduction being passed on in decreased costs of living as suggested. I hope the Attorney General will appreciate the position. I hope, when he replies, the Attorney General will explain what will be the position of organisations not registered with the State Arbitration Court. Provision is made for action on the part of those affected by Arbitration Court awards or agreements. The Minister will remember that the Australian Workers' Union, which has a membership of between 8,000 and 10,000 in Western Australia alone, has been prevented from securing registration with the State Arbitration Court. Many of the members of that body, when they are employed, are engaged on public works. Not being a registered organisation under the State Arbitration Act, to whom will the members of that body apply when they wish to appeal against their wages being reduced by the Government? I do not see how they will be able to go before the commissioner who is to be set up under the Bill. That position arises not only in connection with the A.W.U., but with respect to other organisations as well. If their wages are cut down by 20 per cent., are they to be expected to sit down and say nothing about it?

Mr. Marshall: It will be all the same if they do apply.

Mr. PANTON: That is the only alternative, unless they refuse to do any work at all. I do not think the Attorney General wants to force the workers into that posi-

tion, and I hope therefore that he will look into that phase and ascertain what can be done. I am opposed to the Bill lock, stock and barrel. In my opinion, it represents repudiation of everything that has gone before. The member for South Fremantle said that there had been a lot of talk about repudiation. If repudiation of this description had been proposed six months ago, the proposer would have been regarded as a Communist or a member of the I.W.W. To go further and to propose that by legislation we shall repudiate what has been agreed to in the past, is not right. All the arbitration awards, everything is to go by the board. And for what? In my opinion purely to dislocate industry more than ever. That is not what this Parliament stands for, nor what the people of the country sent the Government of the day here for. One could go back and remind the Government of many things. The Attorney General the other night—I think it was the "Sunday Times" that commented "in his usual boyish manner"—pleaded with us to discuss the merits of the Bill, and not the maladministration of this or some other Government. But words fail us when we try to express our condemnation of this Bill. I hope that when it comes to the Committee stage the Attorney General will agree to the amendment that will be proposed by the Leader of the Opposition.

Mr. Sleeman: Will the Bill get that far?

Mr. PANTON: Yes. There is not the shadow of a doubt that it will get that far, for the only weapon in which we are lacking on this side is numbers. We have the speakers and we have the arguments necessary to convince anybody except the majority of those sitting over there, members who, like the member for Pingelly, will sit tight and not say a word.

Mr. Brown: Why not tell us what we ought to put in place of the Bill?

Mr. PANTON: Because it is not my Bill. Let me intimate to the member for Pingelly that when it comes to the Committee stage we will tell him quite a lot of things that would improve the Bill. Just the same, the hon. member will sit there on the right of the Speaker when it comes to a division.

Hon. P. Collier: My word, he will.

Mr. Brown: Why pick me?

Hon. P. Collier: Because you are so obvious.

Mr. PANTON: I trust that not only the Attorney General, but all the members on that side, including members of the Government, members who have come into the House pledged to do certain things and more than ever pledged not to do a lot of things which they propose to do in the Bill, will remember their election pledges. The public have at least the right to look to their representatives in this House to stand up to their pledges given at the elections. One of the many pledges given by the party opposite was that they would not interfere with the awards of the Arbitration Court, nor with the industrial conditions of the workers. The Bill proposes to repudiate the lot. I say again to Ministers and members opposite that if they are going to stand up to their pledges given at the last elections they have no option but to support the amendment that will be moved in Committee by the Leader of the Opposition.

MR. KENNEALLY (East Perth) [9.34]: This measure apparently was introduced with the purpose of making an effort to balance the Budget. The balancing of the Budget seems to be a permanent occupation these times, and seems to keep a large number of people permanently employed.

Hon. P. Collier: Without doing the work.

Mr. KENNEALLY: It is a pity there are not more budgets to be balanced, for by that means the Government might have an opportunity to carry out their pledges to find work for all. Incidentally, they have not made much effort in that direction. It appears to me we are never going to balance the Budget whilst our efforts have as a method of procedure the placing of additional people out of employment. Our big difficulty at present is that we are creating a greater deficit, in that we are placing additional people out of employment. The more we reduce the spending power of the community, the greater the number of people that will be out of employment in the future. The proposals contained in the Bill aim at saving an additional thirty millions of money. When there is established a condition as the result of which there will be a lesser circulation of money to the extent of £30,000,000, how can we visualise a condition that will provide people with employment? As a fact, when there is £30,000,000 less spent, it will mean that

those who would have been occupied in the manufacture of goods that would have been consumed as the result of the expenditure of that £30,000,000, will then be out of employment; which, in turn, will cause additional people to be thrown out of employment. The member for Pingelly, by interjection, said we had not suggested what should take the place of the Bill. I am going to offer the opinion that when the problem with which we are faced in Australia is ultimately solved, as it will be, it will be found that the solving of it necessitated beginning at the opposite end from that at which we are beginning to-day. We have to get our people back into employment and let the money they spend make itself manifest in the Treasury before ever we can balance the Budget. If we can get those people back into employment, the budgets will balance themselves without any additional expense on our part whatever.

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

Bells rung and a quorum formed.

[The Deputy Speaker took the Chair.]

Mr. KENNEALLY: It may be asked how it is proposed to get people back into employment until the Budget is balanced? There has been placed before the country a method by which we can get people back into work. It was proposed to use the credit of the nation in the interests of the nation in order to place people in employment. Whilst that proposal has been ridiculed by some members opposite, I suggest that ultimately it will be adopted. In spite of the fact that the proposals in the Bill may be brought into operation, ultimately the system by which money will be made available on the credit of the nation for the nation's interest will be the means by which we shall solve the problem confronting us. We know that the bigger the move made under our present conditions to reduce expenditure, the larger will be the number of the unemployed. The number of unemployed we have in the country at the present time is greater than ever before in the history of the country; and this applies also to Western Australia. I suggest that, no matter what we may do in respect to this measure, no matter what the Government may do to get this measure through, it is not going to

provide employment. Rather will it be the means of causing unemployment, as the result of which the Budget will be farther than ever from being balanced, until we learn to use the nation's credit in the interests of the nation itself. We are told that the Bill provides for equality of sacrifice. But does it? On a previous occasion when on the Address-in-reply we discussed the question of interest rates charged on loan moneys, we were then told by members opposite that we could not even think of touching interest. Twelve months ago, when I suggested here that some method should be adopted by which the bondholders, from whom we had borrowed money, should be persuaded to accept lower interest rates, the Attorney General queried the method by which I proposed an endeavour should be made to balance the Budget. But to-day we are told that the present Government have altered their views, and we find that they are proposing now to do the very thing which was suggested 12 months ago, but was met with holy horror. In 1912 the interest rates charged on the debts of the Commonwealth, including the State debts with those of the Commonwealth, averaged £3 11s. 1d. per cent.; in 1913-14 the amount was increased to £3 11s. 6d. per cent. As members know, the interest rates on loan money mounted up until we were paying 6¼ per cent. What was the money borrowed for? It was borrowed because the nation had decided to protect the interests of those who owned the money. And so those people were paid 6¼ per cent., and in a few instances 6½ per cent., to lend their money to the country. We are told that the Bill makes for equality of sacrifice. What does it propose to do? Instead of calling interest by its accustomed name, let me call it the wages of money. We are to deal with the wages of human flesh later on. As I have said, the wages of money soared from an average of £3 11s. 1d. per cent. in 1912 until it reached 6¼ per cent. for the country's requirements. Now it is proposed that the wages of money shall be reduced to an average of 4 per cent. The wages of men and women were increasing in accordance with the rising prices of commodities, and very often trailing a long way behind the rise in those prices. We had a period when those wages reached the peak, after which

they began to come down again. And they had fallen considerably even prior to the 30th June, 1930, the date that forms the basis of these proposed reductions. Now we are told that the extent of the decline since the 30th June, 1930, will be taken into consideration, but the extent of the decline prior to that date will not be taken into account. It is claimed that this is equality of sacrifice, but I point out that while interest rates increased, irrespective of the cost of living, and remained up, it is now proposed to reduce interest rates to four per cent., so that they will still be in the vicinity of 10s. above those of 1914. Yet the wages of the workers are to be reduced beyond the proportion they bear to the reduced cost of commodities. If there was equality of sacrifice, we should take the interest rate, that is, the purchasing power of the wages of money and reduce it in accordance with the cost of commodities. The wages of money and the wages of men and women having thus been reduced, we should then reduce the principal of the bondholders. We would then be getting nearer to an equality of sacrifice. It would be only fair, in addition to reducing the interest rate, to take a little of the principal from bondholders, especially as the money was borrowed to protect the interests of bondholders. Though it is proposed to reduce interest to an average of four per cent., the return will be approximately one-seventh higher than it was in 1913. Do members consider that equality of sacrifice? We allowed interest rates to soar even after the cost of commodities had begun to decline. An interest rate of six per cent., by reason of the increased purchasing power of money, became equal to eight or nine per cent. Bondholders had the benefit of that increased purchasing power over a considerable period, and it is no equality of sacrifice to approve of their receiving one-seventh more than they got in 1913. The worker was told that the Harvester standard of 1907 was reasonable. Now we are asked to tell the worker that those who contended it was a reasonable standard knew nothing about it, because he is to be reduced 10 per cent. below it. That is not equality of sacrifice as between the money lender and the worker. To secure equality of sacrifice, we must go further in reducing the interest rate and take less from the workers. The Bill contains two divisions,

one dealing with Government employees and the other with private employees. It has already been pointed out that Government employees willy-nilly must suffer reduction. The Government have control of them and they must be reduced straight away. For them there is no appeal. It does not matter how unjust the decision of the Government to reduce certain employees may be, they will have no appeal. I do not wish to infer that the appeal provided for other people in either elaborate or alluring, but provision for an appeal does exist. I cannot understand why an appeal should be denied Government employees. Why the distinction? The Attorney General, in moving the second reading, did not explain the reason for the differentiation. What is good for the employee of the private firm should be good enough for the Government employee.

The Attorney General: And vice-versa.

Mr. KENNEALLY: Are we getting back to the old idea, once entertained by some members opposite, that employees of the Government should not have access to the industrial tribunals of the State? Is this a mild gesture that that idea is to be given effect to, and that State employees are to be divorced from the industrial tribunals? I see no other reason for it, and I am entitled to assume that this is a belated effort by the Government to give effect to that policy. The private employee is to suffer reduction, but he will have the right of appeal. I have a complaint to offer, however, regarding the method of appeal. Why does the Attorney General propose to ignore the Arbitration Court? We have an established tribunal to deal with the wages and conditions of labour, but an appeal by a private employee shall be to the President of the court only, and not to the court as a whole. That appears to be a slight on the lay members of the court. Are not they to be trusted to deal with questions of industrial conditions? If the Attorney General is of that opinion, a more honourable course would be to determine their appointments. He should not ignore the representatives of industry on the tribunal.

The Attorney General: Quite a number of things under the existing law are done by the President of the court.

Mr. KENNEALLY: I admit that, but no industrial conditions are determined by the President of the court alone. There are

methods of procedure to be laid down, and the two lay members are not needed to sit with the President to decide them. All matters affecting the industrial conditions of the workers, however, are dealt with by the court. Now, however, the lay members of the court are to be ignored. There must be some reason for this departure. Perhaps the Attorney General has no faith in the two lay members. If that is so, he should dismiss them rather than offer them an affront. I cannot understand why provision should be made for appeal to the President only. It is the first time on record in this State that such provision has been made. The former Leader of the Country Party (Mr. A. Thomson), speaking frankly what was in his mind on one occasion, said that in his opinion the House should direct the Arbitration Court. That is on record in "Hansard." Is this provision a lineal political descendant of that proposal? Do the Government desire that Parliament should direct the Arbitration Court? This seems to be the first step in that direction.

The Attorney General: Do not confuse the Government with Parliament. It is too frequently done.

Mr. KENNEALLY: The Government, having a majority, can use the cloak of Parliament to cover their actions.

The Attorney General: We have not a majority. We are liable to fall into a minority at any old time.

Mr. KENNEALLY: Experience so far has shown that when the whip is cracked, particularly when proposals for reducing the wage and conditions of the worker are at stake, supporters of the Government dumbly register their votes for the Government policy.

Hon. P. Collier: A few of them are wavering a little now.

Mr. KENNEALLY: The Leader of the Opposition has a greater discernment than I have in these matters. I very much doubt whether, when the question of the interest of the worker is considered, any division amongst the ranks of members opposite will be shown. I shall be agreeably surprised if it is made manifest on this occasion. The very fact that the same procedure is being adopted now as when the workers' standard was attacked now so long ago, that is to say, members not being permitted to express their views, indicates

how much support the workers can look for from that source.

Hon. P. Collier: It is a jolly shame.

The Attorney General: We would keep you here for a month if everyone had to speak.

Mr. KENNEALLY: There is likely to be a repetition of what occurred recently when, by reason of their speaking, they gave the show away, and the Whip had to be sent round to keep them quiet.

The Minister for Works: When was that?

Mr. KENNEALLY: The Minister ought to know. He was the one who had the Whip sent round.

The Minister for Works: It did not crack very loudly.

Mr. KENNEALLY: But very effectively. There is provision in the Bill whereby, if an increase in the basic wage is given by the Arbitration Court during the currency of this measure, it will not be passed on to the people for whom it was given. Perhaps the Attorney General will explain that.

The Attorney General: I do not know that I can remember all these points, but we can deal with them in Committee.

Mr. KENNEALLY: First of all, the reduction in income is to be made. It is then provided that, if the court, after that reduction, decides that the cost of living has increased and puts up the basic wage accordingly by, say, 6 per cent., the worker will not benefit from such increase. On the other hand, the clause in question provides that the wages shall not be varied unless the decision of the court decreases the basic wage by more than 20 per cent., when it will come down still further. On the one hand, therefore, the worker gets no benefit from any increase in the basic rate, and on the other he is certain of a still further decrease.

The Attorney General: Not at all.

Mr. KENNEALLY: That is what I understand the clause to mean.

The Attorney General: We can have a good discussion on that in Committee.

Hon. P. Collier: It is not very clear.

The Attorney General: It might perhaps be clarified.

Mr. KENNEALLY: The Bill also provides for the exclusion of district allowances from the definition of salary. This

will have a detrimental effect upon the incomes of many people who have had their district allowances reduced since the 30th June last year. The court made a determination in regard to district allowances and considerably reduced them. If this clause is passed as worded it will mean that those people who have already had their allowances decreased will receive no credit for that reduction, because it was made after the 30th June, 1930. That will create anomalies in the service, and will mean that some people will be called upon to pay in excess of the maximum reduction provided for. Let me instance a relieving station-master whose home station is Kalgoorlie. Before any reductions were made his rate of pay was £308, plus a district allowance of £45, making the total £353. Then came along the salaries tax which altered his financial position, and that of other officers similarly situated. The present position of that officer is as follows: His salary is £308, less salary tax £15 8s., reducing the salary to £292 12s. His district rate has been reduced from £45 to £10. Therefore the payment he at present receives is £302 12s. per annum, as against £353 formerly. Admittedly the Bill provides that the salary tax shall cease to operate. The man was formerly charged on the 5 per cent. basis, and the fact of the salary tax ceasing to operate will mean to him an additional 15 per cent. tax. Before the salary tax came into operation, his weekly payment was £6 15s. 4d. The rate he now receives is £5 16s. 1d. In addition there has been a reduction of 7s. 6d. in the weekly away-from-home allowance he receives. That has to be taken into consideration. The amount he will be reduced by, apart from the 7s. 6d., is £1 16s. 9d. per week. If the reduction in the district allowance is not taken into consideration when the cut is made, the officer will be reduced by £1 16s. 9d. plus 7s. 6d., equal to £2 4s. 3d. per week. Then his position will be that his salary will be £308 less 20 per cent., a reduction of £61 12s. to £246 8s., or plus the district allowance of £10, a total salary of £256 8s. He will receive £4 18s. 1d. weekly as against £6 15s. 4d. prior to the reduction, a difference of £1 17s. 3d. per week. I do not think it is the intention of the Government that where such a reduction has occurred, it shall not be taken into consideration when the reduction under the Bill is made. I am putting

these matters forward for the Attorney General's consideration because of my belief that the Government do not intend to make such drastic reductions in the salaries of certain officers. Taking into account the 7s. 6d. reduction in the away-from-home allowance, the man would drop £2 4s. 9d. per week on a previous annual salary of £353. That would be a most drastic cut, but such will be the position if the district allowance is not taken into consideration when the cut is being made. I am not complaining with regard to the district allowance, but seeing that these officers have suffered tremendous cuts since June, 1930, a definite effort should be made to alter the position. I do not want to weary the Attorney General with figures, but I wish to point out to him that under the Bill, and in the circumstances I have set forth, the Meekatharra station-master would drop from £7 14s. 6d. to £5 16s. 7d., a fall of £1 17s. 11d. per week; the station-master at Mullewa would drop from £8 4s. 1d. to £5 17s. 6d., a fall of £2 6s. 7d. per week; and, going a little beyond, the officer at Port Hedland, an exceptional case, would suffer a reduction of £3 0s. 7d. per week if the reduction in district allowances is not taken into consideration. I commend these figures to the attention of the Government as indicating that if the reductions in the amounts of money received by these men are ignored, the Bill will affect them more drastically than the Government intend. There are other allowances to which I desire to draw the attention of the House, allowances termed grants. The clause dealing with grants speaks of "all moneys granted by the Government."

The Attorney General: Not quite that.

Mr. KENNEALLY: I have put it pretty baldly.

The Attorney General: Yes. Go on.

Mr. KENNEALLY: It means "any money granted over and above."

The Attorney General: The definition of "grant" is in Clause 5.

Mr. KENNEALLY: The words used there are "any annual or other grant." The definition of "grant" is fairly comprehensive. In the Railway Department certain allowances are made in respect of railway working. If Clause 5 is allowed to retain its present wording, those allowances would come within it.

The Attorney General: Allowances to individuals?

Mr. KENNEALLY: No. Allowances under an Arbitration Court award.

The Attorney General: It surprises me to hear that allowances granted under an Arbitration Court award could come within the definition of "grant" here.

Mr. KENNEALLY: The clause dealing with grants says "notwithstanding any industrial award." It specially provides that the fact of an Arbitration Court award or an industrial agreement existing shall not prevent the clause from being operative.

The Attorney General: But grants are not grants to individuals. They are grants to bodies.

Mr. KENNEALLY: But they are not specified as being grants to bodies only.

The Attorney General: I think so. You will see it if you refer to the definition of "grant."

Mr. KENNEALLY: It includes any grant to any person out of the public estate.

The Attorney General: That does not mean a grant to any individual person in the form of wages.

Mr. KENNEALLY: I direct the Attorney General's attention to the matter, because the clause specifically says that no matter whether an Arbitration Court award or an industrial agreement is in existence, the clause shall still operate.

The Attorney General: It does not say that the grant shall operate in spite of the existence of an award. It says that the grantee, or body or person getting the grant, may pass on the reduction of the grant in spite of an award. I think the hon. member has not quite understood the intention of that part of the Bill.

Mr. KENNEALLY: I am glad to hear the Attorney General say that that was not the intention and in those circumstances, if the verbiage of the Bill does not safeguard the position, I presume he will alter it. The allowances I had in mind included the away-from-home allowance granted under awards, the food allowance, the camping allowance, and so on. The A.W.U. have a tent allowance that is paid out of Government funds, and I am anxious about that as well.

The Attorney General: Those will be dealt with under another clause altogether.

Mr. KENNEALLY: I shall leave that matter in the circumstances, and possibly we may have the benefit of the Attorney General's consideration of the point at a later stage.

The Attorney General: In the definition of "salary," it says that the term does not include "district allowance or any allowance that the Governor may in that behalf determine."

Mr. KENNEALLY: That is where I think the risk lies.

The Attorney General: We will be prepared to commit ourselves as to what allowances we shall exempt.

Mr. KENNEALLY: I would draw the attention of the Attorney General to the fact that the definition says what the term shall include, and what it shall not include.

The Attorney General: That is, I admit, a draftsman's horrible habit.

Mr. KENNEALLY: While the definition says that certain things shall be included, these allowances are not to be excluded, and it seems possible that, not being specifically excluded, they may be included. The measure seeks to effect a drastic cut in the wages of the workers, and it is a matter for regret that specific provision has not been made to protect the interests of the workers in respect of commitments entered into when they were in receipt of higher rates of wages than those that will obtain should the Bill become operative. Recently we had a Bill before us under which it was sought to secure a reduction in the future rates of interest. The Attorney General has given notice of his intention to introduce a further Bill that will deal with private mortgages. What I am concerned about is that amongst those who will be heavily hit by the drastic reduction in wages and salaries, are many people who have entered into financial commitments knowing that they had a contract with the State that so long as they looked after themselves and worked efficiently, they would be provided with a certain salary per week. Those people may have entered into obligations for the purchase of their homes, or into other commitments for their improved social and industrial welfare. All of a sudden the money, the source upon which they rely to meet their commitments, is drastically curtailed. So far, no method has been suggested by which the

interests of such people will be safeguarded. They will be placed, in some instances, in such a position that they may not be able to complete their contracts, and they may have to lose their money. If we are to pass the Bill now under consideration, some provision should be included so that their contracts shall be protected. These people now find themselves in a very difficult position through no fault of their own. The Government have not queried the good service they have rendered the State. I hope the Attorney General will give some consideration to that phase. I trust the Bill will not reach the Committee stage, but if it does, I hope it will be considerably amended so as to make it more reasonable in its application, and that in the end it will make a call upon those who can afford to pay, to suffer in accordance with their ability rather than that those on the lower rung shall be called upon to carry an undue burden.

On motion by Mr. Millington, debate adjourned.

House adjourned at 10.27 p.m.

Legislative Council,

Wednesday, 15th July, 1931.

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

QUESTION—MINING, TUBERCULAR WORKERS.

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: 1, How many men who sought employment in the mining