Hon. G. FRASER: The men mainly concerned have already secured legal advice, which they regard as the best available, and they are of the opinion that they will secure what they desire. I differ, but I shall give them the benefit of the doubt and support the second reading of the Bill, although I am dubious regarding what they will gain as a result of it.

HON. C. H. WITTENOOM (South-East) [5.26]: I intend to support the second reading of the Bill, because it is unjust that a section of the public servants should have certain privileges not accorded to other sections. The Bill is a simple one and apparently owes its existence to certain privileges granted 13 or 14 years ago. The teachers and civil servants were granted privileges that were not extended to men employed in the Railway Department. It is merely right that the railway men should have an opportunity to approach the appeal board to secure recognition for pension and superannuation rights. I do not know whether they will achieve anything as a result of the passage of the Bill, but they should have the right of appeal. I have discussed the matter with some railway men and have mentioned to them that many instances of civil servants and teachers having approached the appeal board without success, were on record and that even if the railway men themselves had their appeals heard, there would be little chance of success attending their efforts. The railway men I refer to said that they recognised the position, but they wanted to have the right of appeal. I am aware that at present they have the right of appeal to the Commissioner, and of appeal against the Commissioner's decision to the Governor in Council. The Governor in Council, however, would have to get information from the Commissioner regarding the appellant's claims and, in the circumstances, the men might just as well accept the position following upon the original application to the Commissioner.

HON. H. SEDDON (North-East—in reply) [5.30]: It would be well to clear up one or two points raised in the course of the debate. The question of expense was mentioned by Mr. Holmes. The constitution of the board will be the same as that of the board for the Education Department and for the Public Service, with the exception that when railway employees' appeals are being dealt with, a railway man will sit on the board, just as a representative of the Public Service sits on Public Service appeals and a representative of the teachers sits on appeals affecting teachers. The railway men are simply asking to be placed on the same footing as employees in other branches of the Public Service enjoy, nothing more and nothing less. The men quite realise the position. They say, "Here is an additional embargo or obstacle placed on us that is not placed on teachers or members of the Public Service." At present they have no appeal: matters affecting them must be dealt with by the Public Service Commissioner and the Governor-in-Council. Seeing that the men concerned are merely asking for treatment similar to that meted out to other Government employees, I trust that the House will pass the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 5.35 p.m.

Legislative Assembly.

Thursday, 17th November, 1932.

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

QUESTION—INTEREST REDUCTION, LOCAL BODIES.

Mr. PATRICK asked the Treasurer: Is it the intention of the Treasury to reduce the interest on loans to local governing authorities?

The TREASURER replied: Except in a few cases, which are being investigated, this has already been done.

QUESTION—RAILWAY WORK, RATIONING.

Mr. SAMPSON asked the Minister for Railways: 1, Is it a fact that about two years ago a motion by the Railway Workshop engineers was submitted to the Commissioner of Railways whereby it was proposed that all railway work should be rationed? 2, In view of the distress which has followed unemployment thereby brought about, is it possible to compute the loss caused by sustenance payments thereby necessitated and, if so, what is estimated to have been the financial cost to the Government? 3, Will the Government give consideration to the adoption of rationing and thereby reduce the suffering brought about by the inequality of sacrifice demanded? 4, In the event of the adoption of this principle, will special consideration be given to those lads previously employed by the department?

The MINISTER FOR RAILWAYS replied: 1, There is no record of any such proposal having been made to the department. 2, No. 3, The question has already been considered and it has been decided not to introduce rationing. 4, Answered by No. 3.

QUESTION—NORTH-WEST FREIGHT REDUCTIONS.

Mr. LAMOND asked the Attorney General: 1, Is he aware that the drought conditions in the North-West, and particularly Pilbara, have made it necessary for those engaged in the pastoral industry to import large quantities of fodder from the southern portion of the State? 2, Will he urge the Railway Department, and manager of State steamers, to consider the advisableness of reducing the freight charges on fodder on the Port Hedland-Marble Bar line, and on the State steamers respectively, with a view to affording a measure of relief to the primary producers in that part of the State? 3, Is he aware that during the drought of 1925-26 freight on fodder was reduced 25 per cent. on the State steamers and on the Port Hedland-Marble Bar railway?

The ATTORNEY GENERAL replied: 1, Yes. 2, The matter will be given consideration. 3, Yes, since the hon. member told him.

QUESTION—COLLIE COAL COMMISSION, COST.

Mr. GRIFFITHS asked the Premier: 1, What fees and allowances are being paid to Dr. H. Herman who is conducting the Royal Commission in the Collie coal industry? 2, How long is the inquiry likely to last? 3, What is the estimated total cost of the inquiry? 4, From what date did Dr. Herman's payments start?

The PREMIER replied: 1, £15 15s. per day in Perth; £10 10s. per day travelling between Melbourne and Perth. 2, It is expected to conclude next month. 3, The duration is too indefinite to enable an estimate to be made. It is hoped that there will be a great saving as a result of the inquiry. 4, 31st January, 1931.

ANNUAL ESTIMATES, 1932-33.

Report of Committee of Supply adopted.

In Committee of Ways and Means.

The House having resolved into Committee of Ways and Means, Mr. Panton in the Chair,

THE PREMIER (Hon. Sir James Mitchell—Northam) [4.40]: I move—

That towards making good the Supply granted to His Majesty for the service of the year ending 30th June, 1933, a sum not exceeding £5,386,516 be granted from the Consolidated Revenue Fund, and £46,616 from the Sale of Government Property Trust Account.

Question put and passed.

Resolution reported.

BILLS (2)—THIRD READING.

1, Traffic Act Amendment.

2, Tenants, Purchasers and Mortgagors' Relief Act Amendment (No. 1).

Transmitted to the Council.

BILL—MINING ACT AMENDMENT.

Second Reading.

Debate resumed from the 10th November.

HON. N. KEENAN (Nedlands) [4.42]: I have a few observations to make on the Bill, and they will refer to a small portion of the measure only. As the present arrangements stand in relation to tributing, it is entirely a matter for the warden to approve of a tribute agreement. But for his approval, the tributing agreement would be a breach of the lease granted to the owner of any mine. The matter is subject to the warden's approval entirely. If he does not approve of the agreement, and the mine-owner insists on letting the tribute, the lease is liable to forfeiture. Undoubtedly some abuses have arisen in connection with tributing, and the principal abuse will be left untouched by the Bill. I refer to the excessive charges that may be imposed by the battery owner or the owner of a treatment plant. If there is any solid accusation to be urged against any party for taking far more than his due in connection with tributing, it is against the owner of the treatment plant or battery, whether he be a leaseholder or some owner other than a leaseholder. What happens is that the owner of the treatment plant not only gets the charges that we may presume fully cover all the costs of the service he renders, but, in addition, gets a considerable portion of the present premium paid on gold, together with the whole of the exchange. That is as the position stands to-day. Of course, that is a scandalous state of affairs, and represents a condition that, I should have thought, would have received attention in any amendments proposed to the Act. I should have thought authority would have been given, by consent or otherwise—it cannot be done other than by consent as things are at present—to fix the charges as between the tributer and the owner of the treatment plant or the battery. I should also have thought that provision would have been made that the latter would be entitled to retain no more for the sale of the gold than those charges amounted to. In the case mentioned by the member for Hannans (Hon. S. W. Munsie), I was personally concerned. The battery owner had a treatment plant, the owner not being the lessee of a mine. The lessee of the mine received the royalty, but the person who received the whole of the advantage of the exchange was not the owner of the mine, but the owner of the treatment plant. That position will be left untouched by the Bill. That is one matter on which I desire to comment.

The Minister for Mines: The owner of a treatment plant other than the lessee cannot take any of the bonus.

Hon. N. KEENAN: In which clause does that appear? I am not talking of a lessee who is also the owner of a treatment plant. I am dealing with the owner of a treatment plant who is not the lessee of the mine on which the tribute is let. It may be that I have overlooked the provision. The tributer merely goes to the owner of the treatment plant to have his ore treated. Apart from obvious corrections which must be made in the date from which the measure is to operate, there is a feature to which I do not feel inclined to give assent, and that is the attempt to make a contract between parties binding after a third party has altered at his own sweet will the conditions of the contract. That is something entirely opposed to all our conceptions, and I can scarcely believe that this House will assent to it. It is true I have been assured that the Minister's statement in that regard does not correctly describe the effect of the clause, but if members read Subclauses 3 and 4 of Clause 8 it appears that an amendment can be made by an independent and third party of a contract entered into between a tributer and a lessee. That amendment might be either in favour of the tributer or against him, but it must remain binding on the two parties, notwithstanding that either party may wish to let the whole contract go. It is something exceedingly novel to propose that a contract should be binding on people who do not agree to the contract at all, but who are told by a third party that that is what they must agree to. The explanation of the member for Hannans may be correct, but I cannot read his interpretation into the clause, and if his explanation is correct, it differs entirely from the statement made by the Minister in moving the second reading. I shall support the Bill with a great deal of hesitation. I cannot find in it what I should expect to find, namely, a very simple clause stating that in the case of ore sent by a tributer for treatment to a treatment plant, whether it be the treatment plant

owned by the lessee of the mine or a treatment plant owned by another party, the proceeds of the ore shall be handed to the tributer less only the allowed charges, which I presume could easily be arrived at. I cannot conceive how any difficulty would arise in stating that in simple language. No legal difficulty would arise that would prevent effect being given to it.

The Minister for Mines: It is very, very clear in the Bill.

Hon. N. KEENAN: It is all very well to say it is very, very clear, but where is it? I have asked the Minister to tell me.

The Minister for Mines: In Subsection 2 of the proposed new Section 145B; and Subsection 2 of the proposed new Section 145C shows two different methods of paying royalty.

Hon. N. KEENAN: It is not a question of paying royalty. It is a question of not allowing the owner of a treatment plant to continue to charge more than the actual charges.

The Minister for Mines: Read Subsection 2 of the proposed new Section 145B.

Hon. N. KEENAN: It reads—

Where royalty or tribute is payable as aforesaid and the ore produced by the tributers is treated by the owner of a treatment plant, not being the lessee or owner of the mine under tribute, the owner of such treatment plant shall—

(a) account to the lessee for all ore received by such owner on the basis of not less than ninety per centum extraction of the assayed value of the ore, unless on an application to the warden it shall be otherwise determined on proof to his satisfaction that the ore is of so refractory a nature that ninety per centum of such assayed value cannot be extracted; and

(b) account for and pay to the lessee the value of the gold extracted from the ore received (on a ninety per centum basis) in Australian currency at the market rate ruling one calendar month after the ore is delivered to such owner for treatment, less the cost of such treatment and realisation.

The Minister for Mines: Read 145C.

Hon. N. KEENAN: That does not relate to it. It is a wonderful development of modern times that one reads a section which is supposed to relate to the question at issue and the only way one can find what it means is to refer to some other section. What is the next one?

The Minister for Mines: Subsection 2 of the proposed new Section 145c.

Hon. N. KEENAN: It reads—

Where royalty or tribute is payable as aforesaid, and the ore produced by the tributers is treated by the owner of a treatment plant not being the lessee or owner of the mine under tribute, the tribute agreement shall set out clearly the conditions relating to the manner in which, the time when, and the means by which the shares of the tributers and the lessee respectively, and the amounts of such shares respectively of the gold extracted from the ore produced or of the gross proceeds from the sale of such gold shall be ascertained or delivered or paid to or received by the tributers and the lessee respectively, and also the conditions relating to the nature and amount of the charges (if any) to be paid by the tributers to the lessee, and all such conditions shall be subject to the provisions of Subsection two of Section one hundred and forty-five of this Act.

What is to prevent the owner of a treatment plant from fixing the charges for treatment and realisation at a figure which would, to a large extent, cover the exchange and premium? There is no such provision. I suggest a simple remedy for what is admitted to be a very gross injustice. We are granting a wonderful power to alter contracts and make them still binding, and while we are doing that it would be a simple matter to fix a schedule of charges for the treatment of ore, so that when ore is taken to a treatment plant, that schedule and no other shall apply. Why introduce such a complicated system as that set out in the Bill—one that can be so easily evaded and one that appears to mean a lot and really means next to nothing?

Mr. Marshall: That is the wording of lawyers. They always harp on those lines.

Hon. N. KEENAN: Lawyers are always credited with all the ills that occur. I think there is a general desire that the tributer should receive fair protection and that he should be protected against the most grievous ill—one might call it robbery—he suffers from the treatment plant owner. On the other hand there is a strong feeling against attempting to construct an agreement and make it binding between parties who would possibly never have entered into such an agrement if the conditions had been before their minds at the outset. Although the Bill may do some good, I doubt whether it will do much good, and it may do much harm. It is undoubtedly a fact that the introduction of the measure

has produced—perhaps wholly unwarrantably—a scare in the minds of mine owners.

The Minister for Mines: Legislation always does that.

Mr. Corboy: Of course, it is not called a strike when they refuse to let tributes.

Hon. N. KEENAN: The fear may be unwarranted. If we are going to achieve something worth achieving, it does not matter what scare we start, but if we are not going to achieve something worth while for my part I would sooner be without the Bill. I am not enthusiastic about the Bill; I do not think it will achieve any large measure of good, and possibly it may do a great deal of harm.

MR. F. C. L. SMITH (Brown Hill-Ivanhoe) [4.55]: This Bill deals with a subject with which apparently some difficulty has always been experienced in the matter of legislation for it. In the past attempts have been made to bring about a degree of satisfaction between tributers and mine owners, but as a result of amendments made in 1920 very serious objections were raised by the mine owners, and subsequently a Royal Commission inquired into tributing. Following the investigation the Mining Act was again amended to institute what were considered to be conditions that would give satisfaction. Recently, owing to the enhanced price of gold and the increase in the exchange rate, difficulties have arisen through conflicting interpretations of the Act. The Minister pointed out that the Crown had not been considered in the past. I do not know whether the Crown could be considered under this portion of the Mining Act. It is to the interest of the Crown to see that ore of reasonable value is raised by tributers and treated, but under existing conditions the tributer knows it will not pay him to raise ore of reasonably good value—up to 12 and 14 dwts. to the ton. Consequently much ore of that value is left in the ground, due to the heavy haulage and treatment charges imposed upon the tributer. Any ore of less than about one oz to the ton is not payable to the tributer. I know that position has been slightly altered lately on account of the enhanced value of gold, and it should also have been altered on account of the rise in the exchange rate. The companies on the Golden Mile are paying to tributers 50 per cent. of the increased value derived from sterling parity.

Hon. S. W. Munsie: Less royalty.

Mr. F. C. L. SMITH: Yes, the companies take a royalty from the 50 per cent., according to the grade of the ore. Even the increase in value has not altered the position much as regards the grade of ore that it is possible for the tributers to raise and have treated profitably. As regards the tributer, the gold value is calculated at £4 per ounce, but the Mint price of fine gold is £4 4s. 11½d. per ounce. Because of that reduction to the tributer, the mine is greatly advantaged and the tributer is correspondingly disadvantaged. Sterling parity gives to £4-an-ounce gold an increased value of £1 17s. 10d., of which amount one-half goes to the tributer, less the royalty payable. Consequently ounce ore on a 20 per cent. royalty shows an increase to the tributer of 18s. 11d. for every £4 worth of gold raised, less 3s. 9d. royalty, or a net added value to the gold, on account of the enhanced price, of only 15s. 2d. per ounce. Sterling parity, or the enhanced price as it is commonly called, calculated on a basis of three dollars thirty cents to the pound sterling gives to £4 in gold an increased value of £1 17s. 10d., or a total value in sterling of £5 17s. 10d. That is the basis for the tributer. The mine owner works on an entirely different basis, because he receives £4 4s. 11½d. per ounce for the gold. His basis is £4 4s. 11½d., but to that must be added £2 0s. 1½d. per ounce on account of sterling parity or the enhanced price, calculated on the basis of 3 dollars 30 cents to the pound. That makes a total of £6 5s. 1d. The 4s. 11½d., taking into account the enhanced price of gold, is worth to the mine owner nearly 7s. 4d. Therefore, we get these results. The tributer receives £4 per ounce, plus 18s. 11d. (half parity), or £4 18s. 11d., less 20 per cent. royalty on his share, 3s. 9d., or, net, £4 15s. 2d. per ounce. The mine owner gets for the same ounce of gold £4 4s. 11½d. plus £2 0s. 1½d. on account of the increased price of gold, or £6 5s. 1d., less 18s. 11d. being 50 per cent. of the enhanced price of gold, or £5 6s. 2d. Add 3s. 9d. to that sum for royalty and the result is £5 9s. 11d. Therefore, the ounce of gold that is worth to the tributer £4 15s. 2d. is worth to the mine owner £5 9s. 11d., the difference being 14s. 9d. per ounce. Although the tributer is receiving some bene-

fit from the enhanced price of gold, it makes very little difference to him. I am quite satisfied that anything under 15 dwt. ore would not pay the tributer to-day, unless it was very easy to mine. In many instances tributers are burying 12, 13 and 14 dwt. ore. If they break it and find it cannot be treated profitably they leave it where it is broken. This goes on notwithstanding that the company can raise and treat profitably 6, 7, and 8 dwt. ore. The companies, however, get the advantage of the low-grade ore which the tributer finds unprofitable to treat; and that ore is very profitable to the companies. If the Crown permit tributing they should see that the conditions are such as will not tend to the loss of reasonably valuable ore that is being wasted to-day. I take it that is what this Bill aims at. This is a typical case of a tributer's crushing of low grade ore: There were 54 tons gross, which was reduced to 52 tons after allowing for moisture. The grade was reduced to 11.7 dwts. The total value of the gold on that basis, 11.7 dwts. to the ton, amounted to £121 at £4 per oz. Strange to say, although there was deducted 2 tons on account of moisture for the purpose of determining the value of the ore, when the crushing charges were made on this occasion the tributers had to pay for crushing the moisture as well as the ore. They were charged for crushing 54 tons at the rate of 20s. per ton. That cost £53. Other charges amounted to £59. The total charges deducted from the £121 amounted to £112, leaving a balance in favour of the tributer of £9. But out of that £9 the tributer had to pay other charges; he had to pay £4 to truckers for trucking the ore to the shaft. He had also to pay £2 0s. 6d. for assay charges. That left him with an ultimate balance of £3 for the work he had done in breaking 54 tons of ore.

Mr. Marshall: How long was he getting it?

Mr. F. C. L. SMITH: Twelve weeks. The ore was rather hard to mine and two men were working on it. No royalty was charged, of course, because they did not earn wages. While the tributers practically received nothing for their work, the mining company in this instance got a profit on all the charges it made. It is only costing now on most of the mines for breaking, trucking, raising and treating ore about 21s. a ton. It is generally considered that the cost of treatment on the Golden Mile to-day is 10s. per ton or less, particularly if the plant is up to date. The company make a profit on the air supplied to the tributers and also on the steel supplied to them, as well as on the sharpening of the steel. The company also got the benefit of the extra 4s. 11½d. per ton, which amounted to nearly £8. The company received from that particular parcel of ore £235 19s. 1d., or £7 16s. 5d. per oz., including parity and exchange, less £34 1s. 4d., being 50 per cent. of the increase due to the enhanced price, or a return of £201 17s. 9d. To that must be added £3 8s. 1d., being 10 per cent. royalty on the tributer's share. That shows the injustice meted out to the tributer on the one hand and the advantages accruing, under existing conditions, to the mining companies on the other hand. I desire to be fair and state that all the companies are not as hard as this particular company. On some of the mines the charge for crushing a similar parcel would be 17s. 6d. per ton; but all the companies calculate on the basis of £4 per oz. They all pay 50 per cent. of the enhanced price, but they all deduct royalty therefrom and make no division of the exchange. On some of the mines, I understand an agreement has been come to under which the tributers receive 50 per cent. of the enhanced price and 20 per cent. of the exchange. The tributers generally, however, do not consider that to be satisfactory. It has already been said that this Bill is long overdue. I think it is, especially as we have had an increased price for gold in terms of Australian currency: but even this Bill in its present form I think is unsatisfactory. Probably it is due to the difficulty of legislating for this particular matter, because, after all, conditions are not always comparable. Ore is harder to mine in some places than in others. Probably on that account there is difficulty also in fixing the price for treatment, etc., and royalty. As the member for Nedlands (Hon. N. Keenan) has pointed out, it is difficult to evolve something that will be satisfactory to all parties. Notwithstanding that difficulty, however, we should not shirk the responsibility for passing legislation of this character. Legislation in the past has certainly effected considerable improvements in the tributing system and has been of ad-

vantage to the tributer. It would be better to fix a sliding scale for the charges: I do not know whether that is absolutely essential, but probably it would be more convenient to both parties to a tribute agreement. The maximum charges which I suggest should be fixed are royalty, 40 per cent.; treatment, £2 per long ton; air, 5s. per long ton, and haulage, 5s. per long ton. The clauses dealing with registration have given me the same trouble as apparently they have given the member for Nedlands. I understood the Minister to suggest that after the parties have tentatively agreed, as it were, the agreement can be altered and will still be binding upon them. That question arose under the 1929 Act. I do not know whether the tributers desire such a provision, but I am of opinion the mining companies certainly will not agree to it. In the Royal Commission in 1920 Mr. Bloxsome, who was representing the Chamber of Mines, said that no sane man would enter into an agreement which would bind him to-day, but which could afterwards be altered by a third party to his disadvantage. I do not know whether the provision means that or not. If it does, it might be altered to advantage by stating that a warden shall not register an agreement until the alteration proposed by the State Mining Engineer is made part of the agreement. The Bill should provide for a maximum royalty of 40 per cent., where it has to be paid on a sliding scale. The provision for the division of the proceeds on the basis of Australian currency is a good one, and the only equitable one on which the division should and could be made. The Bill provides for two methods of setting out in the agreement the way that royalty shall be paid and the tribute arrangements made. On the one hand it can be paid on a sliding scale, and on the other hand there is provided a fifty-fifty division of the proceeds on a 90 per cent. extraction, and there are also other consequential provisions. The Bill provides that the lessee shall not be entitled to demand from the tributers any other charges or payments save and except charges in respect of insurance, and charges for air, tools, and supplies belonging to the lessee, and used by or supplied to the tributers to enable them to deliver ore to a place adjacent. That is the central clause in the Bill. Whatever can be arrived at under that clause, or whatever will be the division of the proceeds of the crushing, as a result of the application of that clause, will also determine the division as a result of the application of the other clause. It has been suggested that various charges that are made on a sliding scale for air, haulage, treatment, and royalty, were originally drawn up with a view to arriving at as nearly as possible a fifty-fifty division of the proceeds. If the tributer pays 40 per cent. in royalty there is still 60 per cent. left, and he still has 10 per cent. with which to pay the various expenses involved, and yet give him a fifty-fifty division. Where the royalty is 40 per cent. the remaining 10 per cent. is of a higher value, and consequently he has more money with which to pay these expenses. That is why varied rates of royalty have been brought in.

The Minister for Mines: It does not apply under that clause.

Mr. F. C. L. SMITH: The fifty-fifty division will govern all that applies under the other clause which provides for payment on a sliding scale. Whatever happens under the fifty-fifty division will happen in regard to the other division. If we were to say it was fair under this clause of the Bill to do certain things, we could not say that there was anything wrong with the other clause. The fifty-fifty division governs the fairness of the agreement arrived at, whether the first or second method is adopted. Under the clause I speak of, all these supplies can be charged for, such as for insurance, air, fracture, tools, steel, sharpening of steel, timber, rails, pipes, hose, trucks, water etc., against the 50 per cent. division of proceeds.

Mr. Marshall: And the tributers can be charged for nothing.

Mr. F. C. L. SMITH: Under the heading of mining supplies, charges for all these things can be made against the 50 per cent. division of proceeds. A man will be lucky if out of his 45 per cent., as it is to-day, because it is based on a 90 per cent. extraction, he receives 30 per cent. of the extractable gold after all these charges are booked up against him. Suppose he receives the 30 per cent. How can the State Mining Engineer object to an agreement under the other provision, which gives to the tributer 30 per cent. of the extractable value of the ore? Mining companies should provide the necessary tools and power, and the charges demanded should be confined to stores and in-

surance. Provision should be made that the lessee shall provide the necessary plant and power.

The Minister for Mines: The tributers will never ask for that.

Mr. F. C. L. SMITH: They have asked for a fair division of the proceeds and have not asked that all these charges be booked up against them. Quite a lot of these things they are getting for nothing to-day, such as trucks, water, pipes, timber, etc.

The Minister for Mines: The companies can afford to give them to-day.

Mr. F. C. L. SMITH: They need not have them under the Bill, because it makes provision for charging for all tools, water supplies and mining supplies generally required for the purpose of getting out the gold. We have heard of objections from the Chamber of Mines, and of threats that tributes will be stopped on various mines. The Chamber should indicate their objections. They have been on a good wicket since the increase in the price of gold. They have not had much to complain about, nor will they have anything to complain about if this Bill goes through. They can still get the same percentage of extractable gold by imposing all the charges I have referred to, and by making the tributer pay for everything he uses in the course of his operations. It is desirable that there should be uniformity in the agreements, and that low grade ore can be mined under a reasonably laid out system. A basis can be arrived at which can be calculated within reasonable limits, so as to ensure that the tributer gets about 46 per cent. of the value of the extractable gold from the crushing. I do not know that it can be done in this Bill, but probably the State Mining Engineer can see to it that tributes are so arranged. If an agreement of that kind is drawn up, and there is provision in the Bill for tributers to pay the wages of their employees, as well as the insurance and for necessary stores, that will reduce the 50 per cent. or their share of the extractable value of the gold. I should like the Minister to make clear the provisions of the fifty-fifty clause and say whether all these charges can be made, and also tell us more with reference to the clause dealing with the registration of agreements.

THE MINISTER FOR MINES (Hon. J. Scaddan—Maylands—in reply) [5.28]: I wish the member for Nedlands (Hon. N. Keenan) to know that I am not responsible for the drafting of the Bill. What I am responsible for is the basis upon which the draft was made. I asked the parliamentary draftsman and the officers of the Crown Law Department to put into legal language what I desired to be understood, and which could be referred to as plain English. If the Crown Law officers have failed to do this, which I do not admit, the member for Nedlands must not hold me responsible. With all respect to the hon. member, I think he has not carefully read the Bill. Had he done so, he would not have made the statement he did. The only purpose of providing for the registration of agreements is to enable the lessee to sublet a portion of his lease. If he does not obtain registration of the tribute agreement, his lease will be subject to forfeiture for breach of covenant. That was exemplified by the member for Nedlands. What I am trying to do is to provide by Act of Parliament that if the lessee desires to sublet a portion of his lease, and to enter into a tribute agreement, that agreement must contain certain definite provisions. Otherwise it cannot be registered, and the lessee will not be permitted to sublet any portion of his lease. For a long time we have had in the Act a provision for subletting by tribute agreement. That worked fairly satisfactorily, although the Chamber of Mines has never yet accepted any Bill that provides any conditions at all with regard to subletting of tributes in any of their agreements. The Chamber has always without fail protested against any right on the part of the Crown to set up any conditions under which tribute agreements could be made. I do not suggest that the Chamber is inconsistent in the protests that have been made against the Bill. Neither the Chamber of Mines, the mine owners, nor the tributers should lose sight of the fact that there is a third party which is directly interested. Crown land containing gold was not placed there by the mine owners or the tributers. It was put there by nature, and is held by the Crown. The Crown provides under Act of Parliament conditions under which a person may work these lands for the purpose of recovering gold from them. As the owner, surely the Crown is entitled to lay down the conditions under which such Crown leases shall be worked. And one of

the conditions is that he shall at least be equitable to those to whom he sublets, just as he expects the Crown to be equitable to him. The attitude of the Chamber of Mines on this measure, as on many others, does not do them credit as men whom we should expect to have a pretty complete knowledge of mining and mining practice. They have never used any argument whatever against this provision: all they did was curtly to notify me that at a meeting of the Chamber the secretary was instructed to advise the Minister that if the Bill became law, tributes would not be let. I am still waiting to hear of some argument in support of such an attitude. May I in reply say that those people lose sight of the fact that at most in six year's time the whole of those leases will revert to the Crown?

Hon. P. Collier: They will not have so much objection then.

The MINISTER FOR MINES: Then there will be some knocking at the door about the conditions on which they may continue to operate those leases, and they will expect the Crown to show equity in dealing with them. When something affects them in their relation to their sublessee, the tributer, no reason need be assigned for saying they will not let tributes. The retort to that is that the Crown will not re-let the leases. Anyway, I do not think we are entitled to debate that at this stage. The provisions in the Bill can be complied with without any loss to the mine-owners, if they will but give those provisions a trial. However, they have refused to accept any amendment of the conditions under which they sublet a lease. I do not think they will carry out their threat, for I cannot conceive that it will be to their advantage to do so. If, as the result of making trial of the provisions, they can show that they are inequitable from their point of view, then they will be entitled to make a protest, and the matter can be considered. But they are not entitled to take up a stand without giving any reason, and declare that they will not permit any tributes to be let. Now for one or two points mentioned by members. I myself had great difficulty in trying to arrive at a thorough understanding of what is intended by the language of the Bill; nevertheless I now think it is sufficiently simple. In the first place, we have provided two alternative methods. They do not operate side by side; one is completely alternative to the other. When a tribute agreement is made, the payment of royalty is clearly implied. Now we say if they sublet a portion of their mine the royalty shall be paid on either one of two methods, and it is set out in this form:—

> First, by means of a percentage on a sliding scale to be fixed by the agreement on the value in Australian currency of the gold extracted from the ore produced and delivered by the tributers as ruling at a date one month after the ore is delivered for treatment, but so that the sliding scale aforesaid shall vary with the value of the gold in Australian currency. For the purposes of this paragraph, the value of the gold shall be the difference between the gross proceeds from the sale thereof and the costs of treatment and realisation.

That is one method, the method which actually was intended in the existing Act, the evasion of which has led to the withholding of £150,000 or thereabouts from circulation for want of a definite decision. We do not propose that that shall be added to. But from the passing of this measure the conditions that were intended in the existing Act to apply shall definitely operate, and they will impose their royalty on that basis. The alternative method is as follows:—

> By means of a division in equal shares between the lessee and the tributers of the gold extracted from the ore produced, or of the gross proceeds from the sale of such gold.

The member for Brown Hill-Ivanhoe said the gold produced is on the basis of 90 per cent. extraction, which means that 50 per cent. of the 90 per cent. will go to the tributer and the mine-owner. If the mine-owner and the tributer choose to accept the method of fifty-fifty, the other conditions do not apply; except to this extent, that the mine-owner, before paying the 50 per cent. to the tributer, will deduct the charges for provisions supplied or air supplied or performance made by the company to enable the tributer to mine the ore and take it to the plat. That is all he can deduct. The practice in operation in Bendigo is that they say it is fair for one to do the mining and the other to do the hauling and the treatment, after which the proceeds are divided equally between the two parties.

Hon. P. Collier: But that was 30 years ago. They have not done any mining in Bendigo since you were a boy.

The MINISTER FOR MINES: Oh yes, there is a fair amount of tributing in Bendigo, even to-day. But those are the conditions the tributers here are prepared to accept. The hon. member said that, under this subclause where the mine owner can deduct the charges for supplying insurance against liability to employees and charges for air supplied and so on, he could so make those charges that he could deduct so much of the proceeds up to 50 per cent., and so would leave the tributer suffering under unfair treatment. But no agreement shall be registered if it does not contain provisions to the following effect:—

(b) Provisions setting out fully and clearly the terms and conditions on which the use of any mining plant, machinery, air, tools and supplies belonging to the lessee is granted to the tributers, and also other terms and conditions agreed upon between the lessee and the tributers; and so that charges or payments to be made by the tributers to the lessee are not fixed upon any sliding scale varying with the value of the gold or the quantity of gold per ton of ore or otherwise, but are fixed on the basis of the reasonable value of the service in relation to which the charge or payment is fixed.

One could not get anything more definite than that. And immediately following that is the provision in Subclause 2 of that clause as follows:—

The warden may refuse to register a tribute agreement if, in his opinion, any of the terms or conditions thereof are inequitable; provided that—(i.) Before dealing with a tribute agreement lodged for his approval the warden shall, if requested so to do by any party to the agreement, refer the agreement to the State Mining Engineer for his decision as to whether any term or condition of the agreement is inequitable, and such decision shall be accepted and given effect to by the warden; and (ii.) the warden shall, if requested so to do by any party to the agreement, refer any objection raised by the warden to the State Mining Engineer for his decision, and such decision shall be accepted by the warden.

It cannot be called a mutual agreement if under it one is empowered to impose conditions on the other, and thus leave him high and dry. To-day the mine-owner is in a position to impose in a tribute agreement conditions that the tributer must accept, or get nothing. So although it appears to be an agreement, we do not accept it as a mutual agreement, and consequently one party or the other may ask the warden to review the agreement.

Mr. F. C. L. Smith: Do they not say that before signing an agreement they may refer it to the State Mining Engineer?

The MINISTER FOR MINES: I can assure the hon. member that this question of tributing agreements is most difficult to solve satisfactorily to both parties. In the Bill we are trying to provide a method that will approach equity; I do not think we will ever get exact equity, but we can approach it. We are trying to do it this way:—Say all these charges which are included in the agreement are inequitable, although signed by the tributer: he may ask the warden, prior to its being registered, to review the agreement. If the warden refuses to register it and the other party refuses to accept any alteration in the agreement, it becomes null and void. But there is a provision that we will not accept such charges unless they are reasonable on the basis of the value of the services in relation to which the charge or payment is fixed. Now let me come to the point raised by the member for Nedlands, and also by the member for Hannans. We have the position that there are two tributing agreements operating to-day which were made prior to the 30th September, the nearest suitable date before the provisions of this Bill became known. Those agreements are to operate for six months; that is to say, either party may give six months' notice of termination, without which the agreements may continue indefinitely. If this was permitted, all mine-owners with tributing agreements could allow them to go on, and so evade the provisions of the Bill. But we do not propose that they shall be permitted to do that. The action taken by the mine-owners has been wrong. I do not care who knows it; that is my definite opinion. They are inequitable in their attitude towards the tributers on this very question. We do not want that position to continue. We do not want to leave any loophole by which they can continue that attitude in the future. Clause 10, Subclause 1 of the Bill provides—

Any agreement made before the 30th day of September, 1932, and subsisting at the commencement of this Act shall, as from and including the date of any extension or further extension of the period specified in the agreement for the continuance thereof—

That is what is intended and I am sure that is what is provided. If an agreement was

operating two months before the 30th September last and had then four months to run—six months is the usual term fixed in these agreements—then the four months would come under these conditions. At the expiration of that period, an amendment must be made in order to comply with the terms of the Act. It may be questionable whether we ought to impose upon two parties to an agreement a condition that a third party, or arbitrator, shall be empowered to insert in their agreement something that is not acceptable to either one or other of the parties. That, to all intents and purposes, is what we are providing. When a new agreement has been entered into and signed, but before it is registered and therefore before it becomes operative, either party may have it reviewed either by the warden or by the State Mining Engineer. The only thing for which I have not made provision is, that if the warden fails to register an amended agreement it shall be null and void. It is simple enough to make provision for that, if the House so desires. Personally, I do not think we should. If parties have been operating under an agreement for six months or more, not under the terms and conditions laid down by this Bill, and therefore inequitable from the tributer's point of view, the warden or the State Mining Engineer should be accepted by the parties as an arbitrator. That is my personal opinion. Members may take a different view.

Hon. S. W. Munsie: I quite agree with the opinion you have expressed, but do not forget this Bill provides for that.

The MINISTER FOR MINES: The Bill provides by Subclause 4 of Clause 10—

> If any such amendment is, in the opinion of the warden, or in the opinion of the State Mining Engineer upon reference of the same to him, in accordance with the proviso to subsection two of Section 145, inequitable in its effect—

The agreement can only be referred to the warden before registration, or to the State Mining Engineer, upon application of either one of the parties. If the registrar is satisfied that the terms of the agreement are equitable he registers it. The same thing applies to an amendment of the agreement. If either party considers the amendment is inequitable, then they must request that it be submitted to the State Mining Engineer, who ought to be able to decide the matter equitably and do justice to both the mine owner and the tributer. That is what is intended by this measure. If the House decides otherwise, I shall not complain, but that is my view. I think we can trust the State Mining Engineer to act in an equitable manner. He would not impose conditions unfair to either one side or the other.

Mr. Corboy: It would be well if everyone were as honest and fair as the State Mining Engineer.

The MINISTER FOR MINES: That is not quite the point. A person who has attained the position of State Mining Engineer should be trusted to decide matters submitted to him in an equitable manner. In the circumstances, I do not think there are any fair grounds for objecting to this measure. An attempt is being made, and I believe it will succeed, to do the fair thing as between the Crown and the lessee and the lessee and the sub-lessee.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; The Minister for Mines in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Amendment of Section 142:

Mr. F. C. L. SMITH: I move an amendment—

> That all the words after the word "tributers" in line 31 be struck out.

A maximum charge should be provided for crushing, air and hoisting charges. I suggest that the maximum crushing charge should be £2 per long ton; for compressed air, 5s. per long ton; and for hoisting, 5s. per long ton.

Hon. S. W. MUNSIE: I oppose the amendment. Neither the warden nor anyone else should be allowed to fix a sliding scale of charges for air or haulage. That, to my mind, would be ridiculous: in plain language, it would be robbing the sub-lessee. It costs no more to haul 2-ounce ore than it does to haul 15-dwt. ore, and it is ridiculous in the extreme to say that it costs more to supply air to break 2-ounce ore than it does to break 15-dwt ore. Some provision should be made for a sliding scale for treatment charges. One company on the fields at present has a maximum charge of 50s. which is the highest charge made for

treatment. The sliding scale is set out in the company's form of agreement. For 15 dwt. sulphide ore, the charge is £1 per ton, and it rises 6d. per dwt. per ton to a maximum of 50s. That scale is not altogether fair. If a company got up to 40s. per ton for treatment they would be receiving quite enough, irrespective of the value of the ore. If the amendment is carried I am sure the companies will immediately make the maximum the standard charge. I am not in favour of prohibiting a sliding scale of charges for treatment. If that were done, the companies would fix a scale on which it would pay them to treat ore of an average value up to 30 dwts. We should permit of a sliding scale for treatment, and fix the maximum charge that can be imposed. The sliding scale for haulage and air has been put into tribute agreements so that companies may get a greater percentage of royalty than is allowed by the document itself. If a tributer broke 3oz. 12dwt. dirt, the company would charge £1 for haulage and £1 per ton for air. That is neither reasonable nor equitable, and amounts to robbery.

The Minister for Mines: What maximum charge do you suggest?

Hon. S. W. MUNSIE: The maximum should be limited to 4s. Treatment costs have come down greatly in recent times. They are at least 6s. a ton below what they used to be. If companies could be allowed on air, haulage and treatment a margin up to 100 per cent. above the actual outlay, they would then be supplying air and haulage for less than 2s. per ton. To say that the maximum should be 5s. in each case is out of all reason.

The MINISTER FOR MINES: I think I can meet the wishes both of the member for Brownhill-Ivanhoe and the member for Hannans. I agree that companies should not be permitted to introduce a sliding scale all round, but in regard to treatment there is something to be said with regard to the difference in the cost of extraction. When we insist that a 90 per cent. extraction should be accounted for, we might have a sliding scale when it comes to dealing with the higher grade ore. If the member for Brownhill-Ivanhoe will withdraw his amendment, I will move to strike out of paragraph (b) all the words after "lessee" in line 33 down to the word "are" in line 35.

Hon. S. W. Munsie: That meets my objection.

Mr. F. C. L. SMITH: That will, to a large extent, meet my wishes. What I wanted to do was to prevent an increase in the charges for compressed air, hoisting, etc. I think the Minister's proposal will more or less meet the case, and I therefore desire to withdraw my amendment.

Amendment, by leave, withdrawn.

The MINISTER FOR MINES: I move an amendment—

That in paragraph (b) all the words after "lessee," in line 33, down to "are," in line 35, be struck out; and after the word "fixed," in line 38, the following proviso be added:—"Provided that the cost of treatment and realisation may be fixed on a sliding scale varying with the value of the gold or the quantity of gold per ton of ore or otherwise, provided further that the cost under such sliding scale shall not exceed a maximum of 40s. per ton."

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

Clause 7—New section, payment of royalty or tribute:

Mr. F. C. L. SMITH: I move an amendment—

That in paragraph (a) after the word "currency" the following words be added:—"and that the maximum be 40 per cent."

This should be the maximum royalty a lessee can charge.

The MINISTER FOR MINES: I hope the hon. member will not press his amendment. I am advised that the tributers have considered the question of a sliding scale, and taken into account the altered method by which a royalty may now be imposed. They are concerned about the sliding scale starting at a point that would be higher than the lowest point of the sliding scale on which they are operating to-day. The 40 per cent. to-day is fixed on the gross proceeds, but the 40 per cent. under this Bill would not be so fixed. The matter should be left for decision between the parties concerned.

Sitting suspended from 6.15 to 7.30 p.m.

Amendment put and negatived.

Mr. F. C. L. SMITH: I move an amendment —

That after "be" in line 2 of paragraph (b) of proposed new Section 145C, the words "hauled and" be inserted.

The MINISTER FOR MINES: I will accept that amendment

Amendment put and passed.

Mr. F. C. L. SMITH: I move an amendment—

That in paragraph (d) of proposed new Section 145C all the words after "and" in line 5 be struck out and the words "for stores purchased by the tributer from the lessee" inserted in lieu.

If the paragraph is allowed to remain as it appears in the Bill, the charges specified will be regarded by the mining companies as indicating what Parliament considers to be fair and reasonable, and they will make corresponding deductions against the tributer's share. Already the fairness of the lessees has been questioned, and the mine owners will adopt the principle embodied in the paragraph unless it is amended. We should provide that the charges against the tributer be confined to the cost of the stores purchased from the lessee for the purpose of the tribute.

The MINISTER FOR MINES: I cannot accept the amendment. I am afraid the hon. member does not appreciate what the paragraph means. We have provided two alternative methods by which royalty can be paid. One is the sliding scale basis. The other method is dealt with in the paragraph under discussion. Under this the tributer has not to pay on the same basis. Under it he will receive 50 per cent. of the 90 per cent. extraction and will have to pay certain charges while the company, out of their 50 per cent., will have to pay treatment and realisation costs. In a previous clause already agreed to we provided that the charges shall be based on a reasonable valuation of the services rendered. If the amendment were agreed to, the second method could never be tried out.

Mr. F. C. L. SMITH: I realise that there are the two alternative methods, but the tribute agreement will embody one of those methods only. Any agreement in which the first method is adopted, cannot be expected to be better than could be arranged under the paragraph I seek to amend. Under paragraph (d) the deductible charges will mean that the tributer will not receive 30 per cent. of his 50 per cent. The mining companies will regard the paragraph as an indication of what Parliament considers to be fair charges, and in future many items will be charged for that are not taken into account to-day.

The MINISTER FOR MINES: It is very evident that the hon. member does not understand the application of the provision for royalty payments under the two methods. I cannot carry my argument any further. We have already provided that the tributer shall pay certain costs, including the charge for services rendered by the company and those charges must be on the basis of the reasonable value of those services.

Amendment put and negatived.

Clause, as previously amended, agreed to.

Clauses 8, 9—agreed to.

Clause 10—Provision as to tribute agreements made before the commencement of this Act.

Hon. S. W. MUNSIE: I cannot see eye to eye with the Minister in the reading of this clause. The very marginal note shows that it deals with tribute agreements made before the commencement of the Act, and the clause reads as follows:—

Any tribute agreement made before the 30th day of September, one thousand nine hundred and thirty-two, and subsisting at the commencement of this Act shall, as from and including the date of any extension or further extension of the period specified in the agreement for the continuance thereof granted after the said thirtieth day of September, 1932, or as from the date of the commencement of this Act, whichever date shall be the earlier,—

Members will agree that the 30th September is earlier than the commencement of this Act, which is not yet law. Therefore, if we pass the clause as printed, all tribute agreements that were in existence prior to the 30th September must be brought under the Act as from the 30th September.

The Minister for Mines: No, only any extension.

Hon. S. W. MUNSIE: Even if it were only an extension, it would go back to the 30th September; that is, if the clause stands as printed. The Minister is of opinion that if any extension of a tribute agreement has been made, say, two months prior to the 30th September, that agreement would still have four months to run

at the 30th September, and that period would have to expire before this clause came into operation. But the clause distinctly says it shall come into operation on the 30th September, for since this measure is not yet law, the 30th September is earlier than the date of the commencement of the Act. What I am afraid of is that if this clause pass as printed, it will be found that there are in Kalgoorlie at least 50 tributing agreements made under the old arrangement, and the companies will have treated the ore and paid under the old agreement, which would give the tributer the right to compel the companies to grant the conditions provided in the Bill. The clause should some into operation at the 30th September, or after the commencement of the Act, whichever is the later, not the earlier, date, and the provision should be restrospective to the 30th September.. The clause continues—

> —whichever date shall be the earlier, be deemed to have been made in accordance with the provisions of Section 145B of the principal Act as amended by this Act.

Why does the Minister contend that this applies only to extensions or to existing tributing agreements, and that they must run the term specified in the agreement? There are in existence on the goldfields tributing agreements made as far back as 1922, notwithstanding that they are of six months tenure, that is to say, that six months' notice of cancellation must be given.

The MINISTER FOR MINES: The hon. member may be right in his contention, but if so I can only say there is some error in the drafting. I asked that this provision be made in order to enable protection to be granted to the tributer during the period between the 30th September and the commencement of the Act. There is no intention to make it retrospective, even to the 30th September last. I believe we have achieved what we set out to achieve, namely, avoided the possibility of these tributing agreements being cancelled and re-made under the terms of the principal Act for such a period as to defeat this measure. I assure the hon. member I will look further into this and, if necessary, will see to it that it is amended in another place to provide that it shall operate against only tributes made after the commencement of the Act. If I can find no evidence of any attempt to defeat the measure, I will see to it that the Bill is not made retrospective at all.

Hon. S. W. MUNSIE: I will accept that assurance. The member for Nedlands tonight said that from his reading of the Bill it was giving power to a third party to intervene after a tribute agreement had been signed which was not fair. This clause deals with existing tribute agreements, and it is only in those, not in any new tribute agreements to be made, that any third party has a say. But this is where the third party does come in, and because of this clause bringing the agreement from the old conditions to comply with the conditions in the Bill, the mining company may say, "We are not prepared to go on with the tribute, but will apply to the State Mining Engineer." The company will then be bound by the decision of the State Mining Engineer, and cannot cancel an existing tribute without six months' notice. But that does not apply to any new tribute to be arranged.

Clause put and passed.

Title—agreed to.

Bill reported with amendments.

BILL—JUSTICES ACT AMENDMENT.

Returned from the Council with an amendment.

BILL—FINANCIAL EMERGENCY ACT CONTINUANCE.

Second Reading.

Debate resumed from the 27th September.

HON. P. COLLIER (Boulder) [8.1]: This is another of the continuation Bills which have become so frequent in recent years. It will not be possible for the House to amend this Bill. I regret that it has been introduced in such a form that the Act of last year has to be re-enacted for another year or entirely rejected. Having regard to the fact that this, above all the other annual measures, has been of a most experimental character, it was all the more reason why the Bill should have been introduced in a form which would have permitted of amendment. It was admittedly new legislation; similar measures had not

been passed by any Parliament in Australia previously, and it was contended that legislation of the kind was necessary because of the extraordinary circumstances prevailing at the time. Had the measure been introduced in a form that would have permitted us to amend it, the House would have been able to benefit from the year's experience of the Act and would have had an opportunity to remedy defects or improve the provisions where they had been proved to be wanting or insufficient. But a one-clause Bill has been introduced, and it has to be swallowed holus bolus without any amendment whatever. The discussion in this Chamber last evening regarding the proceedings taken under the Act in the Arbitration Court shows the necessity for amendment. There can be no question that, even if the interpretation placed upon the Act by the Full Court be correct and in accordance with the Act as printed, it is contrary to the intention of Parliament. In the debates of last year not one word can be found that does not clearly bear out the attitude adopted by the Arbitration Court. Apparently Parliament failed to put clearly into language and to express its desires, and now we should be afforded an opportunity to rectify the error. We are not given that opportunity, and the Act is to be continued for another year. Though the Act has been interpreted by the Full Court in a manner contrary to the wishes of the House, that could not be helped until we had had an opportunity to amend it, but the existing condition of affairs is to continue for another year, and the thousands of workers, who are detrimentally affected by the decision of the Full Court, have for another year to suffer the injustice and submit to conditions that this House never intended. An Act which it has been admitted is purely experimental should not be continued by a Bill introduced in such a form as to preclude the possibility of any amendment. The Act has not achieved all that was claimed for it: in fact it has operated in a manner that has done a distinct injustice to large numbers of salary and wage earners. I need only refer to the position of Government employees on the goldfields. It is within the knowledge of members that the reduction of the basic wage, particularly in the coastal districts, has brought the wage down, in many instances, to that prescribed in this Act, but that has not been the experience of Government employees—school teachers, railway workers, police and other Government employees—located on the goldfields. The cost of living has fallen, so that the basic wage for the coastal districts has dropped during the past couple of years from £4 7s. to £3 10s. 6d. The basic wage prescribed for the goldfields is £3 18s. or a difference of 7s. 6d. per week. The reason why the basic wage has been reduced is the reduction in the cost of living, but there has not been any reduction in the cost of living on the goldfields.

The Premier: People there must be able to buy necessaries more cheaply.

Hon. P. COLLIER: Not at all, and for this reason, that workers outside of Government employees—I refer to workers on the mines and to those in private employment—are still being paid the basic wage of £4 6s. Employers have not taken advantage of the reduction of the basic wage, and all employees in private employment on the goldfields are being paid the previous basic wage of £4 6s. a week.

The Premier: That applies particularly on the mines.

Hon. P. COLLIER: It applies to private employers as well.

The Premier: You have to consider the present price of gold.

Hon. P. COLLIER: Because gold is bringing a high price, why should Government employees on the goldfields suffer, seeing that a basic wage of £4 6s. a week is still being paid by private employees as well as by the mines?

The Premier: That is not the basic wage as fixed by the court.

Hon. P. COLLIER: That is not the point. The fact that private employers have not reduced the basic wage has been responsible for the cost of living on the goldfields remaining at the level of three years ago.

The Premier: People must be able to get commodities more cheaply from Perth—potatoes, butter, etc.

Hon. P. COLLIER: I suppose the business people get them more cheaply, but advantage is being taken of the fact that the basic wage is still what it was three years ago, and that means extra profit to the business people. The cost of living to-day is practically what it was three years ago. People in private employment are not affected, because they are drawing the equivalent of the basic wage of three years ago, but consider how it is affecting Government

employees, whose wages have been reduced 18 to 22½ per cent. and who have not received a corresponding benefit by a reduction in the cost of living. As a matter of fact, the cost of living on the goldfields is higher than it was three years ago, because house rents have increased from 80 to 100 per cent. During the past two years, particularly since the revival of mining houses have been almost unobtainable, and I am not exaggerating when I say that rents have been increased at least 80 to 100 per cent. and that now houses cannot be obtained at any price.

The Premier: Rents were low before that owing to the bad times.

Hon. P. COLLIER: But the rents were taken into consideration by the court when fixing the basic wage. There is no doubt that the Act has operated with tremendous injustice against Government employees on the goldfields, because, following the wages reduction made under the Financial Emergency Act, the district allowances were greatly reduced, in fact they were almost cut out. Taking wages and district allowances combined, the reduction suffered by most of the Government employees on the goldfields is 28 to 30 per cent. If it were possible to move an amendment to this Bill, a case could be made out for those employees, and every member would see the justice of allowing them to receive at least the basic wage prescribed for the goldfields. That, however, cannot be done owing to the form in which the Bill has been introduced. Consequently, injustices that the operation of the Act and the experience of the past year have shown to be outstanding have to continue for another year, and there can be no redress for the employees concerned. I am afraid the Premier is not aware of the position on the goldfields. All private employees are receiving the basic wage of three years ago, namely, £4 6s. a week.

The Premier: That is not the wage fixed by the court.

Hon. P. COLLIER: I am aware of that.

The Premier: The court took cognisance of the cost of living and reduced the basic wage.

Hon. P. COLLIER: The basic wage prescribed for the goldfields now is £3 18s. a week. But the wage of the Government employees, when this cut was applied to them, was much below that. I very much regret there will not be an opportunity for the House to rectify that position. The Act is entitled—

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.

Mr. Marshall: The object was to get round the corner.

Hon. P. COLLIER: I ask, how far has this Act gone towards justifying its title, "re-establishing financial stability"? Has the financial stability of this State been re-established?

Mr. Brown: How far would you be without it?

Hon. P. COLLIER: We might have got as far as Pingelly.

Mr. Marshall: How far have we got with it?

Hon. P. COLLIER: The point is that this Act was passed to restore financial stability, yet the financial position of this State to-day is not one whit better than it was when the measure was introduced, or the year before it was introduced. This Act has been in force for 12 months and, notwithstanding the wonders it was going to work, we ended the year with a deficit of 1½ million pounds, an amount equal to the deficit for the previous year when the Act was not in force at all. Although the Treasurer has budgeted for a considerable reduction in the deficit this year, that is not to say his estimate will be realised.

Mr. Kenneally: It would be unusual if it were!

Hon. P. COLLIER: How can one estimate in these days, when it is so difficult to look ahead so far as finance is concerned? Who can say the position will be better than it was last year? Financial stability has not been re-established by virtue of this Act. The title goes on to say, "restoring industrial and general prosperity." Has industrial or general prosperity been restored? Are we better off to-day than we were prior to the passing of this Act? Not a bit. Notwithstanding the Premiers' Plan, there are to-day in Australia just as many men out of work as there were a year or two ago. Unemployment has not been reduced at all.

The Premier: Yes. There is part-time work, of course.

Hon. P. COLLIER: It is easy to say because two or three thousand men are given

part-time work for two or three days a week that the unemployment position has been improved. It has not been improved at all.

The Premier: Ten thousand unemployed have been given part-time work.

Hon. P. COLLIER: Well, 10,000, if you like, but do not forget that single men are receiving wages as low as 23s. a week, while married men are getting up to a maximum of £3 per week, irrespective of the number in their families. Part-time work has been made possible because the Loan Council have been able to find a little extra money for the time being, but there is no stability about that work. However much the Government may have striven to employ those men on work of a useful character, work that would be wealth-producing, we know that many of the men were employed on useless work. Three, four or five men have been doing work that could be done by one man and would have been done by one man in ordinary circumstances. Modern methods of performing work have been discarded; resort has been had to the wheelbarrow and the methods employed by our grandfathers, merely to find employment for a greater number of men. I quite realise the difficulty the Government were in over this matter. The work has been costly. I have no hesitation in saying that much of it has cost five times what it should have cost or could have been done for. Therefore, four-fifths of the cost of that work is absolutely wasted money.

Hon. J. C. Willcock: It is putting a burden on us forever.

Hon. P. COLLIER: Yes. The interest on the money expended upon work which has cost four or five times as much as it should will have to be paid by the generation that succeeds us. The Premiers' Conferences and the Loan Council have acted largely upon advice given to them by so-called experts. Who are these experts and what are their qualifications? It does not follow that because a man is a highly qualified accountant and has held a responsible position in the treasury of a State that he is an expert in economics. He is expert in dealing with figures, but not in formulating policies.

The Premier: Who is he?

Hon. P. COLLIER: I am not alluding to any particular man, but to the band of experts who have been advising at the Premiers' Conferences and upon whose advice the Premiers largely relied, and whose suggestions the Premiers largely adopted. Those persons are not necessarily experts in the matters dealt with by the Premiers' Conferences. I am not at all impressed by men who are described as experts. I do not like the word, but it has been very much used during the past two or three years. Practical men must not utter a word against the advice of these experts. It is entirely wrong for anyone to offer an opinion in opposition to the advice of the so-called experts.

Mr. Doney: Who do you expect should be called in?

Hon. P. COLLIER: It is not use talking about who should be called in.

Mr. Doney: That is what I think, too.

Hon. P. COLLIER: I repeat what I have stated many times in the House, that the real rulers of Australia to-day are not the Governments, but the bankers, those who control the money of Australia. Is there anything more humiliating than to read that when the Premiers, drawn from all the States of Australia, meet in conference and formulate proposals which they think will be for the benefit of the Commonwealth, they have to submit those proposals to the bankers, who say, "You cannot do that." The Premiers have then to reconstruct their proposals and accept what the bankers dictate. That is one result of private banking in Australia.

The Premier: That is not the position.

Hon. P. COLLIER: Of course it is the position.

The Premier: We can always go on the market.

Hon. P. COLLIER: You can, but if the banks are not behind you, you will come back empty-handed.

Mr. Doney: It is really a case of going to pawnbrokers.

Hon. P. COLLIER: If they dare to ignore the bankers, or defy them, and say "We will go on the market," they would not raise a pound, because the bankers would not be behind them. Everybody knows that no loan, large or small, would be successful in Australia unless it had the backing of the Associated Banks and the Commonwealth Bank.

Mr. Doney: You in similar circumstances would have to go to the same banks.

Hon. P. COLLIER: I know I would, unfortunately. I am not blaming the Premier for going to the banks. At the moment I

am criticising the existing system. Every Labour Premier in the Commonwealth during the past few years has had to go to the banks and accept what the banks have forced upon them.

Mr. Kenneally: That does not say the system is right.

Hon. P. COLLIER: I am talking now of the system. It always will be the system, whether in times of crisis or in times of prosperity, so long as banking and currency are controlled by private banks in Australia.

Mr. Kenneally: In Australia and everywhere else.

Hon. P. COLLIER: Yes, unfortunately. If there is one thing more than another which is absolutely essential in the interests of the people, so that they may be able to tide themselves over a period of exceptional depression such as we have been experiencing, it is that money and currency should be in the hands of the nation, not in the hands of politicians. If the Commonwealth Bank were a truly national bank, as it should be, we would have got over this position much more easily. At present there are in Australia 300,000 unemployed men, to say nothing of the women and children dependent on them, and we are helpless. We cannot do anything unless the banks make money available to us. The Act makes provision for a reduction of interest, but I am not sure whether full effect has been given to that provision. Certainly the interest burden of Australia to-day is terrific. It is so great that, owing to the phenomenal fall in commodity prices, the nation is absolutely unable to bear it. I would remind members of an important statement by Sir Hal Colebatch in a recent address or debate in Perth. I think everyone will agree that Sir Hal is a very capable and cautious gentleman.

He said—

> I do not offer any defence for the money system which was in force during the war and has been in force ever since.

If I or anyone associated with my party criticised the money system, such criticism would be lightly set aside because we are supposed to favour nostrums of some kind in regard to the money system. Sir Hal continued—

> The wild issue of spurious currency was the result of the great war, and the methods by which it was financed were the worst in the history of the world. Britain had arranged an interval loan of £8,000,000,000, which represented £8 for every minute of time since the birth of Christ.

Sir Hal Colebatch also said that the money did not exist; that it was spurious money. That is the point. Upon that great heap of spurious money vast loans in Great Britain were raised, and a huge annual interest rate levied that has to be met to-day. The people of Australia, in common with those of other countries, have to find this great mountain of interest, not upon real money, but spurious money, upon money which did not exist. That is the real source of the trouble in Australia and the nations to-day. It is the direct result of the money system which obtains in the world. I suppose it was the only way the war could be financed under the system that existed. Surely the financial experience we have had of the war should bring it home to us that we should no longer follow the old beaten road that we have had handed down to us, but should look around for some new and better system. I wish now to quote some figures regarding interest. Since Federation was established in 1901, the people of Australia have paid over £871,000,000 in interest to bond holders. That is nearly £900,000,000, paid in a brief period of 31 years, and of this £380,000,000 has been paid overseas. In the computation of that figure the flotation charges and exchange have not been excluded, otherwise the figure would really be approximately £1,000,000,000, in the brief period of 31 years.

The Minister for Agriculture: Nearly the amount of our national debt.

Hon. P. COLLIER: That is about £1,100,000,000. These figures are very instructive. A study of them will enable us to see where our trouble lies to-day. In 1912 the interest paid by the States and the Commonwealth was £10,000,000 in round figures. It was actually £9,886,000 paid by the States and £579,000 by the Commonwealth. The total in that year was £10,500,000 in round figures, representing the interest bill for that period. In 1932 the interest bill paid by the States was £37,800,000, and by the Federal Government £19,000,000, or a total of £56,000,000. In 20 years, therefore, our interest bill has risen from £10,000,000 for the year to £56,000,000 for the year. It is this staggering rate of interest that is crushing industry, and causing all the trouble in Australia.

Mr. McLarty: That is over £1,000,000 a week.

Hon. P. COLLIER: That is the interest bill paid by Australia. Let me now take the successive stages of the growth of Australia's interest bill, as this indicates the part played by the loans which have been based on spurious money. In 1901 the interest bill was £7,000,000, in 1914 it was £12,000,000 and in 1932 is was £56,000,000. From 1901 to 1914, a period of 13 years, our interest bill increased by less than £5,000,000, but after 1914 it increased by £44,000,000. These are the same figures I have already used, presented in another way.

Mr. Brown: The war had something to do with that.

Hon. P. COLLIER: I had imagined that it had. That is what we regard as an unnecessary observation. I did not contend that it did not have anything to do with it.

Mr. Kenneally: He only suggested it might have had something to do with it.

Hon. P. COLLIER: The hon. member can work it out for himself. No doubt he will be able to find here and there facts and figures to show that the war had something to do with it. This state of things has created a tragedy for the people of Australia in that 300,000 men are out of work. I have here a quotation from William Jennings Bryan, known as the apostle of silver currency in America, and one of the outstanding figures in the modern history of the United States. This is what he said—

> The money power preys upon the nation in times of peace, and conspires against it in the hour of its calamity.

There is a lot of truth in that. Since 1901 every man, woman and child in Australia has paid in interest £134.

The Minister for Lands: That is only for the national debt.

Hon. P. COLLIER: For all our debts.

The Minister for Lands: There are many more debts than that.

Hon. P. COLLIER: I am referring to interest alone.

The Minister for Lands: Interest on the national debt.

Hon. P. COLLIER: On the State and Commonwealth national debts. Every man, woman and child in Australia still owes £177 by way of public debt. On a population of 6,000,000 odd we owe £177 per head. Since 1901 the interest bill has increased by 750 per cent. If the price of the commodities we produce had remained at what it was a few years ago it would have been possible for us to carry this burden, although still heavy, without the suffering we are now enduring. Side by side with this enormous increase in the interest bill is the tremendous drop in the value of our products. It takes three bags of wheat to-day to pay the amount of interest which one bag would have paid three years ago; or it takes two or three bales of wool to liquidate an amount of interest which one bale would have liquidated two or three years ago. The nation cannot do it. I do not want to go over ground which has been so ably covered by the member for South Fremantle (Hon. A. McCallum) on the position of Australia with overseas loans compared with other nations. I have, however, some figures which are also interesting. They are contained in the British Budget under the heading of "Loans to Dominions and Colonies." This says—

> Capital sums outstanding on March 31st, 1931—interest is being paid on all these loans, and in the case of Australia and New Zealand and Trinidad an annual sinking fund.

That is what Australia has done so far. Further on the Budget says—

> Funded—Aggregate of agreed annuity payments due under funding arrangements and outstanding on March 31st, 1931—£1,120,550,000.

The Minister for Lands: That is the principal.

Hon. P. COLLIER: The principal was to be reduced by annual payments with an agreed reduction in the rate of interest. The amount outstanding ran into £1,120,000,000. I am sorry the Premiers' Conference did not demand at their recent gathering that steps should be taken in Great Britain to endeavour to secure a reduction in the rate of interest. We are not asking for anything which has not been conceded in a large measure to every other country. Are we, as some people would have us do, going to adopt the lofty attitude that we must meet our obligations? If present prices for our exportable commodities prevail, or do not increase in the next two years, whether we like it or not we shall be unable to meet our obligations. There can be no question about it. A large number of the people who are engaged in

producing those commodities cannot meet their obligations to the country and, in such circumstances, Governments in turn cannot pay their creditors.

Mr. Griffiths: They will have to get out, and we shall have to default.

Hon. P. COLLIER: Of course. We can continue by means of strategy, borrowing and paying bonuses, but there is a limit to the time that any country can carry on under such conditions. Before we ultimately reach the stage when we shall not be able to pay, would it not be honourable to ask for consideration in regard to interest payments?

Mr. Sampson: Wisdom should prompt very early attention to that matter.

Hon. P. COLLIER: And wisdom on the part of creditors should prompt them to agree.

Mr. Sampson: In fact, it should prompt early action on their part.

Hon. P. COLLIER: That is so. Although interest rates have been considerably reduced, they are still too high in Australia. People were in a better position to pay 7 per cent. three or four years ago, than they are to pay 4½ or 4 per cent. to-day. The reduction of interest has afforded relief in a way, but not sufficiently to enable those engaged in industry to carry on, because the low prices received for their commodities will not permit them to pay the present rate of interest. The time has arrived when the interest rate should be decreased not to 4 per cent. but to 2 per cent.

Mr. Kenneally: The same as in England.

Hon. P. COLLIER: Yes. I think the Bank of England interest rate is 2 per cent. now.

Mr. Sampson: Primary production can never meet the interest charges that have been levied.

Hon. P. COLLIER: If trade revived tomorrow, with augmented prices, the back debts chargeable against primary industries could not be met. It would take a lifetime. Men young to-day would be old before they could wipe off their indebtedness.

Mr. J. I. Mann: And they will not try to do so.

Hon. P. COLLIER: When men reach the stage at which they see it is hopeless to try, and that no encouragement is extended to them with that end in view, they will not try to meet their indebtedness.

Mr. J. I. Mann: That is so.

Mr. Hegney: You are becoming Bolshevik!

The Minister for Railways: Even if they did try, they would still be bankrupt in the meantime.

Mr. Sampson: And the greater the effort to pay, the greater would be their losses.

Hon. P. COLLIER: I do not complain because people draw interest. It is surprising what a large number of people there are with small capital invested in Government bonds and other securities, who are drawing interest that represents a small income for them, on which they have to live. It may well be that interest at 4½ per cent. is better to-day than 6 per cent. was some years ago. In the mad years of the war—I suppose it is easy to be wise after the event—we took action with regard to financial matters that may well astonish us when we look back and consider the mad things that were done.

The Minister for Lands: Unfortunately we continued that practice after the war.

Hon. P. COLLIER: We coaxed people to find money to carry on the war, and we encouraged them to find more money after the war. On the other hand, those people should have been told that the war was being fought in their interests as well as on behalf of others. What right had those men who could not, or did not, go to the war, to remain in Australia and reap a financial harvest while others suffered all the hardships and shouldered all the risks of the actual conflict?

Mr. Panton: And they are even now reaping it from people who went to the war.

Hon. P. COLLIER: I have a list of tax-free loans that have been floated. I think Mr. Hughes and his Government were responsible for the introduction of that policy. The list embraces one loan of £798,000 at 6 per cent.

Mr. Sampson: It sounds like a dream.

Hon. P. COLLIER: There is another of £50,000 at 6 per cent., one of £755,000 at 6 per cent., two of £25,000, and another of £250,000 at 6½ per cent.—all tax-free loans. Thus, if we allow off the 22½ per cent. reduction made in the rate of interest, those loans work out at £4 13s. or £4 14s. per cent. Those loans are still at that price, but they are more than that when we consider that they are free of taxation. On interest drawn from other investments, taxation has to be paid.

The Premier: Those loans were for a very limited period.

Hon. P. COLLIER: The 6½ per cent. loans extend to 1947.

Hon. J. C. Willcock: Were they not converted?

Hon. P. COLLIER: Yes, to 4½ per cent., but, even allowing for the 22½ per cent. reduction in the rate of interest, they still work out at £4 14s. per cent. The 6 per cent. loans, allowing for the 22½ per cent. interest reduction, work out at about £4 13s. Taking into consideration the value of money to-day, it will be seen that those loans are worth more than 6 per cent. For £4 13s. more goods can be bought to-day than could be purchased when the loans were issued at 6 per cent. for the purpose of finding money to finance the war years. So, actually, there has been no reduction in interest rates. In connection with the legislation of this class that we have passed during the last year or two, there has been no equality of sacrifice. There can be no such equality of sacrifice as between people who, on one hand, receive a slightly lower rate of interest for their money and others who have to accept less food to enable them to live, because of unemployment and other circumstances. How can there be any equality of sacrifice in such cases? It is a nice phrase, and the suggestion of equality of sacrifice may carry some weight, but it has no application. The man who has lost his job or is on part-time work, is called upon to make a very great and real sacrifice that affects him now and will affect his family probably for the remainder of their lives. On the other hand, the man who may experience a reduction of his interest rates to even 2 per cent. makes no sacrifice at all, for the reasons I have indicated.

The Minister for Railways: The purchasing power of his money has remained the same.

Hon. P. COLLIER: Yes. I mean, because of commodity values. That is the position as I see it. I do not wish to strike any pessimistic note, but we in Australia have to face the position as it exists. It is useless to bury our heads in the sand. The fact is, that until commodity prices improve, we shall not experience any benefit. We cannot look far ahead in these days, but at present there is no indication that the prices of our two largest export commodities—wheat and wool—will be any better than during the past year or two.

The Minister for Lands: The price of wheat is worse.

Hon. P. COLLIER: Yes.

Mr. J. I. Mann: And the same applies to wool.

Hon. P. COLLIER: The time is not far distant when people will be mighty lucky if they can preserve their capital intact, quite irrespective of the interest question. That is what is ahead of Australia, if conditions do not alter. Those who control the financial institutions of Australia and say that we must pursue this or that policy, are on very dangerous ground. The condition of affairs that exists to-day and has operated since the depression first made its effects felt within the Commonwealth, cannot continue indefinitely. It will lead to tragedy and disaster. All our preconceived ideas about money and currency will have to be discarded, and some policy adopted that will enable the country to emerge from its difficulties. I do not wish to repeat what I said before about the war, but the fact remains that we were able to find money for the purposes of destruction, yet we cannot to-day find money to preserve the very lives of the people who are suffering so much in Australia. It seems to me that a markedly changed outlook must be adopted by those controlling the money power of Australia, and who are dictating the policy of Governments.

THE PREMIER (Hon. Sir James Mitchell—Northam) [8.55]: The Financial Agreement has not been a comfortable one for anyone, and it would not have been in operation at all if the representatives of Governments who met in Melbourne had not realised that something had to be done if we were to get through at all. Let hon. members imagine the position of Australia with a total deficit of £41,000,000 for the year following the adoption of the Plan. That money could not be found: it was utterly impossible to raise it. The London market was closed to us in 1929, and the financiers would no longer lend us money. From then on, we had to pay the interest on the money they had loaned out, and we had to do it by sending our produce to the Old Country. The Leader of the Opposition was quite right when he said that noth-

ing much would happen to improve the position of Australia, or for that matter, of the world, until commodity prices increased. In Australia our commodity prices, which had been satisfactory for 12 years before the depression affected us so adversely, enabled us to carry on, to do some work of development and live, according to some people, rather extravagantly. During those years, we borrowed freely, not only in Australia, but in London, and we were able to add to our national income as a result of our borrowings in London. Will members realise that with the fall in commodity prices, came the closing of the London money market against us altogether.

Hon. J. C. Willcock: Naturally; they could see they would not get their money back if they lent us more.

The PREMIER: The effect was precisely the same, for it meant so much less to spend. That is the position. One can pay out only as one receives. Without the Premiers' Plan, we would have been in a very difficult position indeed. I doubt if we could have carried on. I am glad that the Leader of the Opposition acknowledges the difficult time we have had since we have been in office. I can assure the House that during the first two years I was in office it was mighty difficult, and we did not know just when we would come to the end of our financial resources. We have carried on, and if we have not been able to find work for everyone, at least everyone has had something. We have provided as far as possible that the money shall be spread as fairly as possible. It has been possible for trade to continue. Our imports fell off by one half, which shows that the trading in the country fell away considerably. If we would reflect for a moment upon what it meant to the business people in Perth, what the loss of the sale of many pounds' worth of goods meant in wages, we would realise how serious it has been. We have done very well indeed to carry through so far without more serious trouble. I do not think there is any easy way out of this difficulty, but at least we must remember that by the Premiers' Plan we have been able to meet our obligations. Without it we could not have done that. Interest has been reduced, but it may be that a man getting 4 per cent. to-day is really getting just as much as when he was in receipt of 6 per cent. The Leader of the Opposition knows it is utterly impossible for a Government to collect taxation on the old scale. Incomes are not being made. The amount of £500,000 previously paid in income tax will become this year £150,000. The incomes have gone, and with the incomes went the work, which meant employment. The fall in commodity prices destroyed income and trade and employment. I should be very glad if it were possible to adopt some monetary system which would give the world the real money it wants, but I am afraid there is far too much bogus money in the world. I should think the world was never so poor in respect of undertakings by Governments to pay; I mean the Governments of the whole world, bonds given by nation to nation, or bonds given by nations to individuals—there was never so much of that sort of money in the world before. But much of it is carrying interest.

Hon. J. C. Willcock: Half the interest payments are not being met, interest on bonds between Governments and between Governments and individuals.

The PREMIER: Well the other half is quite enough, and a little too much. In some cases interest has been suspended for the moment, but a great deal of interest is being paid, and where bonds are given by Governments to individuals interest is certainly being paid. But there was never so much of the bogus money before. Take Australia: it took us eighty years to put together 320 millions. Starting with nothing, we averaged four millions per annum. Then we came to the time of the war, and the extravagance in expenditure that followed the war. For the years 1913 to 1919 we put together each year in receipts given by bankers and by Governments for money, 42 millions a year. In Australia the money simply did not exist. What happened was that owing to the high tariff the Government got something like one-half in value for the money they borrowed. No one supposes that there were 550 millions to lend to the Governments and a great deal more to pay to the banks. But the Government borrowed in goods, and got, say 10s. worth of goods for each pound borrowed. The goods were subject to tariffs, and so were made higher in price without anything being added to their value, and when the goods came to the

Government they were turned into interest-bearing Government bonds. That is what happened. I should think it would be a very good thing for the world if some monetary basis could be set up, if we could find some way of creating money that would be real and substantial, not bogus. But the world has been looking for it for some years, and no progress in the matter has been made; we are no nearer to a solution of the trouble. My friend the member for Claremont (Mr. North) has explained to the House a system that, if it were practicable, might help us considerably. It is to his credit that he has made a much clearer exposition of the Douglas plan than has anybody else. For 12 years that plan has been before the public, an idea that would create purchasing power, but no place in the world has been able to adopt it. I wish it were possible to relieve the situation by the adoption of some monetary policy that would really help. I still think the gold basis is the only real basis. There is no doubt the fall in commodity prices has produced within Australia considerable hardship, but I want to say that hardship has not been added to by the operations of the banks in Australia. The Commonwealth Bank, which is, of course, the nation's bank——

Mr. Kenneally: It should be.

The PREMIER: I wish the hon. member's knowledge of banking were as wide as it seems to be. The Commonwealth Bank is the central bank, the bank with which other banks leave their surpluses. It is the only bank of issue in Australia, the only bank that can issue notes, and it controls the position. Without it we should not have been able to finance the several Governments. It has devoted its time to helping Government finance, and I do not think we should criticise that bank, for we owe much to it.

Mr. Kenneally: Thank God for the Commonwealth Bank and for the Associated Banks also, for they are using the credit of the nation for a purpose.

The PREMIER: I am obliged to the hon. member for giving me breathing space. The Commonwealth Bank, assisted by the other banks, has helped to relieve the situation. Of the 45 millions in Treasury bills owing in Australia to-day the other banks hold about 30 millions of those bills, which are not a very profitable investment.

Hon. P. Collier: These times, when the banks cannot make investments in industry, it is a jolly good investment.

The PREMIER: Still we must acknowledge that they have helped us and made it possible for the Commonwealth Bank to finance the several Governments to the extent it has. The banking system of Australia has done fairly well by Australia over all the years that have passed. Before the Commonwealth Bank came into existence the other banks did their job well. It is not possible for the Commonwealth Bank or any other bank to lend money unless it has money on deposit, and the banks must pay their depositors for that money.

Hon. J. C. Willcock: Who told you that? You ought to know better than that.

The PREMIER: The hon. member may know something, but I assure him he does not know a thing about it if he says they lend their own money. They have lent 96 per cent. of the money that was deposited with them. Of course banks create credit.

Hon. J. C. Willcock: That is what I said.

The PREMIER: No it is not. I said they lent from the money deposited with them. Their own capital must be held in reserve. The banking system of Australia has been excellent and the banks have been excellently managed, but just now they are financing the Governments. They could not have financed on the scale that was necessary when the Premiers' Plan was adopted.

Hon. J. C. Willcock: If nobody put any money into the banks, they would still finance the Governments.

The PREMIER: No, I am afraid that in those circumstances they could not finance Governments or anybody else. They could not do the impossible.

Hon. J. C. Willcock: It is not impossible. If the hon. member reads McKenna, the chairman of the Midland Bank in England, he will learn something.

The PREMIER: If the hon. member would read McKenna intelligently, he would know then far more than he does now.

Hon. J. C. Willcock: I am quite sure I know more than you do about it. The hon. member is too fond of putting on a superior attitude and becoming offensive. He knows a lot about finance because he was once in a country bank for a month or two.

Mr. SPEAKER: Order!

Hon. J. C. Willcock: Oh, order! It is the Premier who is disorderly and offensive.

The PREMIER: I apologise to the hon. member.

Hon. J. C. Willcock: It is time you did, and shut up that nonsense. The hon. member has no right to reflect on other members, and adopt a superior air.

The PREMIER: I do not feel superior.

Hon. J. C. Willcock: No, but you try to look it, and you are not going to get away with it.

Mr. SPEAKER: If the Premier has offended, he has withdrawn. It would be better to have but one speaker at a time.

Hon. J. C. Willcock: He needn't be so superior about it.

The PREMIER: I am afraid the hon. member's running fire of interjection probably led me to say something I would not otherwise have said. I have no wish to offend the hon. member at all, but I hope he will allow me to say the few words I wish to say in this connection.

Hon. J. C. Willcock: You are always too superior.

The PREMIER: Has the hon. member finished now?

Hon. J. C. Willcock: Yes, and it will be a good job for the House when you have finished.

Mr. SPEAKER: Order! Let us observe the rules of debate.

The PREMIER: I was endeavouring to point out that the attack on the banks for the assistance they have rendered is not quite justified. I still maintain that the banks have helped in the financing of the country during the difficult times we have been experiencing. We are about to go on the market for a loan and hope to raise some £8,000,000, but that will be done with the assistance of the Commonwealth Bank and the Associated Banks. If we had not their assistance, there would be no great certainty of getting the money. I should like to point out to the Leader of the Opposition that the wages under the emergency legislation are about 10d. higher than the basic wage fixed by the Arbitration Court, so for the moment many people are being advantaged by the fact that we have this legislation upon the statute-book.

Mr. Kenneally: That does not refer to what the Leader of the Opposition mentioned, namely, the Government employees at Kalgoorlie. Do you propose to refer to them?

The PREMIER: The Leader of the Opposition said that the cost of living on the goldfields had not come down as it had in the metropolitan area. I should like to point out that business people in Kalgoorlie buy their commodities in precisely the same market, though it is true they do buy some lines from the Eastern States.

Hon. P. Collier: I am well aware of that, but I spoke of the prices the people there have to pay for the commodities.

The PREMIER: But the wholesale prices are the same.

Hon. P. Collier: I know that the business people buy cheaply.

The PREMIER: The wholesale prices to the retailers in Kalgoorlie are the same as the wholesale prices to the retailers in Perth. It is true that the basic wage was reduced by the court, but the mines did not take advantage of the reduction. They would hardly have been justified in taking advantage of the reduction with the price of gold as high as it is to-day.

Mr. Kenneally: That does not relieve the position of the Government employees on the goldfields.

The PREMIER: Those employees have always been in a better position than other employees. They have been in receipt of the goldfields allowance and have enjoyed advantages that other workers on the goldfields did not receive.

Mr. Kenneally: They are getting less to-day than are other workers.

The PREMIER: No allowance is paid to men who work on the mines, or to men who work in business in Kalgoorlie, and I doubt whether such men have ever received a goldfields allowance.

Mr. Kenneally: The men in the Public Service, even including their allowances, are getting less than the men outside the service, and the Premier knows it.

The PREMIER: I do not know that. I know that the mines did not take advantage of the award, and rightly so, because they were receiving a very much higher price for gold—very much above the standard value of gold. I should like to say a few words about tax-free loans. We have to remember that interest on loans is taxed by the Federal authorities and that the States pay the tax. While it did not matter whether we had taxed loans or cheap money when the States

borrowed for themselves, it does matter now because the Federal Government take the tax and we pay a higher rate of interest for money because the Commonwealth tax the interest. However, the only tax-free loans in Australia now are the old ones, and some of those, I would remind the Leader of the Opposition, are as low as 3 per cent. We have had difficulties of finance not only during the last two or three years but before that. We had to borrow short-term money in London to a considerable amount before we borrowed in Australia at all. We owe in London about £36,000,000 of short-term money, and, as I have mentioned, we owe in Australia £45,000,000 of short-term money. Those two amounts represent a considerable sum, and I imagine that unless commodity prices improve, the task of financing in the immediate future will be more difficult than it has been during the past two or three years. There is nothing left out of the prices we are getting for wheat and wool. Timber is down and so is almost everything we export, and the position cannot improve while that continues. We do not know from day to day just what might happen to wheat and wool, but the outlook at the moment is not encouraging, and it is necessary that this legislation should be continued at least for the present and until the finances of the country become much more buoyant than they are at the moment.

MR. SAMPSON (Swan) [9.20]: I believe that nine-tenths or more of the people agree it is high time that overseas interest rates were reduced. The agreements which have been entered into were far in excess of what any country dependent on primary production could afford to pay. Even in good times our returns were dependent upon primary production, and the excessively high interest rates we agreed to pay could not be produced by the country. So the time is overdue for a revision of those rates. If those who are our creditors do not realise the importance of reducing the interest burden, they will be unwise and shortsighted to their own interests, and the ultimate result of maintaining the present rates may be very much to their disadvantage.

Mr. Hegney: You would not suggest that we break our contract?

Mr. SAMPSON: No, but it is suggested that a common-sense view of the position should be taken. We desire to pay our way, but it is impossible for us to maintain the rates that have been arranged. Up to a few weeks ago the Agricultural Bank charged 6 per cent. on advances which I acknowledge was perhaps not excessive in view of the high rates being paid by the bank, but considering that the returns had to be won from primary production, the rate was in excess of what any country in the world could produce. Consequently, an alteration must be made. I shall not stress the added difficulties that producers generally have to face because of tariff burdens. Those burdens have been and are unparalleled in the history of the world. Apart altogether from the men on the land, there are very few business men who are paying their way. The majority of men engaged in business are to a large extent living upon capital, which is inevitable in view of the slump in commodity prices and the low returns being secured by primary producers. It is interesting at this stage of our career to draw an analogy between Australia today and Rome in the time of the Caesars. The people of Rome encountered a period much the same as that which we are experiencing. The men working on the land were prevented from securing a living; they were despoiled by the ruling powers.

The Minister for Agriculture: They deserted agriculture.

Mr. SAMPSON: They were forced off the land because of the harsh treatment meted out to them and because they were not permitted to enjoy the fruits of their labour. It is remarkable that in spite of our difficulties, in spite of the intolerable interest charges we are paying, Australian stock is quoted above par.

Hon. P. Collier: It is easily understood. People are not putting their money into trade and industry, but are buying stocks.

Mr. SAMPSON: That is bad for industry.

Mr. Doney: The explanation is that industry is not considered a safe investment.

Mr. SAMPSON: In view of the exceedingly difficult position of Australia, one might marvel that our stock is regarded so highly that the value is above par. It suggests that, despite our difficulties, there is a strong belief in Australia's future. But we can have no future unless interest charges

are reduced. Neither this nor any other country can produce sufficient to make it a paying proposition. It is difficult to secure markets for our wheat, wool, fruit, timber, pearl shell and other commodities. The only product for which there is a market is gold. Apart from primary products, we have no goods to export. I need not dilate on that; the fact is only too well known to all of us. I had hoped to hear months ago that our overseas interest bill had been reduced. I had hoped that there would be a loan conversion overseas.

Mr. Hegney: What is Mr. Bruce doing in London?

Mr. SAMPSON: I hope that Mr. Bruce will not long delay efforts in that direction. Something should have been done long ago. Every financial institution and every person in the country is interested in what Mr. Bruce will be able to accomplish. Reductions have been made right through Australia, but overseas there has been no reduction whatever. When we recall the comparatively low value of money overseas, we realise the more how necessary it is for consideration to be given to Australia's interest burden.

Mr. Hegney: Your party opposed that in the Federal Parliament.

Mr. SAMPSON: God forbid that I should support anything done in the Federal Parliament! My desire is to assist to get Western Australia out of the Federation at the earliest possible moment. Had we been a country with dominion status, I do not think we would be worrying about this measure to-night. Undoubtedly we were parties to the interest charges levied on Australia, but it cannot be gainsaid that those high rates are not in the best interests of our creditors and are discouraging to our people. I hope it will not be long before there is a reduction. I hope, too, in view of the difficulties which exist in respect to unemployment and which have a direct bearing upon this Bill, that the principle of rationing work will be more generally adopted. The effect would, in my opinion, be very materially to reduce the sum of human suffering and to help the Treasurers of each of the States of the Commonwealth to get over this difficult period. In addition, it would help every man and woman who at present is suffering because of unemployment.

HON. A. McCALLUM (South Fremantle) [9.31]: The Attorney General, in introducing the Bill, repeated the assertion that our friends opposite have been making ever since this measure was first brought down to the House, namely, that the Labour Government in other States of Australia have passed a similar law. The Attorney General went so far as to say that Mr. Hill, who he said was the Labour Premier of South Australia, was actually the main mover, if not the father of this legislation. He went further. He said that the Queensland Labour Government, who had condemned the proposal at the elections and renounced the Premiers' Plan, had passed a law similar to this when they were returned to office. There is not a word of truth in those statements. No other State of the Commonwealth has a similar measure on its statute book. This State stands unique in that respect. This law is not part of the Premiers' Plan. It is in defiance of the Premiers' Plan, or what is known as the Premiers' Plan. The Premier himself voted against the proposal when it was placed before the Premiers' Conference. The Attorney General was the only representative at that conference who supported the proposal. At the conference the Premier said to the Attorney General, "We have enough to do to mind our own business, which is to effect cuts in wages of Government workers, without stepping in and dealing with private employees." The Premier would have nothing to do with the proposal then. However, in the Bill as it was introduced and is now on the statute book, that provision was included. No other Government in Australia has included such a provision in a similar Act. The South Australian Government, which the Attorney General singled out, has not passed any law that interferes with Arbitration Court awards or industrial agreements. The only wages or salaries affected by the South Australian Act are those not fixed or controlled by industrial tribunals. All the other alterations in wages or salaries in South Australia were made by the independent courts. Why does the Attorney General keep repeating these statements when he knows they are without foundation?

Hon. P. Collier: They will be repeated very often during the next few days.

Hon. A. McCALLUM: Yes. We shall be told that the Scullin Government, when in power, fathered this legislation. Mr. Scul-

lin, as Prime Minister, made no such proposal as this.

The Minister for Lands: Mr. Scullin made application to the Arbitration Court and secured a 10 per cent. reduction in wages.

Hon. A. McCALLUM: The Scullin Government did not pass a law to interfere with the decisions of the Arbitration Court. The Minister for Lands cannot point to any Commonwealth law which interferes in any way with decisions of the Commonwealth Arbitration Court. The Attorney General went further. He said that the Queensland Labour Party opposed these proposals on the hustings, but when they were returned to power and realised the Government were up against it, they re-enacted this law. That is entirely incorrect.

Hon. P. Collier: Inexcusably incorrect.

Hon. A. McCALLUM: Yes. The Queensland Labour Government altered the financial laws passed by the Moore Government, particularly those relating to fixed money charges. In no instance have their laws interfered with wages. As a matter of fact, they repealed statutes that had been passed for the purpose of extending working hours and limiting the operations of awards and agreements. Yet the Attorney General makes such a statement as he did here the other night. It just shows there is no limit to the misrepresentations that are made in connection with this matter and to the propaganda that is proceeding. The Attorney General has been told time and again that he stood on his own at that Premiers' Conference in advocating a cut in the wages of private employees. He was told at that conference to draft another report. Even our own Premier would not have it, but the Attorney General comes down to the House with that clause included in his Bill, and this Act is the only law of its kind in the Commonwealth. We grow tired of denying his statements, but the same prominence is not given to our denials as is given to his statements.

Hon. P. Collier: You can never catch up a liar.

Hon. A. McCALLUM: No. His statement gets the prominence it does because it is made by a responsible man. He seems quite satisfied, having made the misstatement, to let it take its course: it has served the purpose it was intended to serve. The public think that the Labour Premiers at that conference agreed to something that this Government agreed to, but that is not the case. The Victorian Labour Premier, Mr. Hogan, took up the stand at the time that he was not a party to the proposal. Mr. Scullin was the first to take up that stand. Even the Tory Premiers of Tasmania and Queensland would have nothing to do with the proposal. Our own Attorney General was left standing alone. Although he could not convince our Premier at the conference, when he returned to this State he eventually convinced the Cabinet, because he brought down the Bill which included all that he tried to get at the Premiers' Conference. That is in "Hansard." We quoted from the minutes of the conference which are a point-blank denial of the Attorney General's statement. But that is not enough to satisfy him; he still repeats the statement. That is the only point I want to make clear. As the Leader of the Opposition has pointed out, it is extraordinary that the Government have not brought down any amendment to this Act, especially in view of the unfortunate position that has arisen owing to the recent common rule decision of our Full Court. However, that is now largely balanced, because the basic wage has been so much reduced by the Arbitration Court that there is very little difference now between that and the 22½ per cent. cut provided for by this Act. I suppose the great majority of the employers are satisfied, and that is the reason why there is no outcry now for an amendment on those lines. The Act, however, deprived thousands of men and women throughout the State of portion of their wages for many months. Thousands of workers in the State had their wages cut I suppose for the greater part of six months, notwithstanding it was never the intention of Parliament that their wages should be reduced without their being given the opportunity to state their case and be heard in defence. There is no telling when the same situation may arise, because the cost of living may go up and there is no provision in this Bill to remedy the situation. The Bill merely continues what has existed for the past 12 months. We have denounced this Bill ever since it was placed on the statute book and I give the Minister in charge an undertaking now

that if at the next election we are returned to the Treasury benches, he will never be able to charge us with not denouncing the measure before we got into office and repealing it when we did get into office, because one of the first things we will do when we get into power after the next election is to repeal this legislation. There is no doubt about that.

Hon. P. Collier: By doing so we will come into line with every other State of Australia.

Hon. A. McCALLUM: Yes. We will not be standing on our own. There must have been many wealthy employers in this State making huge profits who simply pocketed the money that should have been paid to their employees. Had the employees received it, it would have gone into circulation and created employment and helped industry, instead of being tied up as it has been during the past year.

Mr. Kenneally: The oil companies did not venture to approach the court.

Hon. A. McCALLUM: The oil companies are not singular in that respect, either. It is known to the Minister, of course, that there are companies in the State which have never paid a dividend of less than 16 per cent., yet they have taken advantage of this Act and cut the wages of their employees by 22½ per cent.

The Minister for Lands: It is a wonder the Arbitration Court allowed them.

Hon. A. McCALLUM: They were never before the court.

Hon. P. Collier: The common rule provision applied.

Hon. A. McCALLUM: They picked some tinpot dead-beat concern, connected with the same industry, and when that concern got a decision, they applied for it to be made a common rule. It was an atrocious proposition they put upon the public, and this sort of thing is to go on for another year without any effort being made to remedy it. I suppose we can talk and talk, but the numbers are there, and no matter what the facts are, or what the injustices have been as a result of the administration, there is no hope of obtaining a remedy while the present Government are in office. The Attorney General will not get away with his statement that Labour Governments have done what he has done. He had the impudence to say that the Queensland Government, on being returned to power, had to eat their words uttered on the hustings. I cannot understand such statements being made. The Attorney General has been reminded frequently that his law is different from anyone else's, but he persists in making inaccurate statements. It is hopeless to get him to give facts, and he will go on in that way to the end. I hoped that when this Bill was brought down, something would be embodied in it to correct what has happened in the industrial arena, but no such provision has been made. Whilst the situation has righted itself for the moment, owing to the cost of living figures having dropped so much, there is no saying that within the next two months the position may not be re-created, or all the old difficulty imported into industry again. We got through that trouble with only a couple of small hold-ups. If the situation is re-created, I am afraid that industry will not go on so smoothly. There has been too much friction already. It is a great pity the Government could not see their way clear to embody something in the Bill to remedy the position.

MR. KENNEALLY (East Perth) [9.47]: The objection I have to this measure is the same that I expressed on the measure we were dealing with last evening. It is brought down in a form that prevents us from moving any amendments, even if members of both sides agree that such amendments are necessary. The emergency legislation with which the House has been flooded in the last 12 months naturally took us along a new road. To a large extent we had to feel our way. That is what the Government have been doing. By the method of extending legislation, we have been denied the opportunity to benefit by our experience, and thus to move necessary amendments. This State has done something which has not been done by any other. The reductions have been made applicable to employees both inside and outside the Government service. Even though the measure was brought down as a system by which Government adjustable expenditure could be reduced by a certain amount, we have reached out to include other than Government adjustable expenditure. We have reduced the wages of people outside the Government service in order that we might say to them, "We are reducing one section; we will reduce all sections." Last evening I pointed out that the prime mover

of this class of legislation was the Attorney General. Despite the opposition on the part of everyone else, he seems to have had his way. He fought single-handled at the Premiers' Conference to embody provisions affecting employees outside the Government service. The conference, however, wanted to deal only with Government adjustable expenditure. Even the Premier of Western Australia was against the Attorney General. When the latter returned to the State, he continued the fight, and his will prevailed. Then the Premier was turned down by Cabinet, for the measure was brought down to include both sets of employees.

The Premier: Did not the hon. member vote for the emergency legislation at the Labour conference?

Mr. KENNEALLY: He did not. The Premier knows that the Labour conference would never sponsor such legislation. The Premier also knows that no other Government in Australia has sponsored such a thing. Even Governments which supported the ideas advanced at the Premiers' Conference refused to include employees outside the Government services. The Premier himself was one of the opponents.

The Premier: Wages are higher under this legislation than they would otherwise have been.

Mr. KENNEALLY: Notwithstanding the Premier's opposition, apparently his own Cabinet sided against him and supported the Attorney General. The Act was extended to include both sections of employees. Even when it was brought down, the House decided against it, and agreed that it should include only Government employees. A tribunal outside this House then invited sectional representatives to come before it, and said what their verdict would be likely to be if such and such a case did come before it, namely that the common rule would be made applicable. The oil companies were not game to go to the Arbitration Court, and in fact decided not to do so. They were not prepared to submit figures relating to their transactions in order that these might be investigated. As soon as they were invited by the Full Court to get a common rule decision, the oil companies no longer hesitated to take advantage of the situation, because they knew they would not have to put their balance sheets before the court. In effect, the employers were informed that it did not matter whether they were making huge profits or not, they could reduce the pay they were giving to their employees, and thus increase the large profits they were already making. No wonder the other Premiers refused to embark upon such legislation. They said the Plan was one to reduce Government adjustable expenditure, and that only to that expenditure would it be made applicable. The Government of this State wanted to reduce wages. In their mind it was not much use reducing wages of Government employees unless they also reduced those of private employees. They knew there would very soon be an agitation amongst the Government employees if higher wages ruled amongst private employees, and that, if such a situation arose, ultimately the Government employees would have the wages brought up to those that were being paid to private employees. They therefore deemed it necessary to bring down wages all round so as to make it more difficult for the wage-earners to get their wages back to the standard at which they once stood, no matter what changes might occur in the administration. Reference has been made to the interest rates charged. In certain instances, the rate has come down. Unfortunately, the effect of this has not been to give the relief that it was claimed should be given if it was going to be possible for people to turn the corner we have lately heard so much about. The position can be judged not so much from the point of view of whether the rate is 4, 5 or 6 per cent., but from the point of view of what power that interest rate has over the commodities that have to be purchased. That is the only way in which to judge interest rates. If a person receiving 4 or 5 per cent. on his money has a certain purchasing power over the commodities he must buy in order to live, and those commodities are reduced considerably in price, and the interest rate remains the same, he has a tremendously increased purchasing power over those commodities. Until interest rates are reduced commensurate with the reduction in the price of those commodities, he remains in a favourable position. But these reductions have not been commensurate with the reduced price of commodities. Interest rates have been reduced, but the recipients of the interest are in a better position to-day than when they received the higher rates of 1918, at which time commodities were greater in value. The price of

commodities has now decreased to a greater extent than interest rates have come down. A person receiving interest to-day has a greater purchasing power over commodities than he possessed years ago, and is in a better position to-day than he occupied when the so-called reduction of interest rates took place. How does the employee fare to-day? The Leader of the Opposition referred to Kalgoorlie, which case is a typical one. Automatically, when the Act was passed, the reduction was made applicable to Government employees at Kalgoorlie. That city depends upon an industry that is prosperous. The gold mining industry cannot produce too much because there is a ready market for the output at considerably increased values. When the Government applied the reduction to the wages of railway and other Government employees, a conference was held between the representatives of the mining companies and their employees and it was decided that the reduction should not be made applicable to those engaged in the mining industry, which is one of the most important in the State. Thus the Government employees found their wages considerably reduced while those payable to the men engaged in the mining industry were left intact. The comparatively prosperous condition of the mining industry resulted in an increased demand for housing accommodation, which added to the difficulties of the position, with the result that the Government employees found it difficult to meet their commitments. During the debate, the Premier interjected that a district allowance was paid in Kalgoorlie, and the inference was that that allowance placed the Government employees on the goldfields in a better position relatively than that enjoyed by men in outside employment. On reflection the Premier will admit that his suggestion was entirely wrong. As a matter of fact, since the Government took office, the district allowance payable on the goldfields has been reduced almost to vanishing point.

The Minister for Works: By the Arbitration Court.

Mr. KENNEALLY: I am not dealing with the matter from the standpoint of whether it was the Arbitration Court or the Government that effected the reduction in the district allowance. The point I am making is that the Government employees are not getting the money that was formerly payable to them. The result is a difference of 8s. with regard to the basic wage recognised by the mining companies. That represents almost four times as much as the district allowance that the Premier referred to, so what is the use of suggesting that the Government employees are in a better position than outside workers because of the payment of that allowance? I was hopeful that we would be able to induce the Government to amend the Act when the Bill was before us so as to overcome the difficulty to which I have drawn attention. Unfortunately the Bill has been presented in a form that makes it impossible for an amendment to be moved with that object in view, even though members on both sides of the House may be convinced of the necessity for such action. It must be recognised that the problems of reconstruction are bound up with the question of money. It is almost within the memory of members of this Chamber that at one time there was a system of bartering goods. In order to make the exchange of commodities more convenient, the system of money, which represented tokens, was introduced. Money was provided to be the servant of the people and the object was to make transactions easier and more mobile. The difficulty seems to be now that that which was introduced to be the servant has become the master, and we are not strong enough to force the master back into the position of the servant. Every effort made to force those who have assumed the mastership back to the position of the servant is frustrated by the representatives of those who are at present the financial dictators of the country. That is one of the greatest difficulties confronting Australia to-day. We are told that the Commonwealth Bank is the national bank of Australia; it is a pity it is not. It was on the road to achieving that end when it was interfered with by the Bruce-Page Administration, who turned it into a bankers' bank instead of allowing it to be the people's bank. In my opinion, we will not make any appreciable progress towards controlling our financial position until the Commonwealth Bank becomes the people's bank, competing with the Associated Banks for the business that is offering. Until that is accomplished, we shall not re-establish the financial situation within our borders. While we adopt the

attitude that the Associated Banks are in control, Australia will continue in the present financial morass. While we refuse to take charge of the financial operations of the people and see to it that the people's bank transacts the people's business, and while we permit present conditions to continue, our financial troubles will remain as they are to-day. While we permit present-day conditions to obtain, the Associated Banks will continue to wield the power they possess.

The Attorney General: What would you do if you were put in charge of the Commonwealth Bank?

Mr. KENNEALLY: It is not a question of what I would do, but of whether the credit of the Commonwealth is to be bartered to the Associated Banks, or whether it is to be used in the interests of the people of the Commonwealth as a whole. As a matter of fact, at the present time there is power to create credit when the necessity for so doing presents itself. Our unfortunate position is that instead of the Commonwealth Bank, as the bank of Australia should do, controlling that operation, we simply do a sort of sharing out to the Associated Banks in order that they shall create credit. Do they do it for nothing? As we have found to our cost, every time they move in that direction they take a rake-off, and because of that we are continually getting deeper into the financial mire. It is a question, not of what I would do, but of what we think should be done in the interests of the Commonwealth. I say that the credit of the whole of the Commonwealth should be used for the benefit of the Commonwealth through its own institution, which should be the nation's bank. Even now the Commonwealth Bank should be in active competition with those that are charging for every move they make in connection with the Commonwealth's activities. If we cannot buy out we should freeze out those living on the Commonwealth through the Associated Banks to-day. The depression through which we are passing is a period during which the Associated Banks have increased their reserves and their profits also. And their representatives are the very people who all the time are talking about the gloomy influence of the depression. But it is not a period of depression for the Associated Banks, for they are increasing their reserves and their profits also. The person who suggests that we should take toll of those banks is told that he is suggesting something impossible. One would be justified in giving a few moments to the question of what is banking. Simply put, it is a system by which those who have money to lend are brought into touch with those who want to borrow money, and it is the bank that brings the two parties into touch. It charges a fairly high price for that service. Very seldom is there a difference of less than 2 per cent. between what the bank pays to the person from whom it borrows money and what it charges to the person to whom it lends that same money. And that 2 per cent. is a minimum, not a maximum, because on occasions money secured by the bank at 4 per cent. is loaned out by the bank at 9 per cent. or even 10 per cent. Yet we are told that the banks are contributing to the general sacrifice. They are doing no such thing. Not only do their own records show they are not doing that, but a little consideration of their operations indicates why their reserves and their profits are increasing. If, under the old system, they were paying say 4 per cent. on deposits and charging 6 per cent. on loans, there was a difference of 2 per cent. If their transactions have been so altered that the interest they now pay on deposits is only 3 per cent., while the interest they charge on money loaned is only 5 per cent., the difference between the two is still 2 per cent. So even if their interest charges are reduced by 1 per cent. yet on their total turnover their margin of profit is exactly the same as it was before. So they are not contributing to the general sacrifice. It is time we took toll of that and secured in the interests of the nation some of that profit the banks are making and which they dictate to the Commonwealth they shall still continue to make. The Premier said the banks had served the nation well. I think he showed wisdom in not attempting to explain how they had served the nation well. I remember that at the Premiers' Conference before the last the assembled Premiers had to go cap in hand to those same well-servers of the nation in an effort to obtain money in order that work should be kept going. Before getting any relief at all, the Premiers had to go three times to the Associated Banks, and not until those banks agreed were the Premiers per-

mitted to have any money at all. Yet the Premier says the banks have served the nation well. There has not been one occasion on which those banks have made money available to anything like the extent that a bank working on national lines in the interests of the people would have produced it, and at lower interest rates than those charged by the Associated Banks. Many talk about what the Commonwealth Bank meant to the nation during the war; people of all shades of political belief, readily agree that the Commonwealth Bank saved the Commonwealth during the war period. But as soon as one suggests that during this period of crisis the Commonwealth Bank should be allowed to repeat the operation, those people hold up their hands in holy horror at the mere proposal that the Commonwealth Bank should be given any such authority. I venture the opinion that when we ultimately emerge from our difficulties, we shall have done so as a result of having given attention to currency and currency control and to an alteration of the monetary system, headed by a truly national bank operating in the interests of the Commonwealth. Until we make an effort in that direction, we shall not get far towards overcoming our difficulties. I regret that we have not been given an opportunity to amend this legislation. There are anomalies that have been made apparent. Had the Government introduced the Bill in a form to permit of amendments being moved, we could have suggested improvements, but unfortunately we have not been given that opportunity. The Minister for Works supplied the Premier with material with which to answer one of the objections raised to this legislation. The Minister for Works pointed out through the Premier that the employees working under the wage declared under the financial emergency legislation were getting 10d. a week more than they would be receiving if they were working under the basic wage. Why not recognise that principle and make it apply to Government employees at Kalgoorlie? Why not assist those employees who have been working under the disadvantage of reduced wages and high living costs for so long? It is a reasonable claim that those who have been suffering should be given some relief. They have suffered a disadvantage equal to at least 8s. per week as compared with their fellows engaged in outside industry, and steps should be taken to afford them relief. Where high prices obtain and comparatively low wages are paid, the people in receipt of low wages are at a disadvantage. The fact that comparatively high wages are paid means that commodity prices remain high. In Kalgoorlie there has been a considerable increase in rental charges. While it may be contended that rents were low previously, that fact was considered by the Arbitration Court when fixing the basic wage. The comparatively low wage fixed for the goldfields was based on the low house rents ruling at the time.

Mr. F. C. L. Smith: It was fixed on a rent of 12s. 8d. a week.

Mr. KENNEALLY: I should not like the job of trying to get a house in Kalgoorlie for 12s. 8d. a week now. Where previously a house could be obtained for that amount, it would now be difficult to get a room. Yet employees who had their wages fixed when prices were low have to continue to suffer, because the Government prefer to introduce the Bill in a manner that compels members to vote for or against it, and gives them no opportunity to amend it. It is still possible for the Government to do something to afford relief to the goldfields employees who have been suffering so long. To suggest a method is difficult, except that the Government might reintroduce the Bill in a form to enable us to move amendments. By the look on the Attorney General's face I imagine he would suggest that a Bill might be introduced by a private member and, if carried, it would be given effect to. That is not the sort of opportunity we desire. A private member's Bill would be placed at the foot of the Notice Paper and the Government, not being sympathetic towards it, would see that it did not rise very high on the Notice Paper. I shall vote against the Bill and I hope the House will oppose it.

On motion by Mr. North, debate adjourned.

BILL—CATTLE TRESPASS, FENCING AND IMPOUNDING AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Mt. Marshall) [10.27] in moving the second reading said: This is a very small Bill that has come to us from an-

other place. When it was introduced there, it was twice the present size. It sought to amend Section 30 as well as Section 34, but, as the Leader of the Opposition mentioned last night, the House of review reviewed it so long as to review one clause out of existence. The Act was consolidated on the 21st September, 1882, so that it is 50 years since there was any amendment. I think that is a record. The meaning of the Bill as it comes before us is to amend the Impounding Act. Under the existing Act local governing bodies, when impounding stock, must feed and water it for a certain time, and advertise in the Press that the stock has been impounded and that a sale will be held on a certain date. Often the local bodies have found that when the sale was held the stock brought a lot less than the actual expenses. Some stock has been turned out on the roads because it was of no value, the owner could not be found and the local authority, under the Impounding Act, were saddled with the cost, and did not know what to do with the stock. Under the Act of 1882, if a police constable impounded straying stock, a privilege was accorded him. He could go to a justice of the peace and, if the justice considered that the application of the Act would involve excessive cost to keep the stock for the specified time, he could order the sale at such time and in such manner and on such conditions as he thought fit, or order that the stock should be destroyed. I wish to delete the words "police constable" and insert "any person." Police constables do not now impound stock. They may have done so 50 years ago, but stock is now impounded by a pound-keeper or by the person on whose land it has been straying. Any person impounding stock would be given the same powers as are at present provided for a police constable. When stock is impounded, if it is a scrub animal that nobody wants, instead of going to the expense of keeping it for a fortnight, advertising it for sale and offering for sale an animal that nobody wants to buy, application may be made to a justice for an order to have the animal destroyed.

Mr. Kenneally: What notice is it proposed to give, if any? Valuable animals may be destroyed if provision is not made for notice.

The MINISTER FOR WORKS: That is not likely. The hon. member does not know much about the subject. Stock does stray in the country. This amendment has been asked for by the Road Boards Association for many years past.

Mr. Kenneally: Why should the Minister say that I do not know much about the subject? Possibly he does not know very much about the subject either.

The MINISTER FOR WORKS: I think I ought to.

Mr. Kenneally: You should do, but you don't.

The MINISTER FOR WORKS: I think I do know something about it.

Mr. Kenneally: If you are asked a question and cannot answer it, why not be fair and admit you cannot answer it?

The MINISTER FOR WORKS: I have had a good deal to do with cattle.

Mr. Kenneally: That is apparent.

The MINISTER FOR WORKS: I have also had a great deal to do with local governing bodies, and with the Impounding Act.

The Minister for Lands: And with cows.

The MINISTER FOR WORKS: Yes. The proposed new Subsection 4a gives the necessary protection.

Mr. Sampson: The Bill if passed will save the local governing bodies a great deal of money and trouble.

The MINISTER FOR WORKS: Yes. Private landowners will also be saved much trouble. I move—

That the Bill be now read a second time.

On motion by Mr. Kenneally, debate adjourned.

House adjourned at 10.36 p.m.