

Hon. S. W. Munsie: Can you tell us of any country in the world that is not experiencing depression at the present time?

Mr. GRIFFITHS: We are dependent upon the agricultural industry and, if we do not lighten its burdens, particularly as regards the expensive luxury of Federation that is weighing unfairly and unjustly on the primary producers of this State, the industry will go out of existence. I know that other countries are in a bad position, but we have a remedy available to us. We could get back to solvency if we went the right way about it.

Mr. Corboy: Do you believe that getting out of Federation would raise the price of wheat?

Mr. GRIFFITHS: No, but it would reduce the cost of producing wheat.

Mr. Corboy: Would it make it profitable to sell wheat at 1s. 7d. a bushel?

Mr. GRIFFITHS: There is a feeling of revolt and rebellion throughout the agricultural areas.

Mr. Sleeman: Against the State Government?

Mr. GRIFFITHS: Against everybody. A poor Government is like a poor man. It is a crime to be poor.

Mr. Hegney: No, it is not.

Mr. GRIFFITHS: It is the world's opinion. The poor individual gets kicked from Dan to Beersheba, and the experience of a poor Government is the same. The Collier Government had £18,000,000, spread over six years, more than the present Government have had to spend, and they spent it and made good fellows of themselves. The present Government, owing to financial stringency, cannot do that. During the war, bad and all as conditions were then, there was money available. The year 1914 was not nearly so severe an ordeal for the country as the present time is proving. I appeal to members to grant the people who have asked for a referendum the right to voice their opinion. Secession is no mere phantom movement; it is a very solid movement. If members travelled the country, as I have done recently, they would realise that there is a very strong feeling in favour of a referendum. I guarantee that a referendum on secession would be carried by 80 per cent. of the people of this State.

On motion by Mr. North, debate adjourned.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR LANDS (Hon. C. G. Latham—York) [9.19]: I move—

That the House at its rising adjourn till Tuesday, 11th August.

Question put and passed.

House adjourned at 9.20 p.m.

Legislative Council,

Thursday, 6th August, 1931.

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

ASSENT TO BILL.

Message from the Administrator received and read notifying assent to the State Manufactures Description Bill.

BILL—FINANCIAL EMERGENCY.

In Committee.

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

Clause 1—agreed to.

Clause 2—Commencement and operation:

Hon. W. H. KITSON: I move an amendment—

That all words after "proclamation" in line 2 be struck out.

If the clause were to stand as printed, the Bill would have a retrospective effect and would apply to all Public Service salaries as from the 9th July. This means that a

large number of public servants who have received their wages since that date would not only have to suffer the prescribed reduction, but would have to refund to the Government moneys they had already received and, in most cases, spent.

Hon. Sir William Lathlain: But they knew that on the 9th July.

Hon. W. H. KITSON: No one has any right to assume what Parliament is going to do with any particular Bill. The public servants knew that legislation was being considered, but they had no right to assume that the 9th July would be the date from which reductions would be made. There is every justification for asking that the Bill should not take effect from any date prior to the date of its proclamation, for these reductions will be very serious to the lower-paid public servants, without any retrospection at all.

The CHAIRMAN: The Minister also has an amendment to the clause to move. It is permissible to deal with both amendments simultaneously, so the Minister could well move his amendment as an amendment on this amendment, after which there could be a general discussion on the two amendments.

The MINISTER FOR COUNTRY WATER SUPPLIES: Very well. I move an amendment on the amendment—

That in line 4 "ninth" be struck out, and "tenth" inserted in lieu.

Originally "ninth" was included in accordance with the Plan, but it has since been pointed out that a pay period began on the 10th. Clearly therefore, it would be better to make it the 10th. As for Mr. Kitson's amendment, for several reasons I cannot agree to it. One forcible reason is that it is very necessary we should stick as closely as possible to the Plan. Another reason is that a week's delay in the making of the reductions will mean a loss of £10,000 to the Government. So if the amendment be carried, some means will have to be found of making up that loss.

Amendment on the amendment put and passed.

Hon. J. T. FRANKLIN: I am consistently opposed to the retrospective policy. The Minister has said that if the Bill be not retrospective to the 10th July it will mean a loss to the Government of £10,000. But of course that applies equally to the public servants, who, if the Bill be made retrospective,

will have to find an additional £10,000. This is going to be a very serious matter to the lower-paid officers. The basic wage to-day is £3 18s. An 18 per cent. reduction off that means £36 11s. per annum, or 14s. a week from the 10th July to the time the Bill is proclaimed, which will be a period of at least four weeks. So, retrospectively the men on the lower salary will have to find the equivalent of four weeks at 14s. per week, or 56s. in all. That may not seem much to members, but it must be realised that those on the breadline require all their wages for the necessities of life. For a man on £250 per annum an 18 per cent. reduction means £45, or 17s. 4d. per week. To those on £1,000 per annum the making of the Bill retrospective may not be very serious, but nevertheless we ought not to make flesh of one and flesh of another. A reduction of 20 per cent. from £1,000 would be £200 or £3 17s. 3d. per week. That is not altogether fair. I thought of moving an amendment to exempt persons on the basic wage until the passing of the measure, but that might leave me open to a charge of discriminating between employees. I wish to be fair to employees, who had no idea that the reduction would be made, because they could not be sure that the Bill would be passed. I support Mr. Kitson's amendment.

The MINISTER FOR COUNTRY WATER SUPPLIES: Civil servants on the basic wage have already suffered a reduction of 9 per cent., and the additional amount will represent only a few shillings a week. The reduction for the period from the 10th July until actually made will not be debited to one pay, but will be spread over the year. If amendments of this kind are carried, how shall we be able to comply with the Plan? The money would have to be provided in some other way, and in what way could it be provided?

Hon. W. H. KITSON: The Government have already departed materially from certain phases of the Plan. It is not right to ask employees to return money they have already received and spent. Commonwealth servants receiving the basic wage or less are exempt from reduction, but in this State everyone is included so long as he is paid at the rate of £185 a year.

Hon. G. FRASER: A Government employee will have to bear not only the difference between 9 and 18 per cent., but also

a proportion of the reduction for the retrospective period. I shall expect Mr. Nicholson to disapprove of the proposal because he generally objects to any provision of a retrospective kind.

Hon. J. NICHOLSON: There is no analogy between this matter and the Hire-purchase Agreements Bill indicated by Mr. Fraser. That measure referred to contracts dating back a considerable time, but this Bill relates to a period of only a few weeks. The amendment would lead to disorganisation and to a lack of uniformity between our legislation and that of the rest of Australia. One might have felt some sympathy for the amendment if the Government had not undertaken to spread the excess payments of the last few weeks over the balance of the year.

Hon. H. SEDDON: On the Hire-Purchase Agreements Bill I took a decided stand against retrospective legislation, contending that it should not date back beyond the introduction of the Bill. This Bill was introduced long before the 9th July, and therefore I am consistent in supporting it.

Hon. G. FRASER: Mr. Nicholson said the Hire-Purchase Agreements Bill involved contracts. I know of no more important contract than that between employer and employee regarding wages.

Hon. J. Nicholson: Did not everybody know that this Bill was being carried into effect?

Hon. G. FRASER: No: people cannot be certain at any time that a particular piece of legislation will be passed. A few shillings a week is a considerable amount to people on the basic wage. I hope the amendment will be accepted.

The CHAIRMAN: There is a tendency to draw comparisons with another measure still before the Chamber. Standing Order No. 389 forbids members to allude to debates of the same session, except by the indulgence of the Council for personal explanations.

Hon. J. J. HOLMES: I do not suppose any member of this Chamber has been more consistent on the question of retrospective legislation than I have. This, however, is a question of national emergency. It is a position I have anticipated for the last ten years. The Bill is designed to carry out the Plan that was agreed to by the Premiers of Australia and by the Prime Minister and which was suggested twelve months ago when Sir Otto Niemeyer visited the Commonwealth. This is retrospective only be-

cause the Bill has been too long delayed, and on top of that it was further delayed in another place for several reasons. One of the purposes of the delay has been accomplished in that it made this clause retrospective by the time it reached this Chamber. The Premiers, as well as the Prime Minister, promised 12 months ago to face the trouble and balance the ledger. I now have to choose between a Bill which has been adopted more or less by the whole of Australia and which makes an attempt to face the position from a given date, and finding myself in the position of New South Wales, where the civil servants instead of getting a percentage of their salary are to get none at all. Between the two evils I choose the lesser and will vote for the clause as it stands.

Hon. C. B. WILLIAMS: I support the amendment. I can be just as inconsistent as other members, who desire legislation to be retrospective when it suits them and not to be so when that is their desire.

Hon. W. H. KITSON: Is it not a fact that some members of the civil service have been reduced already by the full 18 per cent. as a result of this Bill?

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not know to what the hon. member refers. Officers of the service were reduced under the Salaries Reduction Act, and they will only be further reduced by the amount that represents the difference between the percentage provided in this Bill and the salary as it stood on the 30th June, 1930.

Hon. W. H. KITSON: I am informed that some officers of the service have suffered considerably.

The Minister for Country Water Supplies: That may be so.

Hon. W. H. KITSON: The sacrifice that some members of the service are going to make appears to be greater than it should be. Surely an extension of a month before the cut takes effect will not greatly prejudice the position of the Government. It may be possible to amend the clause to give exemption to those who are on the lower rung of the ladder. Such people cannot be expected to make the sacrifice the Government desire of them. To them every shilling is a matter of the utmost importance.

Hon. E. H. H. HALL: I support the amendment, which is only fair, just and right. Fixed ideas which have been held sacred by members of the Chamber for many years past will have to be thrown overboard

in a time like this. These deductions will be felt very severely by a large section of the community. It is not right that representatives of the people should do anything unfair when it is within their power to do justice to those concerned. It is the fault of the authorities that action has not been taken before to economise in expenditure. I will not be a party to this burden being placed upon people who cannot afford to bear it.

Hon. E. H. GRAY: I was astonished at Mr. Holmes's remarks. I thought he would have been a staunch supporter of this amendment. This House should stand true to its traditions. It is unjust to increase the burden on people who already are poor. Thousands of them have spent the money they will shortly be asked to refund to the Treasurer.

Hon. Sir William Lathlain: That applies to those who are on the higher rung.

Hon. E. H. GRAY: They can stand it better than the others, although it is not fair even in their case.

Hon. J. J. Holmes: There are thousands of people who have nothing to spend.

Hon. E. H. GRAY: That is no reason why others should be called upon to make an unfair sacrifice. If this amendment is not carried, I hope the Minister will favour one on the lines suggested by Mr. Kitson. People on the bread line must be exempted.

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

Ayes	..	..	..	7
Noes	..	..	..	16

Majority against .. 9

AYES.	
Hon. J. M. Drew	Hon. E. H. H. Hall
Hon. J. T. Franklin	Hon. W. H. Kitson
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. Gray	(Teller.)

AYES.	
Hon. F. W. Allsop	Hon. J. M. Macfarlane
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. J. Ewing	Hon. Sir C. Nathan
Hon. V. Hamersley	Hon. J. Nicholson
Hon. E. H. Harris	Hon. E. Rose
Hon. J. J. Holmes	Hon. H. Seddon
Hon. G. A. Kempton	Hon. Sir E. Wittenoom
Hon. Sir W. Lathlain	Hon. C. H. Wittenoom
	(Teller.)

Amendment thus negatived.

Clause, as previously amended, agreed to.

Clauses 3, 4—agreed to.

Clause 5—Interpretation:

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

That in the definition of "Mortgage," after the word "Mortgage" there be inserted "except as hereinafter mentioned."

The reason for this amendment will be obvious to hon. members.

Hon. W. H. KITSON: Would it not be well to have an explanation? If the amendment is agreed to, a further amendment will be moved.

The CHAIRMAN: This amendment is really a preface to another amendment, on which the discussion, if any, would occur.

The MINISTER FOR COUNTRY WATER SUPPLIES: There is a further amendment to this clause on the Notice Paper. The further amendment provides that the Bill shall not apply to any mortgage given to or by the Crown, or to or by any State instrumentality, or any mortgage given to or by any governing body appointed or constituted under any Act relating to local government, or any mortgage given to a bank to secure a bank overdraft. The first part of the amendment is necessary as money might be borrowed abroad for these purposes; the second part is necessary because without it local governing bodies might be placed in an awkward position; and the third part is required because the matter is now being considered by the Loan Council, and because generous treatment is being received from the banks, rendering the application of compulsion to them unnecessary.

Hon. W. H. KITSON: I feel difficulty in accepting the reason given by the Leader of the House as regards mortgages given to banks to secure overdrafts. I fail to see why any section of the community should be excluded from this legislation. The Minister has said that the banks are doing what is desired, but we know they are not doing it in every case. If they are prepared to do it, they will not need exemption as proposed by the amendment.

Hon. J. NICHOLSON: In the first part of the further amendment, after the words "any State instrumentality" there should be inserted "other than the State trading concerns." Mortgages are given to the State Sawmills in connection with the building of houses. Why should such mort-

gages be on a different footing from mortgages given to private trading concerns? The effect would be to place the State trading concerns on an unfair basis of competition.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: There is something in what Mr. Nicholson says about the State Sawmills, though I doubt very much whether in future they will have mortgages over buildings. No other State trading concern has mortgages. In any case, the Government would be generous as to mortgages given to the State Sawmills. To exclude the State trading concerns is unnecessary.

Hon. J. Nicholson: But you will have no objection to the insertion of the words I suggest?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I have no objection.

The **CHAIRMAN**: Mr. Nicholson's suggested amendment cannot be moved at this stage. The question before the Chair is the insertion of the words "except as hereinafter mentioned," after "Mortgage" in the definition of "Mortgage."

Amendment put and passed.

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

That the following paragraph be added to the definition of "Mortgage":—"The term shall not include or apply to (a) any mortgage given to or by the Crown, or to or by any State instrumentality; or (b) any mortgage given to or by any governing body appointed or constituted under any Act relating to local government; or (c) any mortgage given to a bank to secure a bank overdraft."

Hon. J. NICHOLSON: I move an amendment on the amendment—

That after "instrumentality" in paragraph (a) of the amendment, the words "other than a State trading concern" be inserted.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Why burden the Bill with small pinpricks like this? The Government would not be likely to do any business under the mortgage system in view of present-day conditions. Surely the Government can be trusted to carry out the provisions of their own Act.

The **CHAIRMAN**: I cannot accept the amendment on the amendment, because the objective could be achieved by striking out

in the definition of "State instrumentality," the words "any State trading concern."

Hon. J. NICHOLSON: That is not so. I suggest that that course would be rather a serious matter for the Government. They require those words in the definition, but the amendment deals with mortgages only.

The **CHAIRMAN**: Very well; I will accept the amendment on the amendment.

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

Ayes	..	..	..	5
Noes	..	..	..	17

Majority against .. 12

AYES.

Hon. F. W. Allsop
Hon. J. J. Holmes
Hon. W. J. Mann

Hon. Sir E. Wittenoom
Hon. J. Nicholson
(Teller.)

NOES.

Hon. C. F. Baxter
Hon. J. M. Drew
Hon. J. Ewing
Hon. J. T. Franklin
Hon. G. Fraser
Hon. E. H. Gray
Hon. V. Hamersley
Hon. E. H. Harris
Hon. G. A. Kempton

Hon. W. H. Kitson
Hon. Sir W. Lathlain
Hon. J. M. Macfarlane
Hon. Sir C. Nathan
Hon. E. Rose
Hon. C. B. Williams
Hon. C. H. Wittenoom
Hon. E. H. Hall
(Teller.)

Amendment on amendment thus negatived.

Hon. J. NICHOLSON: Paragraph (c) of the amendment relates to banks and their operations. It has been pointed out to me that there are other institutions that have performed useful services in the State by helping the primary industries over a period of many years. I refer to such firms as Dalgetys, Elder Smith and Goldsbrough Mort. They advance money to clients and provide accommodation for them by way of overdrafts. Their clients issue orders on those firms. They are performing functions much the same as those of the banks, although not to the same extent, and should derive benefits equal to those provided for the banking institutions. I move an amendment on the amendment—

That after "bank" in the first line of paragraph (c) the words "or body corporate" be inserted, and in line 2 the words "a bank" be struck out and "an" inserted in lieu.

If my amendment be agreed to the paragraph will then read—"Any mortgage given to a bank or body corporate to secure an overdraft."

Hon. Sir EDWARD WITTENOOM: I support the amendment. There are finan-

cial institutions that are doing probably as good work as the banks. There are, in addition to those already mentioned, the trustee companies, and it would be as well to extend the benefit of the amendment to them.

THE MINISTER FOR COUNTRY WATER SUPPLIES: I cannot accept the amendment. It must be recognised that the banks lend money that belongs to other people, whereas that is not the position with the concerns that have been referred to.

Hon. Sir Edward Wittenoom: That is not so.

THE MINISTER FOR COUNTRY WATER SUPPLIES: If we are to include a general reference to bodies corporate in the amendment, where shall we finish? The suggestion is altogether too wide.

Hon. J. Nicholson: Well, we can limit it.

Hon. W. H. KITSON: This is one of the hottest proposals I have ever heard! Do I understand that it is proposed to grant private firms exemption from the Bill?

THE CHAIRMAN: The amendment on the amendment refers to bodies corporate.

Hon. W. H. KITSON: I heard Dalgetys, Elder Smith, Goldsbrough Mort, and the trustee companies mentioned. Surely it will not be claimed that those firms should be granted exemption!

Hon. Sir Edward Wittenoom: Those financial institutions are no more private concerns than are the banks. The money is owned by the shareholders.

Hon. W. H. KITSON: I object to the paragraph as a whole. Even if we have to agree to the paragraph for some reason that may be advanced, I shall certainly decline to accept the proposal that such private firms shall be exempt. A few minutes ago my request that persons now below the bread line should receive some consideration for a brief period was rejected, and now the Committee are asked to agree to exempt firms that have been mentioned.

THE MINISTER FOR COUNTRY WATER SUPPLIES: On the 8th July the Bill was read a second time in the Legislative Assembly. Since then a month has elapsed, and during that period not one word has been heard by the Government, nor has any reference to the matter been seen, regarding the position of the concerns mentioned by Mr. Nicholson. Now we hear of objection for the first time.

Hon. H. SEDDON: I cannot agree with the hon. member's proposal because it would

be giving too much away to allow these institutions to escape the reduction of interest. As their advances had been made to the pastoral industry, an industry which was seriously in need of relief, the benefit to be gained would be trivial.

Hon. J. NICHOLSON: The Minister's amendment provides certain exemptions to banks and has only been alluded to within the last day or so. It appears on the Notice Paper for the first time to-night. The institutions to which I have referred were not aware until it appeared in the Press definitely to-day, that banks were going to be amongst the exempted bodies.

THE MINISTER FOR COUNTRY WATER SUPPLIES: The definition was there all the time.

Hon. J. NICHOLSON: All institutions were included, but now, by this amendment, which appears for the first time to-night, banks are to be excluded. The firms I have referred to have done much to build up the State by the assistance they have rendered primary industries. They provide accommodation by way of overdraft for their customers. All I am suggesting is that institutions performing functions similar to those of banks should be placed on the same level as the banks.

Hon. J. M. DREW: I have come to the conclusion that I should support any movement to exclude the banks, and if it is part of a general scheme to also exclude large commercial houses from the operations of the measure, that can very easily be done. They could become bodies corporate for the purpose. Instead of giving credit in the usual way, they could give credit per medium of overdrafts—emergency credit.

Hon. Sir CHARLES NATHAN: There are definite reasons for excluding the banks, and there is no necessity to go into those reasons. Mr. Nicholson's proposal, with all due respect to him, might jeopardise the clause as it is proposed to be amended by the Minister.

Hon. W. J. MANN: I cannot support the amendment because the moment we permit the inclusion of any body corporate, we shall have no end of institutions claiming to be exempted. With the knowledge that the banks are playing a big part in the rehabilitation scheme, and will have to play a still bigger part, I am inclined to waive the objection I originally had against them.

Amendment on amendment put and negatived.

Hon. W. H. KITSON: I move an amendment on the amendment—

That paragraph (c) reading "Any mortgage given to a bank to secure a bank overdraft" be struck out.

I cannot see why we should have any exemption whatever, particularly in matters relating to mortgages. There are many private individuals who to-day have mortgages through various banks and those people are going to be affected by the Bill. It would be just as well to exclude the paragraph from the Minister's amendment.

Amendment on amendment put and negatived.

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

Clause 6—agreed to.

Clause 7—Salaries to be reduced:

Hon. G. W. MILES: I move an amendment—

That in line 7 of Subclause 1 the word "eighteen" be struck out and "sixteen" inserted in lieu.

If that is agreed to, I will move to alter 20 per cent. to 21 per cent., then to insert 24 per cent., and then to alter 22½ per cent. to 30 per cent. That would give us a spread from 16 per cent. to 30 per cent. instead of, as in the Bill, a spread of only 4½ per cent. The figures I gave last night showed that by starting the reductions at 16 per cent. instead of 18 per cent. on the aggregate amount of £1,733,408, the Government will save £277,345 as against £312,012. Then if for the 20 per cent. on £2,166,974 we have 21 per cent., there will be a saving of £455,064 as against the £433,395 that would be realised by the 20 per cent. In the next range, where we have 401 officers drawing an aggregate of £227,972, my proposed 24 per cent. would save £54,713. Then there is the amount of £48,645 paid to those earning over £1,000. This at 22½ per cent. would give us £10,945, as against £14,593 that would be derived by a 30 per cent. reduction. So, under the Schedule we get a total saving of £801,146, whereas under my proposed scale the aggregate would be £801,947.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Miles in attempting to relieve one section would inflict a terrible burden on another section which at present are providing through income taxation the wherewithal to carry on the

State services. For instance, persons on incomes of less than £200 pay no income tax at all. Yet Mr. Miles would put them on a scale even lower than that proposed in the Bill. Then the hon. member would gradually increase the percentages and so increase the load on those already carrying the burden of increased taxation. The Government, with all the experts at their disposal, spent weeks in arriving at the Schedule in the Bill. The people on the lower rung pay no income tax at all until they arrive at £250. Those on the higher scale are hit pretty hard by income taxation, a man on £1,000 having to pay £57 11s. 3d. The Schedule has been worked out on the most equitable basis, and I appeal to members not to alter it lest they put an undue burden on those already carrying a burden. Those on the lower scale must make some sacrifice, which will not be very great after all.

Hon. G. Fraser: I shall be glad if Mr. Miles will give us the margins to which his percentages apply.

Hon. G. W. MILES: My idea is to make four grades instead of three. Those under £250, instead of losing 18 per cent. will lose only 16 per cent., while for those between £250 and £500, I propose a deduction of 21 per cent. instead of 20 per cent. I have argued all along that the heads should give a lead, but they are not doing it. Eventually they will be forced to do it. In my view, there should be a 33 1/3rd per cent. deduction from the salaries of Ministers and members of Parliament. In the third section, those between £500 and £1,000, I propose 24 per cent. instead of 20 per cent., whilst for those on £1,000 and over I would make the deduction 30 per cent. instead of 22½ per cent. The Minister has said that those in the lower grade pay no income tax. But in addition to all this the Government will be forced to bring in an emergency taxation measure, as has been done in the other States, when those men on the lower rung will have to contribute to an even greater extent. The Premier, if he is to balance his Budget, must get more revenue, and the only new revenue he can get is revenue from wages and salaries. The Minister last night said the object was to give as much relief as possible to the lower grade men in the service without foregoing the necessity to achieve an all-round reduction of 20 per cent. He also said the Bill sought to achieve the 20 per cent. and, to meet the wishes of the Premiers it was to

be achieved, not by a flat rate, but by the scale in the Schedule to the Bill. But the same object can be achieved while relieving the men on the lower rung to the extent of, 2 per cent.

Hon. E. H. GRAY: I will support the amendment. I do not know why the hon. member has not endeavoured to make the scale lower.

Hon. G. W. Miles: It cannot be made any lower than I propose.

Hon. E. H. GRAY: Yes, it can. The Minister is on very stoney ground when he says that a large number of public servants do not pay any income tax. That is no argument, for they have not the money with which to pay income tax.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. E. H. GRAY: The Minister contended that the lower-paid workers paid no income tax and therefore it was right to impose the burden of this reduction on them. The workers pay indirectly, if not directly, for any benefit they receive from free services. The reduction should start at 10 per cent. and a better graduation could be adopted to give the same result.

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

Ayes	..	..	..	..	7
Noes	..	..	..	..	14

Majority against 7

AYES.	
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. G. W. Miles
Hon. E. H. Gray	Hon. E. H. Harris
Hon. E. H. H. Hall	(Teller.)

NOES.	
Hon. F. W. Allsop	Hon. W. J. Mann
Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. Ewing	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. E. Rose
Hon. J. J. Holmes	Hon. H. Seddon
Hon. G. A. Kempton	Hon. C. B. Williams
Hon. Sir W. Lathlain	(Teller.)
Hon. J. M. Macfarlane	

Amendment thus negatived.

Hon. G. FRASER: I move an amendment—

That subparagraph (a) of paragraph (i.) of the proviso be struck out.

The subparagraph provides that if the salary of an officer for reasons mentioned shall have been reduced since the 30th June 1930, the rate paid at the commencement

of the measure shall be the rate to be reduced. Under subparagraph (b), however, an officer reduced for any reason other than those mentioned in subparagraph (a) shall have his reduction based on his salary at the 30th June, 1930. An officer drawing £250 and reduced by £20 since the 30th June, 1930, would, with the additional percentage cut, receive £188 12s. in one instance and £205 in the other. The anomaly should be rectified.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That progress be reported and leave asked to sit again after the submission of a motion to enable the Council to sit to-morrow.

Motion passed; progress reported.

ADDITIONAL SITTING DAY.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [7.41]: I desire to submit a motion to enable the Council to sit to-morrow. The necessity arises from two telegrams received from the Eastern States. One from the Federal Treasury to the State Under Treasurer reads—

Glad if you will advise whether financial emergency legislation has been passed by both Houses Parliament.

The other from the Premier to the Attorney General reads—

Essential legislation for Plan be completed our Parliament this week. Wire me progress.

To complete the Bills which form part of the Plan, a few other measures have yet to be dealt with. Apart from the Financial Emergency Bill, there are the Constitution Acts Amendment Bill, Trustees' Protection Bill, Trustees' Powers Bill, and Mortgagees' Rights Restriction Bill. These are all small measures, and by sitting to-morrow, I feel that we can carry out our obligations. I trust, therefore, that the House will approve of the following motion:—

That so much of the Standing Orders be suspended as is necessary to enable the Council to sit to-morrow (Friday) the 7th August.

HON. J. CORNELL (South) [7.43]: I second the motion. All that this House can do is its part. If any of the Bills mentioned be amended, another place will have to do its part next week.

Question put.

The PRESIDENT: There being more than an absolute majority of members present, and no dissentient voice, I declare the question passed.

Question thus passed.

Committee resumed.

The MINISTER FOR COUNTRY WATER SUPPLIES: I cannot accept the amendment. The subparagraph applies to officers who have had to accept lower grade positions because the positions they held have been abolished. It was preferable for them to accept lower-paid positions than to be retired. Consequently they should bear the percentage reduction. It is very necessary that the paragraph should not be struck out.

Hon. G. W. MILES: In view of the amendments that have already been carried, I fail to see how the Bill can be finalised by to-morrow. It will still have to go to another place for the amendments made here to be dealt with. The Minister is practically asking the Committee to agree to the Bill without further amendment.

The CHAIRMAN: The Committee can amend the Bill and play its part. The rest remains with another place.

The MINISTER FOR COUNTRY WATER SUPPLIES: We can go as far as we can to-day and to-morrow, and even if we have made amendments to the Bill, and the remaining Bills are amended, we shall be in a better position with regard to the Loan Council in that we will show the progress that we have made. There are now five Bills on the Notice Paper, none of which has been dealt with by this Chamber. We want to show that the passing of these Bills is practically assured, although there may be some amendments to which another place will have to agree.

Hon. G. FRASER: The Minister has not yet answered the objections I raised in connection with this clause. One or two officers of the service have already been reduced very considerably, and they will be called upon to lose another 18 per cent. of their pay. They are being treated differently from the main body of officers in the service.

Hon. W. H. KITSON: There are officers in the service who have already lost up to £100 a year, and as from the 10th July, they

will suffer another reduction. That is most unfair treatment.

The MINISTER FOR COUNTRY WATER SUPPLIES: In the case of one of the officers referred to, there was no longer a position for him at the old rate, and instead of his being retired he was given another position at a lower rate. The scale of deductions must apply to that lower rate, and the officer in question must lose a part of his salary.

Hon. J. NICHOLSON: If the paragraph were struck out, the officer in question would be rated on his salary as at the 30th June, 1930, and this would be a rate higher than that at which his salary now stands. The paragraph has been inserted to safeguard such a position. He will only be rated on the basis of his lower salary, and not on that which he was drawing on the 30th June, 1930.

Hon. G. FRASER: That officer will be in a better position if the paragraph is struck out. The reduction will be based on the salary he drew on the 30th June, 1930. Seeing that he is now only receiving £200 a year, the deduction would be made as if he were still drawing the £300, and he would therefore lose a great deal less out of the salary he is now receiving than if he lost 18 per cent. from his existing salary. The striking out of this paragraph will not prevent the officers of the service from being reduced 18 per cent., or 20 per cent., as the case may be, but it will mean that all officers will be treated in the same way.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Fraser apparently does not realise what the classification means. Only a few officers have had to come down to a lower classification. What will happen if we create anomalies by carrying the amendment? Of two officers on salaries of £300, one might not be reduced at all. If any officer is, unfortunately, brought down to a lower classification, he must suffer reduction in common with all other officers on that classification.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	17

Majority against .. 13

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

AYES.

Hon. C. B. Williams
Hon. W. H. Kitson
(Teller.)

NOES.

Hon. F. W. Allsop
Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. E. H. Gray
Hon. V. Hamcrslay
Hon. E. H. Harris
Hon. J. J. Holmes
Hon. G. A. Kempton

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

Amendment thus negatived.

Hon. E. H. HARRIS: I move an amendment—

That in sub-paragraph (b) of paragraph (i.) of the proviso, after the word "salary," line 1, there be inserted "or district allowance."

Goldfields public servants consider that reductions already made in the allowances they have been receiving should be taken into consideration. Originally, bush allowances were granted in Western Australia, and subsequently goldfields allowances. Allowances granted in remote parts of the State were termed district allowances. On the goldfields the allowance had been granted for so many years that it had come to be regarded as part of the salary. Public servants on the goldfields have been penalised as compared with public servants in the city. I referred yesterday to a communication received from the Public Service Association, Perth, by public servants on the goldfields, to the effect that the Attorney General had agreed to make an amendment on the lines of that which I have moved. Finding that the amendment had not been made, the goldfields public servants telegraphed and wrote to me on the subject. Owing to heavy cuts in allowances, goldfields public servants, in the absence of this amendment, will suffer reductions ranging from 22 to 27 per cent.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment consists of only three words, but the cost of it to the State would be over £8,000 per word per annum—about £25,000 yearly. The reduction in district allowances is treated as part of the 20 per cent. reduction. If the amendment is carried, the district allowances cut out by the Arbitration Court would be reinstated. The justification of district allowances would require some hours to debate. The carrying of the amendment would create anomalies. For example, a public servant on £756 in Kalgoorlie would receive

subject to the 20 per cent. cut, £605, but if the reduction in district allowance were allowed to him he would receive £630 apart from the £20 district allowance; whereas an officer on £756 in Perth would receive only £605. The disparity would be greater in other cases.

Hon. J. M. DREW: This is not a question of what it will cost the Government, but of what is just. Unless Mr. Harris' amendment is carried a gross injustice will be inflicted on the officers concerned. District allowances, which were always regarded as part of the salaries, have been pruned severely, especially as regards the goldfields.

Hon. F. W. ALLSOP: I support Mr. Harris' amendment. The people in Kalgoorlie want only what is fair. The carrying of the amendment will help goldfields officers materially. In the absence of it, they will suffer a reduction of 28 or 29 per cent. A comparison I have made between prices in Perth shops and those in Kalgoorlie shops shows that it is much cheaper to live in Perth than to live on the goldfields. Men in the goldfields areas have not been well treated. They do not mind bearing their proportion of any deductions that are to be made, but they should be treated fairly.

The MINISTER FOR COUNTRY WATER SUPPLIES: I cannot understand the attitude of hon. members. The basic wage in Kalgoorlie is 1s. less than in the metropolitan area. Yet they consider that civil servants working in the goldfields areas should retain their district allowances.

Hon. E. H. Harris: Wait until the next quarterly adjustment. The rate may go up.

The MINISTER FOR COUNTRY WATER SUPPLIES: But the position I indicate has been going on for a long time. Mr. Allsop and Mr. Harris are jealous about the civil servants and their district allowances, but they do not say anything about the goldfields workers who get 1s. less than the workers in the metropolitan area.

Hon. E. H. HARRIS: I have made inquiries and have ascertained that there is no such thing as a goldfields allowance. Those generally known as such really come under the heading of district allowances. That prompts me to ask the Minister what allowances are deemed to be part of an employee's salary and what are not regarded in that category. With reference to the Minister's remarks about the allowances to civil servants in the goldfields, I would point

out that the Arbitration Court a few days ago granted an allowance of 8s. a week to the Kurrawang workers. Allowances paid to men in the outer districts have been regarded as part of their salaries. My reason for moving the amendment is that the Civil Service Association asked the Minister to agree to what I have proposed, and my amendment was moved along those lines. As to the amendment involving the Government in so much extra expenditure, my contention is that the employees were entitled to have the allowances added to their salaries before deductions were made.

Hon. F. W. ALLSOP: The Minister has referred to the basic wage paid workers on the goldfields. I would point out that some of the mine owners on the goldfields have not abided by the reduced rate, but have adhered to the old rate.

The CHAIRMAN: Order! I cannot allow a general discussion on the basic wage and district allowance question.

Amendment put and negatived.

Hon. J. M. DREW: I move an amendment—

That paragraph (iii.) of the proviso to Subclause 1 be struck out and the following inserted in lieu:—“(iii.) Where the rate of salary of an officer does not at the commencement of this Act exceed a rate equivalent to the basic wage in force at that time then no reduction shall be made in such salary and the power of reduction conferred by this Act shall be subject to the limitation that no salary shall be so reduced in rate as to be brought below a rate equivalent to the basic wage as fixed at the commencement of this Act. The fact that the basic wage is not by law applicable to any particular officer shall not prevent this paragraph extending to him.”

Clause 7 deals with Government employees generally, including civil servants, teachers, the police and manual workers. Nearly all have their particular tribunal for determining their rates of pay. The civil servants and teachers can appeal to the Public Service Appeal Board against decisions by the Public Service Commissioner and the Minister for Education respectively, while the manual workers can apply to the Arbitration Court. The clause forbids their access to those tribunals, and the employees will suffer injustice. The clause goes further in that it reduces by nine per cent. the basic wage as fixed by the Arbitration Court. That is the main ground of my objection to the clause. It interferes with the basic wage

and that is a vital principle. It means interference with the decision of the Arbitration Court by means of a political process—both Houses of Parliament. Compared with the range set out in the Federal measure, ours is much narrower, and I would like the Minister to explain the position. Mr. Miles endeavoured to rectify the gap of £750 between £250 and £1,000. Such a gap is manifestly unfair. The Government aim at equality of sacrifice, but there is no evidence of that in the clause. There is a difference of 4½ per cent. only in the rate of deduction to be imposed upon men on the basic wage and boys and girls receiving 10s. a week and upon the gentlemen in receipt of £1,500 or £2,000 a year.

Hon. Sir William Lathlain: Are there many boys getting 10s. a week?

Hon. J. M. DREW: I am told there are many; I have no proof of it.

Hon. G. W. Miles: You are thinking of 40 years ago.

Hon. J. M. DREW: They got 5s. in those days.

Hon. E. H. Gray: More like 2s. 6d.

Hon. J. M. DREW: My amendment will give protection to Government employees generally against any attempt to reduce salaries or wages below the basic wage, and it aims at non-interference with the basic wage. Since June, 1930, the Arbitration Court has twice reduced the basic wage. It was then £4 7s. for the metropolitan area and £4 6s. for the country centres. In July, 1930, it was reduced to £4 6s. metropolitan and £4 5s. country. In May, 1931, by reason of the legislation passed by Parliament making provision for quarterly adjustments, the basic wage was reduced a further 8s., making it £3 18s. metropolitan and £3 17s. country. I do not wish our basic wage provisions to be interfered with in any shape or form.

Hon. J. J. Holmes: It will have to go altogether before the crisis is over.

Hon. J. M. DREW: If the principles governing the determination of the basic wage are unsound, the Government should introduce amending legislation and justify their attitude to Parliament. Until that is done, we should not consent to any interference with the Arbitration Court.

The MINISTER FOR COUNTRY, WATER SUPPLIES: The objections to the amendment are obvious. To grant the exemptions suggested would be altogether out of the question. It would mean that

those on the basic wage or below it and, to a partial extent, those up to about £240 a year, would not share in the general sacrifice. In the grades I refer to, there are over 10,000 employees. If they were relieved by virtue of the amendment to the extent of an average of 4s. a week only, it would involve over £100,000 a year. Probably it would mean much more than that. Both during the second reading debate and again this evening, Mr. Drew has dealt with the basic wage and has asserted the Government have gone outside the scope of the Plan. Our Bill differs from those presented to Parliaments in the Eastern States simply because the reduction has been made there already, and it has not been effected here. We still have in our legislation provision for exemption up to £185. Taking into account various considerations, including the index figures, the basic wage has been reduced in the Eastern States to the following extent: In Sydney, 1s. 6d., it is now 72s. 9d., a decrease of 20.9 per cent.; in Melbourne, 3s., now 65s. 5d., or a decrease of 23 per cent.; in Brisbane, 6d., now 60s. 3d., or a decrease of 21.7 per cent.; in Adelaide, 2s. 6d., now 63s. 10d., or a decrease of 24 per cent.; in Hobart, 2s., now 66s. 10d., or a decrease of 20.4 per cent. Those reductions have already been made. The present basic wage in Western Australia is 78s., so there is a percentage decrease of only 10.33 per cent. The Federal basic wage is 65s. 7d., the reduction made being 20.1 per cent. There are 748,000 members of the federated Federal unions, comprising 83 per cent. of the total number of Australian unions. The one way to carry out the Plan is to put in the Bill what will be necessary to bring us to an equal basis with the Eastern States. If we are going to allow the basic wage to operate without any reduction, the position in this State will be serious.

Hon. J. NICHOLSON: The industrial position will be worse than ever.

The MINISTER FOR COUNTRY WATER SUPPLIES: I hope the Committee will not agree to the amendment.

Hon. G. FRASER: I trust the amendment will be agreed to. There is a lot of unification in this Chamber to-night on the question of getting the Federal basic wage. Members are prepared to be unificationists to that extent. During recent years great efforts have been made in this State to get the State basic wage reduced to the Federal level. Those efforts, made through the

court, have been unsuccessful, but now another means of securing the end has been devised: since the reduction cannot be secured through the court it is to be done through the Bill, at least in respect of Government servants. And once Parliament agrees to reduce the basic wage for Government servants to £185, it will not be long before pressure will be brought to bear on the Arbitration Court to reduce the State basic wage to that figure. The amendment is fair and reasonable, and should be agreed to.

Hon. G. W. MILES: I also hope that the amendment—to the extent of deleting the paragraph—will be carried, although not for the reasons given by either Mr. Drew or Mr. Fraser. The paragraph should be deleted, not with a view to inserting the proposed new paragraph, but deleted altogether and nothing put in its place. This £185 should not be here at all, for it is an indication to the court not to go below that figure. I am prepared to leave the whole matter to the court.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	11
					—
Majority against					5
					—

AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. G. W. Miles
Hon. E. H. Gray	Hon. J. T. Franklin
	(Teller.)

NOES.

Hon. F. W. Allsop	Hon. G. A. Kempton
Hon. C. F. Baxter	Hon. Sir W. Lathlain
Hon. J. Ewing	Hon. J. Nicholson
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. E. H. Harris	Hon. Sir C. Nathan
Hon. J. J. Holmes	(Teller.)

PAIR.

Aye.	No.
Hon. C. B. Williams	Hon. H. Seddon

Amendment thus negatived.

Hon. J. M. DREW: I move an amendment—

That paragraph (vi.) be struck out and the following inserted in lieu:—“(vi.) An officer shall be entitled to the benefit of any increase in the basic wage which shall be made after the commencement of this Act and which shall be applicable to him, but he shall not (if he is affected by any reduction made under this Act) be also affected by any decrease in such wage except to the extent by which such decrease may exceed the rate of reduction made in his salary under this Act.”

Paragraph (vi.) in the Bill is an injustice. There is to be for the officer no variation in the basic wage, unless such variation reduces that wage. If it should increase the basic wage, the officer is not to derive the benefit. It is a one-sided provision.

The MINISTER FOR COUNTRY WATER SUPPLIES: I hope the Committee will not agree to the amendment, for it would upset the calculations altogether. I dealt with this point fully on the second reading and I cannot see in paragraph (vi.) the injustice Mr. Drew speaks of. Of course, there are bound to be some anomalies in the Plan, taken as a whole.

Hon. G. FRASER: If paragraph (vi.) be left unamended, then no matter to what height the basic wage may rise—

Hon. Sir William Lathlain: It cannot rise during the next 12 months.

Hon. G. FRASER: Oh yes, it can.

The Minister for Country Water Supplies: There is no money to meet it.

Hon. G. FRASER: Then what will be the position of the officer, who has to exist?

Hon. Sir William Lathlain: Like all of us, he has to wait until there is a rise in the price of wheat.

Hon. G. FRASER: There may be a lot of rises in the near future, especially a rise in the basic wage. There is an immense amount of bad debts in the metropolitan area at present, and the tradespeople adopt the slogan that those who pay have to pay for those who do not pay. This position must affect the figures supplied to the court by the statistician, and so I expect in the near future there will be a sharp rise in the basic wage.

Hon. J. J. Holmes: Soon there will be no basic wage at all.

Hon. G. W. Miles: Do you imply that there is unlimited credit being given in the metropolitan area?

Hon. G. FRASER: No, but it was so in the past, and the people owing the money cannot now foot the bill.

Hon. G. W. Miles: They are all selling for cash now, and trusting nobody.

Hon. G. FRASER: But they gave credit in the past, and must recover their losses.

Hon. G. W. Miles: They have cut their losses.

Hon. G. FRASER: The result will be reflected in the statistics on which the basic wage is fixed. Provision should be made

for a rise as well as a fall in the basic wage.

Hon. E. H. HARRIS: I cannot support the amendment. There might be something to be said in its favour if it were framed to apply solely to men on the basic wage. The definition of "officer" includes members of Parliament, and I am surprised to find Mr. Drew submitting an amendment providing that, if there is a rise of 1s. in the basic wage, each of the 80 members of Parliament shall participate in it. Professional officers drawing £1,000 a year or more would also be entitled to the rise in the basic wage.

Amendment put and negatived.

Hon. J. M. DREW: I move an amendment—

That after "Roads" in paragraph (vii.) the words "or any other department of the Government service" be inserted.

I cannot see how the Minister can offer any objection to this proposal.

The MINISTER FOR COUNTRY WATER SUPPLIES: I know of no department outside the Commissioner of Main Roads to which it could apply. The amendment is a drag-net provision, and that kind of provision is dangerous in any statute.

Hon. G. FRASER: If there is no other department, the Minister should not object to the amendment. If there are other departments, they should be included.

Amendment put and negatived.

Hon. E. H. HARRIS: I move an amendment—

That paragraph (viii.) be struck out.

The paragraph provides that the Governor may, by notice in the "Gazette," exempt any officer from the provisions of this section or vary the rate of reduction prescribed where it is shown to his satisfaction that there are special circumstances warranting the exemption or variation. All of Mr. Drew's desires could be realised by retaining the paragraph. The Government, by Executive Council decision, could exempt any officer and thus nullify the whole measure. Why has the paragraph been included? Is similar provision made in Eastern States legislation?

The MINISTER FOR COUNTRY WATER SUPPLIES: The paragraph is

important and should be retained. If the other States are wise they will have included such a provision. A Bill of this kind cannot possibly be perfect. Anomalies must occur.

Hon. E. H. HARRIS: Then a similar provision should be inserted in every Bill.

The MINISTER FOR COUNTRY WATER SUPPLIES: No; this is an extraordinary measure to meet extraordinary conditions. The Government must have power to rectify anomalies.

Hon. E. H. HARRIS: Members have been pointing out anomalies all the evening.

The MINISTER FOR COUNTRY WATER SUPPLIES: A majority have supported the Bill so far.

Hon. G. W. MILES: The Minister's explanation is not reasonable. If any anomalies are discovered, Parliament, which will be sitting almost continuously, should deal with them. The Minister, only a few moments ago, objected to a drag-net provision. A paragraph of this kind would render Parliament unnecessary.

Hon. J. NICHOLSON: The Government, without reference to Parliament, could nullify the whole effect of the Bill.

The Minister for Country Water Supplies: That is drawing the long bow.

Hon. J. NICHOLSON: If the Minister studies the wording of the paragraph, he will realise that Parliament will have no voice whatever in the matter. This is a novel provision. I cannot recall seeing a similar paragraph in any other Bill. Apparently we need not, under such a provision, pass any laws. Parliament may exercise its functions, but later on we may learn that they have been nullified by some notice appearing in the "Government Gazette."

The MINISTER FOR COUNTRY WATER SUPPLIES: Surely the Government can be trusted to deal with any anomalies that are found in connection with the salaries of officers of the service. Members are making a mountain out of a molehill. The Government are not going to play with a measure of this kind. The paragraph is required in order that any injustice may be put right by executive action.

Hon. J. M. DREW: I know that no exception was taken to this paragraph in another place, but it seems to me there is a danger that it may be grossly abused. It

covers not only Government officers but Government employees generally. I do not know what effect such a paragraph as this would have at election time. The power is a great one in the hands of the Government. I can find nothing like it in the Commonwealth legislation. It might be necessary to add a proviso that a return should be laid on the Table of the House showing the salary of persons who would be affected under this paragraph. The whole principle of the thing is wrong.

Hon. J. NICHOLSON: We may go to all kinds of trouble to put this thing into shape, only to find that our decisions have been overridden.

The Minister for Country Water Supplies: Ministers are responsible to Parliament.

Hon. J. NICHOLSON: That does not matter. They could say they were doing certain things in accordance with the powers that had been vested in them. We should not countenance anything that may lead to an abuse of power such as is possible under this paragraph.

Hon. Sir CHARLES NATHAN: I am opposed to the amendment. This is an emergency measure, and because of the haste with which it has been brought down it has not been possible perhaps to guard against any possible injustice. This paragraph will enable the Government to rectify any injustice, and I do not think they would abuse the power given to them. I am certainly impressed by Mr. Drew's remarks as to the possible effect a paragraph like this might have at election time. It might be very embarrassing to the Government and their supporters.

Hon. E. H. HARRIS: I am more than ever impressed with the need for striking out this paragraph. If officers of the service are found to suffer any disability under this Bill, the Government can very quickly bring down another measure to put the matter right. A previous Government, without any authority from Parliament, granted long-service leave to their employees, and another Government at election time might use this paragraph as a lever to induce people to vote for them. In effect this paragraph may prove the football of politics. I should like to save the Government from themselves.

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

Ayes	..	..	..	7
Noes	..	..	..	12

Majority against .. 5

AYES.

Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray
Hon. E. H. Harris

Hon. W. H. Kitson
Hon. G. W. Miles
Hon. J. Nicholson
(Teller.)

NOES.

Hon. F. W. Allsop
Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. V. Hamersley
Hon. J. J. Holmes

Hon. G. A. Kempton
Hon. Sir W. Lathlain
Hon. J. M. Macfarlane
Hon. Sir C. Nathan
Hon. C. H. Wittenoom
Hon. E. Rose
(Teller.)

Amendment thus negatived.

Hon. J. NICHOLSON: I move an amendment—

That in line 2 of paragraph (viii.), after the word "Gazette," there be inserted "(after a resolution shall have been passed by both Houses of Parliament recommending any exemption as hereinafter mentioned)".

The Minister smiles, but it is the right of Parliament to legislate. Never before have I seen a clause reserving a power which enables the Executive Council to nullify the greater part of a measure. Under this paragraph a notice in the "Government Gazette" would suffice to vary or repeal the measure. We should retain our powers to alter laws which we have passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: Has Mr. Nicholson really thought out the effect of his amendment?

Hon. J. Nicholson: Undoubtedly I have.

The MINISTER FOR COUNTRY WATER SUPPLIES: Suppose two or three employees have not been treated aright, and there is need to review; then, under the amendment, Parliament will have to deal with the matter. If so, what is the use of Ministers and Government departments? Should Parliament be out of session, the rectification would have to await its reassembling. A great deal of the time of Parliament might be occupied by such matters.

Hon. J. NICHOLSON: I doubt whether the Minister has studied the effect of the clause, which is to exempt any officer whatsoever, including officers of the State trading concerns: in fact, 18,000 or 20,000 Government employees.

The Minister for Country Water Supplies: No; 16,000.

Hon. J. NICHOLSON: To exempt any officer from the Bill is to empower the Government to exempt a whole section of Government employees. The clause is liable to grave abuse. Under the amendment, any anomalies can be adjusted by a simple resolution of Parliament.

Hon. G. W. MILES: The Ministry are making a rod for their own backs. According to the speech made by the Leader of the House, there are 19,244 Government employees. These employees have mothers and cousins and aunts, and pressure may be brought to bear on the Government at election time. One of the curses of our system has been the pandering by both parties to the public servants for their votes. The clause is an invitation to the Public Service to bring pressure to bear. In the interests of clean government, the amendment should be carried.

Hon. E. H. HARRIS: I am not greatly impressed with the amendment, which in my opinion will have a boomerang effect. Under the clause a "Government Gazette" containing the names of 1,000 exempted officers might be published at any old time Ministers chose. I suggest that the amendment be not pressed.

Amendment put and negatived.

Hon. J. M. DREW: I move an amendment—

That in lines 8 and 9 of Subclause 3, the words "either in one sum or several sums as he may determine" be struck out, and the words "by such instalments" inserted in lieu.

The object of the amendment is to cope with the retrospective conditions that will arise under the operations of the Bill. Government officers will have to make a refund of part of their salaries or wages, and there is a strong feeling among them that Parliament should provide for the spread of that refund over a period extending to the 30th June, 1932. I was present when a deputation waited on the Premier to discuss this matter. Sir James Mitchell said that the amount would be in small instalments only, and that it would not matter much so long as the money was in the Treasury before the end of the financial year. He would not give any definite promise, and left for the Eastern States next day. Perhaps the

Leader of the House will be able to tell the Committee whether the Government oppose the amendment.

The MINISTER FOR COUNTRY WATER SUPPLIES: I oppose the amendment. In the past the Government have been sympathetic in such matters, and have spread repayments or deductions over long periods. If the amendment be carried, together with another amendment standing in the hon. member's name, it will mean that the Government will be bound to spread small amounts over the full period to the end of the financial year. It might mean that a repayment of £1 would have to be spread over that period. The Committee will be quite safe in leaving this matter in the hands of the Government, because they will handle it sympathetically. The Government will meet the requirements of those concerned, and I assure Mr. Drew there is no necessity for the amendment at all.

[*Mr. Nicholson took the Chair.*]

Hon. J. M. DREW: The repayment of small amounts may appear to be a minor matter to the Leader of the House, but it is important to men on the breadline. They considered it of sufficient importance to arrange a deputation to wait upon the Premier.

The Minister for Country Water Supplies: They were under the impression that the refund would be made from the first pay, but that was never intended.

Hon. J. M. DREW: Perhaps the Government will meet me half way. No doubt they may intend to be sympathetic, but there has been no practical exhibition of their intention in connection with the request made to them under this particular heading. I certainly would respect any declaration the Minister might make, but there may be a change of Ministers at any time.

The Minister for Country Water Supplies: Then the hon. member himself will be in a position to deal with this phase.

Hon. J. M. DREW: I am not suggesting a change to that extent, but a re-arrangement of portfolios. In those circumstances, a promise made in this Chamber would not amount to very much. I should think a shorter period than that indicated in the amendment would suffice, but that was the request submitted to me. I should think a six-months spread would be ample.

The MINISTER FOR COUNTRY WATER SUPPLIES: I hope Mr. Drew will not press the amendment and make it definite. If we were to fix a period of six months, an officer might leave the service, and what would be the position then? He would get off more lightly than his fellow officers.

Hon. J. M. DREW: Will you promise that this matter will receive attention?

The MINISTER FOR COUNTRY WATER SUPPLIES: I will assure the hon. member that the Government will be very sympathetic, and will see that the repayments are spread over a period sufficiently long not to involve any hardship upon officers.

Hon. J. M. DREW: I accept that assurance, and ask leave to withdraw the amendment.

Amendment by leave withdrawn.

Clause, as previously amended, agreed to.

Clause 8—Superannuation and retiring allowances to be reduced:

The MINISTER FOR COUNTRY WATER SUPPLIES: A printer's error appears in the proviso to Subclause 1. I move an amendment—

That in line 8 of Subclause 1, after "allowance," the word "if" be inserted.

Amendment put and passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: There is a consequential amendment to be made in Subclause 3. I move an amendment—

That in line 3 of Subclause 3 the word "ninth" be struck out, and "tenth" inserted in lieu.

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

Clause 9—Grants may be reduced:

The MINISTER FOR COUNTRY WATER SUPPLIES: There is a consequential amendment in Subclause 3. I move an amendment—

That in line 3 of Subclause 3 the word "first" be struck out, and "tenth" inserted in lieu.

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

Clauses 10, 11—agreed to.

Clause 12—Contracts of service may be varied by the employer in certain cases:

THE MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in the proviso to Subclause 2 all the words after "public service" in line 3 be struck out.

If these words are not struck out it will mean a reduction in the remuneration of persons in the service of grantee bodies, such as the University. It is not desired that the servants of public bodies should be on the same footing as the Public Service.

Hon. J. M. DREW: I strongly oppose the amendment. This is the only provision in the Bill which seems to recognise to any practical extent the Court of Arbitration. I should be glad to hear the Minister's reasons for moving this amendment.

THE MINISTER FOR COUNTRY WATER SUPPLIES: The most important reason is that these words should not be in the Bill at all; they are there under a misapprehension. It was never intended that these grantee bodies should be included in the Bill.

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

Clause 13—agreed to.

Clause 14—Awards and agreements may be varied:

Hon. G. W. MILES: I move an amendment—

That in line 15 of Subclause 1, "Arbitration Court" be struck out and "Commissioner" inserted in lieu.

This amendment is in Mr. Seddon's name, but I think the idea is that it will facilitate the business if the President of the Arbitration Court is appointed a commissioner to deal with these matters.

THE MINISTER FOR COUNTRY WATER SUPPLIES: It would be much better to leave the clause alone. Even if it is intended to alter the constitution of the court, the attempt should not be made in this Bill. I understood from Mr. Seddon during the tea adjournment that he did not wish to proceed with this amendment.

Hon. E. H. HARRIS: The amendment stands on the Notice Paper in the name of Mr. Seddon, who is on his way to Kalgoorlie. Mr. Seddon told me he had left it in the hands of Mr. Nicholson to move this amendment, and the two succeeding amendments. Unfortunately, at the moment Mr.

Nicholson is in the Chair. The object of the amendment is to simplify the work of the court by arranging for the president of the court to sit as a commissioner to deal with these cases. While the court representatives of the employers and employees are arguing with one another as to what is to be done, the president eventually decides. Very seldom have the court been unanimous in their findings. And since this is emergency legislation, and it is desired that the cases shall be dealt with promptly, the decision would be more readily arrived at if the president of the court were a commissioner to determine the cases.

Hon. G. FRASER: I hope the amendment will not be agreed to. At present we have the court constituted of the president sitting with two representatives of the employers and employees respectively. This plan has worked satisfactorily, but if we are to take away from the court the two representatives and leave the matter solely with the president, it will cause trouble. Apart from anything else, the workers have a certain confidence in the court because they have on the bench their own representative. I trust that no amendment will be passed which will alter the constitution of the court. The court can well give all the service that will be required by the employers. It has been suggested that delay will occur in the hearing of cases if they are to be considered by the whole court: but if the Bill goes through, I am sure every opportunity will be given for employers to get to the court promptly. Although the president has the deciding vote, the knowledge previously gained by the two laymen must be of great assistance to him in arriving at a decision.

HON. J. M. DREW: The more I listen to the discussion on this Bill, the more evidence I find to confirm the conclusion that under cover of the Plan for the restoration of the financial stability of Australia, the Government and members here are attempting to give effect to their policy. For years they have contended against the constitution of the Arbitration Court. They have suggested that the court should consist of a president only, and now, when it is urged that this Bill should not be amended, we are asked to agree to the president alone acting under this measure. I oppose the amendment because it forms no part of the Plan and is of partisan character. The

measure is being utilised to introduce political principles to which I am opposed.

Hon. Sir CHARLES NATHAN: I agree with Mr. Drew that such an innovation should not be introduced into legislation of this kind. If members desire to alter the constitution of the Arbitration Court, an amendment of the Arbitration Act should be introduced and the proposal debated on its merits.

Amendment put and negatived.

The CHAIRMAN: I take it that decision will determine the fate of the other amendments of which the hon. member has given notice.

Hon. G. W. MILES: It seems that the Committee are not prepared to alter the Bill at all. I move an amendment—

That the proviso to Subclause 1 be struck out.

It may be necessary for an employer to approach the court more than once during the period of emergency.

Hon. G. Fraser: One bite of the apple will be enough.

Amendment put and negatived.

Hon. E. H. HARRIS: I move an amendment—

That after "application" in Subclause 2 the words "and in the case of a body of workers such notice shall be served upon every member of such body" be inserted.

It is provided that before an industrial union can be taken to the court to suffer a reduction, the organisation shall be served with a notice. A body of workers apart from an industrial union should be treated similarly.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment is impracticable: Is it intended that each individual worker should be notified? The number may run into hundreds of persons.

Hon. E. H. HARRIS: Why does the Minister desire that industrial organisations should be notified so that their members may go to court, whereas if it is merely a body of workers that is affected the individuals are not to be notified?

Hon. G. Fraser: What do you mean by a body of workers?

Hon. E. H. HARRIS: Inferentially, those who are not connected with any industrial organisation. They have a perfect right to defend their own cases.

Amendment put and negatived.

[Hon. J. Cornell took the Chair.]

Hon. G. W. Miles: On behalf of Mr. Seddon I shall withdraw the further proposed amendments to this clause.

Hon. J. NICHOLSON: I move an amendment—

That in line 3 of Subclause 5, after the word "faced," the following be inserted:—"Or the economic conditions affecting the business of any employer or affecting the industry in which such employer is engaged."

What construction is to be placed on the words "national emergency"? We do know what economic conditions mean. The court has no power to take these matters into consideration, but the amendment will give it that power.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment is too wide in its application. What does the hon. member mean by his reference to economic conditions? The incompetence of some employer may be ascribed to economic conditions. The amendment will certainly not improve the Bill and goes too far.

Hon. Sir CHARLES NATHAN: A man may find that his business is not thriving and becomes bankrupt, whilst other men in the same class of business are doing satisfactorily. The amendment would give the failure the right to have his position reviewed as against the position of the industry as a whole. The situation is better covered by the term "national emergency" than that of "economic conditions."

Hon. J. NICHOLSON: I do not wish to thin the matter down to a particular business, but certainly, if economic conditions affect the industry in which an employer is engaged, it is desirable that the court should have power to inquire into those economic conditions. I have put the alternative to meet not only the particular case which might come before the court, but also the industry generally. The court should have full power to make investigation and to determine; otherwise the Bill will be futile. I would agree to the insertion of only the words "or the economic conditions affecting the industry in which such employer is engaged," deleting the words "affecting the business of any employer or."

Hon. E. H. HARRIS: I suggest to Mr. Nicholson that he withdraw his amendment and move to insert after "emergency" the

words "or economic conditions." Much is left to the imagination of the court, and those words might assist.

Hon. J. NICHOLSON: I am prepared to accept the suggestion of Mr. Harris. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. J. NICHOLSON: I move an amendment—

That in line 2 of Subclause 5, after the word "emergency," there be inserted "or economic conditions."

Hon. J. M. DREW: This latest amendment will make confusion worse confounded. What is the interpretation of "economic conditions"? I only know the words as a useful phrase for the public platform, leading to the conclusion that the speaker has deeply studied the science of economics. Under the amendment it would take months to come to a conclusion in the matter; there would have to be investigation into every phase of industry in the State. On the other hand, the court will be able to come to a speedy conclusion as to whether a state of national emergency exists or not. Parliament says it exists, in the preamble; and the phrase is clearly defined. Under the subclause as it stands, the court will deal with the bulk; under the subclause as proposed to be amended, there would have to be a long preliminary investigation.

Hon. W. H. KITSON: I hope the amendment will not be agreed to. This appears to be another effort to alter the procedure adopted by the Arbitration Court. If we agree to the amendment, we shall have a large number of applications to the court that will not be necessary on account of the national emergency, but may be on account of the interpretation that employers will place upon the term "economic conditions." In that event, the amendment would take the matter far beyond the scope desired in the Bill. If it is desired to alter the procedure or powers of the Arbitration Court, it should be done in a totally different way.

Hon. G. FRASER: If the amendment be agreed to it will go a long way to accentuate the congestion in the Arbitration Court.

Amendment put and negatived.

Hon. J. M. DREW: I oppose the clause as a whole. I have given my reasons several times and shall not traverse the same ground. There is a somewhat different principle in

the clause from those I have previously discussed, because hitherto we have dealt with Government employees and now those in private employment are concerned. What is sought to be done in the clause has not been legislated for in any other part of Australia in pursuance of the Plan. Although the Arbitration Court is recognised to a certain extent, it is treated on a basis new to our experience. Employers will go to the court on the basis of national emergency. I protest against the Government introducing a principle dealing with private employment in such a Bill. If they desire to secure that end, they should introduce a Bill to amend the Arbitration Act.

Clause put and passed.

Clause 15—agreed to.

Clause 16—Contracts of service may be varied:

Hon. E. H. HARRIS: Will the Minister explain why the operations by a commissioner are limited to 12 months from the commencement of the measure. During two months of the 12 the court vacation will preclude any applications being made. Why limit the clause at all?

Hon. J. NICHOLSON: Mr. Miles has an amendment on the Notice Paper.

Hon. J. M. Macfarlane: He has gracefully retired.

Hon. G. Fraser: He has thrown up the sponge.

Hon. J. NICHOLSON: The amendment Mr. Miles was to move should receive attention.

Hon. E. H. Harris: Before any such amendment is moved, I would ask the Minister to explain why the clause has been limited to 12 months.

The MINISTER FOR COUNTRY WATER SUPPLIES: There was no definite reason for fixing upon 12 months, but some term had to be inserted.

Hon. E. H. HARRIS: In that event, why should an individual not have the right to approach the court at any time throughout the whole period during which the state of emergency exists?

The MINISTER FOR COUNTRY WATER SUPPLIES: An employer has to apply within 12 months, and there is no reason why they should not be able to submit their applications within that period.

Hon. E. H. HARRIS: I move an amendment—

That in line 6 of Subclause 1, "twelve" be struck out and the word "six" inserted in lieu.

The emergency legislation is for 18 months, and I consider that within six months every employer will be acquainted with the effect of the position and will be in a position to submit an application to the court.

Hon. J. NICHOLSON: Mr. Harris has taken a wrong view of the question, because he will make the position worse, instead of better, for the employer in connection with applications to the court. I suggest to Mr. Harris that he strike out "within 12 months after the commencement" and insert "during the continuance." Why the employer should not have the right during the continuance of the Act to make application to the court, is beyond my comprehension. I cannot agree to the amendment, for it would make the position worse for the employer.

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

Ayes	..	..	..	..	5
Noes	..	..	..	..	11

Majority against 6

AYES.

Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Harris

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

NOES.

Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. V. Hamersley
Hon. J. J. Holmes
Hon. G. A. Kempton

Hon. Sir W. Lathlain
Hon. J. M. Macfarlane
Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. C. H. Wittenoom
(Teller.)

PAIR.

AYE.
Hon. C. B. Williams

NO.
Hon. H. Seddon

Amendment thus negatived.

Hon. J. NICHOLSON: I move an amendment—

That in line 6 of Subclause 1 the words "within 12 months after the commencement" be struck out, and "during the continuance" be inserted in lieu.

My object is to give the employer the right to make an application at any time during the continuance of the Act. It is only fair that he should have that right.

The Minister for Country Water Supplies: You could achieve your purpose by merely striking out the words "within 12

months after the commencement of this Act."

Hon. J. NICHOLSON: I think that would be the better way. I will withdraw the amendment I have moved, and move an amendment—

That in lines 6 and 7 of Subclause 1 the words "within 12 months after the commencement of this Act" be struck out.

It will then read "may at any time by notice in the prescribed form apply" etc.

Hon. G. FRASER: Since we have just defeated Mr. Harris' amendment to strike out the words "twelve months," is the hon. member in order in moving this amendment?

Mr. CHAIRMAN: Mr. Harris' amendment was to strike out "twelve" and insert "six." The amendment before us is quite in order.

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

Ayes	..	..	..	..	8
Noes	..	..	..	..	8
A tie					0

AYES.

Hon. J. T. Franklin
Hon. V. Hamersley
Hon. J. J. Holmes
Hon. J. M. Macfarlane

Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. C. H. Wittenoom
Hon. Sir W. Lathlain
(Teller.)

NOES.

Hon. C. F. Baxter
Hon. J. Ewing
Hon. G. Fraser
Hon. E. H. Gray

Hon. E. H. Harris
Hon. G. A. Kempton
Hon. W. H. Kitson
Hon. J. M. Drew
(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Hon. J. M. DREW: I move an amendment—

That in Subclause 5 the words "whether of his own knowledge or otherwise howsoever" be struck out.

Those words were removed from another subclause and should have been deleted from this subclause as consequential.

The MINISTER FOR COUNTRY WATER SUPPLIES: I agree with the hon. member and accept the amendment.

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

Clause 17—Effect of order:

Hon. J. M. DREW: An unusual principle is sought to be introduced by Subclause 2. The Commissioner will fix the rate of wages, but if an employee accepts a higher rate, he will be committing an unlawful act and will be unable to recover anything above the ordinary rate. Some employers pay rates in excess of those prescribed by the award, and there should be no objection to a continuance of that practice. I move an amendment—

That Subclause 2 be struck out.

The MINISTER FOR COUNTRY WATER SUPPLIES: I cannot accept the amendment. The subclause is very necessary.

Hon. E. H. HARRIS: The Minister has not answered Mr. Drew's argument. The gold mining industry is in receipt of a premium, and the companies have agreed not to impose the weekly reduction of 8s. on their employees. If Mr. Drew's contention is correct, the companies could go back on that agreement and the employees could not sue for the difference. Everyone engaged in the goldmining industry in this State will be affected.

The MINISTER FOR COUNTRY WATER SUPPLIES: The subclause will not operate until the commissioner has made an order. It means that an employee cannot sue for an amount in excess of that mentioned in the order.

Hon. Sir CHARLES NATHAN: I do not see the danger Mr. Drew fears. Before the commissioner makes an order he will certainly take into consideration the circumstances as they exist. He is not instructed to disregard any agreement that has been made.

Hon. E. H. HARRIS: Suppose the court determines that Smith shall receive 10s. a day, and the employer agrees to give him 12s. 6d. Later on, the employer may decide to engage an equally competent man at 10s. a day. Despite an agreement between the two, Smith will be unable to resist the employer's desire to get rid of him.

Hon. J. M. DREW: The opinion I have expressed is that which has been formed as the result of an investigation. The commissioner may fix a rate of £4 a month, and keep, for the employee of a station owner. Within a short time, however, the owner may, after giving the man £5 a week, go back on his word and the employee will have no redress.

The MINISTER FOR COUNTRY WATER SUPPLIES: On the order of the commissioner a number of men, who may be employed at a certain wage, may sue the employer for higher wages. The employer should be protected against such a thing. If he desires to pay a higher wage, he is at liberty to do so.

Hon. J. M. MACFARLANE: If the commissioner reduces the wages, the subclause will protect the employer from being sued by the employee.

Amendment put and negatived.

Clause put and passed.

Clause 18—agreed to.

Clause 19—Application of this part:

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

That the words "to all" be struck out, and "only to" inserted in lieu.

Amendment put and passed.

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

That the following words be added to the clause:—"and shall have effect notwithstanding any agreement to the contrary heretofore or hereafter made or entered into."

Hon. members have been furnished with copies of this amendment.

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

Clause 20—agreed to.

Clause 21—Limitation of interest:

Hon. J. NICHOLSON: On behalf of Sir Edward Wittenoom, I move an amendment—

That in Subclause 1, after the word "rate," line 3, there be inserted "or respective rates."

I do not know whether the Minister has considered the amendment. Its object is to provide for the case of mortgages where two rates are specified, a penal rate and a reduced rate.

The MINISTER FOR COUNTRY WATER SUPPLIES: I agree to the amendment.

Amendment put and passed.

Hon. C. H. WITTENOOM: I move an amendment—

That in line 4 of Subclause 1 the word "five" be struck out, and "four" inserted in lieu.

Under the Bill as it stands, interest on mortgages is not reducible below 5 per cent. which seems to me inequitable, as many mortgages on farms have been accepted at 5 per cent., and these should come under the 22½ per cent. reduction. The same remark applies to hire-purchase mortgages. I know that 4 per cent. is indeed a low rate, but many farms were bought at much higher prices than they are worth now.

The MINISTER FOR COUNTRY WATER SUPPLIES: This clause refers to mortgages generally. Even were it not so, I could not possibly agree to the amendment. If it were carried, we should be departing from what has been agreed upon, and should be creating many cases of hardship. The amendment is most dangerous.

Amendment put and negatived.

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

That Subclause 5 be struck out.

The clause is mere repetition.

Amendment put and passed.

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

That the following be inserted to stand as Subclause 5:—"When a mortgage provides for payment of interest at different rates in two different events, and by the effect of this section the lower rate is reduced to £5 per centum per annum, then the higher rate shall be deemed to be reduced to a rate which bears the same ratio to £5 per centum per annum as the higher rate provided for in the mortgage bears to the lower."

The proposed subclause to a certain extent follows Mr. Nicholson's amendment.

Hon. W. H. KITSON: Is there any need to insert this subclause? What difference is there between it and the amendment carried at Mr. Nicholson's instance?

Hon. J. NICHOLSON: The words "or respective rates" included in my amendment cover all that is wanted. This amendment is not necessary.

The Minister for Country Water Supplies: I think it would be wise to insert the subclause.

Hon. J. NICHOLSON: Clause 21 as amended provides that the mortgagee must not charge a rate exceeding 77½ per cent. of the rate or respective rates provided in the mortgage. The Minister's proposal will merely double-bank the provision already made.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 22—Effect of order:

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

That Subclause 1 be struck out and the following inserted in lieu:—" (1) The obligation of any mortgagor to pay interest, accruing or to accrue, due and payable during the operation of this Act, or any higher rate than that allowed by or under this Act is hereby extinguished."

Amendment put and passed.

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

That Subclause 3 be struck out.

Amendment put and passed.

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

That in lines 6 to 8 of Subclause 5 the words "for the balance of the duration of the mortgage, or for the period specified in the order as the period for which the order shall continue" be struck out.

The reason for the amendment is that the words quoted are meaningless and unnecessary.

Amendment put and passed.

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

That at the end of Subclause 7 the following words be added:—"and shall continue in force during the operation of this Act, or for such shorter period as may be specified in the order."

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

Clauses 23 to 26—agreed to.

Schedule:

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

That the following paragraph be added to Part II:—"Where the salary of an officer is calculated at a daily rate on the basis of one hundred and twelve working hours per fortnight (of fourteen days) the amount of such daily rate shall be multiplied by three hundred and sixty-five, and the result shall be deemed to be the annual salary."

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

Preamble, Title—agreed to.

Bill reported with amendments.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the report be adopted.

Recommittal.

Hon. J. NICHOLSON: I move an amendment—

That the Bill be recommitted for the purpose of further considering Clauses 7, 14, and 16.

Amendment put and passed.

In Committee.

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

Clause 7—Salaries to be reduced:

Hon. J. NICHOLSON: I wish to draw attention to paragraph (viii), which provides that the Governor may by notice in the "Government Gazette" exempt any officer from the provisions of this section or vary the rate of reduction prescribed in respect of the salary of any officer where it is shown to his satisfaction that there are special circumstances which warrant such exemption or variation. The seriousness of this provision has already been made clear. It might be extended to a whole body of men.

The Minister for Country Water Supplies: The Committee agreed to it.

Hon. J. NICHOLSON: Yes, but I think without realising how very serious it is. The definition of "officers" is very wide, so wide as to include a whole body of men in any of the State trading concerns. There should be a limit to this power. We are allowing the Governor through the Minister to repeal the

Act we shall have passed, and that without our having any voice in it. That is a very serious provision, and there should be some limitation placed on this power, for it is open to grave abuse.

Hon. E. H. Harris: Political and otherwise.

Hon. J. NICHOLSON: Yes, it would mean that at a general election one candidate would be outbidding another as to what he was going to do under this measure. It is an undesirable principle to introduce into any law. It should be limited to a certain number of officers who may be benefited. That would give scope for the Minister to adjust any anomalies, and later the Minister could come to Parliament for sanction.

Hon. W. J. Mann: It might work the other way.

Hon. J. NICHOLSON: I do not think so. At present it is an open invitation to officers to go to the Minister and claim exemption. The Minister will be exposed to a serious position and we shall be relinquishing our control as a Parliament. I move an amendment—

That after "officer" the words "or officers not exceeding twenty in number" be inserted.

If the Minister considers 20 too many, he can make the number ten.

The MINISTER FOR COUNTRY WATER SUPPLIES: This matter was debated at length and given mature consideration, and Mr. Nicholson was defeated by an overwhelming majority. It might happen that twenty officers were suffering a common disability, and it might be that no use would have to be made of the power.

Hon. J. Nicholson: Make it fifty.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is only playing with the question. One would think that Ministers were untrustworthy.

Hon. J. Nicholson: That is not the point.

The MINISTER FOR COUNTRY WATER SUPPLIES: To talk of vote-catching is nonsense.

Hon. E. H. HARRIS: I supported the deletion of the subclause previously. If the amendment be passed, the Government could defeat it by publishing 20 names in each of an unlimited number of "Gazettes."

Hon. J. NICHOLSON: Mr. Harris is wrong in suggesting that the Government could publish 20 different names in various

issues of the "Gazette." The total of 20 could not be exceeded under the amendment. I mean 20 in the aggregate.

Hon. E. H. Harris: You do not say so.

Hon. J. NICHOLSON: Then I ask leave to alter the amendment to read "twenty in the aggregate."

Amendment, by leave, altered.

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

Ayes	..	..	..	2
Noes	..	..	..	13
				—
Majority against	..	..	..	11
				—

AYES.	
Hon. J. Nicholson	Hon. G. W. Miles (Teller.)

NOES.	
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. Ewing	Hon. Sir W. Lathlain
Hon. J. T. Franklin	Hon. J. M. Macfarlane
Hon. G. Fraser	Hon. Sir C. Nathan
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. Harris	Hon. W. J. Mann (Teller.)
Hon. G. A. Kempton	

Amendment thus negatived.

Clause put and passed.

Clause 14—Awards and agreements may be varied:

Hon. J. NICHOLSON: This clause contains a reference to a period within 12 months after the commencement of the Act. Why should an employer be compelled to make his application within that time? He should certainly be given the opportunity to make it at any time during the currency of the Act. I move an amendment—

That in Subclause 1 the words "within 12 months after the commencement of this Act and" be struck out.

Hon. E. H. HARRIS: Why have the Government limited the period of application to 12 months when the Bill itself is to operate for 18 months?

The Minister for Country Water Supplies: In order that there might be some stated period.

Hon. E. H. HARRIS: To be consistent with Clause 14 we should retain the words it is proposed to strike out.

The CHAIRMAN: My interpretation of the subclause is that, if an employer does not make application to the court within 12 months, he cannot do so subsequently.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	10
					—
Majority against	..	..	..	..	4
					—

AYES.	
Hon. Sir W. Lathlain	Hon. G. W. Miles
Hon. J. M. Macfarlane	Hon. Sir C. Nathan
Hon. W. J. Mann	Hon. J. Nicholson (Teller.)

NOES.	
Hon. C. F. Baxter	Hon. E. H. Harris
Hon. J. M. Drew	Hon. G. A. Kempton
Hon. J. Ewing	Hon. W. H. Kitson
Hon. J. T. Franklin	Hon. C. H. Wittenoom
Hon. G. Fraser	Hon. E. H. Gray (Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 16 (as previously amended)—agreed to.

Bill reported without further amendment.

Reports of Committee adopted.

BILL—FINANCE AND DEVELOPMENT BOARD ACT AMENDMENT.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [12.5] in moving the second reading said: Since the passage of the Finance and Development Board Act, which provides for the raising of money by debentures only, the Government have been advised by the Agent General, Hon. W. C. Angwin, that the Act should be amended to permit also the raising of money by the issue of inscribed stock, as this class of stock is preferred by the investor in London. That is the opinion of Lord Glendyne, who is the most influential authority in London in the circles of those concerned in Australian finance; and in the opinion of the Government it should not be ignored in paving the way to the London market when money is easier. Always in close touch with the financial position in London, Mr. Angwin, so soon as he received a copy of the Act, took the earliest opportunity to discuss its provisions with Lord Glendyne, and subsequently, in reporting to the Premier, he wrote—

I notice that in Section 14 the board have only taken power to borrow by means of bearer debentures. This would be a disad-

vantage so far as London is concerned, as stock is more popular with investors in this country than bonds.

Bearer debentures, as hon. members are aware, are debentures that are issued to bearer and are transferable by delivery; and the other class of investment referred to—inscribed stock—is stock that is registered in the register in the name of the investor, who then receives a certificate of inscription setting out that the stock is registered in his name. Such stock is transferable; and when it is sold, it is registered in the name of the purchaser and a fresh certificate of inscription is issued. The latter class of stock is favoured by the London investor; and in order to meet his wishes it is proposed in this Bill that the board shall be empowered to issue inscribed stock, either within or beyond the State, alternatively to debentures.

That will be possible if the words “inscribed stock” are added to the words “bearer debentures” wherever these appear in the Act; and most of the clauses in the Bill are consequential on the acceptance of that proposal. If the insertion of the words “inscribed stock” is agreed to, then it will also be necessary to adopt the proposed machinery clauses to facilitate the issue of that class of stock. Those essential provisions have been taken from the General Loan and Inscribed Stock Act, the Treasury Bonds Act, and the Treasury Bills Act. They regulate State issues of inscribed stock, and cannot be applied to the issue of similar stock by the board unless it is so stipulated.

As previously stated, a number of the clauses will merely amend sections of the parent Act by the addition of the words “inscribed stock”; and to achieve the same purpose, the recasting of other sections is proposed. Clause 3 sets forth the provisions relating to the issue of inscribed stock; and Clause 12 provides that the board may agree with any bank in London for the inscription, management, etc., of such stock, and that the board may negotiate for the renewal or redemption of stock or debentures by fresh issues. In the original Act there is no provision for renewal or redemption, and that is necessary.

For money borrowed from the bank it is necessary for the board to issue debentures, and it is now suggested that the board should have power to renew them, and have similar authority regarding inscribed stock; otherwise the board will have to arrange fresh

loans for renewal or redemption purposes. The powers in the parent Act are similar to those exercised by the Sydney and Melbourne Metropolitan Boards of Works, the Melbourne Harbour Trust, the Melbourne Tramway Board, and the Sydney Water and Sewerage Board; and hon. members know that advantage was taken of our Act to secure £600,000 for the Agricultural Bank at a very critical time. The board are restricted to the service of the agricultural industry, and there is no reason why they should not have the fullest authority in the functions for which they were created, more particularly since they have already been of great service to those whom they were designed to assist. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

BILL—TRUSTEES PROTECTION.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [12.12] in moving the second reading said: The object of this Bill is to protect trustees in connection with the conversion of bonds under the Debt Conversion Agreement Act, which was passed as a result of the deliberations at the Conference of Premiers in Melbourne. The provisions of the Bill are along the lines of those agreed upon at the Conference and they are designed to put trustees in a position to be able to convert bonds without being liable to account for having done so, to the beneficiaries of the trust. The difficulty which the Bill proposes to meet was raised by trustee companies in Sydney and Melbourne, and this measure was drafted by the legal sub-committee of the Premiers' Conference after it had discussed the matter with various gentlemen representing the companies referred to. In the absence of protecting legislation as suggested in this Bill, a trustee might feel himself impelled to withhold his consent to bonds, held in trust, being converted, which, if he were unfettered by the obligation of a trustee, he would convert. I move—

That the Bill be now read a second time.

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

BILL—TRUSTEES' POWERS.*Second Reading.*

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [12.13] in moving the second reading said: Trustees in many instances desire to reduce the rent they are receiving for trust properties, because they realise that the rent is higher than the market value at the moment and that the tenants will not be able to continue paying the rent. If they do not reduce the rent, the tenants will fail, and when the trustees give a new lease, they will have to accept a substantial reduction. Unfortunately, the law prevents trustees from making a voluntary reduction without fear of being charged with breach of trust or, at any rate, negligence or dereliction of their duty as trustees. This measure proposes to give them the necessary power voluntarily to reduce rents. The Financial Emergency Bill proposes compulsorily to reduce interest payable on mortgages, and trustees feel that it may be their duty in each instance where interest is compulsorily reduced, to apply to the court for exemption. Otherwise the beneficiaries might claim subsequently that they should have resisted the reduction of interest by the law. This Bill will enable them, so long as they exercise their powers bona fide, to submit to a reduction of interest without applying to the court.

Another problem that arises is the apportionment between income and capital of the premium to be issued on the debt conversion. If a trustee holds £1,000 worth of, say 6 per cent. stock, it will probably be converted into, say, £1,200 of new stock at 4 per cent. The question then arises, what will the trustee do with the extra £200 of stock? Should he regard it as income or as capital? A nice little argument in morals and law might arise as to whether the £200 should be paid to the tenant for life, or kept intact and handed over in due course to the person who eventually comes into the corpus. It is proposed to give the trustee discretion in the matter. He may determine, after advice, whether the £200 shall be corpus or income. There is a good precedent for so doing. Every properly drawn deed of settlement gives a trustee discretion as to the apportionment of any particular fund between income and capital. Similar power is provided for in this measure.

Thus, the Bill deals with three matters. It proposes to give trustees discretion to reduce rents under the existing laws, to allow the interest under any mortgage to be reduced, and to make the apportionment between capital and income. The Government would have preferred to have these matters included in one Bill, but the Trustees' Protection Bill, which is already before the House, had to be submitted in the form adopted by the Premiers' Conference and that is why this particular Bill comes before members as a separate measure. I move—

That the Bill be now read a second time.

On motion by Hon. J. Nicholson debate adjourned.

BILL—MORTGAGEES' RIGHTS RESTRICTION.*Second Reading.*

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [12.18] in moving the second reading said: This Bill is termed the Mortgagees' Rights Restriction Bill and it is supplementary to the legislation that has been introduced as the result of the Premiers' Conference. Although there has been a complete collapse of markets for the disposal of the wheatgrowers' products, it is essential to the State and its people that the industry shall be continued until such time as the markets recover. The purpose of the Bill, further, is to give some degree of security to the men and women who have built up this industry, and who are now called upon to carry more than their fair share of the sacrifice, which has to be made by all, and to relieve them of the anxiety and fear of losing the heritage which they have toiled to create for themselves and their children.

In the Bill the term "mortgage" has a very wide interpretation. It means any deed, including mortgage, etc., whereby security for repayment is granted over any land. It also includes an agreement for the sale of land under which the purchase money is payable by instalments. So it covers not only a mortgage but any sale of land by agreement. Thus it will prevent not only foreclosure, but repossession of land sold under those conditions. The interpretation of the word "foreclosure" provides that it shall include the cancellation or

rescission by the vendor of any such agreement by reason of the purchaser's default and the determination or forfeiture for such reason of the purchaser's right to or in any land comprised therein.

Under the Bill the calling-up of mortgages is prohibited, except by an order of the court. Therefore any person who desires to call-up a mortgage or foreclose on a property or dispossess a man of his property must have an order of the court before he can do it. The Bill applies to all mortgages and leases current at the commencement of the Act. It is believed that perhaps there may be some persons who would feel inclined to make a small advance for the purpose of lifting a mortgage, and having a further mortgage executed on the following day. Provision is made to prevent that sort of thing. It will readily be understood that a man may be tempted for, say, £1,000 to lift a mortgage and give a fresh one on the following day. He would, however, be free to exercise such rights as he possessed as mortgagee, subject to the determination of the court. A mortgagee will not be able to call up any mortgage or deal with any land over which he has any claim without an order of the Supreme Court. He will not be able to call up any payment from the mortgagor, commence or continue any action for the recovery of any principal money due under mortgage, or exercise any power to sell, commence or continue any action for foreclosure.

The Bill provides that the mortgagee may enter into possession of any property which has been abandoned by the mortgagor, and once any mortgagee has entered into possession he may continue in possession unless the Supreme Court, on the application of the mortgagor, otherwise orders. Clause 8 sets out what the functions of the court shall be and how that tribunal shall determine a case when it has been heard, and it provides that protection shall be afforded both to the mortgagee and the mortgagor in circumstances arising in respect to each. By clause 9 the court is empowered to deal with demands made by the mortgagee for interest under the terms of the mortgage, and it may allow extended time for payments either at the fixed date or by instalments. The next clause provides that if the purchaser is in arrears for a period of twelve months in respect of the principal and interest payments, the vendor may exercise his rights

under the agreement after giving the purchaser one month's notice of his intention to do so, and unless the purchaser applies to the court for protection the court is then to determine whether the vendor may proceed to exercise his rights under the agreement. Clause 11 provides that no judgment creditor shall be entitled, except by leave of the Supreme Court, to commence proceedings for the recovery of a sum of £50 or upwards against the lands of the judgment debtor.

That covers a wide scope. Any sum involving £50 or over will come under the Act, and that applies to almost all lands which may be subject to mortgage or conditions of sale. Apart from giving relief to mortgagors, it is necessary also to make provision for relief to mortgagees. It is not intended by this legislation to lift from one person a hardship and impose it upon another. Provision is therefore made in Clause 12 that the mortgagee may obtain relief in certain cases when such relief is given a mortgagor, when without such relief the mortgagee will be financially embarrassed. It is also provided in Clause 13 that no period of time during which the enforcement of any right or claim is prevented by the Act shall be taken into account in computing the time limited by any statute of limitations. In other words the Statute of Limitations will be extended for the period during which this particular legislation protects the mortgagor. Under the proposed Act no costs shall be awarded against any party to an application, except in the case of an action of an unreasonable nature. That means that the cheapest method will be afforded to a person to get to such court as is available. This class of legislation is brought down to afford relief, and it would be of no use if high costs were allowed to mount up against an applicant. In conformity with the Plan legislation, the measure will continue in operation until the 31st December, 1932, but if it is necessary to extend the Plan legislation after that date the period covered by this measure will also be extended.

Members will realise the necessity for the Bill. Our producers have worked hard, and it is not their fault that there has been a complete collapse of the markets for primary products, especially wheat. The farmers have done their work well and nature has been extremely kind to them, but after labouring for a whole year they have found themselves at the end of the period with a

50 per cent. loss. We cannot expect men to continue taking any interest in the land unless they are given a chance to recover. This Bill represents one of the methods by which it is hoped to protect them, their assets and their heritages. I move—

That the Bill be now read a second time.

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

ADJOURNMENT—SPECIAL.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the House at its rising adjourn until 2.30 p.m. to-day.

Question put and passed

House adjourned at 12.28 a.m. (Friday).

Legislative Council,

Friday, 7th August, 1931.

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The PRESIDENT took the Chair at 2.30 p.m., and read prayers.

BILL—FINANCIAL EMERGENCY.

Further Recommital.

On motion by the Minister for Country Water Supplies, Bill again recommitted for the further consideration of Clause 22.

In Committee.

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

Clause 22—Effect of order:

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

That in the new Subclause 1 inserted at the previous sitting, after "this" where it first occurs, the words "part of this" be inserted.

The new subclause reads—

The obligation of any mortgagor to pay interest, accruing or to accrue, due and payable during the operation of this Act, at any higher rate than that allowed by or under this Act is hereby extinguished.

On the other hand, Clause 18 provides that this part of the measure shall have effect only as from the date of proclamation, while Clause 19 stipulates that this part of the measure shall apply to all mortgages existing at the commencement of this part of the Act. The amendment is necessary to ensure that the subclause operates only as from the date of proclamation and not from the 10th July.

Amendment put and passed.

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

That the following proviso be added to new Subclause 1:—"Provided that for the purpose of this part of this Act interest shall be deemed to accrue due and payable from day to day."

Interest may fall due a few days after the proclamation, and then it might be contended that the reduction should apply to the interest for the whole of the previous 12 months. The amendment will make clear the intention that the reduction of interest shall date from the proclamation of this part of the measure.

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

Bill again reported with further amendments and the report adopted.

Third Reading.

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