

Legislative Council,

Wednesday, 31st January, 1934.

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

ELECTION RETURN—SOUTH-WEST PROVINCE.

The DEPUTY PRESIDENT announced the return of a writ for the election of a member for the South-West Province, showing that Leslie Craig had been elected.

Hon. I. CRAIG took and subscribed the oath and signed the roll.

Sitting suspended from 2.37 p.m. to 2.53 p.m.

BILL—FINANCIAL EMERGENCY.

Select Committee.—Report presented.

Hon. J. J. Holmes brought up the report of the select committee on the Financial Emergency Bill.

Hon. J. J. HOLMES: I move—

That the report and evidence be received and printed.

Sufficient copies of the reports of the select committee have been made available to members and we also have explanatory notes from the Crown Law Department dealing with each amendment proposed by the select committee.

Question put and passed.

Hon. J. J. HOLMES: I move—

That the Bill be referred to the Committee of the whole House.

Question put and passed.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: The actual work of the Committee resolves itself into the sug-

gested amendments to the Bill, and those amendments appear on Notice Paper No. 6 which, in effect, is the report of the committee.

Clause 1—agreed to.

Clause 2—Operation:

Hon. J. M. MACFARLANE: I have only just received this report and have not had time to read it. Should not we adjourn for a quarter of an hour to afford opportunity to digest the report?

The CHAIRMAN: It is of no use reading the report. The proposed amendments are before members, 22 of whom spoke to the Bill on the second reading. When the chairman of the select committee moves amendments he will explain them. A brief adjournment would be of no use.

Clause put and passed.

Clause 3—Act divided into parts:

Hon. J. J. HOLMES: I move an amendment—

That the reference to Part V. be struck out, and "Part V.—Variation of contracts of service" inserted in lieu.

The amendment is consequential upon and entailed by the principal amendment to Clause 6 of the Bill.

The CHAIRMAN: It presupposes the insertion in the Bill of Part V. of the expired Act.

The HONORARY MINISTER: Would it not be advisable to postpone the amendment until we have dealt with the later amendment for the insertion of Part V. of the expired Act? This amendment is consequential upon that one, so I think it ought to be postponed until we reach the end of the Bill. Then, if the insertion of Part V. has been agreed to, this will become consequential and require no discussion. I move—

That further consideration of Clause 3 be postponed until the end of the Bill.

Hon. J. J. HOLMES: By the same reasoning, the Honorary Minister might include the amendment to Clause 5. It is immaterial to the select committee how we proceed. We have drawn our report, and our amendment also, in line with the Bill. I have no objection to the proposed postponement.

Motion put and passed; Clause 3 postponed.

Clause 4 agreed to.

Clause 5—Computation of salary:

Hon. J. J. HOLMES: I move an amendment—

That in line 32 "twenty" be struck out, and "sixteen" inserted in lieu.

This amendment is consequential, and is entailed by the principal amendment to Clause 6 of the Bill.

The HONORARY MINISTER: A similar position arises here. We might well postpone the clause, for this amendment is consequential on a proposed amendment to the Schedule, and is dependent on what the Committee decides in regard to later amendments. I take it the select committee have endeavoured to devise equitable amendments, and the percentages in these amendments have been arrived at on percentages in a later amendment. We should have the discussion on the main amendment, and as the amendment before us is consequential on what may be done with the principal amendment, I move—

That further consideration of Clause 5 be postponed to the end of the Bill.

Hon. J. J. Holmes: I have no objection.

Motion put and passed; Clause 5 postponed.

Clause 6—Salaries to be reduced:

Hon. J. J. HOLMES: I move an amendment—

That in lines 1 and 2 of Subclause 1 the words "eighteen per cent., twenty per cent. or twenty-two and one-half per cent." be struck out, and "fourteen per cent., sixteen per cent. or eighteen and one-half per cent." be inserted in lieu.

The explanatory note shows that "it is the aim of this amendment to distribute equitably amongst the whole range of officers affected by the emergency legislation the sum of £115,000 which the Government propose to restore to the limited class of officers detailed in Subclause 4 of Clause 6 of the Bill as printed. To effect the amendment proposed by the select committee, the rates of reduction set out in the original legislation have been decreased from 22½ per cent., 20 per cent. and 18 per cent. to 18½ per cent., 16 per cent., and 14 per cent. respectively" This means really a reduction of 4 per cent. on the original deductions.

The HONORARY MINISTER: I cannot accept the amendment. I am surprised

that Mr. Holmes has not given us a little more information as to how this will affect the Government. In the explanatory note there is reference to £115,000 which the Government propose to distribute to Government servants; and it is left at that. The select committee recommend that there shall be a reduction of 4 per cent. all round. There is no information—which I assume the select committee were in possession of; else they could not have arrived at that percentage—to allow members to determine whether this amendment will do all the select committee say it will. It may mean a larger sum or a smaller sum; I do not know. I have not had time to examine the position, or even read the select committee's report in its entirety, but I have seen sufficient to allow me to cast doubts upon the accuracy of the suggestions made by the select committee in this regard. But apart from that, I must oppose the amendment, first of all because I do not think, and the Government do not think, that this is as equitable as the proposal in the Bill. The suggestion is that the financial emergency cut shall be reduced by four per cent. all round. It is argued that that would be the most equitable way because it would mean an even percentage reduction to every section of the Government service. Let us compare a public servant receiving £200 a year with one receiving £1,000 a year. Under the amendment the man on £200 would receive a benefit of £8 per annum, whereas the man on £1,000 would receive a benefit of £40.

Hon. V. Hamersley: But under the emergency tax the one would pay 5d. in the pound compared with 9d. paid by the other.

Hon. Sir Edward Wittenoom: Why did you bring down a Bill that you knew we would not accept?

The HONORARY MINISTER: The proposal is decidedly unfair. The whole object of the Bill was to give relief to the lower paid sections of the community including the lower paid civil servants. I thought the select committee would have produced evidence that the amendment would do what they say it will, and no more. I thought they would have shown the effect of the amendment on the various sections of the Public Service. The proposal is not as equitable as the one in the Bill. Because I have no information other than that sub-

mitted by the select committee to determine whether the amendment will do what is claimed for it, I cannot accept it. In saying that I am speaking on behalf of the Government. We have had no time to examine the proposed amendments or to obtain any information. Therefore it would be futile to enter into further discussion and, on principle, I oppose the amendment.

Hon. C. F. BAXTER: The select committee should be commended for their recommendations. The Honorary Minister says the amendment is not equitable. I cannot see that we can put any faith in that statement. If any proposal was inequitable, it was that by the Government to make a return to the lower paid employees only. It is not right for the Honorary Minister to say he has reason to doubt the recommendation of the select committee. He should be the last member to cast doubt of that kind, considering that he gave information which was misleading and which he has not yet corrected.

The Honorary Minister: I ask for a withdrawal of that statement.

The CHAIRMAN: Mr. Baxter must be fair to the Honorary Minister. He said he doubted it because sufficient information was not before him to give a fair interpretation. The hon. member must not accuse the Honorary Minister of trying to mislead the Committee, and I ask him to withdraw the remark.

Hon. C. F. BAXTER: I withdraw. Whenever a Minister charged with the responsibility of piloting a Bill through the Chamber has made a mistake, probably due to information supplied by officials, he has taken the earliest opportunity to rectify it. That the Honorary Minister has not done to date. He knows he is not right.

The Honorary Minister: The hon. member might show in what way I have misled the Chamber or was incorrect.

The CHAIRMAN: The hon. member will qualify what he said or I will ask him to withdraw.

Hon. C. F. BAXTER: The statement of the Honorary Minister was that provision had been made on the Estimates for £115,000 for the purposes of the Bill, and I say that no such provision has been made. That statement has not been corrected. The recommendations of the select committee are equitable. No matter what amount of salary

men may receive, they have responsibilities accordingly. When the original legislation was submitted to Parliament, it was accepted on the understanding that all should suffer equally, and they were suffering equally until the Financial Emergency Tax Bill was passed, when those on the higher salaries were slaughtered. Even if that were not so, the select committee are fortified by the fact that they propose to treat everybody on the same basis. As there have been 21 speeches on the Bill, I shall not occupy more time. I support the select committee strongly, because it is the only reasonable way in which to do justice to the whole of the Government employees instead of to one small section.

Hon. J. J. HOLMES: If the Honorary Minister desires a postponement to enable him to consider the position, it is a matter for the Leader of the House to decide. My object is to finalise the measure as soon as we can. As to the four per cent. reduction in the cut, we obtained no reliable information until after the report had been sent to the printer to-day. I do not know that that affects the position regarding the four per cent., because I assume that sooner or later the Bill will go to a conference of managers and they will have the figures which we did not have.

The CHAIRMAN: The hon. member must not assume that that will be done.

Hon. J. J. HOLMES: Using round figures the Government propose to give back £120,000 per annum to one section of the community. We ascertained that the cut as originally enacted saved the Treasurer £360,000 a year. Now it is proposed to give back one-third of that amount to one section of the civil servants. On the face of it, it would appear that the reduction of the cut should be six per cent. and not four per cent. The original cuts were 18, 20, and 22½ per cent., and to restore one-third would represent six per cent. But there are complications. A special grant of £20,000 has been made to rectify anomalies on the goldfields and £18,000 has been provided for other purposes. Owing to the complications, we were forced down to four per cent., which we considered would be covered by the £120,000. There is information that might vary that computation, but it can be brought up at a later stage. I wish to correct the Minister. He said that the man receiving £200 would be benefited £8 a year, and the

man receiving £1,000 would be benefited £40. The amendment proposes that the 18 per cent. cut shall be reduced to 14 per cent., the 20 per cent. cut reduced to 16 per cent., and the 22½ per cent. cut reduced to 18½ per cent. Thus the higher grade men would still be carrying a penalty of 4½ per cent. compared with the lower paid men.

The HONORARY MINISTER: Everything Mr. Holmes has said bears out my contention. The proposed alteration in the percentage reduction is four per cent. An officer on £200 would therefore receive a benefit of £8 a year, whereas an officer on £1,000 would receive a benefit of £40 a year. We have only a limited amount of money available and we proposed to place Government servants as nearly as possible in the same position as that in which we desire to place private employees. To do that we had to arrive at a figure, which was fixed at £293 per annum. We say that this Bill represents an instalment. We are endeavouring to wipe out the emergency cuts, and as the financial position of the State improves, so will we be prepared to consider officers in receipt of higher salaries. I can only repeat what I have said many times, that the basis on which the Government have worked is considered equitable, and the estimate submitted is as accurate as we could possibly get it. The £115,000 would apply to a full year, but for the remainder of the current financial year, the maximum amount involved would be £60,000, which includes an amount for rectifying various anomalies, as well as provision for other matters affected by the Bill. I submit that the amendment is nothing like as fair as is the Government's proposal. Mr. Baxter suggested that I had made some statement that should be corrected. I have no statement to correct. I stand by everything I have said. The hon. member must know that when estimates are prepared, they do not represent the final figures. The estimates of revenue and expenditure must vary from time to time. The statement I have made regarding the Treasurer having taken into consideration the question of the emergency cut when preparing his Estimates still stands. I have nothing to withdraw, and I have not attempted to mislead the House.

The CHAIRMAN: Order! I think Mr. Baxter withdrew the imputation.

The HONORARY MINISTER: Well, I wish to make it particularly clear.

The CHAIRMAN: I hope the hon. member will not allude to something that has been withdrawn.

The HONORARY MINISTER: Whether the percentage be 2, 4 or 6 per cent. does not affect the policy of the Government. I do not propose to occupy time in discussing particular rates. I have made the position of the Government clear. I am as anxious as is any member to reach finality, and the Government desire to know as early as possible where they stand.

Hon. E. H. H. Hall: Did the Honorary Minister say that no civil servant receiving less than £293 per annum would derive any benefit from the Bill?

The HONORARY MINISTER: With a view to treating the lower-paid civil servants in the same way as we are endeavouring to treat employees in private industry, we had to arrive at a particular figure representing the annual salary, and that figure was fixed at £293. Public servants who were receiving £293 or less on the 30th June, 1930, will be excluded from the operations of the Act. Those who were receiving a higher salary than £293 on that date will be considered by the Government when the financial position improves.

Hon. Sir EDWARD WITTENOOM: Last year the Government increased the 4½d. tax in the pound to 9d. It seems inconsistent that they should now be bringing down a Bill to give certain sums of money to certain people. I suppose, if this Bill is thrown out, the Government will bring down a tax of 3s. in the pound instead of 9d.

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

Ayes	..	..	..	18
Noes	..	..	..	7
Majority for				11

AYES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. H. V. Piessé
Hon. L. Craig	Hon. E. Rose
Hon. J. T. Franklin	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. O. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. J. Nicholson

(Teller.)

NOES.

Hon. J. M. Drew	Hon. R. G. Moore
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. A. M. Clydesdale
Hon. W. H. Kitson	

(Teller.)

AYR.	PAIR.	No.
Hon. E. H. Harris		Hon. C. B. Williams

Amendment thus passed.

Hon. A. THOMSON: I presume the select committee realised that the Government were determined upon expending £115,000 in restoring cuts in salary, and felt that it should be spent in a manner that would restore the cuts on an even basis. Many hundreds of men are to-day unable to pay rent or buy sufficient food and clothing for their families. This money ought to be going to them.

The CHAIRMAN: The better time for the hon. member to deal with such matters is on the third reading of the Bill.

Hon. H. SEDDON: I move an amendment—

That the following paragraph be inserted after sub-paragraph (iii.) of paragraph (d):—“Where the salary of an officer is payable at piece work rates under the provisions of any award or industrial agreement made under the Industrial Arbitration Act, 1912-1925, or under the provisions of any other award, determination or agreement in force at the commencement or during the continuance of this Act, such piece work rates shall be reduced by sixteen per centum.”

The intention of this amendment is to restore the provision contained in the original Bill.

Hon. G. W. MILES: The recommendation of the select committee places me in an awkward position. I am opposed to the restoration of any cuts to members of Parliament, and I am also opposed to restoring cuts to members of the Civil Service.

Hon. T. Moore: You can vote with us.

Hon. G. W. MILES: If I vote with the Labour Party, I shall be in a worse position than ever.

Hon. J. J. HOLMES: The hon. member need not be concerned. He can leave the four per cent. addition to his salary in the Treasury.

Hon. G. W. Miles: Yes, and allow you to collect your increase!

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

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

AYES.	AYES.
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Piessé
Hon. L. Craig	Hon. E. Rose
Hon. J. T. Franklyn	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. V. Hamersley
Hon. W. J. Mann	(Teller.)

NOES.	NOES.
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. G. Fraser
Hon. W. H. Kitson	(Teller.)

AYR.	PAIR.	No.
Hon. G. W. Miles		Hon. C. B. Williams

Amendment thus passed.

Hon. J. J. HOLMES: I move an amendment—

That the following be inserted to stand as subparagraph (v.) of paragraph (d) of Sub-clause 1:—“No variation in the basic wage shall affect the rate of salary of an officer unless such variation reduces the basic wage by an amount exceeding sixteen per centum of the amount of the basic wage declared as at the 30th day of June, 1930.”

Hon. H. SEDDON: The object of this amendment is to protect an officer against any further reduction until the full amount of the emergency reduction has been absorbed.

Amendment put and passed.

Hon. J. J. HOLMES: I move an amendment—

That the following be inserted to stand as subparagraph (vii.) of paragraph (d) of Sub-clause 1:—“Where the application of the provisions of Subsection 1 of this section would result in the rate of salary of an officer classified in one grade being reduced below the rate of salary (as reduced under this Act) of an officer classified in a lower grade, then, in such case the rate of salary of such first-mentioned officer shall not be reduced below the said rate of salary of such last-mentioned officer.”

Hon. H. SEDDON: As it is proposed to delete certain portions of Clause 6, this provision is being restored in order to serve the purpose of the Government, to overcome any anomalies which might arise with respect to salaries.

Amendment put and passed.

Hon. J. J. HOLMES: I move an amendment—

That Subclause 4 be struck out.

Hon. H. SEDDON: The paragraph which Subclause 4 was intended to replace having been restored to the Bill, this deletion is proposed.

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

Clause 7—Superannuation and retiring allowances to be reduced:

Hon. J. J. HOLMES: I move an amendment—

That in paragraph (iii.) of the proviso to Subclause 1 the word "vary," in line 3, be struck out and "decrease" inserted in lieu, and the word "variation," at the end of the paragraph, be struck out, and "decrease" inserted in lieu.

The retention of the words "vary" and "variation" would empower the Government to vary any pension either upwards or downwards. I do not think that was ever intended. The amendment merely clarifies the position. Under it the Government will be able to vary lower-grade pensioners so as to give an increase, but will be unable to reduce higher-grade pensioners below the amounts originally granted.

The HONORARY MINISTER: While raising no objection to the amendment, I wish to correct the hon. member. The Bill does provide a maximum reduction, and therefore it would not be possible for the Government to make financial emergency cuts in pensions any higher than the percentages already prescribed in the Bill for salaries. The Government took power so to vary percentages that where a case of hardship arose on account of the smallness of the pension, it would be possible for them to restore some portion of the cut in accordance with the prescribed percentages.

Amendment put and passed.

Hon. J. J. HOLMES: I move an amendment—

That a further paragraph be inserted as follows:—" (iv) No superannuation or retiring allowance shall be reduced under this Part below a rate of £185 per annum in the case of any male person or a rate of £100 per annum in the case of any female person."

This, I am sure, will appeal to almost all members. Until I went into the figures, I was not aware of the extent to which the people affected had suffered. Under the original Act we provided that no male person receiving under £185 and no female receiving under £100 should suffer any cut. When we come to the pensioner on £50, we find that he has £9 taken off, whilst a pensioner receiving £25 has £4 deducted. The

amendment will have the effect of putting the pensioners on the same basis as the salaried officers drawing pensions.

The HONORARY MINISTER: While I agree with the principle enunciated by Mr. Holmes, I am wondering whether the select committee really took into consideration the amount of money that will be involved. I draw attention to the fact that estimates I submitted on behalf of the Government included an amount which it is estimated would be reached by adjusting matters of this kind.

Hon. L. B. Bolton: You provided nothing for pensioners.

The HONORARY MINISTER: I have made the statement on several occasions that the Government were taking power in the Bill to adjust the cases of those pensioners who were suffering undue hardship. The original Act made it mandatory that all pensions should be subject to the cut. The present Government included a clause in its Bill which gave the Governor power to so adjust these particular pensions as to get away from any hardship that had been inflicted by the Act. The only thing I am afraid of is that the select committee has not taken into consideration what the amendment is likely to cost. We have heard nothing from them to that effect. Some pensioners are receiving fairly high amounts. The amendment provides that no pension below £185 in the case of a male and £100 in the case of a female shall be subject to the cut. As I have said, the principle is sound but there are other factors to be considered, and the Government should be given credit for having taken power in the Bill presented to this House to adjust those cases where extreme hardship is being experienced. I shall not oppose the amendment, although I am afraid the amount that will be involved will be larger than the select committee appreciates.

Hon. J. J. HOLMES: The whole of the figures submitted by the Treasury officials to the department are approximate, and nothing but an approximate estimate could be arrived at.

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

Clause 8—agreed to.

Clause 9—Application of this Part:

Hon. J. J. HOLMES: If hon. members will refer to the select committee's report, they will find that we propose to delete this clause because we think it should not be complicated with the financial measure; we think that the subject matter of the clause should be dealt with in a separate Bill.

The HONORARY MINISTER: The hon. member's remarks are illogical in view of the discussions we have had in this Chamber, covering many hours, dealing with another section which it is proposed to re-insert in the Bill. The hon. member says this clause, dealing with mortgage interest, should find no place in the Bill before us because it has nothing whatever to do with Government finance.

Hon. J. J. Holmes: Little, if anything, to do with it.

The HONORARY MINISTER: I do not wish to misrepresent the hon. member because the case is strong enough without the necessity to exaggerate. During the debate on this Bill and on the previous Bill we heard a lot about the Premier's Plan, and several members were very much surprised at the Government's desire in respect of Part V. of the Financial Emergency Act. Now the select committee submit a recommendation that Clause 9 should be deleted, and included in another measure, although it was part and parcel of the Premier's Plan, whereas Part V. of the old Act was not part of the Premier's Plan. Rather was it opposed to the Premier's Plan, and yet it found a place in our emergency legislation. What is more, it has no connection whatever with Government finance. So the attitude of the select committee in this regard appears to be wholly illogical. From that point of view, if for no other, I shall oppose the select committee's proposal. I cannot see how the select committee can argue on the lines submitted by Mr. Holmes and present amendments which would have the effect of including in the Bill the section of the old Financial Emergency Act which does not affect Government finances, and which was not part and parcel of the Premier's Plan.

The CHAIRMAN: I remind the Committee that this and the other amendment will go to another place and there may be agreed to or disagreed to. If this amendment goes

to another place and it is agreed to there, that may be the end of it. Then it will rest with the Government whether they introduce as a separate measure the clause which has been deleted.

Hon. J. J. HOLMES: In reply to the Honorary Minister, I would point out that we had a Rents Reduction Bill, which was separate from this legislation, and also the Mortgagees' Rights Restriction Bill.

Hon. T. Moore: Which did not restrict.

Hon. J. J. HOLMES: We also had a separate Bill dealing with the salaries of judges and members of Parliament, and for the life of me I cannot see why we should not have a separate Bill dealing with mortgages.

The CHAIRMAN: The principle governing Part V. will be decided on Clause 9, and if members vote against Clause 9, other relative amendments will be consequential.

Hon. J. J. HOLMES: I do not know whether the Honorary Minister can deal with the point I raised regarding the proposal to strike out this clause on the assumption that the Government will introduce a separate Bill dealing with mortgages. It is a matter of policy over which we have no control. I would like to know what the position is before the Committee vote on the clause.

The HONORARY MINISTER: I cannot answer that question. I have advised members that every Government measure must have the support of Cabinet before it is introduced. The Government have not had an opportunity to consider this particular point. We are quite content to let the matter remain where it is. As I indicated previously, I oppose the recommendation of the select committee. The clause is most important and is more far-reaching perhaps than any other clause.

Hon. J. J. Holmes: If it will simplify matters and hasten the end, we will leave the clause in.

Clause put and passed.

Clauses 10 to 17—agreed to.

Postponed Clause 3:

The CHAIRMAN: It will be necessary for the consideration of Clause 3 to be further postponed until after the consideration of the proposed new clauses.

The HONORARY MINISTER: I move—

That the consideration of Clause 3 be further postponed until after the consideration of the proposed new clauses.

Motion put and passed.

Postponed Clause 5--Computation of salary:

The CHAIRMAN: An amendment was moved to strike out "twenty" in line 12 and insert in lieu the word "sixteen."

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

Proposed new clauses:

The HONORARY MINISTER: I move—

That consideration of the proposed new clauses be postponed until after the consideration of the Schedule.

Motion put and passed.

Schedule:

Hon. J. J. HOLMES: I move an amendment—

That under the heading of "Rate of Reduction" "eighteen" in line 1 be struck out and the word "fourteen" inserted in lieu; "twenty" in line 2 be struck out and the word "sixteen" inserted in lieu, and in the third line "twenty-two pounds ten shillings" be struck out and "eighteen pounds ten shillings" inserted in lieu.

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

Sitting suspended from 4.25 to 4.53 p.m.

Hon. J. J. HOLMES: I move—

New Part:

That the following be inserted to stand as Part V.:

Part V.—Variation of Contracts of Service.

Division 1.

Application of this Division.

Ibid. s. 11.

9. This Division shall apply only to the particular contracts of service hereinafter mentioned which were existing at the commencement of the Financial Emergency Act, 1931, and are existing at the commencement of this Act.

Contracts of service may be varied by the employer in certain cases.

Ibid. s. 12.

10. (1.) In any case where an annual or other periodical grant payable to any body or person is reduced by the Treasurer under the authority of this Act, and there is any con-

tract of service subsisting between such body or person and any employee of such body or person it shall be lawful for the employer by notice in writing to reduce each periodical payment of salary, wages, or other remuneration payable to such employee under his contract of service by such amount as the employer may determine, but in any event not exceeding an amount which bears to the full amount of such periodical payment the same proportion as the amount of the reduction of the grant made by the Treasurer as aforesaid bears to the full amount of such grant.

(2.) This section shall apply notwithstanding anything to the contrary contained in the contract of service or in any other Act, regulation or by-law, or in any industrial award or industrial agreement made under the provisions of the Industrial Arbitration Act, 1912-1925, or in any other award, agreement, classification, or determination other than an award or agreement or determination under the law of the Commonwealth:

Provided that no employee shall have his remuneration reduced hereunder below the amount to which it would be reducible if he were an officer in the public service; and provided further, that except with the previous sanction of the Court of Arbitration no reduction in the remuneration of any employee shall be made hereunder which is at variance with any industrial award or agreement applicable to such employee, but it shall be lawful for the employer to make application for such sanction to the said court at any time.

Effect of variation by employer.

Ibid. s. 13 (1).

11. (1.) When an employer exercises the power conferred by section ten of this Act, the contract of service shall be varied accordingly.

(2.) Such variation shall continue during such time as the employer may determine, but shall not in any event continue for any longer period than that during which the grant payable to the employer continues to be reduced by the Treasurer.

(3.) During the continuance of such variation it shall not be lawful for the employee as against the employer to demand, sue for or enforce any payment of salary, wages, or remuneration greater than that fixed by such variation.

Division 2.

Awards and agreements may be varied.

Ibid. s. 14.

12. (1.) Any employer, other than a body or person referred to in section ten of this Act, who is subject to the provisions of the Industrial Arbitration Act, 1912-1925, and any amendments thereof or who is bound by any award or industrial agreement made under the provisions of the said Act or any amendment thereof, and who is employing employees at a salary, wage, or remuneration which is fixed either directly or indirectly by

any such award or industrial agreement may, notwithstanding any provision of the said Act or any amendment thereof, or of any award or industrial agreement made thereunder to the contrary, at any time within twelve months after the commencement of this Act, and either by himself or through any industrial union or industrial association of employers of which he is a member, by notice in the prescribed form apply to the Arbitration Court for a variation of the award or industrial agreement by which he is bound as aforesaid as regards the terms and conditions relating to rates of salary, wages, or remuneration prescribed or fixed thereby. For the purpose of this section "industrial agreement" includes an agreement made with any body of workers, and "industrial union" includes any such body of workers:

Provided it shall not be competent for the court to deal with more than one application affecting the same employees during the currency of this Act unless after granted special leave, and in no case shall more than one order for reduction be made.

(2.) A copy of such notice shall be served by the applicant upon the industrial union concerned in such application as prescribed.

(3.) Upon receipt of the notice the court shall appoint a day for hearing the application not less than fourteen days after the receipt of the notice, but otherwise as soon thereafter as possible, having regard only to other specially urgent matters then pending in the Arbitration Court, and shall cause not less than seven days' notice thereof to be given in the prescribed form to the applicant and to the respondent.

(4.) On the hearing of the application the parties concerned may appear either personally or by their agents in accordance with the provisions of the Arbitration Act, 1912-1925.

(5.) If, on the hearing of the application the court is satisfied that the national emergency with which the State is faced justifies it in making an order for a reduction of rates of salary, wages, or remuneration prescribed in the award or industrial agreement in relation to which the application is made so as to bring them into accord with the reductions authorised under Part II. of this Act, the court may, notwithstanding the provisions of the Industrial Arbitration Act, 1912-1925, or any amendment thereof, or of any other Act or of any award or industrial agreement made thereunder or of any declared basic wage to the contrary, make an order that the award or industrial agreement in respect whereof the application is made shall forthwith be varied so that the rates of salary, wages, or remuneration therein prescribed shall be reduced in accordance with the provisions of Part II. of this Act and the rates prescribed in the schedule hereto.

(6.) Where on any application for a variation of an award or industrial agreement as aforesaid the court is of the opinion that the same principles which have already been applied by it to a previous application under

this section may properly be applied to such application, the court may make its order without hearing further evidence or argument.

(7.) No order shall be made for payment of costs.

(8.) Every order made by the court under this Act shall be final and conclusive.

Effect of order.

Ibid. s. 15.

13. (1.) An order made by the Arbitration Court under the authority of section twelve of this Act shall have effect according to its tenor.

(2.) When the court has made an order as aforesaid, the award or industrial agreement in relation to which the order is made shall forthwith be varied accordingly, and notwithstanding the provisions of any other Act or regulation, or of the said award or industrial agreement, it shall not be lawful for any employee to whom the said order relates to demand, sue for, or enforce as against the employer in whose favour the order is made payment of salary, wages or remuneration at a rate in excess of that payable under the award or industrial agreement as varied by the said order whilst the same remains in force.

(3.) Any order made by the court as aforesaid, and any variation of an award or industrial agreement made thereby shall have effect only during the continuance of this Act: Provided that, by special leave of the court, an industrial union may apply at any time for the cancellation or variation of any such order.

Division 3.

Contracts of service may be varied by a Commissioner.

Ibid. s. 16.

14. (1.) Any employer other than a body or person referred to in section ten, or an employer referred to in section twelve of this Act, who is employing any person or class of persons under a contract of service, or in pursuance of any agreement to which the employer is a party, may at any time within twelve months after the commencement of this Act, by notice in the prescribed form, apply to a Commissioner appointed for the purposes of Part VI. of this Act for an order that the salary, wages, or remuneration payable to the employee or class of employees of such employer may be reduced in accordance with the provisions of Part II. of this Act relating to officers, and in accordance with the rates of reduction prescribed in the schedule to this Act.

(2.) A copy of such notice shall be served as prescribed upon the employee or the other party to the agreement hereinbefore mentioned, on behalf of the class of employees concerned in the application.

(3.) Upon receipt of the notice the Commissioner shall appoint a day for hearing the application not less than fourteen days after

the receipt of the notice, but otherwise as soon thereafter as possible, and shall cause not less than seven days' notice thereof to be given as prescribed to the applicant and to the respondent.

(4.) On the hearing of the application the parties concerned may appear either personally or by their agents or solicitors.

(5.) If, on the hearing of the application, the Commissioner is satisfied that the national emergency with which the State is faced justifies him in making an order for a reduction in the rate of salary, wages, or remuneration payable to the employee or class of employees in relation to which the application is made so as to bring them into accord with the reduction authorised under Part II. of this Act, the Commissioner may make an order that, notwithstanding the provisions of any other Act or regulation or of any contract of service or agreement to the contrary, the rates of salary, wages, or remuneration of the employee or class of employees to which the application relates may be reduced in accordance with the provisions of Part II. of this Act, and in accordance with the rates of reduction prescribed in the schedule to this Act.

(6.) Every order made by a Commissioner under this Act shall be final and conclusive.

Effect of order.

Ibid. s. 17.

15. (1.) An order made by a Commissioner under the authority of section fourteen of this Act shall have effect according to its tenor.

(2.) When the Commissioner has made an order as aforesaid, the rates of salary, wages, or remuneration of the employee or class of employees to which such order relates shall be reduced accordingly, and it shall not be lawful for any employee to which the said order relates to demand, sue for, or enforce as against the employer in whose favour the order is made, payment of salary, wages, or remuneration in excess of that payable by the employer under the authority of such order whilst the order remains in force.

(3.) Any order made by a Commissioner as aforesaid, and the reduction of the rate of salary, wages, or remuneration of employees allowed thereby, shall have effect only during the continuance of this Act:

Provided that, by special leave of the Commissioner any order made against any person may, on that person's application be varied or cancelled.

Division 4.

Orders, etc., made under expired Act to continue in force.

16. All orders, acts, matters, and things which, on the 31st day of December, 1933, were in force, pursuant to Part V. of the Financial Emergency Act, 1931, shall, in so far as not inconsistent with this Part, continue operative as if this Part had been in force when they originated and they had originated thereunder.

Hon. J. NICHOLSON: I would point out that the select committee in their report said:—

Your committee has given most serious consideration to the position affecting private employment, and in this connection evidence was submitted which convinced your committee of the wisdom of re-introducing what was Part V. in the Financial Emergency Act of 1931. It has to be borne in mind that whilst the Government propose by the Bill to restore only one-third of the total amount of the original deductions, the effect of omitting Part V. from the Bill imposes upon employers in private industry an obligation to pay or restore the total deductions. This is a most inequitable burden on private industry, and in view of the efforts which have been made in recent years by the manufacturers in Western Australia to combat competition from the Eastern States and elsewhere, it is felt by your committee that the omission of Part V. will be attended with disastrous results to private industry with consequent increased unemployment. This position is, in the opinion of your committee, liable to be brought about by the fact that the added burden to private industry will increase the cost of production of our local manufactures as against manufactures in the Eastern States where it has been shown that lower wages and costs prevail.

Then there are, taken from the evidence, certain figures supplied by the Government Statistician. An instance is also given by the committee in regard to the Perth City Council as follows:—

The Perth City Council provides an example of the effect of deleting Part V. Certain employees are subject to an award of the Arbitration Court which may be varied on application to the court whenever any alteration is made in regard to deductions under the Financial Emergency Act, and at present an application is pending before the court. The seriousness of the position to the City Council can be realised from the fact that the annual increase in wages and salaries, if present deductions are restored, would amount to no less a sum than £3,352, while the revenue of the Council has diminished by a sum of £61,000 between the years 1930 and 1933.

Also members will see in the evidence given by Mr. Carter, representing the Employers' Federation, that he refers to other instances, one where a manufacturing industry would suffer to the extent of £3,000 per year, and another to the extent of £2,000 per year. In the light of those facts, the select committee feel they are only trying to save the industries of the State. I hope the Committee will agree to the amendment.

The CHAIRMAN: It is customary to put new clauses separately, but since the amendment deals with a new Part, and the constituent clauses bear one upon another, I propose taking them as a group.

Hon. E. H. GRAY: On a point of order. The amendment is in contravention of Standing Order 191, for it is not relevant to the subject-matter of the Bill. In this opinion I am fortified by the preamble of the Bill, which states that its object is the carrying out of a plan agreed on by the Commonwealth and the States—the Premiers' Plan. But no other State included provisions of this character in its financial emergency legislation.

Hon. J. J. Holmes: They were in the original Act.

Hon. E. H. GRAY: But that Act is dead and gone. It is not competent for this committee to insert this amendment. I ask for a ruling.

Hon. J. NICHOLSON: Mr. Gray raises the point whether or not the amendment is in conformity with the Title of the Bill. If the hon. member will refer to that Title he will see that its closing words are "and restoring industrial and general prosperity." The amendment is a restoration of Part V. In the light of the evidence given before the select committee, the restoration of that Part will undoubtedly help to re-establish industrial and general prosperity, whereas the omission of the Part will have an opposite effect, and may prove disastrous to the industries of the State. Even the preamble contains a reference to the subject-matter of the amendment, and there is no question as to the amendment being in accordance with the Title of the Bill.

Hon. C. F. BAXTER: I agree with Mr. Nicholson. The Bill itself refers to wages, interest and so forth. The amendment would be out of order if it were foreign to the subject-matter of the Bill, but that is not the case. Part V. has been part and parcel of an Act of Parliament for two years, and therefore is not new. The re-enactment of the Part will tend to restore stability.

Hon. L. B. BOLTON: I support Mr. Nicholson's view. The hon. member suggested that the figures of the Government's Statist are illuminating. I find them astounding. The output of our factories for 1929-30 represented a value of £16,891,482. This amount fell in 1931-32 to £11,187,571. Over the same period wages fell from £4,451,898

to £2,863,547. The slight increase now taking place in the output of our factories results from the operation of Part V. I earnestly appeal to the Government to give the matter further consideration before opposing the re-enactment of Part V.

The CHAIRMAN: Does Mr. Gray desire to press his point?

Hon. E. H. Gray: Yes, Sir.

The CHAIRMAN: Before I decide whether or not the proposed new clauses are admissible, I wish to say that, in my considered opinion, Standing Order 191 has no bearing whatever on the Title or preamble of the Bill. The preamble is merely a recitation of what follows. I want hon. members to get away from the aspect of technicalities, and to view the position from a common-sense ground. In 1931 hon. members had practically the same clauses before them in a Bill, and they also had the same Chairman. At that time no question was raised as to the relevancy of the clauses in question. As your Chairman I consider it my duty to point out, during the progress of the various clauses, whether in the opinion of the Chairman a clause or an amendment is relevant. To ask me now to disallow something to which no exception was taken in 1931 is tantamount to asking the Chairman of Committees to move a vote of censure on himself. The House referred this Bill to a select committee. The select committee have inquired. Whether the Chairman says that a new clause should go in or should go out, really goes for nothing. I fail to see how I can disallow the present amendment when I did not take any exception to the same matter on the occasion of its being before the Chamber previously.

Hon. L. B. BOLTON: Much has been made by Government representatives of the fact that this is the only Australian Parliament which has interfered with the Arbitration Court. However, I contend that this Parliament did not interfere with the operations of the Arbitration Court at all. It merely gave the Arbitration Court additional powers. In every instance where advantage was taken of Part V., such advantage was taken, and could only be taken, through the Arbitration Court. This Parliament had nothing to do with the matter beyond giving the Arbitration Court the additional power. Employers had to go to the court in order to secure the application of Part V. to their business.

The Honorary Minister: That is not strictly accurate.

Hon. L. B. BOLTON: That is how I view it. Part V. is vital to the industries of the State. To force the proposed increases on the industries at a moment's notice is a most serious matter, especially as our industries are just recovering and beginning to combat some of the Eastern States and foreign competition.

The HONORARY MINISTER: I have repeatedly indicated to the Chamber where the Government stand in regard to the proposed new clauses. We look upon the matter as vital, and we cannot agree to the amendment. Under no circumstances can I accept the insertion in this Bill of Part V. of the expired Act. I wish to draw the particular attention of hon. members to a portion of the extract from the select committee's report read out by Mr. Nicholson when moving the amendment. That portion is as follows:—

It has to be borne in mind that whilst the Government propose by the Bill to restore only one-third of the total amount of the original deductions, the effect of omitting Part V. from the Bill imposes upon employers in private industry an obligation to pay or restore the total deductions. This is a most inequitable burden on private industry, and in view of the efforts which have been made in recent years by the manufacturers in Western Australia to combat competition from the Eastern States and elsewhere, it is felt by your Committee that the omission of Part V. will be attended with disastrous results to private industry, with consequent increased unemployment.

That assertion has been made here previously, and I have endeavoured to controvert it. Apparently the select committee have taken no notice of my arguments.

Hon. J. J. Holmes: We could only go by the evidence before us.

The HONORARY MINISTER: Therefore I reiterate my previous advice to the Chamber. The Bill does not require private industry to do any more than the Government propose to do. The select committee are certainly misleading the public by including a statement of that kind in the report.

Hon. J. J. Holmes: Is the Honorary Minister in order in saying that the select committee are misleading the public?

The HONORARY MINISTER: If the hon. member objects to the remark, I withdraw it. The statement in the report does

not coincide with the position as I understand it. The Bill provides that all employees of the Government subject to Arbitration Court awards and agreements shall be exempt from emergency legislation. We propose that employees of private industry, subject to Arbitration Court awards and agreements, shall be exempt, so there is no difference in that respect. The Government go further and say that employees of the State not subject to Arbitration Court awards or agreements who were receiving a salary not exceeding £293 on the 30th June, 1930, shall also be exempt, but they do not make similar provision regarding employees in private industry. Therefore the reverse of what appears in the report is the actual position. The Government are prepared to go to the extent of the figures quoted, and are not asking private enterprise to do anything whatever for their employees not subject to arbitration awards or agreements. How can it be said, then, that the Government desire to place a burden on private industry that they are not prepared to accept in respect of their own employees? Many employees in private industry have suffered heavier cuts than 20 or 22½ per cent., and have not come within the scope of emergency legislation, and the present Bill will not affect them. The report refers to the disastrous effects on private industry, and Mr. Bolton said the figures obtained from the Government Statistician were astounding.

Hon. L. B. Bolton: So they are.

The HONORARY MINISTER: We have been passing through a period of depression during which there has been a reduction in the output of factories. That applies throughout the world. Let me quote the following figures, certified by the Government Statistician, showing the margin per £100 of profit and other charges of secondary industries in Western Australia:—

1921.	1925-26.	1931-32.
£13	£14 2s.	£18 6s.

Thus the increase was £4 4s. compared with 1925-26, and £5 6s. compared with 1921. Those are the facts we ought to consider—not the bald statement of output, but the margin of profit that manufacturers are receiving.

Hon. A. Thomson: Is that shown in income tax returns?

The HONORARY MINISTER: I imagine it should be.

Hon. H. Seddon: Will you tell us what other charges are included in those figures?

The HONORARY MINISTER: I cannot give that information.

Hon. J. J. Holmes: The fact remains that the output of factories has gone down £5,000,000.

Hon. H. Seddon: You know that overhead charges are meant.

The HONORARY MINISTER: I do not. The other items disclosed by the "Statistical Register" include material, fuel, light, replacement of machinery, and salaries and wages. When we find that the difference between 1921 and 1931-32 is £5 6s. per £100, it throws an entirely different light on the figures quoted by the select committee.

Hon. V. Hamersley: Do those figures include bad debts?

The HONORARY MINISTER: The committee should have considered the whole of the facts and not put forward a set of figures to show a serious diminution in the output during the depression period.

Hon. T. Moore: As there has been all over the world.

Hon. J. J. Holmes: If you read further on in the report, you will find that we noted an improvement at a later date.

The HONORARY MINISTER: I have not had time to consider the whole of the report. I fail to see how any member can twist the statistician's figures to show that the omission of Part V. would mean that private industry here would be unable to compete with Eastern States' manufacturers.

Hon. H. J. Yelland: Does it not follow that the profits have been higher because of a lower turnover?

The HONORARY MINISTER: If the hon. member had been in business, he would not subscribe to that.

Hon. J. J. Holmes: I do not think the figures will get us anywhere.

Hon. L. B. Bolton: The Honorary Minister's point was not worth making.

The HONORARY MINISTER: From my angle it is a valuable point. I cannot accept the proposal, and it would be a waste of time to discuss any alteration of

it. I oppose as strongly as possible the suggestion to include Part V. of the 1931 Act in the Bill.

Hon. C. F. BAXTER: Beyond stating that the Government are adamant in their opposition to the inclusion of Part V., the Honorary Minister has not assisted us very much. The figures he quoted prove nothing. We are concerned with the output because that means employment. We know well that since the Arbitration Court made reductions, there has been a wonderful improvement in certain industries. Time after time it has been stated that Part V. overrode the Arbitration Court. Nothing could be further from the truth. The figures quoted by the Honorary Minister cannot stand against the evidence submitted to the Arbitration Court when it considered the various applications. Hundreds of cases were referred to the court until the Full Court finally ruled that one decision in a given industry would be sufficient to govern the whole industry. Applications for relief had to be made within 12 months of the commencement of the Act, and thus employers were restricted. The Arbitration Court had much more information to guide it than the Government Statistician was likely to have.

The Honorary Minister: All the more reason why we should leave the matter to the court.

Hon. C. F. BAXTER: That is what Part V. proposes. The court made exhaustive inquiries, and had access to confidential information, and agreed that, to prevent industries going out of existence, relief should be granted. Therefore they made the reductions with a view to sustaining industry and employment. The court inquired into the whole of the industry.

The Honorary Minister: No.

Hon. G. Fraser: It investigated only one firm in each industry.

Hon. C. F. BAXTER: There has not been any over-riding of the court. The employers had only 12 months in which to apply for a reduction, whereas the employees had the door open the whole time to go to the Arbitration Court and get the reductions restored, if they could prove that the condition of the industry warranted it. If Part V. be not agreed to, the objective of many of our industries will be defeated by

the activities of firms in the Eastern States, who are paying lower wages and whose costs generally are lower. If we are to establish industries here we have to protect them. If the court agrees that a reduction should be made, is it not better to have the reduction made rather than see those in the industry lose their employment?

The Honorary Minister: The court has that power now.

Hon. C. F. BAXTER: I should like the Honorary Minister to show where it has that power. I hope the select committee will stand firm in their resolve that private industry must be protected. I am surprised at the attitude of the Government, who know quite well that if the restoration of the old rates is made, industries will go out of existence and additional men will be thrown on the employment market. Some say we have made wonderful progress and are on the road to prosperity, but I cannot see it. It is true that wool has appreciated in value and has thus put money into circulation and, through taxation, is paying more to the pockets of the State. But other industries are languishing. It should be a warning to the Government not to interfere with Acts that have assisted the State through the crisis and will, if let alone, help us back to prosperity. I trust the Government will agree to the insertion of Part V. in the emergency legislation.

Hon. J. J. HOLMES: The select committee have been taken to task by the Honorary Minister for quoting certain figures. He himself quoted certain figures compiled by the Government Statistician. It may surprise him to hear that our figures also were supplied by the Government Statistician.

The Honorary Minister: I was not casting any reflection on their accuracy.

Hon. J. J. HOLMES: When the committee found that there was a drop in the output of our factories from £16,319,482 in 1929-30, to £11,187,571 in 1931-32, they thought it was a fair thing to bring that under the notice of Parliament. The Honorary Minister quoted the percentage of profit, as if that were the only thing that mattered. But he overlooked the point put forward by the select committee that the number of employees in our factories fell from 19,643 in 1929-30 to 15,000 in 1932-33. It shows the fairness of the select committee to the desire of the Government to increase

local production when we read this in the report of the committee—

For the year ended 30th June, 1933, an improvement in local manufactures was noted, and your committee is of opinion that the relief granted under Part V. had an important bearing on this result.

Hon. G. FRASER: The majority of members have their minds made up, and so it is only beating the air to discuss the inclusion of Part V., but I cannot allow to go unchallenged the statement persistently made that under Part V each industry must apply to the Arbitration Court. That is wrong. What happens is that a firm in an industry applies to the court, and if the desired relief be given, then other firms in that industry without going to court are permitted to make the same reduction.

Hon. H. Seddon: That is not correct.

Hon. G. FRASER: It is correct. Millars' Timber and Trading Company employed a baker, and were given relief in respect of that baker, whereupon the whole of the men in the baking industry in the metropolitan area were reduced. Then the Perth City Council sought and obtained a reduction in respect of a bricklayer building a manhole, and in consequence the whole of the men in the bricklaying industry were reduced. When one firm gets relief a common rule is set up, and every firm in the industry gets relief. The only proper thing to do is to make every firm requiring relief approach the Arbitration Court.

Hon. J. J. HOLMES: On the evidence before them the select committee had no option to recommending that Part V. be included in the Bill. With the exception of Mr. Kenafick, representing the railway officers, not one witness from the Labour section came before the select committee to show that any injustice would be done by the inclusion of Part V. The whole of the evidence placed before the select committee was in favour of the insertion of Part V. in the Bill.

Hon. G. FRASER: Could the hon. member give us some information as to the number of employees involved. Let me put it in another way: how many employers were receiving relief under the Act.

The CHAIRMAN: The hon. member should try to find that out for himself.

Hon. G. FRASER: I have made exhaustive inquiries, but could not get the information.

Hon. J. Nicholson: There were 47 orders made.

Hon. G. FRASER: Yes, but that does not mean 47 employers. Not all the employers who obtained relief went before the Arbitration Court, and so it is impossible to trace the far-reaching effects of Part V., so loose is that Part. If it were made compulsory for each employer to go to the court a complete record would be available. At present there is no complete record.

Hon. C. F. Baxter: You denied that when I was speaking.

Hon. G. FRASER: No, I said it was the firm, not the industry, that went to the court. All persons seeking relief under the Act should go before the Arbitration Court.

Hon. L. B. Bolton: They must do that now.

Hon. G. FRASER: That is not so.

Hon. R. G. MOORE: I will support the inclusion of Part V. in the Bill. I am surprised at the statement made by Mr. Fraser, and at the attitude of the Government. The Honorary Minister said that employers could get relief from the Arbitration Court without the inclusion of Part V. in the Bill. Why, then, should he object to its inclusion in the Bill.

Hon. E. H. Gray: Because a number of people should not get relief.

Hon. R. G. MOORE: Mr. Fraser said they could not get satisfaction because of the looseness of Part V. Then why not tighten it up and let the industry go to the Arbitration Court? If the court is convinced that industry is in such a condition as to necessitate relief, it will give it. If it can be proved that the profits are such that no reduction in wages need be made, the court will not grant the relief. Let the court be the final and only instrument to say whether a reduction is made or not. If the measure is loose, surely the Government can tighten it up and prevent abuse. The Honorary Minister says that people can get relief now by going to the court. If that is so, why the objection to putting into the Bill what, he says in effect, will have no effect? I support the inclusion of Part V. in the Bill.

Hon. L. B. BOLTON: I thank the Honorary Minister for the assistance he has rendered to us in our endeavour to have Part V. reinstated in the Act. If he had had some experience of manufacturing, he would not have quoted the figures he did in the way he did. I do not know how I could have

overlooked the arguments he has advanced in favour of our side. It is clear that the smaller the output of any industry, the greater must be the margin.

Hon. J. Nicholson: In order to pay the overheads.

Hon. L. B. BOLTON: Yes. The Honorary Minister has not quoted the profits but the overheads. Almost without exception secondary industries have shown a loss in the last two or three years because of the overheads on an output of £11,000,000 compared with an output of £16,000,000. I do not know what the select committee were thinking of to overlook this valuable point, referred to by the Honorary Minister.

The Honorary Minister: The overheads the hon. member speaks of are included in the other figures, leaving a margin of an increase in the amount of output for profit.

Hon. T. MOORE: The select committee have made a strong point of the evidence submitted on behalf of the City Council. They make out that the City Council will be a tremendous loser by the Bill as it stands.

Hon. J. Nicholson: It is quoted merely as an example.

Hon. T. MOORE: To show the seriousness of the position of the City Council, they say that the annual increase in wages and salaries, if the present reductions are restored, will amount to no less than £3,352, while the revenue of the council has diminished by £61,000. I cannot find that in the evidence.

Hon. J. J. Holmes: It came by letter.

Hon. T. MOORE: Mr. Chapman, acting City Treasurer, was not nearly so emphatic as the select committee. He was asked if the increased cost over a year would be £2,132, plus £1,220, should the employees be successful in their application. The answer was—

Yes, making a total of £3,352. I cannot say it is going to cost the council that; also the heads may not get their £1,220.

In the next question he was asked, "But if they do, it means £3,352," and he answered—

Yes. The council would still be saving, on account of the drop in the basic wage. The council would save £18,460 compared with the rates as at June, 1930, for the basic wage has dropped 17s. 9d., which is £46 3s. for each man of approximately 400 employees.

It is clear that these men have already been subjected to great reductions. The select

committee was not on good ground when it took that evidence on which to base their arguments. If that is the way they have sifted the evidence, I am afraid they have not done it thoroughly. Mr. Holmes played a big part in the framing of the Industrial Arbitration Act, and now he wants to upset that legislation. The Act was working satisfactorily as between the two parties. I hope it will not be affected to the extent that is now proposed.

Hon. J. J. HOLMES: The select committee were to consider what effect the exclusion of Part V. from the Act would have. The information we put in the report as to the amount involved in the case of the Perth City Council is correct. The misunderstanding has arisen because Mr. Moore has not studied all the evidence as we have done. There is provision in the award covering city municipal employees whereby, if the Emergency Act were altered, they had the right to go to the court for an amendment of their award. The figures quoted by the Acting Treasurer show what would be the effect of that. I agree that we should keep our hands off the Arbitration Court.

Hon. T. Moore: And the Act.

Hon. J. J. HOLMES: Strange to say, the Government who are preaching that doctrine have made a lot of concessions behind the court.

Hon. L. B. BOLTON: The Honorary Minister disputed my figures. They were taken from the "Pocket Year Book," which was submitted to the select committee by the Government Statistician. For the year 1929-30, the figures are: Salaries and wages, £4,452,000; fuel consumed, £1,456,000; material used, £7,947,000; margin for profit and other expenses, £3,036,162; total output £16,891,000. These figures prove that "Other expenses" must be greater with the smaller output. In my own case the overheads are more than double what they were, and my margin must be greater.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	7
					—
Majority for	..	..	..	..	10
					—

AYES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. L. Craig	Hon. E. Ross
Hon. J. T. Franklyn	Hon. H. Seddon
Hon. J. J. Holmes	Hon. A. Thomson
Hon. J. M. Macfarlane	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. H. J. Yelland
Hon. G. W. Miles	Hon. V. Hamersley
Hon. R. G. Moore	(Teller.)

NOES.

Hon. A. M. Clydesdale	Hon. W. H. Kitchin
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. E. H. H. Hall
Hon. E. H. Gray	(Teller.)

New clauses thus passed.

Postponed Clause 3—Act divided into Parts:

Hon. J. J. HOLMES: I move an amendment—

That the words "Part V.—Sections 9-14—Reduction of mortgages' interest" be struck out, and "Part V.—Variation of contracts of service" inserted in lieu.

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

Preamble, Title—agreed to.

Bill reported with amendments, and the report adopted.

Third Reading.

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

RESOLUTION—COMMISSIONER OF RAILWAYS.

Appointment of Mr. J. A. Ellis.

Message from the Assembly received and read, requesting concurrence in the following resolution:—

That the appointment by His Excellency the Lieutenant-Governor of Mr. J. A. Ellis as Commissioner of Railways for five years commencing on the 15th January, 1934, in the terms of Executive Council minute laid on the Table of the Legislative Assembly on the 17th January, 1934, be approved.

Sitting suspended from 6.15 to 7.7 p.m.

THE CHIEF SECRETARY (Hon. J. M. Drew) [7.37]: I move—

That the Council concur in the Assembly's resolution.

The object for this resolution is explained by the motion itself, namely, to seek the approval of Parliament to the appointment of Mr. J. A. Ellis as Commissioner

of Railways. Thirty years have elapsed since our railways were placed under the control of a Commissioner, and it is gratifying to think that during that comparatively long period, we have been remarkably fortunate in securing the services of men who discharged the duties of their office with credit to themselves and to the State.

Mr. Evans, the latest of the Commissioners to be retired—as is generally known, his age proved a bar to his re-appointment—was one of the most successful among those who have been entrusted with the high responsibility of administering a system in which the financial interests of the State are involved to a vastly greater extent than in any other Government undertaking. Mr. Evans was called upon to commence his task at a time when the State was on the eve of the most serious financial upset it had experienced since it was founded. He had to do unpopular things and he had to enforce rigid economies. It is a testimony to his character that he was able to accomplish his end without incurring personal displeasure. All realised that his actions were guided by a sound judgment and by a desire to be fair.

The Government were anxious to find a worthy successor to Mr. Evans, and they believe they have found him. Mr. Ellis has a fine record. While in his early teens he commenced his training in England as a civil engineer with the London and North-Western Railway Company, which was engaged in dock and railway construction. He had nine years' experience with this company, and received a good grounding in business methods. He then went to Queensland and joined the railway service of that State. He remained in that service for 16 years, gaining extensive and varied experience in the various branches of the department. He was specially selected to carry out work of a difficult nature and completed it so successfully and satisfactorily that he was granted a bonus of £50 by the Government—something unique in connection with the administration of a Government department.

About seven years ago he applied for and, on the best advice, was appointed to the position of Engineer for Railway Construction in this State. In a testimonial given him by the Chief Engineer of Railways, Queensland, which accompanied his

application for this position, the following tribute was paid to his efficiency:—

His experience has been wide and varied in all matters appertaining to railways, both as regards design and construction, and his methods have always indicated the completion of a sound training. He is a man of strong character and has proved himself an excellent organiser, a tactful controller of labour and a thorough, accurate and reliable engineer of very considerable executive ability.

He fulfilled the duties of his position in Western Australia so ably that he was later appointed Assistant Chief Civil Engineer. During his service in this State, Mr. Ellis has proved himself to be an able and successful executive and administrative officer, with great organising ability and a capacity for handling men. Mr. Ellis has superior qualifications in addition to those I have already indicated. He is a corporate member of the Institute of Civil Engineers of London, and of the Institute of Engineers of Australia. He has held office as chairman of the Western Australian division of that body and is a member of the Western Australian Council. He has lectured in the Universities of Queensland and Western Australia, and has represented the Queensland Government in Arbitration Court proceedings. He is 47 years of age and should be able to discharge the functions of his new office in a manner that will add to his successes of the past, and prove of advantage to the State, if we may judge him by his record. I think that is a very safe basis on which to form a judgment.

HON. H. J. YELLAND (East) [7.45]: I do not propose to oppose the motion, but I wish to make a few remarks upon it. I note with pleasure that the selection has fallen upon one, not because of his seniority in the department but because of his outstanding qualifications. After listening to the Minister's recapitulation of Mr. Ellis's qualifications I have no doubt that the good work expected of him will be accomplished, and I trust we shall not have occasion to deprecate the appointment in the years to come. It is a most important appointment, the control of one of the biggest departments of State, the handling of which entails a duty calling for strict measures and sound judgment. Mr. Ellis will have to be in his office early and late, and it will be a very great

strain upon him. If he carries out his duties to the satisfaction of the Government he will have fully earned his appointment. But a point which might have received closer consideration is the making of such an appointment for a term of five years, and so running the risk of having a Commissioner who does not absolutely fit into the job.

Hon. J. J. Holmes: If I had my way I would take the risk of making it a life appointment.

Hon. H. J. YELLAND: Very often a life appointment gives a man freedom from anxiety as to his possible removal. But when it comes to the appointment of a technical officer as well as administrative officer, there is room for the suggestion that an appointment of, say, two years on probation is a very good line to follow. While I do not for a moment say Mr. Ellis is not capable of carrying out his duties, I think that rule should apply to an appointment such as this, where administrative and technical knowledge and experience are required. I know Mr. Ellis to be a qualified engineer standing high in his profession and I know he is recognised for his academic qualifications as well as his constructional ability, and I have every reason to believe that his experience in England and other places will be used for the benefit of Western Australia. I trust his career will be long and successful and that he will be able to give to the State services of which we shall be justly proud.

HON. W. J. MANN (South-West) [8.50]: I do not intend to oppose the motion, but there are one or two things I should like to say. I am somewhat with Mr. Yelland in thinking that it would be wiser if the new Commissioner had been appointed for a term of two or three years with the right of renewal—provided he showed the necessary capabilities. There is nothing to be said against his professional ability, for everything one has heard—fortified by the eulogies of the Chief Secretary—is in Mr. Ellis's favour. He, however, appears to have had a lack of managerial and administrative office. If we are to have a man to lift the railways out of the position they are in to-day we want the man of sound business judgment and unbounded energy.

Hon. C. F. Baxter: Could a super-man do it?

Hon. W. J. MANN: I do not know that a super-man is necessary; I believe the posi-

tion is not so hopeless as might be suggested by that remark, but I realise there is a tremendous job ahead of any man taking this position. When dealing with the State Transport Co-ordination Bill recently we discussed some of the difficulties the railways are facing. Those of us who live in the farther portions of the State and have to use the railways frequently cannot but be struck with the gradual whittling away of the railway traffic. In the past the charge has been made that the railway administrators have not applied to the position the same business acumen that private enterprise would have applied. We all know it is a difficult thing for the head of a Government concern to do just what he would do if it were his own business. Mr. Holmes said just now that if he had his way he would make the appointment for life. I do not think that if the hon. member were appointing a manager to one of his private concerns he would adopt that attitude. He would take the course of first finding out whether the man was suitable, and then if he found him suitable he might confer upon him a life appointment. I hope the new Commissioner will make one of his first big efforts in attempting to bring back to the railways a lot of the business which unfortunately they have lost. It is very disheartening to see every day lines of motor vehicles carrying all sorts of merchandise into the back country. The other day I saw two big motor trucks each with a trailer and each carrying a load of furniture, apparently shifting some resident's goods and chattels from the metropolis down to the far South-West. The same thing is being done with goods every day. That sort of thing cannot continue and the railways be expected to show a profit. On the administrative side of the railways we have the satisfaction of knowing the State still has the services of Mr. Tomlinson, secretary of the railways, who, I am sure, holds the appreciation of every member of the House. I believe Mr. Tomlinson will render the greatest service to his new chief, and I am of opinion that that can be said for most of the members of the railway executive. The Chief Secretary did not mention the salary to be paid. I do not know that that matters very much, but still that information might be given to the House in order that we might know the actual position. If Mr. Ellis is going to put the

same energy and ability into the administrative side of the railways as he has in his professional capacity his appointment will be justified.

HON. J. J. HOLMES (North) [7.56]: I should not have spoken but for the remarks of the last speaker. I do not know Mr. Ellis, but I know a good many people who have come into contact with him. They all speak very highly of him as a man well qualified to fill the position, and they have no doubt whatever as to the results of his appointment. My reference to life appointments is explained as follows: I was responsible for the present Railway Act, which placed the railways of the State under a Commissioner instead of a general manager. I think I was the last Minister and Commissioner for Railways. We thought we had completed the job by removing the railways from political control. The mistake we committed was that we made the appointment of Commissioner subject to the Ministry of the day. Politics were viewed from an entirely different angle in those days—thirty years ago—and that was the slip we made, namely, that the appointment of a Commissioner from time to time was subject to the Ministry of the day. Now I am taken to task for my reference to a life appointment. If we had a Commissioner appointed for life, he would be free to administer the Act as it was intended he should be. We take exactly the same risk in the life appointments of judges of the Supreme Court, and the Auditor-General and other officials, remembering always that if they do not discharge their duties in a proper manner, both Houses of Parliament have the right to remove them from office. I still adhere to my interjection that a life appointment is the solution of the difficulties of our railways, especially since we have £25,000,000 involved in the railway system. I will support the motion for the appointment of Mr. Ellis, not from personal motives, but because of the good reports I have had on him.

HON. E. H. H. HALL (Central) [7.58]: The Government are to be congratulated on this appointment. I know Mr. Ellis only slightly, but everybody speaks of him in the highest terms. I want to follow up the remarks made by Mr. Holmes who, because

of his association with the railways, speaks from personal knowledge. Not very long ago we appointed magistrates, if not for life, at all events until they reached 70 years of age, and I think that in an appointment so important as that of the Commissioner of Railways, similar lines should be followed. I do not wish to delve into past history, but most members will recall a file that was tabled in this House in which the ex-Commissioner said that he had to take whatever coal the miners liked to supply, and the engine-men would use, and pay for it at the price demanded by the company. A gentleman occupying the position of Commissioner of Railways should not have to do the things of which the ex-Commissioner complained, and he would not be placed in such a position if his appointment were for life. Mr. Mann remarked that we all desired to see the railways regain a considerable amount of the traffic they had lost. If one thing more than another has tended towards the railways losing traffic, it is the omission to revise the rate book. I have discussed the matter with executive officers of the department and they agree that the time for it is overdue. I hope the new Commissioner, although he may not know much about that phase of the business, will get to work and see that the rate book is revised. I congratulate the Government on the appointment, and hope Mr. Ellis will justify the great trust reposed in him.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [8.2]: I am pleased indeed at the reception accorded the motion. Amongst the suggestions made was one by Mr. Yelland that the appointment in the first place should not extend for more than three years. The Government are not responsible for the Act, which lays down that the appointment shall be for five years. No provision is made for a probationary period. Mr. Holmes has cut the ground from under my feet. He was largely responsible for the introduction of the measure under which the Commissioner of Railways was removed from political control. If the appointment were made for three years, the Commissioner would still be under political control and would be looking forward to the renewal of his appointment. A probationary period would really have a worse effect.

Hon. C. F. Baxter: And probably the Commissioner would be accused of inactivity.

The CHIEF SECRETARY: He would not know what to do to avoid incurring the displeasure of the Government. The period, I think, should be not less than seven years. However, that has nothing to do with the matter under discussion. Mr. Mann said that Mr. Ellis lacked administrative experience and what we required was a man of sound business training. That is exactly what Mr. Ellis received in the early part of his career. He joined the service of the London and North Western Railway Company when 15 years of age and received practical training in every branch of the business. He studied for the profession of civil engineering and attained the heights of that profession with great honours. In the first instance he had a sound business training and then he had 17 years' experience of every branch in Queensland. In Western Australia he was not in close touch with railway matters until the transfer of the construction work to the department.

Hon. T. Moore: He has had his mind broadened in the country, too.

The CHIEF SECRETARY: Yes. I have not had much experience of Mr. Ellis, but from what I have seen of him, I have been impressed favourably, and I have heard golden opinions expressed by people in various country districts where he is known. The salary will be the same as that paid to the ex-Commissioner. It is a fixed amount of £2,000 a year, subject to the financial emergency cut.

Question put and passed.

Sitting suspended from 8.7 to 9.7 p.m.

BILL—FINANCIAL EMERGENCY.

Ministerial Statement.

THE HONORARY MINISTER (Hon. W. H. Kilson—West) [9.9]: I desire to make a statement. The Financial Emergency Bill, which this House has been considering to-day, has reached another place; but members of that place have expressed a desire for time to consider the report of the select committee of this Chamber and the evidence on which that report was based. They claim that they cannot intelligently dis-

cuss the amendments made by the Legislative Council unless they have some time for that purpose, and consequently another place is about to adjourn until to-morrow. In view of the circumstances, I suggest that this House at its rising adjourn until 7.30 p.m. to-morrow, when it may be that the Bill will have been dealt with by another place and sent back to us.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.10]: I move—

That the House at its rising adjourn until to-morrow at 7.30 p.m.

Question put and passed.

House adjourned at 9.11 p.m.

Legislative Assembly,

Wednesday, 31st January, 1934.

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

MOTION—COMMISSIONER OF RAILWAYS.

Appointment of Mr. J. A. Ellis.

THE MINISTER FOR RAILWAYS (Hon. J. C. Willcock—Geraldton) [4.33]: I move—

That the appointment by His Excellency the Lieutenant-Governor of Mr. J. A. Ellis as Commissioner of Railways for five years commencing on the 15th January, 1934, in the terms of Executive Council minute laid on the Table of the Legislative Assembly on the 17th January, 1934, be approved.