

Hon. W. J. MANN: Members have taken up a wrong attitude. I conclude by saying that, subject to the reservation I have mentioned, I support Sir Edward's motion.

On motion by Hon. V. Hamersley, debate adjourned.

House adjourned at 5.55 p.m.

Legislative Assembly,

Wednesday, 15th July, 1931.

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

QUESTION—WORKERS' COMPENSATION.

Mr. PIESSE asked the Minister for Works: In view of the rejection by the Legislative Council of the Workers' Compensation Bill, does he intend this session to bring in an amendment to the present Act which will substantially relieve the financial burden imposed upon industry, especially in regard to medical and hospital expenses and unfair incidence of employers' liability under the Second Schedule?

The MINISTER FOR WORKS replied: The matter is under consideration.

QUESTION—LAND SETTLEMENT, NORNALUP.

Hon. W. D. JOHNSON asked the Premier: 1, Is it true that the men at the Nornalup Settlement who were in the first and second ballots are allowed to earn £3 a week

and allowed a two-roomed house? 2, Is it true that the men in the last ballot are allowed to earn only £2 10s. and are given only a few sheets of iron for the purpose of building a house? 3, If so, why the discrimination? 4, Is the scheme organised on the basis of employing skilled workers from the settlement to do the necessary work requiring skill? 5, If so, why were three teamsters from outside the scheme recently employed, while teamsters were available from within the settlement? 6, Why were six motor trucks hired when it would have been possible to have used some trucks from within the scheme? 7, Why was the carting contract, Nornalup to the main camp, let to others than the settlers in the scheme? 8, Is it true that the building of cottages was let to an outside carpenter at a cost of £57, when a carpenter within the scheme was prepared to build the cottages at £52? 9, Would it be practicable to organise so that all maintenance work could be carried out by the settlers in sections? 10, Would it not be possible to provide homes on the unsettled blocks in anticipation of settlement?

The MINISTER FOR LANDS (for the Premier) replied: 1, These men were taken from the unemployed, and work was allotted at contract rates. They were allowed to draw up to £3 per week, the balance being put to a suspense account to provide farm requirements from time to time. Galvanised iron was supplied for roofing and walling, timber for flooring, and battens for fastening the roofing iron. 2, Yes. These men have been employed for some time on roads, receiving full rates of pay. They are being treated in a like manner to settlers mentioned above, except that their advances have been restricted to £2 10s. instead of £3 weekly. 3, Answered by Nos. 1 and 2. 4, It is intended that once a man takes permanent possession of his block, he will not be allowed outside work. 5, In order that assistance might be provided for other people in the locality. 6, Answered by No. 5. 7, Tenders were called, and the lowest tender accepted. 8, No. A rough bush carpenter was made available to settlers to advise them, but all the work was done by the settlers themselves. 9, No. It is not proposed that the men shall be allowed to leave their blocks. 10, No. The work must be done by the settlers themselves, including building of the homes.

QUESTION—LAND CLASSIFICATION, TIMBER AREAS.

Mr. J. H. SMITH asked the Premier: Do the Government propose to have a land classification made in all timber areas in the South-West, including dedicated areas for forestry, with a view to making available all country suitable for agriculture?

The MINISTER FOR LANDS (for the Premier) replied: Instructions have already been issued to the district surveyor, Bridgetown, to investigate the possibility of securing land suitable for settlement in districts around Bridgetown, Greenbushes, Manjimup, and Balingup. He will be accompanied by a forestry officer.

QUESTION—PROSPECTORS, SUSTENANCE.

Mr. MARSHALL asked the Premier: 1, Will any money be provided for the purpose of granting sustenance to prospectors this financial year? 2, If so, when?

The MINISTER FOR LANDS (for the Premier) replied: Consideration will be given to the matter when the Estimates are being prepared.

QUESTION—PREMIERS' CONFERENCE, REPORT.

Mr. HEGNEY (without notice) asked the Minister for Lands: Would it be possible to make available copies of the Premiers' Conference report for the information of members?

The MINISTER FOR LANDS replied: Three copies were laid on the Table of the House yesterday.

BILL—LICENSING ACT AMENDMENT (No. 2).

Introduced by Mr. H. W. Mann and read a first time.

WROTH BANKRUPTCY SELECT COMMITTEE.

Extension of Time.

On motion by Hon. W. D. Johnson, the time for bringing up the report was extended for 14 days.

BILL—FINANCIAL EMERGENCY.

Second Reading.

Debate resumed from the previous day.

MR. MILLINGTON (Mt. Hawthorn) [4.37]: In addressing myself to the problems contained in the measure, I am aware that already the Attorney General has outlined the purposes of the Bill and that it was discussed at some length during yesterday's sitting. It is only the important nature of the measure that justifies further discussion. I know of no measure of more far-reaching importance that has claimed the attention of the people of Australia since the conventions and creation of the constitution of the Federal Union. At that time the idea was construction, to weld together the various States of Australia. Now we have a proposal before us also affecting the whole of Australia which, although it purports to be of a constructive character, reconstruction, at the same time its object is, and undoubtedly its effect if it be put into operation will be, to wreck much of the building that has taken place in Australia during the last 30 years. To-day's "West Australian" advises that 10 minutes a day of impartial political thinking, if the habit could only become general, would greatly relieve the difficulties of modern civilisation, and if this could be slowly and painfully increased to 20 minutes, not only the face but the heart of the world might be changed. I believe this matter is of such outstanding importance, affecting every section of the community, that it should be approached, and my request is that it shall be approached, by both sides of the House in an impartial manner. If that is done we shall have little to complain of, because I think there is a realisation of the problem that has to be faced. But even the impartial thinker looks at a question from his own viewpoint, notwithstanding all his desire to be impartial and fair. I presume the Government can be credited with that, but the fact remains that their dealing with this problem is entirely from a viewpoint different from that which I hold.

Hon. J. C. Willcock: They are unconsciously biased.

Mr. MILLINGTON: I cannot diagnose the difficulties that face the Government, nor their particular viewpoint; I can only speak of my own. Although we are dealing

with a common problem, there are throughout Australia these diametrically opposed methods of handling that problem. The Government claim they are putting into operation part of the Plan agreed to at the Premiers' Conference, but they do not claim that that part dealing with the reduction of wages to private employees has anything to do with the Conference Plan. It is certainly not part of the Plan agreed to by the Premiers. When we find the Government, with the responsibility placed upon them, introducing a measure containing this feature, naturally we look to see where the inspiration comes from. This plan, not being the child of the Premiers' Conference, had to come from somewhere.

The Attorney General: Of course that is not admitted.

Mr. MILLINGTON: No, but I am going to suggest where this particular plan came from, and who was responsible for it in the first place. I have a report of the proceedings at a meeting of the Perth Chamber of Commerce on the 25th February last. It is headed "Arbitration Changes Wanted." You see, there generally is an inspiration that is responsible for a measure as important as this one. The Chamber of Commerce on that occasion carried a resolution. I ask you, Mr. Speaker, to permit me to read it and to show that there is a relationship between that resolution and the proposals contained in this measure, which admittedly have no connection with any of the suggestions made by the Premiers' Conference.

The Attorney General: That is not admitted.

Mr. MILLINGTON: But you admit it?

The Attorney General: No, emphatically not.

Mr. MILLINGTON: You say, then, that interference with Arbitration Court awards concerning outside employers and employees is part of the Premiers' scheme?

The Attorney General: Yes, it is the foundation. However, the point is I do not want you to imagine that I admit what you have said.

Mr. MILLINGTON: I am afraid it is one of those foundations that will undermine society, if dealt with in the manner proposed in the Bill. However, the resolution carried by the Chamber of Commerce was as follows:—

Members are of opinion that the present economic position demands that immediate steps be taken to effect economies in every

direction by the State Government and in every branch of industry. These economies cannot possibly be effected so long as wages are fixed at a level above that at which the community can pay, and in consequence unemployment must increase to an alarming extent. This Chamber, therefore, recommends that steps be taken so to amend the Act as will enable immediate relief to be given to industry in consonance with the existing extraordinary economic conditions.

Even if the Premiers' Conference did include this as part of the scheme it was, I think, inspired by the Chamber of Commerce in this State, and I presume the Chambers of Commerce in the other States are not in disagreement with the attitude of the Perth Chamber. If it is contended that we do not take an impartial view, I would direct the attention of those who advocate impartiality in these things to the attitude of the Chamber of Commerce, a body representing very definite interests, who published their opinion in the terms set out in the resolution, and added a lot of suitable comments. There are two views upon this matter, and the opposite one is entitled to be stated. Those who have advocated these other views must recognise their responsibility when they do so. It is possible to be impartial and take the opposite view. I could be just as impartial as the Chamber of Commerce while differing from them. It is not a question of impartiality but a question of analysis, and an endeavour to determine just how a general reduction of wages will affect the community; whether it will have that revivifying effect which some people claim. Some members have referred to the Title of the Bill. It seems to me to be worded in a manner that would be appropriate in a mining prospectus. These are days when we are supposed to practise economy. Economy is not in evidence in the Title of the Bill. A much shorter title would meet the position. I do not know that I shall trouble to move it in Committee, but if I did I should move that all the words after "Act" be struck out and insert "of repudiation" in their place. The title would then read, "A Bill for an Act of Repudiation." This is an act of repudiation. Even the Attorney General in introducing the measure admitted that. I do not know that he referred particularly to repudiation, but he did admit a breach of promise. This is a very serious breach of promise. It is quite true that people do endeavour to evade the law, but here, by a specific Act of Parlia-

ment, laws are annulled, agreements voided, and existing arrangements having legal force go by the board. What effect will this have upon the community, a law-abiding community such as we have in this State? We are taught to honour, respect and obey the law, and those who advocate a departure from it are dealt with by the very department presided over by the Attorney General. If some Esplanade orator were to suggest that the law should be evaded even to the extent of 22½ per cent., I imagine the Attorney General's department would consider such action culpable, and the orator would find himself in difficulties. Now we have it officially that in Western Australia the Government advocate the repudiation of existing agreements, and the setting-aside of the law which the people have been enjoined to respect and observe. I suppose the people are to be told that although these laws are to be rapidly changed in order to suit the views of the Government, they must still have the same respect for law. I cannot imagine that in future the Attorney General would seriously lecture a witness who departed to the extent of 22½ per cent. from the truth. Would the witness be permitted to dilute the truth to the extent of 22½ per cent.? Alternatively, when he is sworn to tell the whole truth and nothing but the truth, could he suppress 22½ per cent. of the whole truth, which might be very convenient for him? The Attorney General will have to carry the very heavy responsibility that is being placed upon him by the Government.

Hon. P. Collier: So that it would be considered the truth if it was not more than 22½ per cent. less than the truth.

Mr. MILLINGTON: A variation of 22½ per cent. from the truth will not in future be considered perjury. It will have been set up that this House has solemnly declared that when it suits them, Governments may vary existing agreements and the laws of the land, to the prejudice of the people, to the extent of 22½ per cent. That is the limit to which the Attorney General is prepared to go at present, but once he starts upon the down track and in a false direction, the 22½ per cent may be increased. I can conceive that before the end of the year the Attorney General may bring himself with equanimity to approve of a proposal for a 50 per cent. variation. For the future, then, people will be expected to tell the

truth, to observe awards and agreements, and abide by the laws of the land, to the extent of about fifty-fifty. It will be very convenient, no doubt, but highly disconcerting for the general public. I hope the Attorney General will realise, when presiding over his department which is supposed to conserve the interests of the public and give them respect for the laws of the land, the responsibility he is undertaking. I give him credit for doing this somewhat apologetically. When he used the phrase "breach of promise," someone interjected, "Have you inquired the views of Mr. Lang?" and he cryptically replied that Mr. Lang was too good to be true. I do not know what he meant, but it appears to me that in this repudiation proposal, although he is not prepared to follow the great track-blazer, J. T. Lang, on the road to repudiation, he willingly but timidly and apologetically will follow him to the extent of 22½ per cent. of the way. The danger is that there is no telling what the 22½ per cent may develop into. It is most unfortunate that the Minister for Railways, and Mines, and Police, and Child Welfare, and Forestry, and Unemployment, and Outdoor Relief—

Hon. P. Collier: And the Golden Eagle.

Mr. MILLINGTON: Is not in the State so that he could have been given the responsibility of introducing this Bill.

Mr. Raphael: He got away in order to dodge it.

Mr. MILLINGTON: There would have been no apology in his case. He would have informed the House that in certain circumstances repudiation and the breaking of promises and pledges was justifiable, and that there was merit in the doing of it. The Attorney General approached the question somewhat timidly, but a more hardened and seasoned campaigner would have launched the Bill upon the House with the utmost confidence. When the Minister for Mines returns, the real justification for this repudiation measure can be cited by him as a valuable precedent. Apart from that, the Government are responsible for it. When the Attorney General introduced the Bill, I noted that with his facility of expression and phrasing he used both medical and nautical terms.

Hon. P. Collier: It required the whole vocabulary to explain it.

Mr. MILLINGTON: He drew upon his resources to the utmost. He was not too

happy about the medical terms he used. He suggested that the Bill was a pill. I do not look upon it in that light. A pill is something that a person requires either because of having over-eaten or to put his system in order. Actually this Bill does not administer anything. It deals with people who for a number of years have been over-fed. The suggestion is that there shall be a reduction in their case. They would have to do with less and to economise in everything. Actually, the Bill gives them nothing, but takes things away from them, some of the essentials they require.

Hon. J. C. Willcock: It is a major operation.

Mr. MILLINGTON: In his nautical expression he made the statement that we were all in the same boat, and that all hands had to man the pumps.

The Attorney General: That was in a different portion of my remarks.

Mr. MILLINGTON: There is a disposition on the part of those in power to tell those in Opposition that we are all in the same boat. This same reference was made by no less a person than Disraeli, who on one occasion remarked, "Yes, it is true we are all in the same boat, but we row with different sculls." Although we are in the same boat, we have an entirely different idea of how to propel the vessel. There is also room for divergence of opinion as to the direction the boat should take, and the manner in which it should be manipulated. It is not sufficient to say we are all in the same boat. We have opposite us a crew of eight, and this is their idea of reviving industry, of restoring confidence, and doing the several other things mentioned in the Title. In order to get the approval of the people it is necessary first of all to inspire them with the idea that this is an eminently fair proposal, that it hits everyone equally, and that whereas sacrifices are demanded, this Bill will ensure that everyone will be called upon to make a proportionately equal sacrifice. If that were true I should feel disposed to support the Bill. My idea is that if the several clauses of the Bill, plus the schedule at the back, are put into operation, they will have an entirely different effect from that forecast in the somewhat elaborate and flamboyant Title. However, if in his reply the Attorney General can satisfy members that that will be the effect of the Bill, the measure will have an easy passage. Still, I have an idea that the hon. gentleman will

have some difficulty in doing so. In the preamble of 20 lines it is stated—

A Plan was agreed upon for re-establishing the financial stability of the Commonwealth and States and restoring industrial and general prosperity

By what means? By means involving a common sacrifice. The Attorney General presumably is committed to that—a common sacrifice. First of all the measure deals with Government employees, who are asked to make a common sacrifice. What is a common sacrifice? I do not know that any flat rate will ensure a common sacrifice. All those involved are not on exactly the same plane. As pointed out, when one bears in mind the grades in the Public Service, there is a great difference between taking away from the man on the bottom rung of the ladder 18 per cent. and taking away from the man at the top 22½ per cent. In the one case the man's mode of life will be affected materially. He will have to alter his method of living. He will have to practice what a certain religious sect calls self-denial. And it is not a case of a "self-denial week." One could get over that. Such a man is asked to practise self-denial indefinitely, and so to interfere seriously with the justifiable standard of living. Further, such a man will have undertaken obligations, financial and otherwise, which will entail the expenditure of his whole income. I do not suggest that the whole income is spent on mere living expenses, but it is laid out. In view of the permanency of his position, such a man thinks himself justified in undertaking those obligations. The Bill means that he will be unable to meet his obligations. That is how the rehabilitation scheme works. He fails to pay those whom he has undertaken to pay, perhaps under a legal agreement for the purchase of a house or furniture, the usual obligations of a man with a family. This in turn means that some tradesmen, builders, contractors and others will fail to meet their obligations. Therefore the Bill, instead of consolidating our affairs, will in the circumstances mentioned mean a general dislocation throughout the community. It is most improbable that the effect would be similar in the case of a man on a salary of £1,000 which is reduced by, say, £200. Certainly his mode of life would not be affected. Therefore in assuming that circumstances are similar and in applying what is prac-

cally a flat rate, one imposes much greater sacrifices in one case than the other. The sacrifice is not a common sacrifice. As I stated in connection with the previous Bill, this measure seems to have been hurriedly conceived and hurriedly drawn, so much so that it appears to be an alternative or compromise. The Attorney General and his legal confrere have had the difficult task of putting into legal terms the method of enacting what they are pleased to call the Plan. It is a plan to be applied to other people. It might be easier to apply these rough and ready, crude, ill-considered plans to others, without knowledge of their circumstances, than to apply them to ourselves. But the fact is that Government and Parliament have a responsibility to the people represented here, and the utmost care should be exercised to devise this scheme of common sacrifice so that the burden which the people are called upon to bear corresponds in some measure to the assertion that it is a common sacrifice. The people, unless satisfied that there is equality of sacrifice, will not carry the burden cheerfully. For that reason the amendments indicated by the Leader of the Opposition will, I hope, receive full consideration with a view to providing for the exceptional circumstances that exist in relation to numbers of people affected by the Bill. The scheme, I say, has been hurriedly drafted and launched; and it is not uniform with the schemes evolved in the other States. If the Government are determined to go on with their scheme, careful consideration will have to be given to its details, so as to equalise the burden. Just a word as to how the scheme was formulated. The Attorney General appeared to be quite satisfied with the expert advice received.

The Attorney General: That is only stating my frame of mind.

Mr. MILLINGTON: Professors of political economy, in conjunction with the Under Treasurers, are mainly responsible for evolving the scheme. What are the qualifications of the professors? They sometimes refer to the qualifications of legislators in rather opprobrious terms. I do not think the experts are so expert as to be above criticism. Has economic science reached the stage when it is no longer to be criticised but merely swallowed? I think, not. In any case, those learned professors are not the kind of men hard-headed business men call

into consultation in times of difficulty. The business man may have a casual conversation with a professor of political economy, but one very rarely finds a professor attached to a large business concern, given authority, and his advice followed slavishly as in this case. In order to get over that difficulty the Attorney General assures us that practical men were associated with the drafting of the scheme; that is to say, the Under Treasurers. What experience have the Under Treasurers? To a degree, certainly, our Under Treasurer is in control of the Treasury. When the Budget is being drafted, departments always ask for more than the Treasurer is prepared to give them. Who is the man to make the necessary inquiries and adjustments? Is it suggested that the Under Treasurer has had experience in that respect? Actually what he does is to order the Agricultural Department or the Mines Department to reduce the amount of its demand from, say, £100,000 to £70,000. He gives no advice, but simply issues instructions to reduce. The heads of the various departments are the men who go into the details and then reduce the amounts originally demanded. Yet the Under Treasurers are considered competent to draft a scheme which is to effect economies to the extent of 20 per cent.! I presume also that bankers were consulted. Who else would be consulted? Many people used to write letters to the Press on the subject of economy. It is wonderful how prolific ideas are as regards reviving industry and rehabilitating Australia. But I do not think any of those correspondents were called in.

Hon. P. Collier: Mr. Watson was not called in.

Mr. MILLINGTON: That omission has not deterred them in any way. They still write to the Press, and I think they will continue to write. As regards the other experts, however, it appears to me that after they have drafted their schemes it takes another expert to value the schemes which have been evolved. The experts who have to do that are the members of this House. The experts responsible for the advocacy of the present scheme are on the Government benches. They have not given us much of an idea as to how they work out the problem, or how the proposed Plan will affect the people of Australia, and whether it will do what it purports to do. In the latter case there will be some justification for the confidence with which it is put forward. The other matter

dealt with in the Bill is that of interest on private mortgages and overdrafts. Under the scheme there is a proposal—it appears good on paper—to reduce the rate of interest on overdrafts. I do not know what my banking friend from the North thinks about it, but I have an idea that the effect will be, instead of reducing the rate of interest on overdrafts, to reduce the overdrafts themselves. There is a greater likelihood of reduction in the amount of the overdraft than of reduction in the rate of interest.

Hon. P. Collier: Perhaps the overdraft will be paid off, and then the interest will disappear altogether. That will be a complete reduction.

Mr. MILLINGTON: It is rather disconcerting to the man who tries to drive a hard bargain with his banker. My experience is that in such negotiations the banker has the box seat and dictates terms. I do not know that the Bill will alter that position. The matter is altogether outside the control of Parliament or of any legal enactment. The question is the willingness of the banker to lend money, not the rate of interest. There is the problem. The banker has regard to security. Not only has he the right to fix the rate of interest, but he has and exercises the right to say whether he considers the security adequate. No law that can be enacted will be able to instruct him regarding that aspect. Therefore, as in the past, the security which the customer has to offer will govern the amount of accommodation he receives from the banker. Here again we have a highly technical question, that of interest on mortgages. I can quite understand that where the security is uniform it will be possible to fix a uniform rate of interest. In this case I think the 8 per cent. would be reduced to £6 8s. There are many mortgages at 8 per cent. running in Western Australia. The 7 per cent. mortgages would be reduced to about £5 9s. 6d. That is as regards first mortgages. I see no difficult problem there; I believe the effect would be as desired. The idea is a good one, and long overdue. But as regards second mortgages there is no suggestion of any differentiation, though there is a great difference. In the first place, a first mortgage represents a gilt-edged security. In those circumstances the interest, in my opinion, is a secondary matter in these times. On second mortgages interest rates of 10 per cent. or 12 per cent. are paid. Automatically, under the provi-

sions of the Bill, that rate of interest will be reduced by 22½ per cent. If we tried to secure a second mortgage to-day, we could not secure one at under 20 or even 30 per cent. Personally I would not look at such a proposition at any price. Despite that fact, Parliament is asked to deal with such matters on the face, notwithstanding that when it comes to a question of securities, it is an entirely different proposition. I do not think anyone is more worried in respect to finance than those who have their money out on second mortgages. To-day their security has already depreciated to an abnormal extent. I understand that the position now is that if a person has a second mortgage that is ostensibly worth £500, he cannot raise anything on it. On the other hand, a first mortgage is worth its actual face value.

The Attorney General: The second mortgagees to-day are not worrying about their interest, but about their principal.

Mr. MILLINGTON: Yes, they are worried about their securities. Although it may appear to those who do not understand the position that extortionate rates of interest are charged on second mortgages, I would rather take four per cent. on first mortgage than 20 per cent. on second mortgage. I hope that phase of the interest question will be considered. I presume the Commissioner or the court will be empowered to give adequate attention to these very diverse conditions. In the Debt Conversion Bill, which we have dealt with, there does not appear to be any provision for dealing with the varying circumstances of investors, but the position can be rectified under the Bill now before us if the Commissioner or the court is empowered to act as I have suggested, and deal with matters on their merits. There is room for wide discrimination in dealing with interest because the whole question is wrapped up in that of securities. Again I wish to know whether, in the interests of common sacrifice, some adjustment will not be required in respect of the matters I have dealt with already. When we consider the salary phase in the light of the suggested common sacrifice that is required of the people, I imagine great difficulty will be found in meting out a proper measure of justice to those who receive salaries or wages. The Bill catches the fishes that are easily caught, but there are certain predatory fishes that will escape the net. When it is found by those who are called upon to pay their pro-

per share, that others are succeeding in evading the responsibility, I think there will be considerable dissatisfaction.

The Attorney General: At the same time, a fisherman does not give up fishing because he does not catch all the fish.

Mr. MILLINGTON: But the Minister has not even prepared a hook for a certain number of predatory fishes.

Mr. Richardson: Fishermen sometimes change the bait.

Mr. MILLINGTON: I do not suggest that they are all so hard to catch either.

Mr. Kenneally: A fisherman always tries to kill a shark whenever he can.

Mr. MILLINGTON: Will the professions be affected?

Mr. Parker: They are already affected.

Mr. MILLINGTON: Are they? I am pleased to have the hon. member's assurance. I think that the profession, to which I assume the hon. member alludes, will be affected in such a way that the difficulty will be easily overcome.

Mr. Parker: It is the clients who will have to overcome the difficulty.

Mr. MILLINGTON: I am quite sure that the members of the profession we have in mind are astute enough to see that if there is to be a 22½ per cent. reduction, a corresponding increase will be added to the charge before the deduction is made.

Hon. P. Collier: Don't give them ideas.

Mr. MILLINGTON: There is no need to supply ideas to the legal profession in respect of matters so easy of adjustment. In such a measure as that now before us, some attempt should be made to spread the burden over the section of the community that can pay, and attention should be given to that phase. If taxation is unfair in its incidence, we will have difficulty in collecting it and certainly we will find it awkward to satisfy those who are called upon to pay, that they are not also paying for the others who are evading the added burden. Unless the Bill attempts to accord equal justice to all concerned, it may have that effect. The measure departs from any previous practice, and breaks entirely new ground, for which there is no precedent. We cannot cite other Acts from which the legislation has been filched, nor can we say how such legislation has worked in other countries or States. Because we are blazing a new track, greater care should be exercised in drafting such a measure. I realise the difficulties that face the sponsors of the Bill, and because of those difficulties, they should be

the more prepared to accept suggestions and amendments to overcome them, even if it really amounts to drafting a new Bill. Although some of the principles involved are indeed pernicious, we must make the best of the position. I realise too, that in attempting to re-adjust financial arrangements that have been enjoyed by people over a number of years, during which they have followed recognised practices, great difficulties will be experienced in effecting the drastic measures proposed. As a matter of fact, I consider the Attorney General and his measure to be revolutionary in character, and I predict that the utmost care will have to be exercised during this period of revolution.

Hon. T. Walker: Not revolution; devolution.

Mr. MILLINGTON: Perhaps that is the better word. At any rate, the utmost care must be taken not to upset the community, particularly in regard to finance. Money is particularly shy, and while we are anxious to achieve the results aimed at, we should see to it that in making the readjustments, we do not deprive the people of concessions and assistance they have been accustomed to enjoy in the past. The most pernicious clause in the Bill is that which will enable private employers to reduce wages irrespective of Arbitration Court awards. That provision will affect a large section of the community that has been adjured in the past not to go on strike, but to observe the law. Over a period of years we have been successful in seeing that they have observed the law of the land. First of all, we must satisfy that section of the community that there is some justice in the legislation. Those people who have observed the law as sacred, something not to be interfered with, are now to see that law go by the board, with no protection accorded them at all. I hope the Attorney General realises the effect this legislation will have on the industrial community. They have observed the law and followed the formula, at considerable expense, that has been provided for the fixation of their wages. Suddenly, without any warning, they find the security they assume they had, taken away from them. And, it must be remembered, it is to be taken away from them not by the employers, with whom they are accustomed to have arguments, and for whom they have not always kindly references, but by the Government from whom they expected protection.

The Attorney General: Not by the Government, but by Parliament.

Mr. MILLINGTON: The workers will see that their protection has been taken away from them by the Government under an Act of Parliament, and that privileges they have enjoyed over a period of years, have been set aside. In every country there are certain unscrupulous employers who will evade the law if they can. Such employers in our midst would certainly take advantage of this legislation. It may be that others in competition with them have no desire to take advantage of it, but because of the action of unscrupulous employers who reduce wages, the others will be forced to adopt a similar course, owing to competition. Thus the standard of wages in Western Australia will be set by the very lowest type of employer, a man who probably is absolutely incompetent. That type of employer will be able to go to the court and satisfy the president that he cannot pay the wages specified in the award. The standards we have built up over a period of years have been largely based upon industries that are the best, conducted by employers who are competent. Now the standard will be fixed on the basis of the incompetent and unscrupulous employer. The low standard will become the general standard. Does the Attorney General realise that that will be the effect of the Bill? If we do not love the legal profession, we have at least great respect for its members. But I have an idea that the time was when lawyers had to depend largely upon what their clients desired to pay them. I believe there was a pocket in the hood of the gowns they wore, and into the pocket the client placed whatever fee he chose to pay. Now the legal profession is better organised and it is recognised as an honourable profession. In other spheres of life, where much the same conditions formerly applied, the professions are organised and now a fair reward is secured for the fruits of labour. We are more concerned with Western Australia and it is no small accomplishment that over a period of years we have been able to so raise the general standard of the mass of the community. The Attorney General and the members of the Government must view with pride the conditions that obtain in the city where they can see substantial buildings and offices built, and in the suburbs where the wage and salary earners are housed. It is a source of pride to all of us to see well-

dressed people, to know that our youngsters have an opportunity of being properly educated, and to feel that the community are able to enjoy a measure of the comforts of life. It has been very difficult to build up that standard. To do so has taken years.

The Attorney General: Years and millions of borrowed money.

Mr. MILLINGTON: It has taken thousands of years to raise the masses. We take a pride in Australia because of the standard that can be enjoyed by the great mass of the people. Now, by legal enactment, we are asked to flech from them the results of their labour, sacrifice and organisation extending over many years. A nation that does that might well be viewed with suspicion. I consider the clause concerned is the most pernicious one in the Bill. It is not part of the Plan that has been forced on the Government. If that clause be deleted, it will not interfere with the carrying out of the general Plan, and it cannot be argued for its retention that it is part of the Plan. Sometimes an agreement is indivisible, but that does not apply to this Bill. There is great justification for its division. The Attorney General is a comparatively young man and will probably live long enough to see the effects of this legislation. If the measure is put into operation, he will find that the result will be a lower standard throughout the State. It is a simple thing to slide backwards; it is a difficult matter to raise up a large section of the community. After all the work that has been done for the masses, the Government must give more serious consideration before taking the responsibility of lowering their standard. That cannot be done with impunity. We should take an impartial view, the view of the general masses, realise their position, and endeavour, when making adjustments, to ensure to them a fair deal in the common sacrifice. The points that the Attorney General considered needed explaining were explained, but I think the Bill has been debated in a very fair spirit from this side of the House.

The Attorney General: Agreed.

Mr. MILLINGTON: We realise the seriousness of the problem with which the Government are faced and, although we sit in opposition and have no confidence in the Government, we are prepared to help them. I cite Mr. Lyons as my authority for that

statement. After forming an alliance with the Federal Government, he reminds them on every possible occasion that he has no confidence in them. Although I have no confidence in the Government, I yet have sympathy for them, and because of my sympathy I am disposed to deal fairly with their proposals, even though I consider them mistaken proposals. They certainly will not have the effect that the Government expect. Over and above this question is the greater question of reviving industry in Western Australia and putting back into work the men at present unemployed. The Government deserve censure in that, having been in office so long, they have taken no steps to evolve a scheme to provide employment for the workless. When a tax was suggested, the Premier said there was no possibility of the people paying it. Now, after the expiration of about 18 months, the people can be taxed to the extent of 22½ per cent.

The Attorney General: You surely do not suggest that you can tax people into employment?

Mr. MILLINGTON: No, but had the Government faced their responsibility to the unemployed long ago, we would not be in the disastrous position in which we find ourselves to-day. The revenue that the Government hope to derive will fall a long way below the estimate unless industry can be revived and the unemployed given work. The very objective of the Government will be missed. Although I sympathise with the Government, realising the difficulties confronting them, they have not tackled the problem of unemployment. There are eight members of the Cabinet. One of them has control of the Railway Department, a most important department in which a good deal of economy has been effected during the last 12 months. That department requires the special attention of the Minister. The same Minister is also in charge of the Mines Department. Mining in this State is increasing in importance, and certainly Ministerial attention should be given to the various schemes for reviving the gold-mining industry. In addition, the Minister controls the Child Welfare Department, which deals not only with the ordinary work of the department but also with the whole of the matters relating to unemployment, including the distribution of half a million a year in small sums as sustenance. The same Minister is in charge

of forests. I do not know how important that department is at present, but I know that it must occupy a certain amount of his time. He is also Minister for Police, probably in his spare time. The men under that department will be very anxious if this Bill becomes law. He is also Minister for Industries. In these times that could be a very important department, for close attention should be given, not necessarily to the industries evolved or assisted by the Government, but to organising the forces of industry and devising ways and means to revive industry. If the Government had any initiative, they could give considerable attention to that work.

Hon. P. Collier: That Minister does not seem to be overburdened with all those departments.

Mr. MILLINGTON: He has still another department.

Hon. P. Collier: He has time to go away.

Mr. MILLINGTON: Despite the responsibility for the administration of all those departments, while the Premier was away, the Minister for Railways was Acting Treasurer, a most important duty.

Hon. M. F. Troy: He has time to take the Golden Eagle nugget around Australia.

Mr. MILLINGTON: The Premier, in appointing one man to take charge of all those departments, has attempted to capitalise his greatest vice, namely, his versatility. If the Cabinet of eight really desired to face the position and administer the departments as they should be administered, they would not, in these abnormal times, ask one of their number to do more than handle the big questions of unemployment and stimulating industry. The Premier, in his statement to the House, said that in future the Government would not be able to employ as many men as they had done in the past, because of the scarcity of loan funds, and therefore the surplus employees would have to be absorbed in industry. Are the Government relieved of responsibility because they employ fewer men, without endeavouring to encourage other people to absorb them? Certainly not. Although I do not wish to dictate to the Premier regarding the allocation of portfolios, the question of unemployment has not been seriously tackled by the Government. Eighteen months have been allowed to elapse before devising an alleged plan, whereas a year ago steps should have been

taken to provide employment for the unfortunate men out of work.

The Attorney General: No Government in Australia has been able to do any better.

Mr. MILLINGTON: I do not know that that is a complete reply to my charge.

The Attorney General: It is not.

Mr. MILLINGTON: The Government should have provided a Minister to deal with unemployment, instead of making it a sideline of half a dozen important departments administered by the same man. I do not wish in any way to belittle any member of the Cabinet. Any one of them should be equal to taking charge of the department. Since there are eight members of the Cabinet, however, we are entitled to suggest that at least one of them should devote his whole time to the serious work of endeavouring to provide employment and stimulating the public to do their duty in helping the unemployed. Have those opportunities for usefulness been exhausted? I do not think they have. The work has been left to committees here and there, and the unemployed feel that there is no effective organisation to deal with their problem. I have voiced my objections to the measure. I disagree with it, not entirely, because it deals with interest and other matters that are desirable. I take exception to the proposal to reduce wages automatically to the extent stipulated. I shall not reiterate what was said by the Leader of the Opposition, because I believe the Attorney General and the Government will give full consideration to his suggestion that the men on the bottom rung of the ladder should be afforded some relief. Since the measure is objectionable and pernicious, the best thing we can do is to try to amend it in such a way as to obviate taxing those people who are positively unable to bear the burden proposed to be placed on them. I am still hopeful, in view of the manner in which the Attorney General has received suggestions from this side of the House, that the main objections to the measure will be overcome. In any event, I propose to vote against the second reading.

MR. ANGELO (Gascoyne) [5.45]: The Deputy Leader of the Opposition last night took the Attorney General to task for having introduced this measure without supplying as much information as he should have done. The hon. member based his opinion on the practice very often followed

in this House by Ministers taking hours to introduce a Bill, repeating themselves time after time and in that way occupying a great deal of space in "Hansard" and trying the patience of members. If that had been the case in respect of the Bill we are discussing, the hon. member would have some ground for complaint, but to my mind the measure was introduced in a speech that did not contain an unnecessary word, a speech that, while it was concise, gave us all the information that was required. Why was it introduced in that form? Because the Government had the forethought to give to every member of the House a copy of the Plan as prepared by the sub-committee of experts appointed by the Loan Council. We have to treat with due respect the knowledge possessed by those gentlemen, and I am perfectly certain that any member of this House who has taken the trouble to read the report carefully must be greatly enlightened regarding the position Australia occupies to-day and the need for a Bill such as that now before us. The report of the experts, to my mind, is the actual second reading, and the Minister's remarks were an addendum.

Mr. Panton: Why apologise for the Minister?

Mr. ANGELO: I am not apologising for him, and I consider that if a similar method were followed by other Ministers in explaining what a Bill contains, all introductory speeches could be cut down by half. It has been said by members opposite that the Bill is an attack on the Arbitration Court. If that is the case, it is also an attack on the Constitution; it is an attack on Parliament and on the Public Service Commissioner. In its wisdom Parliament has fixed the salaries of the Governor, the judges, the Ministers, and that of members also, at certain figures, after having given the subject due consideration. The Public Service Commissioner in turn, and again after due consideration and inquiry, has fixed the salaries of the members of the service. Again, after due inquiry, the Arbitration Court has fixed the basic wage. I contend the Bill is not going to upset the findings of Parliament, of the Arbitration Court or of the Public Service Commissioner; but because we have now struck abnormal times, a period of great stress, the political leaders of Australia, representing all sides of political thought, have come together and said, that to get over this unfortunate depression

everyone must suffer a temporary 20 per cent. reduction.

Mr. Panton: Nothing of the sort.

Mr. ANGELO: They have said so.

Mr. Kenneally: That is what the Attorney General tried to get them to say.

Mr. ANGELO: The Plan says so. Let us read Clause 4 of it.

Mr. Panton: It says nothing of the sort.

Mr. ANGELO: Clause 4 says—

The substantial increase in the estimated deficits for 1931-32 emphasises the gravity of the financial condition of every Government in the Commonwealth. A continuing and increasing deficit of such magnitude is a menace to all sections of the community. Common interest, therefore, calls for drastic measures to prevent public default and general insolvency.

Now let us take Clause 7. It says—

What further economies are possible? A standard for economy is given by the Federal basic wage which has now fallen 20 per cent. below the level of 1928 and is for the present likely to remain at about this level. (The fall is even greater compared with 1929.) It is equitable on the whole that all wages and salaries of the Government service should have the same percentage reduction as the Federal basic wage. Incidentally, all salaries and wages should conform to the same standard.

I repeat these words, "all salaries and wages should conform to the same standard." The member for Murchison would like to twist them round, but there is the interpretation. The Plan realises how absolutely unfair it would be to ask Ministers, members of Parliament, and the members of the public service to agree to a common cut and leave the rest of the community without it. But it is not the rest of the community that is left.

Mr. Marshall: You are leaving out the professional men.

Mr. ANGELO: Will the member for Murchison tell me of one business man or professional man who will not participate in the cut?

Mr. Marshall: Yes, the bankers and the members of the Government.

Mr. ANGELO: The farmers have had their 30 per cent. cut, even 50 per cent. and in many cases 100 per cent. cut. If the Government wanted to attack the Arbitration Court, could we not have had a Bill introduced to abolish it?

Mr. Raphael: You are doing it.

Mr. ANGELO: Why not bring in a measure to suspend its operation for a year or two?

Hon. S. W. Munsie: That is what this Bill will do.

Mr. ANGELO: What this measure says is that though there may be a certain basic wage, we are going to stick to it but we shall limit it during the period of the depression. In common with every other section there should be a temporary reduction of one-fifth.

Hon. S. W. Munsie: Where does it say that in the Bill?

Mr. ANGELO: If the hon. member wishes to insert it in Committee, I have no doubt the Minister will agree to it.

Hon. S. W. Munsie: You are telling us something that is not contained in the Bill.

Mr. ANGELO: This is not to be for all time.

Hon. S. W. Munsie: Is there anything in the Bill to show that it is not to be for all time?

Mr. ANGELO: It is because it is not to be for all time that I shall vote for the Bill.

Hon. S. W. Munsie: You cannot have read the Bill if you say it is not for all time.

Mr. ANGELO: The Plan sets out that it is not to be for all time.

Hon. S. W. Munsie: The Bill does not even say that its operations are to be limited for 12 months, or any period at all.

Mr. ANGELO: The report of the committee from which I have read extracts points out that we are going through abnormal times, a period of great stress. It states that Governments cannot borrow from London or from our own banks. Consequently a plan of this sort is absolutely necessary.

Hon. S. W. Munsie: The Premiers did not think so, and they were the people who considered it with the experts.

Mr. ANGELO: The Premiers who attended the conference were drawn from all sections of political thought, and they agreed to a proposal somewhat on the lines as introduced.

Hon. S. W. Munsie: It is just as well you said "somewhat." Nothing like it has been introduced in any of the other Parliaments.

The Attorney General: It has been done already in the Eastern States.

Mr. ANGELO: It has been said in this House that no Parliament has introduced a Bill dealing with outside employees. Just let me read these few lines again—

A standard for economy is given by the Federal basic wage which has now fallen 20 per cent. below the level of 1928 and is, for the present, likely to remain at about this level. The fall is even greater compared with 1929.

Hon. members are aware that our basic wage is 12s. more than the Federal basic wage.

Hon. S. W. Munsie: You are afraid to let the people know what you are actually after. What you are contending is not part of the Premiers' Plan.

Mr. ANGELO: The object of the Bill is to bring about equalisation of economies throughout Australia. If we have to do it in Western Australia, it will have to be done in Queensland, which State is in rather a good position. The Government of Western Australia are trying to carry out the Plan of the Premiers.

Mr. Kenneally: I am afraid the Government will not thank you for trying to apologise for them.

Mr. ANGELO: After all, are we going to suffer very much by this? Will the worker suffer very much?

Mr. Panton: He is just about on the verge of starvation now.

Hon. S. W. Munsie: If he is on half wages now, he will lose the lot.

Mr. ANGELO: I shall touch on the question of half wages in a moment or two. The cost of essentials has fallen more than 20 per cent.

Mr. Raphael: Rents and interest have come down, haven't they?

Mr. ANGELO: Rents, I agree, are the one exception.

Mr. Raphael: The Government have left rents well alone.

Mr. ANGELO: We know perfectly well that the price of meat has fallen 50 per cent. since June, 1929, bread has come down 20 per cent., eggs have come down nearly 40 per cent. Clothes, boots and all essentials have come down over 20 per cent.

Mr. Raphael: What about butter?

Mr. ANGELO: Yes, butter has come down. In 1926 it was half a crown a lb. and to-day it is 1s. 7d. I have consulted the household accounts so as to be sure of my facts.

Hon. S. W. Munsie: They must have put in something else with the butter if they charged you half a crown for it.

Mr. ANGELO: We all know that clothes have come down 20 or 30 per cent. A suit for which I paid £10 10s., I can get to-day for £7 7s. Regarding rents, up to the present time I have been against any interference with them. I was against any interference with cuts in our own or other people's salaries, but the time has come when we must reconsider these things. I am not going to make suggestions just now. We have had some good examples put before us. The Leader of the Opposition pointed out how some landlords had taken advantage of honest traders in keeping up rents. Some relief in this respect should be given. We have heard frequently that the Bill before us is the only one in Australia in which its principles have been extended to private employers. It has been stated that the Premiers' Conference did not agree to any such proposal. I do not know whether members have read the report of that conference.

Mr. Kenneally: The Premiers turned down that proposal.

Mr. ANGELO: The report distinctly says that the sacrifice has to be carried through-out the whole community.

Hon. S. W. Munsie: Have you read the report? If so, you must know that conference definitely turned down what you suggest, and would not accept the principle at all.

The Minister for Lands: And they have already accepted it.

Mr. ANGELO: It is said that the Bill will result in increased unemployment, and several examples have been quoted as indicative of how that result will be obtained. In conversation with a contractor not so many months ago, I discussed the "popular" subject of the depression. He told me that until 12 months before, he had been employing from 130 to 160 men and that most of them had been paid between £6 and £7 a week. He said, "Unfortunately when the depression came, I had to put off all with the exception of about 11. Many of those men have come to me time and again asking me to put them on temporary jobs. They told me they were willing to work for £2 or £3 a week, rather than be out of employment. I did not want to pay them that wage, but would willingly have paid them £4 10s. a week."

Hon. W. D. Johnson: How could he do that, seeing that he had not the work?

Mr. ANGELO: That was the very question I put to the contractor himself, and he assured me that he could get work if he were in a position to quote within a certain figure. We know that building operations are going on now, and they will be extended immediately costs are reduced.

Hon. W. D. Johnson: There was a reduction of 8s. a week in the basic wage, but there was no increase of employment.

Mr. ANGELO: Probably not with a decrease of only 8s., but if there were a further decrease of 8s., the effect would be seen.

Mr. Marshall: When no one is working at all, it will be all right.

Mr. ANGELO: I know many manufacturers who have had to close down because they could not afford to pay the award rate of wages. Some of them have said to their employees, "You take over the factory and do the job yourselves. We will endeavour to buy your material for you." They have assured me that if wages do not come down during this abnormal period, they cannot continue.

Mr. Panton: We have heard that for the last 50 years.

Mr. ANGELO: I am glad to have that admission. If the hon. member and those associated with him had taken more notice of that fact, the position to-day might be quite different. There are important improvements and renovations required by pastoralists and farmers in the country areas. They are merely waiting for a rise in the price of wool. When that happens, they will make a start upon the improvements. The pastoralists and farmers cannot employ men at the present high rate of wages, and the banks and financial houses are not in a position to help them. With a fall in the cost of living and in the essentials of life, the position will be vastly improved, and, in the circumstances, I think we can all stand a 20 per cent. cut as a temporary measure. The Leader of the Opposition and his deputy, the member for South Fremantle (Hon. A. McCallum) pointed out that no provision was made in the Bill for the worker who was on part time, or whose employment had been rationed. I agree with what they said, because I am convinced it was not intended to apply the reduction to them.

Mr. Panton: But the provision is contained in the Bill.

Mr. ANGELO: Exactly, and the Attorney General has invited criticism and suggestions for the improvement of the measure. Personally, I would not like men in the position indicated to be asked to suffer another cut of 20 per cent. in their wages. It has to be remembered, however, that the basis is to be the wages paid as at the 30th June, 1930. If a man had been rationed or employed on part time before that date, then a very strong argument could be put up on his behalf should he be compelled to go to the President of the Arbitration Court to urge that he should not suffer the reduction. The member for Leederville (Mr. Panton) mentioned the position of nurses and the paltry salaries they receive. I am sure the Attorney General would not countenance for one moment any inroads upon their remuneration, and I am convinced that the member for Leederville has only to suggest some amendment to deal with the nurses for the Attorney General to meet him. I am perfectly certain that the Attorney General and the Minister for Health will be sympathetically inclined towards the nurses.

Mr. Marshall: But why embody such a provision in the Bill?

Mr. ANGELO: Then there is the question of passing on the wage reduction by the manufacturer to the public. I do not think anyone would believe for a moment that the big firms that have been referred to would be expected to hand on the reduction as has been suggested. Surely the competition that exists already in the grocery, butchery and other trades will adequately cover the position.

The Minister for Lands: And the bakers, too!

Mr. ANGELO: Yes, in the milk and bakery trades.

Hon. P. Collier: Competition in those trades?

Mr. ANGELO: Certainly. You can buy splendid bread at 3d. a loaf now.

Mr. Panton: Where?

Mr. ANGELO: In Subiaco. That shows that competition is bringing down prices. Obviously the passing-on process is meant to apply to manufacturers. There is another phase of the question regarding the passing on of any reduction in wages. One way of passing on the reduction will be to require the employer who benefits to employ more men. If the employer is to be saved expense

on account of wages paid, then one stipulation could be that the saving be devoted to additional employment. That phase of passing on the benefit could be considered. I agree with the Attorney General that it is a great pity the Leader of the Opposition was not invited to participate in the Melbourne Conference proceedings. We appreciate the fact that the suggestions he has already made are useful, and later on he may be able to make further suggestions in Committee that will have the effect of improving the Bill.

Mr. Marshall: He would not have to exert himself much to improve the Bill.

Mr. ANGELO: It is too late to worry about his non-invitation to the conference now, but I trust that the valuable recommendations made by the Leader of the Opposition will receive the earnest consideration of the Government. It is clear that we must pass the Bill. I must vote for it, and I can assure hon. members there is nothing I detest so much as cutting not only my own salary but those of my fellow citizens. But it has to be done.

Mr. Marshall: Have you cut down your directors' fees?

Mr. ANGELO: Yes, long ago, and it is a great pity that some of the interjections by hon. members are not cut down by 20 per cent.

Mr. Marshall: That is what you would like.

Mr. SPEAKER: Order! The interjections have gone far enough. Members will please observe the rules of the House.

Mr. ANGELO: The member for Murchison cannot help it.

Mr. SPEAKER: Order! Please address the Chair.

Mr. ANGELO: I support the second reading of the Bill with great regret, but I realise that it has to be done.

HON. J. C. WILLCOCK (Geraldton) [6.10]: I would have thought that the criticism levelled at the Bill from the Opposition side of the House, and the apparent willingness of the Attorney General to meet us by way of amendments—

The Attorney General: I said I would consider any proposition that might be put up.

Hon. J. C. WILLCOCK: When the Leader of the Opposition was speaking, the Attorney General interjected that he did not

think the Bill would have the effect suggested and that he did not intend it to act in any such direction. That being so, apparently the Bill is not as he desires it to be, and it will be altered.

The Attorney General: We will thrash all these matters out in Committee.

Hon. S. W. Munsie: If the Bill reaches that stage.

Hon. J. C. WILLCOCK: We could save a lot of discussion and much time if we could get some indication from the Government regarding their intentions. It is useless for me to speak at length pointing out defects in the Bill and urging what should be done, if it is the intention of the Government to deal with the points that have been raised already. It is useless prolonging the discussion at the second-reading stage and merely reiterating arguments on the clauses of the Bill, if the Government intend to accept amendments and have already made up their minds accordingly. The Government recognise that the Bill does not properly represent their intentions, and they intend to amend it.

The Attorney General: I do not say that altogether.

Hon. J. C. WILLCOCK: The Attorney General said definitely that it was not intended that the workers on part time would have their wages reduced in accordance with the percentage reduction mentioned in the Bill. The Minister said, "I do not want that to apply." It does apply.

The Attorney General: There may be various methods of avoiding that application.

Hon. J. C. WILLCOCK: The Minister said he did not want it to apply to them at all. If the Minister would give an indication of the attitude of the Government regarding the points raised by the Opposition, he would curtail the debate tremendously.

The Attorney General: I presume any amendment you propose will be placed on the Notice Paper.

Hon. J. C. WILLCOCK: The Leader of the Opposition gave an indication of several parts of the Bill he desired altered. Do the Government intend to meet his objections? Personally I do not think that the supporters of the Government are prepared to agree to the schedule as it stands. I believe it will be considerably altered. The members of the Government themselves may vote for it, but I do not think they can count on a single member of the House supporting

the provision embodied in the Bill. It amounts practically to a flat rate of reduction. There is a variation of about 4 per cent. only. I do not think any member will regard that as indicating equality of sacrifice. It imports something quite unusual into our legislation. For the last 25 years it has been the settled policy of the State in regard to taxation measures in particular, that differential rates shall apply. I think the Government will find themselves alone in support of the schedule included in the Bill. I do not believe a single Government supporter will be with them.

The Attorney General: You are rather optimistic. In the Federal House the vote was somewhat different.

Hon. J. C. WILLCOCK: I have not heard a single member on the Government side of the House say that he will support the schedule.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. C. WILLCOCK: Before tea I was saying it would have been better if the Government had indicated how far they are prepared to meet the criticism which has been levelled at the Bill. The gradations of reductions proposed in the Bill are absolutely too close together. It is inequitable and entirely unjust that people with very small incomes should have deducted from their wages the same proportion as will be deducted from very much higher salaries. For many years past it has been the settled policy of this country that gradations should be made in the rates of income taxation. Thus we have gradations from 2d. up to a little over 3s. It is true that during last session we broke away from that principle by passing the Hospitals Bill, providing for a tax to be levied on a flat rate. But I myself strongly opposed that, and so I am consistent in raising objections to this Bill, which follows very far the same principle. If, for instance, the gradations in the Bill before us, instead of ranging from 18 per cent. to 22½ per cent. ranged from 10 per cent. to 30 per cent., I do not think any injustice would thereby be imposed upon those enjoying higher incomes, while considerably more justice would be extended to those on the lower range of salaries. Already the workers have had their remuneration reduced by 10 per cent. owing to the reduc-

tion in the basic wage, and so I think those on the basic wage should not have to suffer any further reduction. There are approximately 8,000 railway employees, and the reductions they have suffered in their remuneration as the result of the alteration in the basic wage represents £170,000 per annum. It seems to me this is quite sufficient for the lower paid men. A startling omission from the Bill—the member for Gascoyne has already mentioned it—is the neglect to make any proposals in regard to rent. Rent has a tremendous effect on our economic life, and it is a matter for wonder that it was not thought necessary to include in the Bill some provision for a reduction in rent and leases. The bondholders are to suffer a reduction of 22½ per cent. in the interest they receive and now, under the Bill, all employees will suffer a reduction in wages and salaries, but no reduction in rent is proposed in the Bill, nor, so far as I have been able to ascertain, in any part of the Premiers' Conference Plan. It appears to me the Government will have to increase taxation, for there is to be seen in the Press propaganda from a high and important source declaring that Western Australia will have to increase taxation. It will be remembered that during the regime of the Labour Government taxation was reduced to considerably below the average for the whole of the Australian States. So, our taxation being below the average, a big stick is being flourished and we are given plainly to understand that unless the Premier is prepared to increase taxation, the amount received from the Federal Government by way of annual grant will be reviewed. If the Premier had already introduced his Budget, we would know what he was prepared to do in regard to taxation. It may be he intends to follow the lead of the Federal Government and impose a super-tax on income from property. Members will know that, apart from the differential rate, the increased rate on income from property as against income from personal exertion, the Federal Government have a special super-tax on income from property, which was 7½ per cent. and is now to be raised to 10 per cent. If, then, our Government were going to increase taxation to more nearly balance the Budget, it would remove the criticism that can be levelled at them for

not including rent in the Bill before us. Rent has a vital effect on the economic life of the State, inasmuch as on rent is the declaration of the basic wage made. If rent were reduced similarly to bond interest and mortgage interest, it would have the effect of decreasing the basic wage in this State by at least 4s. a week, and that would save to the Railways an additional £60,000 on their annual wages list. And if it were reflected right through the State, with the reductions already agreed to it would be a million pounds off the economic impost on the State in the wages paid to employees. It would be creditable in the interests of industry if rent were included in the Bill, so that we could save the reduction that will otherwise be made in wages. But if the Government are prepared to bring it in as a tax, while it will raise a considerable amount of money, it will not have the effect that a reduction in rent would have. There is very little difference in principle between rent and mortgages. Suppose a man, in order to buy a house, raises a mortgage. If the mortgage rent is to be reduced by 22½ per cent., there is very little difference between that and a reduction in rent. Certainly the Attorney General did say that some consideration was given to it, but if the Government intend to do anything about it through taxation, it will ease the position to a certain extent but it will have no effect on the economic life of the State, although it will have the effect of reducing the deficit, which otherwise would be considerably higher. Particularly in regard to railway finance, too, the difference, as I say, if rents were to come under the Bill would be that immediately, or within two or three months, when the basic wage will come up for revision, rent being an important factor a decrease would be made in the basic wage representing some £60,000 in the Railways alone. Expenditure of revenue is a very reliable financial barometer, not only in Western Australia, but in all the States of the Commonwealth. I have been reading a return compiled by the Commonwealth Railway Commissioner. It shows how remarkable is the similarity of the deficits occurring between railway revenue and expenditure, and the State deficit. For instance, in 1929-30 the total deficits of all the States amounted to approximately 8½ millions, while the total railway deficits of all the States aggregated £8,491,000, showing a difference of only about £9,000. I do not

know about this tax on income from property; it seems to me that will be the one line of taxation that could be imposed on the State. It is peculiar that the Commonwealth Government should have singled out for exemption the super-tax on income from property, from bonds. They say that will not be subject to taxation. Yet in this House we are reducing mortgages down to somewhere about the same rate as bonds will receive. And bonds, we are told, will not be subject to the Federal property taxation, while apparently mortgages will be.

The Attorney General: No, I do not think that is so. It was suggested that the special property tax would be dropped.

Hon. J. C. WILLCOCK: Altogether?

The Attorney General: I think so, yes.

Hon. J. C. WILLCOCK: The only indication I have had regarding it is the announcement in the Press that the Federal Government have considered the property tax and, instead of the super-tax being 7½ per cent. this year, it is going to be 10 per cent. So the Federal Government are considering the advisability of increasing the property tax. Yet bonds are to be free from this property tax. So it will really mean that the average rate on mortgages, approximately 6½ per cent., cannot be brought down to less than 5 per cent. The incidence of this special property tax will bring the income from mortgages to a percentage similar to that received from bonds.

The Attorney General: I do not think that is intended.

Hon. J. C. WILLCOCK: We can only go by the information given us in the publicity arranged for by the Federal Government. If mortgage rates are to be subject to a special impost of 22½ per cent., I see no reason why rents should not suffer an equal sacrifice. We have heard a good deal about the equality of sacrifice. If it is fair and reasonable, as I consider it is, that interest on mortgages should suffer this impost, why should not rents suffer similarly? I should like the Attorney General to give some indication of the Government's intention regarding rents. To me it is the most startling omission that one could conceive. If provision be made for rents, steps should be taken to prevent the tax from being passed on. It should not be possible for landlords to increase their rents in order to cover the taxation. Some people seem to think that if Budgets are balanced, a miracle will happen, and that we shall con-

form to the elaborate title of the Bill in regard to the general restoration of prosperity. Australia's financial position is dependent upon world-wide conditions. The purchasing power of nations has been so seriously curtailed that people cannot afford to pay the price for the produce we export overseas. Armaments alone account for an expenditure of over £800,000,000 a year, and reparation payments between nations reach another £100,000,000 a year. The unfortunate part about the reparation payments is that, on account of tariff and other restrictions, payments have practically to be made in gold, and so the debtor nation has to impose taxation while the creditor nation promptly stores the gold, and it becomes a frozen asset.

The Attorney General: They get no benefit whatever from it.

Hon. J. C. WILLCOCK: That is so. The country that pays has its purchasing power reduced; the country that receives does not get any use from the gold. The only effect seems to be that the portion of the debt that is paid in kind deprives of employment inhabitants of the recipient country.

The Minister for Lands: It impoverishes the country from which it is drawn and prevents trade with the receiving country.

Hon. J. C. WILLCOCK: Any scheme for increasing the prosperity of Australia that does not take cognisance of world-wide conditions—no matter what may be the calibre of the experts sponsoring the scheme—will get us nowhere. Germany has practically crashed because of the burden of reparations and interest payments on debt. With the expenditure on armaments on top of that, people cannot afford to buy the produce they so badly need, and this is reflected in the low prices we are receiving for our export commodities. Unless those two matters can be adjusted, the whole system seems to be in danger of collapsing. Interest is a tremendous burden on the industries of a country. When one considers how rapidly interest, at compound rates, increases, one realises how great is the burden on industry. I read somewhere that £1,000 at seven per cent. compound interest would increase to £1,000,000 in a little over 100 years. Thus the wages of money are increasing so rapidly and are taking such a toll of industry that the burden is becoming insupportable. There is another matter that

should be tackled in a Bill of this kind; I refer to commercial discounts. In a Press report of evidence given before the Royal Commission on Farmers' Disabilities, I read that the price of flour was £8 10s. for 30 days' credit, with 10s. rebate for cash in seven days. The rebate is equal to six per cent. per month, which means that interest at the rate of over 70 per cent. per annum is charged to people who cannot afford to pay cash for their flour. No comment was made at the Commission's proceedings to indicate that there was anything unusual about the rebate. Industry cannot afford to pay 70 to 80 per cent. interest on the capital employed. The prices of other commodities have decreased, but I suppose this is one of the reasons why the price of bread has not been reduced.

The Attorney General: There are other reasons.

Hon. J. C. WILLCOCK: I think that is one of the cogent reasons why there has been no decrease. It is impossible to lower the costs of production when that sort of thing prevails. The price of milk has remained stationary for the last two or three years.

The Minister for Lands: The producer does not get the benefit.

Hon. J. C. WILLCOCK: The retailer gets as much as he was getting two or three years ago, whereas his wages bill and other costs have dropped. The bank overdraft rate has been reduced by one per cent. But those retailers who aver that it is impossible to reduce the cost of distribution are putting up a gigantic bluff.

Hon. P. Collier: They meet and decide the price.

Hon. J. C. WILLCOCK: Milk is 4d. per pint.

Mr. Angelo: I paid 8d. a quart a year ago.

Hon. P. Collier: The member for Gascoyne has struck a cheap milkman and a cheap baker.

Hon. J. C. WILLCOCK: In this period of readjustment some tribunal will be necessary to ensure that the benefit of reductions made in wages is passed on. The Attorney General will agree that it is foolish to ask the President of the Arbitration Court to constitute himself a tribunal.

The Attorney General: I will not.

Hon. J. C. WILLCOCK: Not to ask the President to constitute himself a tribunal

to see that the effect of wage reductions is passed on?

The Attorney General: He will not be asked to do anything of the sort.

Hon. J. C. WILLCOCK: I hope the Minister will be able to give us a reasonable explanation when replying to the debate.

Mr. Kenneally: It will be impossible to get a reasonable explanation. An army of policeman would be needed to police the provision. Perhaps it is to be made the means of providing work for the unemployed.

Hon. J. C. WILLCOCK: Suppose the Arbitration Court, on application by the Government, reduced the wages of railway employees, would the equivalent have to be passed on to the public in reduced rates and fares? Would the president have to consider what benefit was to be passed on?

The Attorney General: Of course not. The railways are being run at a hopeless loss now.

Hon. J. C. WILLCOCK: Then that means that a principle good enough for a private individual is not good enough for the Government.

The Minister for Lands: It could be done with the fertiliser companies quite easily.

The Attorney General: There is nothing rigid about the proposition.

Hon. J. C. WILLCOCK: The provision seems to imply that the reduction of wages is to be passed on to customers, and the customers of the railways are those who provide freights and fares.

The Attorney General: The Bill does not say it is to be passed on.

Mr. Kenneally: But it is to be passed on.

Hon. J. C. WILLCOCK: How could the president be asked to do that?

The Attorney General: If the president acts like the sensible man I think he is, he would want to know whether the employer was operating at a loss.

Hon. J. C. WILLCOCK: The Government are evidently prepared to exempt their concerns from the operation of this portion of the measure.

The Attorney General: No one suspects that the Government are making a profit on anything they are doing.

Mr. Kenneally: Not while the present Government hold office.

The Attorney General: Or any other Government.

Hon. J. C. WILLCOCK: It is a good principle to stipulate that the wages reduc-

tion shall be passed on to the customer, but apparently the Government will be excluded. That is absurd. If the court, on application by the Government, reduced the tramway men's wages, according to the principle of the Bill, the president of the court should order the department to make an equivalent reduction in fares.

Hon. P. Collier: And if there was a profit on the Electricity Department, the City Council would get current cheaper.

Hon. J. C. WILLCOCK: That contract might be varied.

The Attorney General: If the City Council asked the court to reduce employees' wages, the court might reasonably ask what profit was being made, and what it was proposed to do in the way of passing on the saving.

Hon. J. C. WILLCOCK: What about reducing tramway fares? The tramways might make a profit.

The Minister for Works: They are making a loss at present.

Hon. J. C. WILLCOCK: For years they made a profit, and so did the Electricity Department. Surely the Attorney General would not argue that because one department, by reason of its peculiarities, was making a profit and all the others were making a loss, they should be kept outside the scope of the measure.

The Attorney General: You have to treat all Government activities as one. They are resulting in a horrible loss.

Hon. J. C. WILLCOCK: Then the Government say to every private individual that if he gets a reduction of wages he must reduce his prices to customers.

The Attorney General: We are not saying that. We are giving the president of the court an opportunity to say that if he thinks fit, just as the Federal court is able to do.

Mr. Kenneally: He may make it a condition of such relief that the employer shall pass it on to the customer.

Hon. J. C. WILLCOCK: If the tramways were making a profit and the Government received a reduction of tramway men's wages, some patron of the trams might approach the president of the court and ask him to reduce fares.

The Attorney General: Nothing of the sort, because the Tramway Department would not come under that provision.

Mr. Kenneally: Tramway employees have no right of appeal.

The Attorney General: Everyone knows that the Government are hopelessly unable

to meet their expenditure at the present time.

Hon. J. C. WILLCOCK: That shows the tender interest of the Government in their own undertakings. They are prepared to make private individuals submit to certain conditions, but are not prepared themselves to subscribe to those conditions. I can well understand the discontent that will be evident.

Mr. Angelo: Any benefit the tramways would derive would be passed on to the whole community.

Mr. Kenneally: Anything to get industrial employees away from the industrial tribunal.

The Attorney General: How can you compare Government with private employers?

Hon. J. C. WILLCOCK: The whole thing is impracticable and foolish, and I do not think the Government will go on with it.

Hon. P. Collier: It is capable of application in some cases but is not capable of application in most cases.

The Attorney General: It is capable of application in some very important cases.

Hon. J. C. WILLCOCK: We can imagine the amount of discontent that would be created if we had a different principle operating in different industries. By some chance it might be a little difficult to apply this particular principle in some directions, and it would not be so applied. But because it might be easy to apply it in other directions, immediate use would be made of it. We cannot have Governments administering Acts of Parliament in that way, and saying that, because with some people it is easy to apply the law, they are to be subjected to the burden, but that in other cases because it is difficult they will be exempt from the burden. The law must affect everyone in the same way. Unless it does, the whole thing will have to be cut out. I am not going to pursue the debate on that point any further.

The Attorney General: I am not so sure that it is foolish.

Hon. J. C. WILLCOCK: I will now get down to something personal. What about legal costs?

Hon. P. Collier: They have not been reduced in recent years.

Hon. J. C. WILLCOCK: In 1920 legal costs went up to some extent. The Rules of the Supreme Court governing this matter were amended, and legal practitioners were allowed to increase their scale of charges by adding 25 per cent. to the sum

total of the bill. The rules were amended to enable them to do this. I hardly know whether that 25 per cent. could be taken off under this Bill. It could be done by Government action. I do not know whether the Government have considered the advisability of bringing these costs into line with other reductions, and restoring the scale of charges to what it was in 1920.

The Attorney General: We are considering that.

Hon. P. Collier: It is all right; the lawyers will do it voluntarily.

Hon. J. C. WILLCOCK: Things are very often considered by Governments.

Hon. P. Collier: But they decide not to do them.

Hon. J. C. WILLCOCK: But not so often do Governments decide to do them.

The Attorney General: That should not find a place in this measure.

Hon. J. C. WILLCOCK: If it did, it would be an indication that the principle of the equality of sacrifice was being applied in this particular direction. The Government should consider the matter. Perhaps in two or three weeks—

Mr. Kenneally: Or years!

Hon. J. C. WILLCOCK: When they have considered the matter, we may, by means of questions, ascertain what the Government have done. The whole scope of the Bill fails to achieve, as the member for Mt. Hawthorn pointed out, the principle of equality of sacrifice that is so necessary. It certainly seriously interferes with the comfort and convenience of some people who will be affected. Those who are on the lower rung of the ladder, just on the basic wage or below it, or are working only part time, will certainly suffer further privation and want.

The Attorney General: But they will be in a better position than the thousands of people who have no work at all.

Hon. J. C. WILLCOCK: That is not the point.

The Attorney General: It is an important point.

Hon. J. C. WILLCOCK: It is a point, but, as a civilised community, we should take into consideration the want and privation through lack of food and clothing that are already being suffered by these people, and do the best possible to refrain from adding to their sufferings, as this Bill will undoubtedly do. We should in fact exclude

them altogether from being affected by this measure.

Mr. Kenneally: This will certainly add to the number of sufferers.

The Attorney General: I suppose that is the hon. member's opinion, but it is not mine.

Mr. Kenneally: Commonsense should dictate that it is the position.

Hon. J. C. WILLCOCK: According to the Press, the Attorney General was almost adamant upon there being a flat rate in regard to deductions from income.

The Attorney General: I think that would have been better. We should have faced the position more readily.

Hon. J. C. WILLCOCK: I am opposed to that view. We do not recognise the principle in regard to taxation. If that is to be the principle as applied to a reduction of wage for people on the bottom rung of the ladder, why has it not been introduced into the principle of taxation? We have got away from it there.

The Attorney General: Taxation is a nasty thing to swallow, even in normal times.

Hon. J. C. WILLCOCK: No one has yet put forward the idea except the Minister for Health with his flat rate of taxation for hospitals, irrespective of income.

The Attorney General: Seventy per cent. of the workers in the Eastern States have suffered a flat rate cut of 20 per cent., and all we are asking is that the people of Western Australia shall suffer the same as that 70 per cent. of Eastern States workers.

Hon. J. C. WILLCOCK: The member for Gascoyne said that in the case of the 20 per cent. cut over there, the cost of commodities had come down by 20 per cent., so that the workers could buy just as much with their earnings as they did before.

Mr. Withers: It is not so here.

The Attorney General: The position is the same here. The 70 per cent. of Eastern States workers have suffered an effective 20 per cent. cut in their wages.

Hon. J. C. WILLCOCK: On commodity prices?

The Attorney General: No, a reduction of 20 per cent. upon what was paid to them per week. All this Bill asks for is that something like that shall be done in Western Australia.

Hon. J. C. WILLCOCK: It does not affect the position.

Mr. Kenneally: Of course not.

The Attorney General: Why?

Hon. J. C. WILLCOCK: If on the price of commodities and the cost of living a basic wage is declared at £3 or £4 a week, and the workers can buy the same amount of commodities for 20 per cent. less, it is reasonable that the basic wage should come down accordingly.

The Attorney General: Already 70 per cent. of the Eastern States workers have suffered a 20 per cent. cut in their wages.

Mr. Kenneally: Portion of that was the cost of living reduction.

The Minister for Works: And the 10 per cent.

The Attorney General: All we are proposing is that the same reduction shall be made in this State and nothing more. It will still leave the people shillings a week above the 70 per cent. I have referred to in the Eastern States.

Hon. J. C. WILLCOCK: I am not so sure of that. I am talking about the people on part time and working for less than the basic wage. These people will suffer enormously.

The Attorney General: That is an entirely different matter.

Mr. Kenneally: What about the other 30 per cent.? In this State not even 30 per cent. will escape.

The Attorney General: The 30 per cent. in the Eastern States will rapidly fall into line.

Hon. J. C. WILLCOCK: I want to see that rent suffers the same impost as will other means of income from capital. I am also particularly anxious to see that the people on the bottom rung of the ladder shall not be compelled to share in the general sacrifice. They have already made sacrifices, and are in a bad enough position without being called upon to do any more. Surely there is sufficient capital and wealth in Australia for those who have it to enable Governments to balance their budgets, and bring the income of Australia somewhere near the expenditure. Surely it is not necessary for us to get down to the bottom rung, the people who are already having so rough a time, in order to assist us in balancing the Budget. During the past year or two the savings bank accounts have decreased by £1,000,000 because of people being obliged to withdraw their savings. This cannot go on for ever because we have only £7,000,000 or £8,000,000 on deposit altogether. Not only

are the deposits becoming less but unemployment is becoming more general. The position all round is getting worse. In this country we should have such a scale of reductions from the remuneration which people derive from their work that means of escape should be provided for those who are right on the bottom rung of the ladder, so far as their mode of living is concerned. These poor people have been living on their limited means month after month, and have now reached a position when they are penniless and are suffering want and privation. Notwithstanding this, the only thing that a presumably sympathetic Government can think of is to heap further burdens upon them. I feel sure the House will not tolerate such a thing, nor do I think the Attorney General expects it will. When the matter was first raised he said it was not the intention of the Government, but it is still the intention of the Bill. I do hope the Government will give consideration to amendments that will lift the burden from those in already poor circumstances, and that these objectionable portions of the Bill will disappear in Committee.

HON. T. WALKER (Kanowna) [8.12]: I regret that the state of my health will not permit me to speak at any great length. I wish to congratulate briefly the speakers who have already made out a case against this Bill, from the Leader of the Opposition to the last member who has spoken. To me, the Bill is one that aims at reducing the general status of the workers of this country. My great faith in representative Government has led me to believe that we can only advance, progress and improve our condition by means of a general distribution of the good things of life, from the highest member of the community to the lowliest and humblest worker. But this is a measure to stop the wheels of progress, to block the chances of prosperity, and to sink people who hitherto have had a fairly decent standard of life into a humble and starving condition. The whole object of the measure is to consider the claims of the foreign money-lenders. The object—an honourable one, I admit, in ordinary circumstances—is to pay the creditors abroad. We do that simply because we are debtors. The moral aspect of it we do not take into consideration. The great burden that falls upon the Australian community is that of the war, which Aus-

tralia did not commence, which a large section of Australia deplored. But the accumulation of debt on that score is so enormous that we cannot meet the country's obligations as they fall due. The idea is that we must pay back those who enabled us to send our citizen soldiers abroad and to compensate the families who have suffered material loss in consequence. The object is to make us pay to the uttermost farthing the debt which we incurred for the support of the British Government. It may be a moral thing to recognise our debts, but we must also remember that we have to consider our possibilities, and if the payment of all our debts, supposing we could do it at once, meant the starvation of our citizens, meant the bringing into the world of children weak for want of healthy nutrition during the embryological stage, it would be an immoral thing to pay the obligations. And that is practically what the measure prescribes, what it asks us to do. It asks every mother to alter the contents of the cupboard, not to purchase what may be necessary for herself or the children, but to bring them up on half-supporting sustenance, under half-fed conditions. A terrible outlook! It is all the great majority of the workers of this State can manage now, to keep the wife properly clothed and all the children properly fed and educated. There is no great surplus of saving for the great body of workers. The money of to-day is all required to keep the family healthy and respectable, and any diminution of wages, of money flowing into each separate home, means the suffering of the wife, and ill-health in consequence, and children lacking in nutrition. A people to follow us weakened physically and mentally, and in consequence morally, is what we are preparing for by Bills of this nature. The whole thing rests, in my conception, on the misunderstanding of the means of exchange. We are not governed by Parliaments in a measure like this, but governed by private banking institutions. We are not guided by the wealth we have in the community, but by the banking accounts in Great Britain and here. It is a phenomenon to contemplate the wealth of a State like Western Australia and compare that with the condition of its inhabitants at the present time. We have sent over the seas food for a nation abroad, and our own people cannot get bread. We have sent abroad our cattle,

which would feed those who are out of work and starving here to-day. We have sent away our timber to make suites and build houses overseas, but cannot buy it in our own midst, and our forestry becomes a burden rather than an asset. All that man requires is here in abundance, but is shipped over the ocean to foreign nations, whilst we have our own citizens sleeping out in the cold, houseless, and I was almost going to say garmentless—existing like animals on charity, not like human beings with aspirations, hopes, and the stimulus to do something in life; the spirit of hope knocked out of them, and the terrible weight of despair crushing them lower and lower until almost every human faculty begins to wither. That is the position we are in. There is something wrong.

This Bill is a plaster, not a remedy. This Bill seeks only to give an excuse to the money-lenders of the world to hold off their tentacles lest they draw the whole of the lifeblood too quickly out of the nation. I am not denying for a moment that our Governments have been guilty of gross extravagance and of thoughtlessness. Take the Commonwealth that is now taxing every citizen beyond his means, except the wealthy; that has brought upon us a great many of the misfortunes of which we learn in this very Bill. The Commonwealth has built in London an enormous mansion that is of practically no service whatever except that of ministering to the vanity and conceit of Governments by lavish display and extravagance. The Commonwealth is paying in New York £5,000 a year for what is not more than a clerk's business. The Commonwealth has built a city at Canberra—unoccupied, waste, and not even architecturally beautiful. The people are ruined in every possible way. We want, without strict repudiation, to preserve our wealth and our means of livelihood and support in this State, instead of sending abroad the means of competing, not with a brotherly nation, not with a part of the British Empire, but with the enemy of the British Empire—Russia, which is sending into England those enormous quantities of wheat that are putting into the bankruptcy court many of the farmers of Western Australia. We send to Britain wheat we have struggled to obtain, and are met with absolute failure; not mere failure in the sense of making nothing, but in the sense of absolutely getting

into debt as a consequence. Farmers who have been upon their farms growing, or preparing to grow, wheat for the last 20 years are in the ranks of the unemployed of this State. We have much to complain of regarding the method of the transaction of business through the banking institutions of the Empire, and this Bill works directly into the hands of those banking institutions. It is based upon banking proposals; in other words, based on the worship of gold, a mere fetish.

Strictly speaking, gold is not wealth. It is a mere metallic means of exchange when all is said and done. The sovereign in gold is worth no more than the pound in paper if that pound is backed and supported by the actual wealth of the country. It is the humiliating worship of the pound in gold that is reducing us to our present condition. Is it not a phenomenon that this country, so wealthy in everything that human nature requires, having not only the plentiful cereals of the earth but the sheep and the cattle, besides game, its ocean teeming with fish, cannot feed every inhabitant it has? It would be able to maintain ten times the number of people we now have in this State if we were allowed to look after ourselves, if the great tentacles of the capitalistic octopus did not suck from us all that our own inhabitants require. We have not only stopped our growth, but are starving those that already live amongst us. There are some who seriously propose to send away those of our inhabitants who have come to us as migrants, propose to deplete the country of its population, and that in the midst of all our plenty! Everything required for food, clothing, shelter, ornament and luxury is here in our midst. We send it abroad. We do nothing with it to support our own people, but come down with a Bill like this for the purpose of impoverishing every inhabitant who has to work for a living. Under these reductions, the standard of living must be altered, children must be neglected. There must be no ornamentation about the home, no comfort. There must be mere living as though the home were a pig-stye; the people must be satisfied with what reaches their troughs. That to me, Mr. Speaker, is a most lamentable state of affairs.

You will perhaps ask me if I believe in repudiation and if we are not from now on to pay the debts we owe for money lent. I cannot say that I would not do that, but I

do say we cannot do it at once. I say we have no right to starve, impoverish, humiliate and weaken our own inhabitants in order to pay our debts. We will have to provide for our obligations and repayments not by repudiation, strictly speaking, but we must have ample time to do it, and our own citizens must be our first consideration. If this kind of legislation becomes more prevalent, we should prepare the way for very serious troubles in Australia. I need only remind hon. members of the period just before the French Revolution, when the Treasury coffers contained about £10,000 only. The revolution came in consequence of the impoverishment of the multitude, of the starvation of the citizens, the ruination of the farmers. The conditions of the agriculturists were indeed worse, but very much like those of our farmers in Australia to-day. The French Revolution arose out of that period of starvation—and it will be so here, too. It did so in England itself at one period of her history, when Charles I. was borrowing by forced loans, as this Bill practically seeks to do, taking from the people their earnings against their wishes or consent. When, in consequence, Cromwell was put at the head of the army he could raise, the Crown of England temporarily fell, and we had a Commonwealth without a sovereign at its head. It arose out of conditions like those that confront us now. Royal authority was demanding loans and demanding reductions in the expenditure amongst the general toilers and workers of England. We must prepare for some reaction of that description in the Commonwealth of Australia itself. I do not know that it would have any chance of succeeding against the armies of the Empire, but we do not know what risks may be taken if we go further and further into the slough of despondency, failure and despair. That is what we are doing by measures of this description. There can be, I think, a cure for our local internal depression by Government action, apart from the banks. The cure can be found in the excess wealth of the country, which can be distributed from one hand to another. It is no more than the banks are doing. A £1 note is merely a piece of paper, beautifully printed I admit, but it is simply a promise to pay. The banks honour it. Governments can create wealth in the same way, especially internally. When we send abroad and sell

abroad, we must, of course, pay in the recognised currency, or in money recognised by the foreigner who deals with us. But amongst our own people, a judicious Government could create a monetary circulation that would liquify debts and increase wealth. But those phases are not taken into consideration. We are in the hands, and in the grip, of the foreign money-lenders. Under our laws they have power to extract our wealth from us, and as they do it, family after family go out of action, home after home has to be left, and little children of the families have to go barefooted in the streets. It is a painful position to be in.

This measure, which proposes merely to gratify the money-lenders of the world, now seeks to enforce conditions upon us that forget our own citizens and our own requirements. The Bill is purely class legislation, purely a Bill of the moneyed people of the world. It does not reach the foundation of the population of this State. It does not touch the workers. If, Mr. Speaker, it sought to bring the workers of this great nation into avenues of scientific toil, it would be different. But to-day our people are walking the streets, sleeping under rocks, inhabiting unfurnished camps, in a dreadful state of despair, and broken hearted. There is the difference. The Bill is merely a salve for an ulcerated wound. It does not, in any sense of the word, seek to cure the fundamental sufferings we are undergoing. It will merely increase the sufferings of the multitudes, depress their vitality, reduce their sustenance, and make them victims of despair. From being upright, hopeful men, our people will become mere slaves, without any of the spirit that characterises true manhood. I do not wish to go over the details. I endorse what has been said by previous speakers. It must be obvious to every reader of the Bill that we are to become national victims of creditors instead of strong, healthy citizens imbued with the spirit that seeks to make this State one of human happiness, human prosperity and human content.

MR. J. H. SMITH (Nelson) [8.40]: I do not propose to make a long speech in attempting to deal with the Bill but I can assure the Attorney General that, if it

reaches the Committee stage I shall place a good few amendments on the Notice Paper.

Mr. Sleeman: Why let it reach that stage?

Mr. J. H. SMITH: I notice that the Bill states that it is "to make necessary provision for carrying out a Plan agreed on by the Commonwealth and the States for meeting the grave financial emergency existing in Australia, re-establishing financial stability, and restoring industrial and general prosperity." The Premiers of Australia met in conference with the advantage of all the advice it was possible for them to get. The best brains supposed to be in Australia were at their disposal for three weeks, and the Premiers evolved a Plan. It has been sent to the State Parliaments to adopt. It appears to me that every State of Australia has selected a different method of applying the Plan. The general object is to secure a 20 per cent. reduction in expenditure, but in effecting that reduction, it is proposed to break every honourable agreement that has been made. The first consideration, to my mind, seems to be the protection of financial institutions in connection with the money lent to Australia. What is happening now in Australia was what happened in 1914. All through a scrap of paper and the breaking of an agreement, England was involved in war, and to-day Australia has to face turmoil and difficulty because of her share in those hostilities. It is because of that that we are suffering to-day. If the Premiers had evolved some scheme to place before the State Parliaments which would have made it clear that in three years or five years' time they could guarantee that the community as a whole would be back at work and enjoying decent living conditions, the position would have been more satisfactory. In my opinion, the Bill will not mean the employment of one additional soul. On the contrary, I believe the Premiers' Plan will create greater unemployment. It will mean that the business houses in Australia will gradually get down to the level of the gutter. I for one will not support the Bill, even if I am rejected from Parliament. We are asked to break every honourable agreement we have made with people who joined our service under the 1871 Act. Provision is made for a reduction in salaries and wages of from 18 to 22½ per cent. The Bill means that the boy and the girl who receive £1, and all others who receive up to £250, are to suffer a reduction of 18 per cent. Those people

will have to receive less than the Arbitration Court awards. The whole thing is most unfair. This is classed as emergency legislation. We have always prided ourselves that our community as a whole has been prepared to abide by awards of the Arbitration Court. Every member of this Chamber has pledged himself to that policy. To-day we are asked to violate every award of the court and I for one will not do so. Again, the whole thing is distinctly unfair to the man on the bottom rung, and even to all but the man on the top rung. A man on anything from £1 per week to £250 per annum is to be subject to a reduction of 18 per cent., while the man on any salary from £250 to £1,000 is to suffer a reduction of only 20 per cent. There is certainly an anomaly there. If the Premiers, with all the advice of the economists, could not evolve a better scheme than this, it is truly remarkable. This is the decision they arrived at.

Hon. J. C. Willcock: No. This has nothing to do with the Premiers' Conference.

Mr. J. H. SMITH: The whole thing should be on a graduated scale. If the sacrifice must be made, it could start from a deduction of one per cent. or two per cent. for the man on the basic wage, and rise until it reaches the required 20 per cent.

Mr. Parker: For whom would you have the one per cent.?

Mr. J. H. SMITH: The man on the basic wage.

The Attorney General: And how much would you yourself submit to?

Mr. J. H. SMITH: Let me give an illustration of the condemnation of all the rest of Australia against one Australian Premier. Despite that general condemnation, the various State Premiers sat around a table and practically adopted every recommendation that had been made by that condemned Premier. Their hands were thrown up in horror when first that Premier published his recommendations. The papers were full of it. "Repudiation!" they cried; "Australia will never repudiate." Yet to-day all the Premiers are doing that very thing and requiring the people to swallow it. I am asked how I would arrive at a solution. I would place things on a better basis and see that men in receipt of £500 or £600 per annum were justly dealt with. I would not come down to the level of Mr. Lang, but I really do think that to-day everybody should have a limit placed on the value of his services, should

receive nothing more than £1,000 per annum. I do not propose to go very much further, except to say that the whole Bill is distinctly unfair. Just consider members' allowances!

The Attorney General: How much do you think ought to be deducted from them?

Mr. J. H. SMITH: Less than 18 months ago members were returned to Parliament for three years. They were then to receive £600 per annum, not as a salary, but as an allowance. Members of Parliament do not receive a salary. In the early days of Parliament only Ministers received a salary, members' services being given free. Then it was decided to have payment of members, but it was not to be called payment; it was to be designated an allowance. That allowance has worked up until it reached £600, which for Ministers, with their special salary, meant £900 extra. I would cut that off, for if members are worth only £480 to-day, no Minister is worth £900. When the Bill reaches the Committee stage I will oppose many of the clauses. The Attorney General has been quite candid. He says he detests the Bill, that he is disgusted with it. I am with him in that. But if the Attorney General is disgusted with the Bill, surely he could withdraw it and go back to Melbourne and evolve some better plan. If the Plan would result in something that would reduce the suffering we have in our midst, there would be some reason in it. That suffering is affecting, not only the industrial workers, but even the farmers, who to-day are living practically like serfs. And we have in Perth alone at least 20,000 people depending on the dole. This measure will increase unemployment. Last year it cost this State £600,000, not to feed people, but merely to keep them from starving, to give them a crust here and there. This Bill will result in at least three times that amount of money being required next year, not merely to feed the people, but to clothe them, to keep them from perishing from cold and hunger. Yet we are asked to adopt this Plan. While Australia spent £550,000,000 for war purposes, the "West Australian" and the "Daily News" are still charging 2d. per copy, an increase of 100 per cent. on pre-war prices. Yet they are applauding this scheme for a general reduction of everything. And members on the Opposition side of the House are worrying because it is to apply to outside workers as well as those in the Government service.

Surely those members are concerned also with the men engaged in Government work to-day. Nevertheless they have made no feature of that, but are crying out because the scheme is to apply to outsiders. The Premier does not advocate that the State workers should be cut down, and the Leader of the Opposition does not want to see the outsiders cut down.

Hon. J. C. Willcock: We don't want anybody cut down.

Mr. J. H. SMITH: Well, let us nip the thing in the bud immediately, and let these financial geniuses go back to Melbourne and evolve a scheme that will give hundreds of thousands of people who are to-day in the gutter a chance to live decently.

The Attorney General: Any other scheme might be equally unpleasant.

Mr. J. H. SMITH: It might be unpleasant for the big financial institutions. We have always been proud of Australia's resources and of her manhood, but what is going to be the future of Australia if we are to have little children born to-morrow or the next day or the day after of half-starved parents? Where will the nation be as the result of that? I propose to try to amend the Bill in Committee. I see no good in it, and I do not intend to support it.

HON. M. F. TROY (Mt. Magnet) [8.53]: This measure is entitled "An Act to make necessary provision for carrying out a plan agreed on by the Commonwealth and the States for meeting the grave financial emergency existing in Australia, re-establishing financial stability, and restoring industrial and general prosperity." If the Title could be guaranteed we might all support the Bill, for no doubt the Title is most attractive. But beyond the Title there is nothing in the Bill to make it very attractive, whether to the members of this House or to the people in the country. There are in the measure very few principles which are really entitled to be discussed. The measure is confined to a few salient points, and when those have been considered there is nothing left. We are told the principles contained in the Bill were unanimously agreed upon at the Premiers' Conference. But, as has been pointed out, the principles of the Bill were not unanimously agreed upon at the Premiers' Conference. There are in the Bill features entirely outside the recom-

mendations passed by the Premiers' Conference, features which should not receive the support of members of the House. The most important principles are in relation to a percentage reduction in wages and salaries to secure a 20 per cent. reduction in State expenditure, a similar reduction in superannuation retiring allowances, a reduction in Government grants to institutions not exceeding 20 per cent., automatic variation of contracts of service to give private employers the right to secure a reduction similar to that of State employees, and a reduction of the interest payable on mortgages. Those are the salient principles of the Bill, and I propose to confine myself to them. In my opinion the schedule providing for a reduction of wages and salaries is most unfair and unreasonable, because the percentage of reduction does not represent an equal sacrifice. Those receiving a salary of £250 per annum—and that of course may include an allowance for board; it may be £200 a year salary, plus £1 per week board—are to be subjected to a reduction of 18 per cent. It is a very big reduction for men or women in receipt of the basic wage, especially when we have regard to the fact that a man in receipt of £250 per annum has to pay 25s. or 30s. a week rent and perhaps has to maintain a wife and family. Having regard to the cost of living in this State and the taxation already imposed upon him by the State and Federal Governments, a reduction of 18 per cent. in his income is not at all a fair sacrifice. It is unreasonable to ask a man so situated to bear such a sacrifice. But my strongest objection is to the next part of the Schedule, which provides for a reduction of 20 per cent. in salaries ranging between £250 and £1,000. When I speak of this I wonder who was responsible for arriving at this scale, which experts of the departments arrived at this scale in order to provide for fair sacrifice on behalf of the whole of the Government employees.

The Attorney General: Mr. Theodore was the one responsible.

Hon. M. F. TROY: No, no.

The Attorney General: Yes, this is copied from his Bill.

Hon. M. F. TROY: It may be part of the Federal Bill, but the Victorian Bill is not similar to it.

Hon. P. Collier: Neither is the Commonwealth Bill, in some directions.

The Attorney General: But the particular feature the member for Mt. Magnet is referring to is exactly the same.

Hon. M. F. TROY: I have here the Victorian legislation, which is on an entirely different scale. How can there be equality of sacrifice when the Bill provides that a man receiving £250 a year shall be compelled to accept a reduction at a similar rate to that of a man receiving £1,000 a year? The proposal is utterly wrong and should not receive the support of the House. The member for Nelson (Mr. J. H. Smith) spoke about sending the Bill back to the experts. We have either to send it back to the experts or effect a change in the schedule. It may be argued that a person receiving a salary of £1,000 a year has commensurate obligations. These are times when everyone has to take in his belt. No matter what may be the obligations of a man on £1,000 a year, his family obligations are no greater than those of the man on £250 a year. If it pleases a man on £1,000 a year to live on an extravagant scale, he will simply have to restrain his extravagance. This is a day when people are looking for a living wage and for reasonable opportunities. This is a time when people must live within their means and provide for their wives and families fairly but economically, and we are not justified in making the sacrifice so unfair as this Bill proposes. It is most unreasonable that a man on £250 a year should be reduced by a similar percentage to a man receiving £1,000 a year. I cannot conceive of any fair-minded member agreeing to a schedule of that kind. I have heard it said that people on £1,000 a year have a certain status to maintain. We are not concerned about status. They may please themselves about the status they affect and the manner in which they live, but our business is to ensure that the burden imposed upon all is fair. A person who receives more than £1,000 a year is to be reduced by 22½ per cent., which is only 2½ per cent. in excess of the man who receives only £250 a year. That, of course, is grossly unfair, and I cannot imagine members agreeing to such an injustice.

The Attorney General: What variation do you suggest to the schedule?

Hon. M. F. TROY: A variation will be suggested later on; amendments will be put

on the Notice Paper. I have an idea that the Government must have submitted the proposition to a few officials, saying, "We want a 20 per cent. reduction; get it," and in this rule-of-thumb manner they have provided for it. The reduction in Government grants will be very detrimental to hospitals. I cannot imagine how it will be possible to maintain the hospitals.

The Minister for Health: It will not affect the hospitals.

Hon. M. F. TROY: I am glad to hear that.

The Minister for Health: That is, unless the fund falls off.

Hon. M. F. TROY: It is proposed to make a cut of 20 per cent. in Government grants to institutions. One of the institutions affected is the University, and to-day there is considerable discussion as to the utility of the University and the service it renders to the community. While the cut may cause embarrassment to the University authorities, I think if an inquiry were made by the Government, it would probably be found that there are plenty of frills which could be cut off and that a saving could be made without detriment to the value of the institution.

Hon. W. D. Johnson: Hear, hear!

Hon. M. F. TROY: It is extraordinary that we have so little control over the expenditure of an institution like the University. We provide a large amount of money every year for the University, and beyond the fact that the Government are represented on the senate by a mere minority, who share the esprit de corps of other members of the senate, we have no control whatever over the expenditure. There is a suspicion in my mind and in the minds of hundreds of other people that growing up around the institution are certain old-world practices which lead to extravagance. I understand that some of the lecturers give only one hour's service per day. In other institutions, on the pretence of giving educational facilities to the people, there have grown up extravagances that are merely ornamentations. Consequently reduction of the University grant may cause the senate to secure greater efficiency by conducting the institution with less extravagance. I feel convinced that if this House authorised a thorough inquiry it would be discovered that there was much extravagance on the pretence of utility and service. The most vicious and unnecessary principle in the

Bill is the provision for the automatic reduction of wages, agreements and contracts. An employer may give notice to a union, or in the case of a contract, to the person contracted with, that he proposes to effect a reduction similar to that made in the Government service. This was never agreed to by the Premiers' Conference. It was not in the agreement. Where the Bill states that that is a portion of the agreement, it does not state the fact. It is surprising that in a Bill of this kind, which the Attorney General said was nauseous to him, he should see fit to introduce principles that were never agreed to at the conference. There was no demand for their introduction. They were never part of the scheme. Why are they in the Bill?

Mr. Kenneally: Some of them were actually turned down by the Premiers' Conference.

Hon. M. F. TROY: I am aware of that. The Prime Minister and the Federal Treasurer objected to them. Why, in legislation that we are told is repugnant to the Government, should they embody provisions that are still more repugnant? The Employers' Federation have never publicly asked for such provisions.

The Attorney General: It would not matter whether they had or not.

Hon. M. F. TROY: They are the people concerned; the Government are not concerned. The Government are concerned with the expenditure on Government services, but not with wages, agreements and contracts entered into between an individual and employers. Why have the Government introduced principles of that kind? They are entirely unnecessary, and I hope they will be deleted. They can only create disaffection. We have an Arbitration Court that sits every week in the city, and in the last 12 months to my knowledge there is not one instance in which application has been made for a reduction of wages that has not been granted—a reduction of 10 per cent. and more. Under the Bill an employer may make a reduction in wages, agreements and contracts without reference to any authority at all. If an employee objects, he must go to the authority, and when he does so and objects that the reasons given by the employer are not sound, the employer may advance other reasons to suit the circumstances. It is a vicious principle contained in a Bill which the Attorney General says is repugnant to the Government, and of course the

principle must be repugnant to members generally. The Bill provides as a set-off against the reduction of wages or salaries that the employer shall be obliged to give an equivalent reduction in prices to his customers. If any big distributing firm in the city secured a reduction of 20 per cent., it would be obliged to effect a similar reduction in the prices of the commodities sold. How will that be accomplished? Who will police it? Who could say that Boan Bros., Foy & Gibson, or any other firm who sell a thousand commodities from a needle to an anchor had made an equivalent reduction in the prices of their commodities? It is a hopeless proposition. It has never been done and it could not be done. A thousand policemen would be required to police such a provision, and they would have to be on the job every day. I can speak from experience of the utility of a price fixing commission. We had one here some years ago. They fixed the price of flour, which could easily be calculated from the cost of the wheat and the cost of the gristing. The costs of commodities imported into this State from other parts of Australia and abroad are made up in a thousand and one ways, including shipping, commission, cartage, insurance, etc. How would the reduction be arrived at? Such a proposal is utterly impossible. The Commonwealth Government, in granting protection to commodities produced in Australia and in imposing an embargo against the importation of other commodities, stated that if the people producing those commodities here took advantage of the protection afforded them, the benefit would be reduced immediately. Yet the prices of those protected commodities have invariably been raised. The Commonwealth Government have imposed a sales tax and a primage duty. The sales tax might be 1d. in the pound, but any business man can pass it on at 2d. or 3d. in the pound, and he does pass it on, too. Under the sugar agreement storekeepers are called upon to sell sugar at a certain price, and they refuse to do it. They charge a price they have fixed themselves. All this pretence is hopeless, because it would require a thousand inspectors to check the operations. They would not be aware of the facts, and they could not get the facts.

Mr. Wells: Competition is bringing down prices every week.

Hon. M. F. TROY: It is not a question of competition at all. Prices are not coming down.

Mr. Wells: Of course they are.

Hon. M. F. TROY: Let me give an instance. I purchased some socks in Perth a few weeks ago and paid 6d. a pair more than I had paid for a similar article three months before.

Mr. Wells: You must have gone to the wrong shop.

Hon. M. F. TROY: Not at all. I went to the shop I always go to. I asked the shop assistant who served me why the price had increased since wages had been reduced, but he could not tell me. It was not his business to do so. It was his business to sell.

The Attorney General: Do you say that a price-fixing commission is ineffective?

Hon. M. F. TROY: Largely, yes. How are any three persons without business qualifications and experience to understand all the details that are arrived at in fixing the price of commodities? Take the case of articles manufactured in England! They arrive in Western Australia and pass through different stages and incur different charges, and how are the people to arrive at what the costs are? In simpler things it may be done. From the primary producer to the local consumer here it might be done, but in the generality of cases it cannot be done.

The Attorney General: I agree.

Hon. M. F. TROY: This pious intention that when an employer reduces the wages of his staff he must effect a reduction in the price of commodities, is a hopeless proposition. It is a waste of time for the House to consider it.

The Attorney General: I agree with your proposition that in most cases it could not be done.

Hon. M. F. TROY: In the majority of cases it cannot be done.

The Attorney General: But in the minority of cases it can be done.

Hon. M. F. TROY: In the great majority of cases it cannot be done. It is impossible to argue the point with the seller. When one goes into the question of costs the seller knows how costs are arrived at, but as the customer does not know he is in a hopeless position. The policing of such legislation would be altogether too costly. It is a fallacy to suggest that it is possible to enter into legislation whereby the price of commodities must fall with a reduction in wages. I am as keen a buyer in many directions as most people. I ask why this or that increase has taken place, and am informed that it is

due to the sales tax, the primage duties and a hundred other things, and I give it up. The salesman talks about things I do not understand. He knows his business better than I do.

The Attorney General: Your wife could beat you at that game.

[*Mr. Richardson took the Chair.*]

Hon. M. F. TROY: Probably. I express very strong opinions about the cost, but still I pay. That is what is happening in the community every day. I notice in the Bill that the mortgagor is placed in a different position from the wage or salary earner. Whilst the Bill insists on a reduction in salary and wages, no reduction can take place so far as the mortgagee's interest is concerned unless an application is made to a commissioner by the mortgagor. There is no insistence or compulsion about that. The mortgagor must apply to the commissioner who decides whether or not his application is fair and reasonable. In the matter of interest, which is an important one to the community, there is no relief in the Bill. There is relief to the Government and private employers in respect of wages and salaries, but none in respect of interest. The great trouble for the primary producers to-day is the high rate of interest they pay. Would it not have been reasonable that, in a question so important as interest charges and cost of production, the Premiers' Plan should have provided that the bank rate of interest should also be reduced? It does nothing of the sort. Our banking institutions, with one exception, are charging the same high rate of interest as they did in prosperous times. The only exception is the Commonwealth Bank, which a few days ago notified its customers of a reduction to $5\frac{1}{2}$ per cent. Every Government in Australia insists on the community making sacrifices, but not one has made provision for a reduction in the bank rate of interest. Is it remarkable that in this country thousands of persons are objecting to legislation of this character when there are sections of the community which are not called upon to make the sacrifices that other people make? It is not our place to do unfair things. If we are going to ask for sacrifices to be made and that all wage and salary earners must take up a hole in their belts, every section of the community must do likewise. We

all live by the community and on the community. We live on and by one another. There is an idea in this country that the only people who are a charge upon the community are the public servants and those drawing salaries. As a fact every person, no matter where he is employed and what his trade or occupation may be, is a charge on the community. Whatever salary or income he draws comes from the common purse. He is therefore entitled to make the same sacrifice as the public servant and the wage earner, because he draws his money from the same source. The people who are not bearing their proper share of the burden are those who are directing the policy of Governments, with the result that we have this type of legislation before us. In a time of crisis so vital as this, when the income of the Australian community has been reduced by £200,000,000, when it is being urged upon us all that we must make sacrifices, when a dozen Premiers' conferences which have been held during the last year, have decided that a sacrifice is necessary, would not one be entitled to think that a Bill of this nature would provide for the sacrifice to be made by all sections of the community? But it does not do so. If the Government want this legislation passed they must bring down a measure which imposes an equal sacrifice on all sections of the community. If it is a fair and reasonable proposition the House will listen to it. We are told that this Bill is necessary to balance the Budgets of Australian Governments. We understand that the savings in salary and public services and from Government employees generally will amount to £20,000,000, that Australian deficits this year will amount to £30,000,000, and that £10,000,000 will have to be raised by taxation. I am not going to say whether this course will have the results Governments expect, but what I want to know from the Attorney General is, if this sacrifice does not effect the purpose of Governments, and next year this country has not been rehabilitated, what is the next proposition? Are we going to make still further reductions? It does not appear that we are going to get out of this trouble for several years. Our unhappy condition is not local. We know this is a world sickness. Nothing we can do in Australia can bring about the results anticipated by Governments. Nothing can put all our people back into work,

and create the prosperity we enjoyed even 20 years ago unless the price for our products improves considerably.

The Attorney General: When we have effected all the economies this Plan proposes we still shall not balance the budgets. We shall still be at least £11,000,000 short, and we have got to borrow.

Hon. M. F. TROY: So that is it? This Premier's Plan is an alternative to a fiduciary note issue. We know that the Scullin Government, with Mr. Theodore as Treasurer, proposed to meet the situation with a fiduciary issue of £18,000,000. The Press of Australia and the large vested interests, together with the Nationalists and Country Parties of Australia, held up their hands in horror at this proposition. They would not have it at any price. They said it was taking the wrong road, the road to ruin, as one of their pamphlets said. The £18,000,000 note issue would have been a mere bagatelle.

The Attorney General: It would not have made any difference.

Hon. M. F. TROY: We know the horror of Sir Hal Colebatch as depicted in his article in the "West Australian." The evil he predicted was entirely assumed; there was nothing in it. We exceeded the present note issue, the legitimate issue, during the war by £56,000,000, and there was nothing wrong about it.

Mr. Marshall: If there was a war to-morrow we would increase it again. It is all bunkum.

Hon. M. F. TROY: Because very few knew anything about it no one questioned, no one was concerned. The financial basis on which we live is not one that is divinely inspired. It is something man has created as a means of meeting the needs and for trading purposes. It is all based on confidence. The savings in our Savings Bank are thus secured to us. If we all rushed to the bank to-morrow we could not get our money, but we know if we act in a reasonable way our money is there for us. We have confidence that it is there. When the Nationalists and Country Party supporters made their great outcry about the £18,000,000 fiduciary note issue they were not stating facts.

The Attorney General: What they were frightened about was not the £18,000,000, but what was to follow.

Hon. M. F. TROY: I am aware of that. I am not going to say

that I favour inflation. I said the 18 millions were a mere bagatelle, and would have no effect on the scheme of things.

The Minister for Lands: You have only a short-lived memory.

The Attorney General: The trouble is that the 18 millions would be increased and further increased.

Hon. M. F. TROY: The Attorney General states that the Governments anticipate a deficit of £11,000,000 even with this step, and so this Bill will not have the desired effect. Will the course they now propose to take do so? What is their alternative to the fiduciary issue? The Government reply, "We shall be able to borrow some money." That means taking a still heavier load on our backs and paying interest on the money borrowed.

The Minister for Lands: It all depends on where we borrow.

Hon. M. F. TROY: All this Bill can do is to encourage the lender abroad. He will say, "Hullo, they are taking in their belts a hole or two. We can now lend them some more money and pile on their backs an additional burden."

The Minister for Lands: We shall get some relief from the exchange.

Hon. M. F. TROY: A little. If we get relief from the exchange, the primary producer will suffer a loss, because he will not get the benefit of the exchange. While the Government get the relief, the taxpayer suffers the disadvantage. Whichever way we turn in this dilemma, we are in trouble. And yet we have wiseacres in the Press telling us it is our business to find a way out. We know very well that unless things improve in the world generally, this Bill can have only one result, that we must take a similar step next year. Next year we shall have a similar measure, involving a still lower standard of living.

The Minister for Lands: We can provide a remedy. Give us 4s. a bushel for our wheat, and 2s. a lb. for our wool.

Hon. M. F. TROY: I do not propose to vote for the Bill, for the reason that it puts the sacrifice on only a section of the community. It puts a burden on the Public Service of this country. I hold no brief for the public servant. I am not soliciting his vote. I am entirely indifferent to that aspect, and I would have him know it. I am speaking for the public servant just

as a unit of the community. The Bill provides that the great bulk of the savings shall be made, by whom? By the people with incomes of £250 to £300 a year. There is no getting away from that fact. The people with £250 to £300 a year will provide 70 per cent. of the proposed savings.

The Minister for Lands: Because there are so many of those people.

Hon. M. F. TROY: Where are the rest of the community in this Plan? We are breaking all honest traditions of parliamentary government, and breaking every promise made to the people. They are entitled to certain conditions by the law of this country, as expressed through the Arbitration Court. We have made a contract with the public servants to give them certain superannuation, and we are breaking that contract. Yet, when it comes to the question of banking profits, there is not in this Bill the merest pretence of dealing with those institutions. We have had a Royal Commission on farmers' debts sitting in this building for the last month, and the whole burden of the farmer's cry in this State has been, "Interest, interest!" We are told that their farms are mortgaged up to £3,000 and £5,000, and that they cannot meet the interest. That is the important thing. We cannot carry the burden of interest. And yet this legislation requiring sacrifices makes no provision for sacrifices by that most important factor, the money-lending institutions. For those reasons, and others which I have stated, I shall not support the Bill in its present form.

MR. BROWN (Pingelly) [9.53]: I can assure the House that it is not with any degree of pleasure I shall support the Bill. It is hateful to me, as it is to the Attorney General; but I feel like the man who went to a doctor to ask what was wrong with him, and was told that the only chance of saving his life was to undergo a serious operation. That is the way I feel about the state of this country. We shall have to make great sacrifices; otherwise it is quite possible that Australia will default, and so fall into a condition of financial chaos.

Mr. Pantou: Does the Bill distribute the burden fairly?

Mr. BROWN: There are anomalies which can be remedied in Committee. The whole trend of the remarks of Opposition mem-

bers has been towards the 20 per cent. reduction on the worker. Not one of them has given an alternative for getting Western Australia out of its present financial condition. We know there must be reductions. All I have in the world is invested in Western Australia, and it is to my interest that Western Australia's integrity and honesty and therefore its prosperity should be preserved; otherwise I shall have to go on the dole. This Bill represents an honourable agreement. We sent our representatives to the Melbourne conference, at which all the Australian Premiers and their advisers spent weeks in evolving a scheme of relief. Every Australian Premier signed the agreement to bring in a Bill of this kind.

Opposition members: No.

Mr. BROWN: Even the notorious Mr. Lang signed the agreement.

Mr. Pantou: It was not an agreement for any Bill like this.

Mr. BROWN: The hon. member does not know what Bills the other States have introduced. Mr. Hogan, the Labour Premier of Victoria, brought in a similar measure.

Opposition members: No!

Mr. BROWN: And Mr. Hill, the Labour Premier of South Australia, also did that.

Opposition members: No!

Mr. BROWN: All of them agreed to make the 20 per cent. reduction.

Mr. Pantou: Not in this way.

Mr. BROWN: The number of people in Western Australia receiving a salary of £1,000 or over does not exceed 43 all told.

Hon. P. Collier: That is in the Public Service.

Mr. BROWN: Of course.

Hon. P. Collier: A lot of people outside the service are getting more than that.

Mr. BROWN: How are we to get at them?

Mr. Pantou: We will let them go.

Mr. BROWN: They can be hit by the income tax. With the way the Federal people are imposing additional taxation, as much as 2s. in the pound, they will be got at. The Premier and the Attorney General, after signing that agreement in Melbourne, had no alternative to bringing in a Bill of this description. If a member of the Opposition, or any other member, can show me an alternative that is more just to the people, I will support it.

Mr. Raphael: We will do that in Committee. There are anomalies.

Mr. BROWN: We should expect a few anomalies. The member for Leederville (Mr. Panton) has told us about the probationers in the Perth Hospital. If his contentions are correct, an anomaly exists there. If a probationer receiving only 10s. a week is to have 6s. 3d. deducted—

Mr. Panton: That is what the Bill says.

Mr. BROWN: I cannot believe for a moment that the framer of the Bill ever intended that.

Mr. Panton: It is not an anomaly; it is rather a disaster.

Mr. BROWN: However, that is only a minor matter.

Mr. Panton: Oh, it is a mere trifle to stop 6s. 3d. out of a girl's 10s.!

Mr. BROWN: It is a matter to be looked into when the clause is examined in Committee. After the matter has been explained to the Attorney General, it will come out all right. The member for Leederville is not a lawyer, and perhaps does not understand the clause in question.

Mr. Panton: Speak for yourself.

Mr. BROWN: This State has accumulated a deficit of something like $1\frac{1}{2}$ millions for the year just closed, on top of which are previous deficits of millions of pounds. Does it not stand to reason that something drastic must be done? But whether this Bill will pull us out of the mire is the question.

Mr. Marshall: Explain how it will help.

Mr. BROWN: It will help because of the savings which will be made in connection with our public utilities. I admit the savings come out of the wage earner; but we are all wage earners, when it comes to that. And we are all making sacrifices.

Mr. Marshall: But the Government's receipts will decline with their expenditure, and we shall be no better off.

Mr. BROWN: We have had banking experts and professors of economy looking into the matter, and the result is the scheme before us. I take it the professors are independent men. We must also have regard for the financial position of the Commonwealth, with which we are all interwoven. Most of the heavy taxation goes to the Commonwealth. We have to depend on the Loan Council for the development of our State and for the extension of our public works. Therefore we must take into consideration the financial position of the Commonwealth. What is its position now? It has gone 10 millions to the bad. Altogether the States have gone 30 millions to

the bad in one year. They cannot square their Budgets by that amount. One is surprised by the remarks of the member for Kanowna (Hon. T. Walker).

Mr. Raphael: Is not this Bill a repudiation of the promise made by you people on that side of the House?

Mr. BROWN: Public revenues have gone down to such an extent that we have to make sacrifices, even if they involve that kind of repudiation.

Mr. Raphael: Why not compel the moneyed men to make sacrifices?

Mr. BROWN: The moneyed men are making sacrifices. What is the object of the heavier income tax and sales tax? Simply to square the Budget and to bring Australia back to prosperity. How did we get into our present unfortunate position? To explain that I should have to take the House back many years, to the beginning of the war. The Australian financial position then was fairly sound. But we had to send our men to the war at extreme cost; and after the war was over our soldiers were repatriated and looked after better than any other soldiers in the world. They received more consideration and larger pensions, and their dependants also received more liberal allowances and pensions than dependants anywhere else.

Mr. Panton: Why not? Our soldiers were the best soldiers in the world. They won the war.

Mr. BROWN: Those payments are one reason why Australia has so huge a national debt. Again, there are the old age pensions.

Mr. Panton: If there was a war on now, you would be waving the flag again.

Mr. BROWN: The old age pensioner on £1 a week is better off than a man who has £2,000 in Commonwealth bonds.

Mr. Raphael: What is England paying her unemployed?

Mr. BROWN: I am afraid that England is in much the same boat as we are. I am afraid that unless there is some change very soon there, England will be in a similar position to Germany's.

Mr. Panton: Britain will be lending Germany £60,000,000 before the month is out.

Mr. BROWN: Every country in the world is feeling the effect of the depression, and it arises from the aftermath of the war. The present position is also due in a measure to the extravagant living of our people, and the extravagance of Governments. I believe

we are over-governed, and it would be a good thing if we could wipe out the Commonwealth altogether. At the inauguration of the Federation, it was said that £1,000,000 was all that would be required for Commonwealth purposes, but to-day the expenditure is over £80,000,000 a year. Opposition members have not indicated how they would effect a greater saving than that indicated in the Bill. God knows the under dog is getting little enough just now, and naturally does not feel inclined to accept less. How would the Opposition members propose to effect greater savings?

Mr. Panton: It can be done by the nationalisation of banking, but that is for the Federal Government to do.

Mr. Raphael: And they cannot do it because of the Nationalists in the Senate.

Mr. BROWN: Labour Governments in Australia have caused us to reach our present position; there is no getting away from fact. They have introduced legislation that they said would do certain things, and we have found by experience that we have been mulcted in millions of pounds.

Mr. Panton: You must have been looking through the records of your side.

Mr. BROWN: In Western Australia, we have a small number of people who are in receipt of salaries of over £1,000 a year. Those in receipt of £250 or under are to suffer a reduction of 18 per cent., while those in receipt of over £1,000 a year are to have their salaries reduced by 22½ per cent. I do not regard the difference of 4½ per cent. only as altogether fair. When he introduced the Bill, the Attorney General explained that the percentage reductions could not be worked in any other way. We know that the greater proportion of the people in Western Australia are in receipt of between £150 and £300 a year.

Mr. Panton: And the greater proportion of those are on sustenance now.

Mr. BROWN: It has to be remembered that there is a Labour Government in power in the Federal Parliament, and they have had to advance these proposals.

Mr. Raphael: They have been forced into the position by the Senate.

Mr. Thorn: Rot.

Mr. BROWN: They have not been forced into anything of the sort.

The Attorney General: The Commonwealth Government had a perfectly free hand to do as they thought fit.

Mr. BROWN: We know the position regarding the Loan Conversion under which the bondholders have to take four per cent. I know it is voluntary, but it will be in the interests of bondholders themselves to convert. I think it would have been better to reduce the interest to five per cent. If a mortgagee will not agree to a reduction of his interest, and the matter is decided by the judge or the magistrate, what will be the position when the mortgage expires and the mortgagee may refuse to renew it? What will be the position of the man who will not be able to borrow money to clear himself? In my opinion, it would be better if legislation were introduced under which the interest would be reduced automatically to five per cent. I do not know that we can amend that part of the Bill.

Mr. Panton: We will give you a hand.

Mr. BROWN: The only thing that will bring Australia back to prosperity is an increase in the exports of our primary produce and, to a certain extent, better prices. That will make all the difference. We want an abundant harvest, good wool returns, and fair prices.

Mr. Raphael: What would be the good of that, seeing that Russian goods are being sent to Britain?

Mr. BROWN: When the Conservative Government were in power in Britain, they refused to recognise Russia, but when Ramsay MacDonald and his Labour colleagues assumed office, they threw British ports open to Russian trade.

Mr. SPEAKER: There is nothing about Russia in this Bill, Mr. Brown.

Mr. BROWN: This is a primary producing country that depends upon the disposal of its products, yet we find the farmers growing wheat at a loss.

Mr. Kenneally: Will the Bill provide you with better prices?

Mr. BROWN: I cannot say that it will. It is hard to say what the future holds in store for us. It is possible that this time next year we may be in a worse position than we are confronted with to-day, but on the other hand there is a possibility of squaring the ledger. In that case the Premier says he will be able to go on the money market for a loan.

(The Speaker resumed the Chair.)

Mr. Panton: The Premier said that if he were returned to power he would go on the market in a fortnight, and he has not gone there yet!

Mr. BROWN: We know that the position has changed since those days. No one could have anticipated such a financial position as confronts us now.

Mr. Kenneally: And it will continue until there is a change of Government.

Mr. BROWN: The Leader of the Opposition is thanking his lucky stars that he is where he is now. If he had been in power and had attended the Melbourne Conference, he would have come back with this Bill, and Labour members who are interjecting now would have supported him.

Mr. Panton: He would have been shot at daybreak.

Mr. BROWN: I am extremely sorry that we are required to pass a Bill of this description. We know that the more the worker receives—

Mr. Panton: The more the Government will take.

Mr. BROWN: The worker circulates his money and does not hoard it up. He spends it on providing additional comforts for his wife and family and the merchants and the storekeepers get their share of his money. By that means there is greater prosperity in the land. In these days we must all make sacrifices. Every member of Parliament can do very well with the salary he receives now. I am living on mine at the present moment, and the loss of £60 or £80 will mean a lot to me. At the same time, I would rather make the sacrifice. Ramsay Macdonald said he would rather pay 21s. in the pound than be dishonest in the repayment of Britain's national debts. It is the better way. The Premier and the Attorney General are merely fulfilling the promises they made to the other Premiers, in introducing the Bills that we have had, or will have, before us. The object is to enable the Government to square the ledger, and let us hope that will be the result. Perhaps this time next year the financial position of this State will be much improved.

HON. W. D. JOHNSON (Guildford-Midland) [9.38]: The Bill demonstrates how dangerous it is for any Government in power to invite their political opponents to meet them for the purpose of preparing a policy. The present Federal

Government met the Premiers of the States to discuss the financial situation from the State and Commonwealth point of view. At that conference certain recommendations were submitted as the result of the work of a sub-committee appointed to make investigations and to consult with experts. The member for Gascoyne (Mr. Angelo) mistook the report of the sub-committee who conferred with the experts, for the plan adopted by the Melbourne Conference. It is true that the sub-committee's report was considered, but it was not adopted. The member for Gascoyne endeavoured to justify the Bill by quoting that report and in so doing disagreed altogether the fact that the report was no part of the Plan itself. If the Bill can be justified, it must be on the basis of the Plan adopted by the Melbourne conference. I have said that the Bill demonstrates how dangerous and how impossible it is for Governments to expect assistance from their political opponents. The Chief Secretary and the Attorney General suggested to the House that we could govern Western Australia better by a combination of all political parties. But this Bill clinches the fact that Governments must govern on their own policy; they cannot expect to govern when they are influenced by the policy of their opponents. Right through my connection with the Labour movement I have been opposed to any alliance or association with opponents. In my early training in industrial matters I always realised the impossibility of getting those who in their views are diametrically opposed to the Labour movement to assist that movement to gain its objective. In industrial matters we do meet around a table for the purpose of arriving at the working conditions in a given industry; but when we meet around that table we meet to discuss with men who are financially interested and equally or possibly even more interested than the workers in the progress and development of that industry. When we come to political matters, we meet opposition, irresponsible opposition, not vitally interested in the policy that the Government will put into operation. As a matter of fact, the more impossible that policy, the greater advantages it promises the Opposition. Consequently it was idle to expect that under any conditions was it possible for the Government and the Opposition to meet and devise a plan. There was noth-

ing wrong in a conference being held to allow the State Premiers to exchange views with the Federal administrators; it is quite a common thing for the Federal Prime Minister and his Ministers to meet representatives of the State Governments. But they went further in regard to this particular Plan. That is why the Plan is going to fail. They went further. They did not limit the conference to a deliberation by those who were directly responsible either in Federal or State activities for the administration of the country, but they brought into their conference representatives of the Opposition, an Opposition that was deliberately planning, inside and outside Parliament, to defeat the Government policy, a policy that had been endorsed by the electors only a few months before. Those men had planned and schemed to make the Federal Government's life short and their administration impossible. Yet in those conditions the conference met for the purpose of preparing a plan for the good government of this country. As I say, although the conditions are exceptional, even unique, there is no possibility of thus bringing about the desired result. As a matter of fact, we know that not only in those members of the Opposition that took such an active part in framing this so-called Plan, but outside of them we have had forces working for the preparation, the implementing of this Plan, ever since the arrival in Australia of those who were known as the Big Four. That was the start of the determination to break down the industrial standards, to revolutionise the financial methods of the Commonwealth of Australia and to bring Australian administration more in line with the desires of those outside of Australia. Those four experts were not chosen by Australia for the benefit and advantage of Australia, but were selected by vested interests in the Old Country for the purpose of coming out and skirmishing in Australia to get first-hand information about our methods of government and our treatment of our people in the way of an even distribution, or something like an even distribution, of the wealth produced in Australia by the workers of Australia. What influence can we expect to-day from our Agents General representing the various States, against the Big Four who are now breaking the hearts of Government, discounting and preventing a true representation of Australian conditions? For

they can claim they came out quite recently and studied and arrived at conclusions as to what was necessary for the government of Australia, and urged reforms. After they had done their work, Niemeyer came out and directed the banks as to how their plans, started by the Big Four, could be influenced by the facts, how the bank policy could so work in with the ambitions of those outside Australia as to compel Australia to reform on given lines that had been prepared long before Mr. Scullin took office in Australia. We know that ever since that start was made economists have been employed—I use the word advisedly—for the purpose of educating public opinion so that the reforms shall be of a character desired by vested interests outside of Australia, and financial interests in Australia, and particularly to allow the banking institutions of Australia to dictate Australian policy.

Mr. Kenneally: And employed at so much per column.

Hon. W. D. JOHNSON: I say “employed” advisedly. There is no question, those economists cannot be relied upon to-day. I regret to have to say that, but we have only to appreciate their change of front regarding the reduction of the interest rate. For how long did the Labour movement have to hammer away that it was wrong to attack wages if you left interest unattacked? You will remember, Sir, that in the first speech the Leader of the Opposition made after the return of the present Parliament, he practically took as his text the necessity for tackling interest in addition to what the State Government started to do from their very election, namely, attack wages and salaries. The Leader of the Opposition associated with that the assertion that there must also be an attack upon the interest rate. The economists who are to-day justifying a reduction of the interest rate were the very men who previously wrote against it, ridiculed it and averred that it was impossible to do anything of the kind. All I can say is that the economists were either wrong 12 months ago or they are right to-day. The very fact that 12 months ago a reduction of interest was impossible and wrong and to-day is practicable and right clearly demonstrates that we cannot rely on economists to direct us regarding the financial affairs of the Commonwealth. The newspapers have stood behind the banking institutions. The banking institutions are

employing professors of economics to educate public opinion. As the member for East Perth (Mr. Kenneally) pointed out, some of them are paid so much a column by the newspapers for the articles contributed. Our own professor of economics has left his job, sacrificing as it were the interests of the University of Western Australia, in order to assist the Bank of New South Wales. How can we have any confidence in experts under such circumstances? Yet all they write and all they say is taken up by the Press, featured by the Press, and endorsed by the Press in the effort to give them, instead of the people's representatives, the right to govern Australia. The banks have adopted the extraordinary course of issuing publications. Every member has received copies of the special publications issued by the Bank of New South Wales and by the National Bank of Australasia. Every article in those publications is written to strengthen the grip of the banking institutions as against the Governments of Australia and the people's representatives in Parliament.

The Premier: I do not think that is correct.

Hon. W. D. JOHNSON: One has only to read the publications to realise that they are written from one point of view, to strengthen the grip of the financial institutions and try to convince the people that the only ones who can save Australia are the banking institutions, and that to rehabilitate Australia we must rely to a greater extent upon the financial institutions. If that is not what the publications convey, I have misread them. Why should it be necessary for the banking institutions to take such an active interest in the politics of the country? It would be quite wrong in ordinary circumstances, and it is quite a departure from the usual practice of those institutions. They have always claimed to hold aloof from party politics. They have always claimed that their function was to attend to their own business, and that they should not in any way try to influence or direct the government of the country.

The Attorney General: Is there any objection to their expressing their views?

Hon. W. D. JOHNSON: It is a departure from the usual practice; it is quite a new thing in Australia. Only in the last 12 months have they resorted to such tactics. The very fact that they have adopted this course, written in this strain, and circulated

their views as they have done is evidence to me that it is all part of a plan that has been in process of organisation for a long time. It definitely started when the Big Four came to Australia. The Big Four returned to England and Sir Otto Niemeyer came out. Then the propaganda was started, the economists began to write, the banks began to issue circulars, and the newspapers began to back them, with the result that they began to wear Governments down. I regret to say that they have worn some of the Labour representatives down. At the Premiers' Conference were men who claimed to be faithful representatives of Labour, and they voiced the opinions presented to them day by day in the columns of the Press, furthering the propaganda of the banking institutions. It should be borne in mind that the newspapers of Western Australia are not governed and controlled as they were a few years ago. We now have a chain of newspapers controlled by one group. The "West Australian" is no longer a Western Australian newspaper, though it circulates in this State.

The Premier: A majority of the shares are held here.

Hon. W. D. JOHNSON: But the policy of the paper is influenced and directed from outside the State, and the policy that is influencing the "West Australian" is influencing other leading papers in the various capitals of Australia. Consequently we have to avail ourselves of opportunities like the present to warn the people that they must analyse carefully what they read before accepting it. They have to ask the source from which the information comes. To-day the country is not governed by the representatives of the people. We are trying to frame legislation dictated by outside influences. This Bill also demonstrates the need and reason for party government. Some people have been writing recently that party government has failed and is impossible, but a Bill of this kind clearly shows why the party system was introduced, and how necessary it is for the workers of every country to be organised as a distinct unit with a party to protect their own interests. This Bill seeks to consolidate the cherished ambitions of Labour's opponents. It is no new attempt, but this is something bolder than has ever been attempted before. It has long been the ambition of Labour's opponents, but the time was not opportune to give

effect to it. To-day, however, there are 360,000 men out of work, there are women in distress, and there are children short of clothing and food, and the time is opportune to put into operation such measures as this. From the time of the Bruce-Page Government they have been working on until ultimately they got to the Premiers' Conference, and propounded this Plan which is supposed to be for the good of the people and the Governments of Australia. The Bill clearly indicates that the will to gain results from a party point of view must have been uppermost when it was framed. It is not the decision of the Conference, and is not part of the Plan. It is wrong to say that the decisions of the Conference justified the Bill. It is not a true reflex of the decisions of that Conference, but a departure from them. When we analyse the departures we can come to no other conclusion than that it is distinctly and definitely a party Bill, framed for the purpose of gaining advantages from a party point of view. It is, in fact, a Government Bill, a Mitchell-Davy Bill; it is not a Conference Plan Bill. It is the duty of the Opposition to analyse a proposition of this kind. We are here for that purpose. We would be failing in our duty to those we represent unless we closely analysed such a Bill as this and exposed its weaknesses. It is said we should approach this matter in a spirit of reasonableness, and that we should realise the circumstances surrounding us. We certainly appreciate the circumstances but we also know that those we represent are carrying the burden of the times, that those burdens are at our front door and our back door every hour of the day. We know all about them. We say the Bill will not improve the position. We realise that our responsibility correctly to represent those that are suffering to-day is to expose this Bill and demonstrate that it will make their lot harder than ever. Suppose we agreed to the Plan adopted at the Melbourne Conference, we should not support this Bill because it is not part of it. The sad side of it is that when we compare the result of the Plan in the other States with its result in this State, we can see that instead of its trying to improve on the Plan from the humanitarian point of view, it makes it worse.

Hon. P. Collier: We could have signed the Plan in Melbourne and yet be forced to oppose this Bill.

The Attorney General: I do not think so.

Hon. W. D. JOHNSON: It contains provisions which were definitely turned down at the conference. How does it come about that the Federal representatives, Messrs. Scullin and Theodore, are carrying out the Plan in a different way, far differently from this Bill?

Mr. Panton: They opposed it.

Hon. W. D. JOHNSON: The two leaders of the Conference did not go back to the Federal House and submit this Bill. They viewed the matter in a different light. They did not try to saddle with increased loads those who were the least capable of bearing any more burden. They started with an exemption and said, "We must see to it that the people have enough upon which to live before we tax them."

The Attorney General: What is the exemption?

Hon. W. D. JOHNSON: It is £182.

The Attorney General: What is that? It is £16 lower than the Federal basic wage, the civil service basic wage before the Bill was introduced.

Hon. W. D. JOHNSON: I am saying that the chairman of the Conference interpreted his responsibilities in a totally different way from the Attorney General.

The Attorney General: No, he did not.

Hon. W. D. JOHNSON: He started off with an exemption. Mr. Hogan also played an important part at the Conference. He brought down a Bill which provides for an exemption. He did not do more than propose to apply it to Government servants or Government employees.

The Attorney General: Because the other thing had already been done.

Hon. W. D. JOHNSON: It was not done by a Bill of this kind. It was done by the right tribunal to do it.

Mr. Panton: That is the point.

Hon. W. D. JOHNSON: It was done after evidence had been obtained as to what was right and reasonable. The circumstances have to be appreciated before a conclusion can be arrived at as to whether the thing is right or wrong. The bank clerks, whom this measure proposes to take away from the tribunal which is given the right to determine what shall be their basic rate,

are to be handed over to the Government for future determinations on the point.

The Attorney General: Would you agree to give our court power to do what the Federal court has done?

Hon. W. D. JOHNSON: I recognise the power of the court to carry out what Parliament has told them to carry out. The Act which now governs and directs the State Arbitration Court is not that which we would have, it is not the Act we introduced. Since their return to office, the Government have amended the Act along the lines they thought they ought to follow. Therefore the Arbitration Act of to-day is not the Arbitration Act of the Labour Government, but the Arbitration Act of our friends on the Treasury bench. Now they refuse to abide by their own measure. They ignore the Arbitration Court which they have constituted: they ignore the measure they have passed, and propose by this Bill to take control. The newspapers are again trying to influence Parliament to support the Bill. They suggest to us that we ought to think, and that if we thought, we would take a more reasonable view. But we have to bear in mind that we are supposed to read in order that we may think. The sad part of it is that we have to read newspapers. I have no hesitation in saying that Western Australia and Australia would get out of their troubles far sooner if the newspapers did not exist, because then the people would think for themselves, and there would be a truer reflection of public opinion in Parliament if that opinion was not instilled into the public in the biased manner of the Press.

Hon. P. Collier: We had peace during the newspaper strike.

Hon. W. D. JOHNSON: Newspapers to-day prepare the way for Governments to introduce Bills. What happened with regard to the Workers' Compensation Act? Regularly were we told that the Workers' Compensation Act should be amended. Unfortunately, the Minister in charge of the amending Bill did not accept Press dictation. Another place did, with the result that all the propaganda with regard to workers' compensation has not borne fruit. I would not mind if newspapers were consistent: but I am convinced that we would get better government in Australia if we had no newspapers. I say that purely as the result of my experience of the Press in Western Australia during the last year or two. We know

that a great deal of our financial difficulty in this State is due to the enormous loss incurred in connection with group settlements. But the newspapers roundly trounced those who condemned the administration of the group settlements. The Press eulogised the group settlements, and published everything that was favourable to them; but it was extremely difficult to secure publicity for anything of an opposing character. When visitors to this State were taken over a given track through successful groups, and when as a result they praised the general administration, the newspapers had unlimited space for those eulogies: but if anyone went through the groups and happened to strike some of the bad patches, he secured very little space for his opinions. Parliament appointed a Royal Commission to investigate the group settlements and try to point out how money could be saved to the State. The newspapers decided that no good purpose would be served by Parliament even discussing the report. How can we be guided by the newspapers if they will not give an impartial presentation of facts? If the newspapers had taken notice of the critics of group settlement, millions of pounds would have been saved to this country. Exactly the same thing occurred in connection with the 3,500 farms scheme. Anyone who suggested caution was condemned as being against the general prosperity and advancement of Western Australia. We have had that sort of thing right through. Expenditure that in the opinion of some was lavish, and was criticised on that account, was strongly supported by the Press; and the criticisms were largely suppressed. The main element of the difficulty we are in to-day is, in my opinion, transport. It is transport that has cost and is costing this country enormous amounts of money. We are perpetuating our great losses in that respect because we have not got control of the situation, and because we do not realise the enormous amounts of money being lost to the State through transport competition.

Mr. SPEAKER: Are not we trespassing a little beyond the scope of the Bill?

Hon. W. D. JOHNSON: I hope not, Sir. One has to review the financial position of the State and see whether there are not other means by which we can arrive at economies. Reduction is justified, but I am trying to indicate where other economies can be effected. Surely one is justified in

urging that instead of grants to institutions and salaries and wages being reduced, we should devote attention to other economies, by which means we should require fewer economies of the character suggested by the Bill. As I said, transport is costing Western Australia an enormous amount of money. We incurred huge expenditure on main roads, with the effect of producing unfair competition with our railway system.

Mr. SPEAKER: That is all finished. What is the use of arguing on those lines now?

Hon. W. D. JOHNSON: Unfortunately, Sir, it is not finished. It is still going on. Therefore, I wish to raise my voice against a continuation of the system. Other speakers have referred to the duplication of Commonwealth and State departments. The member for Kanowna (Hon. T. Walker) referred to the expenditure connected with Commonwealth representation in London. He also referred to the wasteful expenditure on the capital city, Canberra. I am trying to localise that aspect; and I propose, with your consent, Mr. Speaker, to give illustrations where other expenditure of a reckless nature has been indulged in. That expenditure has been roundly criticised by the Federal Auditor General. I propose to read from that officer's reports to demonstrate exactly where we have got in this competition in transport, which has no advantages from the aspect of increased population. If we built roads for the purpose of providing tracks for motor cars, and then imported motor cars, the expenditure would represent an asset provided the motor cars carried passengers to the extent of their carrying capacity; but when we bring empty cars into the country and no people come with them, that kind of expenditure gets us to where we are to-day. There is no soundness in expenditure of that kind, which only results in competition with our own assets. Such expenditure can only be indulged in if the population is increasing in proportion to the expenditure. Bad as we have become regarding the construction of main roads which compete with railways, we have now reached the position that because the population has not increased we have not enough money to maintain those roads. I suggest to the Government that they go into this question seriously and make up their

minds which of the roads constructed they are going to save. It is impossible to maintain all those roads. With the revenue we have to-day, we can only maintain a portion of them. If we try to maintain them all, we shall lose the lot. We must concentrate in order to save some of those roads. Reference has been made to reckless expenditure and the duplication of Federal and State departments. Let us consider expenditure that was incurred when it must have been clear to anyone that Australia was reaching an economic condition that was causing grave concern to her administrators. In June, 1929, when we were practically at the starting point of the economic crisis, the Bruce-Page Government entered into a contract with the West Australian Airways, a competitor with the railways that belong to the people, and which provided another means of transport in addition to that which had been operating to the advantage of the people and was itself in competition with the shipping. In other words, the Airways entered into competition in the transport of passengers and goods over portion of Australia that was already provided with competitive checks by means of railways against steamers, and vice versa. It is interesting to see what that air service is costing us to-day and to emphasise the need, if contracts are to be revised and in certain ways repudiated, for an immediate review of this phase of governmental operations.

Mr. SPEAKER: Order! That is Commonwealth matter, and has nothing to do with this State. I desire to give the hon. member as much latitude as any other member has received, but I think he is delivering a second speech on the Address-in-reply, or something of that description.

Hon. W. D. JOHNSON: I will bow to your decision, Mr. Speaker, but I will point out that I am confining the whole of my remarks to finance.

Mr. SPEAKER: What have the Airways to do with this Bill?

Hon. W. D. JOHNSON: Unfortunately air service has a lot to do with the Bill, and is costing Australia £45,000 a year under a contract that was entered into as recently as 1929. It has been stated that the present situation could not have been avoided, and that the depression is world-wide. It is asserted, too, that the situation can only be remedied by a world-wide reconstruction. I am trying

to prove that Australia's position is due to extravagance on the part of recent Governments. There is no doubt that many of Western Australia's disabilities as well as those of the Commonwealth are due to a want of realisation of the real economic conditions during the latter years of the Bruce-Page Administration. If you, Mr. Speaker, object to my supplying the House with particulars regarding this expenditure of £380 on every trip of the airways service from Perth to Adelaide, with a return of but £13,000 a year, I shall not be able to further indicate that by the payment of that subsidy, a competitor is permitted to reduce the earning capacity of the Commonwealth railways and is operating to the injury of the State railways. I maintain that if we are to deal with the economic conditions of Australia, it is necessary to go further than the Melbourne Conference did. We must go beyond mere questions of what salaries and wages are paid and must inquire into the whole economic conditions. I have read through the Conference report, and I have not seen one reference to this ridiculous, useless expenditure. But it still goes on. It is of no value. If I were allowed to read the document, I would make it clear that that point is emphasised by the Federal Auditor-General, who points out that the expenditure on that subsidy merely encourages the importation of machines from outside Australia and the importation of petrol from overseas, and that the airways service is subsidised merely to have the effect of crippling a railway system that is Australian-equipped and Australian-maintained. There is to be no review of that contract. Evidently we are to continue to pay at the rate of £380 for every trip, or £45,000 a year, for the purpose of earning £13,000! That is to go on so that the company can receive their subsidy and make profits at the expense of the workers of this State. I submit it is fair criticism of the Bill to introduce illustrations of that description to demonstrate that there are other sources from which economies can be effected, apart from those referred to in the Bill.

The Premier: But that is a Federal grant that does not affect the State.

Hon. W. D. JOHNSON: It is a direct contribution by the Commonwealth, and we in Western Australia are taxed to maintain it.

Mr. Kenneally: The subsidy represents part of the deficit of Governments.

Hon. W. D. JOHNSON: Of course it does. I would not care if it was of any value, but I particularly desire to emphasise the point because the expenditure was incurred in 1929, just at the time, as I have mentioned already, when we were on the very eve of the economic crisis. The Bruce-Page Government rushed into that expenditure and granted a five-years' contract. It is said that we must not break contracts, but we are doing it every day. The Bill will break more sacred contracts than that held by the W.A. Airways. The measure proposes to break contracts entered into between employers and employees, which have been fixed by an impartial tribunal appointed by the State and educated in the work of ascertaining what industry can pay, and what it should pay to workers in return for their labour. The Bill proposes to set aside contracts of that description, but the airways contract must not be touched. It must continue for five years, although the Federal Auditor-General ridicules it in no uncertain terms. Now we have a Bill of this description that will affect the workers of the State so severely in order, we are told, to rehabilitate Australian finances and put the country on the road to prosperity. I want to turn to the provisions of the Bill for a while. I do not propose to take up much time. The measure has been criticised freely and I shall not do more than briefly review what I propose to emphasise at greater length if the Bill reaches the Committee stage. In the first place, I object to the Bill having retrospective application to wage-earners and salaried men. The Bill should not apply until Parliament has endorsed it. To introduce a Bill of this kind and propose that the ultimate result of Parliament's consideration of the salaries and wages and other conditions contained in the Bill shall start from the 1st July, is altogether wrong. Secondly, I object to a percentage reduction of a basic wage worker and of those below the basic wage. I have already pointed out that the Commonwealth and the Victorian Bills do not propose to go below the basic wage, and I object to this Bill going below. Thirdly, I object to the rationing and other contributions made by the workers of Western Australia being ignored in the Bill. Workers have been rationed to the extent

of 5 per cent. by the Government, and the Railway employees agreed to a reduction of 5 per cent in salary to avoid rationing; in other words their rationing consisted of a 5 per cent. contribution to the needs of the State. That is to be ignored and so, too, the rationing to which other workers have been subjected. Fourthly, the Bill proposes to set aside the functions and responsibilities of the Arbitration Court in the fixing of wages. I object to any interference at all with the State Arbitration Court. The Bill proposes to reduce the basic wage, yet it was only quite recently that the Arbitration Court decided that the 8s. or 9s. per week by which the wages of Government workers and others had been reduced, just after the Government came into office, was quite sufficient in proportion to the responsibilities of the workers and the cost of living. Only recently was that reviewed by the Arbitration Court, yet we find that in the Bill it is to be ignored and Parliament is to be called upon to perform services that should be the responsibility of the Arbitration Court. Fifthly, I object to the provisions for relieving the private employers of their wage arrangements with their employees. This is quite a new departure. It was not part of the Premiers' Plan. When it was submitted to the Premiers' Conference by the Attorney General, the member for West Perth, it was defeated and was not made part of the Plan. Yet we find it introduced into the Bill. Sixthly, I object to the President of the Arbitration Court being called upon to do the work of the whole court. The Bill provides that the president shall do this and do that. I say the court as a whole is there for that purpose. Where we have a court representative of the worker and the employer, with the judge as a third party, the whole three should be consulted, particularly in the matters that are covered by the Bill. Seventhly, I object to a commissioner being introduced into industrial matters. If the proposals in the Bill should not be submitted to the Arbitration Court, if they have to be reviewed by a tribunal apart from that court, then industrial magistrates should be selected for the purpose, not a commissioner, as proposed in the Bill. Eighthly, I object to the employers reducing wages by authority of the Bill and placing on the workers the onus of appealing against that reduction. It is quite wrong

for Parliament to say to the employer, "You can immediately proceed to reduce your working arrangements and the income of your employees, and your employees will then have to go to the court, take all the responsibility, shoulder all the burden, carry the expense of it, to protect themselves against that reduction." That is distinctly wrong, and I object to it. Ninthly, I object, and I am glad to see that members on the Government side also strongly object, to the gradations proposed in the Bill. I will not say any more, except that those gradations have been sufficiently condemned by those members who have spoken to indicate that they will have to be considerably amended if the Bill is to become law. Tenthly, I object to mortgagors being refused the right of automatic reduction of interest. Under the Bill they have to apply for the right to get a reduction. I say the mortgagors should automatically have the advantage if we are going to reduce interest. Already we have passed a Bill of a most comprehensive character in that regard. If we are to have a review of interest, certainly the mortgagor should automatically get the advantage of it. It is the only way we can get a reduction in the cost of living. Unless we get the reduction quickly the burden will become so great as to be impossible. If we are to wait till every mortgagor gets authority to apply to the mortgagee to reduce the rate of interest, it will take so long that we shall be in a much worse plight than we are to-day. So I object to the provision not automatically applying to the mortgagor.

The Attorney General: That is enough; you have had ten objections.

Hon. W. D. JOHNSON: No, I have an eleventh. I object to the clumsy attempt at price-fixing. As the hon. member knows, I believe in price-fixing. I have always maintained that Arbitration Court awards without price-fixing tribunals were not just, and I have always been a strong advocate for the permanent retention of some tribunal to check unreasonable charges on the part of the commercial community. It is nothing new; it has been practised in this State and has worked smoothly. The very fact that the Act was there, together with a board for the purpose of protecting people against excessive charges, had the effect of preventing charges from being made unduly high. There was no need to take any drastic ac-

tion under the Act. The very fact of such legislation being in existence was sufficient restraint, and we had quite a healthy regulation of prices without any irritation or friction. Consequently that measure should never have been repealed. Another place saw to its repeal. Members of that House were not really concerned about the prices charged to people who have to work under a fixed rate dictated by the Arbitration Court. They believe it is quite right for the workers' remuneration to be decided by a tribunal, but the prices of the commercial community should be left to their own determination. Experience has shown it to be sound that a tribunal should be appointed to check prices, but it cannot be done under a Bill of this kind, or in the way proposed by this Bill. This is a clumsy way of doing it and I object to it. I trust another Bill will be introduced to make comprehensive provision for what is proposed in this Bill. My twelfth and last objection is to the non-inclusion of provision for the regulation of rents. This point has been emphasised by every speaker, and I express my regret that no provision has been made for it. This Bill is not going to help the Government or the State. Our difficulty is the difficulty of sustenance. The £500,000 we are spending in sustenance annually is the impossible burden we are carrying. If we could be relieved of that £500,000 expenditure, we would be on the road to prosperity. Given that relief, the title of the Bill would be justified. Under the measure more unemployment will be created, the £500,000 will be increased and the position will grow worse.

The Premier: Nonsense!

Hon. W. D. JOHNSON: There is no question about it. This Bill is not a remedy for the existing economic troubles in this State. It will merely aggravate them.

The Attorney General: Will you tell us the remedy?

Hon. W. D. JOHNSON: I have indicated, so far as the Speaker will permit me, that there are other avenues where economy could be effected, and where there would be no interference with the employment of labour. We are carrying on work that is not largely absorbing labour but is a big impost on the State, and we should look to those means of effecting economies instead of increasing unemployment and thus making more people dependent upon Govern-

ment sustenance. As the Government sustenance payment is increased, so will the position of the State be made worse. If this Bill be passed, I have no hesitation in saying that the sustenance payment will be increased and that the economic position of the State will grow worse.

Mr. SLEEMAN: I move—

That the debate be adjourned.

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

Ayes	..	..	..	16
Noes	..	..	..	22

Majority against .. 6

AYES.

Mr. Collier	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Johnson	Mr. Sleeman
Mr. Kenneally	Mr. Troy
Mr. Marshall	Mr. Wansbrough
Mr. McCallum	Mr. Willcock
Mr. Millington	Mr. Wilson
Mr. Munsie	Mr. Corboy

(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Brown	Sir James Mitchell
Mr. Davy	Mr. Parker
Mr. Doney	Mr. Patrick
Mr. Ferguson	Mr. Piessie
Mr. Griffiths	Mr. Richardson
Mr. Keenan	Mr. Sampson
Mr. Latham	Mr. J. H. Smith
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North

(Teller.)

Motion thus negatived

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

Ayes	..	..	..	23
Noes	..	..	..	17

Majority for .. 6

AYES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piessie
Mr. Ferguson	Mr. Richardson
Mr. Griffiths	Mr. Sampson
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North
Mr. J. I. Mann	

(Teller.)

NOES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Marshall	Mr. Willcock
Mr. McCallum	Mr. Wilson
Mr. Millington	

(Teller.)

PARAS.

AYRS.

Mr. Scaddan
Mr. J. M. Smith
Mr. Teesdale

NOES.

Mr. Walker
Mr. Hegnev
Mr. Wiltbers

Question thus passed.

Bill read a second time.

BILL—STATE MANUFACTURES DESCRIPTION.

Returned from the Council with amendments.

House adjourned at 11.12 p.m.

Legislative Council,

Thursday, 16th July, 1931.

				PAGE
Bill: Debt Conversion, 2A.	...	...	...	3874
Motion: Budget Economies	...	...	...	3877

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

BILL—DEBT CONVERSION AGREE- MENT.

Second Reading.

Debate resumed from the previous day.

HON. J. M. DREW (Central) [4.35]: I do not intend to oppose the second reading of the Bill, although I am not satisfied with it. The object of the measure is to assist in restoring the financial stability of the Commonwealth and States. That object is highly important and most desirable, but in my opinion the Bill seeks to achieve it in a roundabout manner. The interest burden on Commonwealth and States alike is a pressing one, so pressing that default is threatened unless the burden is lightened. It seems to me that a more direct means of achieving the object is called for in the circumstances. Under the Bill holders of ex-

isting securities are to be invited to convert their holdings into new stock carrying rates of interest lower than those operating at the present time. The Treasurer may know the disposition of many of the bondholders, and not only their disposition but also their capacity to fall into line with the Bill: but I am much afraid of the possibility of the response to the measure being neither generous nor self-sacrificing. A special tax on the interest of bondholders at its source would be the most assured method of achieving the object desired. There would then be no doubt as to the result. Under the Bill there will be much doubt. The Treasurer, if he had the powers suggested, would be able to deduct the amount of the interest that the Government propose to take, as the interest falls due. Some people might argue that a special tax on interest would give no relief to industry. That would be so, certainly, if it were an all-round tax; but if the special tax were reserved for interest on past Government loans, and if legislation were simultaneously passed to reduce interest on mortgages and advances as proposed in a measure which we hope to see here in a few days, that would certainly give relief to industry. It may be said that the suggestion would savour of repudiation. It could no more be held to savour of repudiation, except in its application to tax-free loans, which are only a small proportion of the whole, than the imposition of a stiff land tax on freehold land acquired from the Government and paid for in full. Yet no one disputes the right of any Government to tax land, except some hon. members of this Chamber who hold that land utilised for the purposes of production should not carry such an impost. This is a time of national peril, when sacrifices must be made where they can be borne without detriment to the physical needs of the individual; and there is no reason, so far as I can see, why interest should not bear its share of the sacrifice. The high rates of interest operating in Australia for many years—for nearly a quarter of a century, from what I know and have read—have been a heavy burden on industry, and have made the task of Governments endeavouring to balance their budgets almost desperate.

Hon. Sir Edward Wittenoom: Why did you give too much interest through the savings bank while you were a Minister?