

The ACTING PREMIER: We want to see that there shall be some return from the spending of loan money. There is no direct return from road construction, though of course there are indirect returns.

Hon. J. Cunningham: Why is this item termed "Roads and Bridges"?

The ACTING PREMIER: The item appears because money was spent in this connection last year, and a little remains to be spent this year. The present Government took over roads which were in hand and which were being constructed out of Loan, and we have to finish them. Some of them are not finished yet. However, the moment those jobs are completed, the practice of spending Loan money on roads will be discontinued. In fact, the Government intend to make recoups from Revenue to Loan for a large amount of this expenditure, because it is not directly reproductive. The item appears in order to afford hon. members an opportunity of expressing their opinions on the subject. Previously members had no opportunity of discussing the question of roads at all. For three years, although a million was being spent annually on roads, there was no opportunity for such discussion; and we gave an assurance that opportunities would be provided. Members can now examine the subject; and if they consider that justice is not being done to their districts, let them raise the question. The Government want to know what is in the minds of members in connection with the matter. As regards the road to which the hon. member refers, the proposal to put the work in hand was made to Cabinet by the Minister for Lands, as the result of the great difficulties he experienced in getting through.

Vote put and passed.

Resolutions reported and the report adopted.

*House adjourned at 11.33 p.m.*

## Legislative Council,

*Tuesday, 20th November, 1934.*

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

### ROYAL PREROGATIVE OF PARDON SELECT COMMITTEE.

On motion by Hon. H. Seddon, the time for bringing up the report of the select committee was extended until Tuesday, the 27th November.

### BILLS (2)—THIRD READING.

1. Gold Mining Profits Tax Assessment.  
Returned to the Assembly with an amendment.

2. Road Districts Act Amendment (No. 3).  
*Passed.*

### BILL—GOLD MINING PROFITS TAX.

*Second Reading.*

Debate resumed from the 15th November.

**HON. W. J. MANN** (South-West) [4.35]: I have no hesitation in supporting this Bill, but it contains one or two features about which I should like an explanation. It seems that the whole of the tax in question is to fall upon properly incorporated companies.

Hon. J. Cornell: That particular Bill has been passed; this is the tax Bill.

Hon. W. J. MANN: Then I have not much more to say. I merely desired to stress that there seemed to be a chance that private individuals owning gold mines, which are paying well, will escape any contribution towards the fund that will be created by the tax.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [4.37]: A private individual or a syndicate will not be liable to taxation under this Bill.

Hon. W. J. Mann: Suppose a rich mine is owned by an individual?

The **CHIEF SECRETARY**: Neither individuals nor syndicates will pay the tax.

Hon. W. J. Mann: That does not seem equitable. It falls only upon companies.

The **CHIEF SECRETARY**: If individuals were taxed, it might discourage prospecting. Later on, if they are successful and their mines are floated into incorporated companies, then the liability for taxation would be incurred.

Hon. G. W. Miles: The individuals would pay income tax in the meantime.

The **CHIEF SECRETARY**: Yes.

Question put and passed.

Bill read a second time.

*In Committee.*

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

**BILL—LAND TAX AND INCOME TAX.**

*Second Reading.*

Order of the Day read for the resumption from the 15th November of the debate on the second reading of this Bill.

Question put and passed.

Bill read a second time.

*In Committee.*

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

**BILL—FINANCIAL EMERGENCY ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 14th November.

**HON. J. CORNELL** (South) [4.46]: In dealing with the Bill, it is well to regard in retrospect what has happened since the financial emergency legislation was first passed. In the 1930-31 session, the Mitchell Government enacted quite a number of fin-

ancial emergency measures, the most important of which was the Act the Bill seeks to amend. The Financial Emergency Act came into force as from the 18th August, 1931, and thereafter the salaries of members of Parliament, officers of Parliament, civil servants, teachers, and those in receipt of superannuation or pension fund payments were reduced on the basis of from a minimum of £185 to £250, by 18 per cent.; from £250 to £1,000, by 20 per cent., and over £1,000 by 22½ per cent. Government grants to institutions were reduced by 20 per cent., which entailed a corresponding reduction in the salaries, for instance, of the University staff. They were reduced by from 18 to 22½ per cent. Mortgages that existed at the time of the proclamation of the Act were reduced by 22½ per cent., or to a maximum of 5 per cent., with the right of appeal to a Commissioner, which right was rarely exercised. Arbitration Court awards and industrial agreements that were, generally speaking, applicable to journey-men workers and had relation to the margin of skill, were also subjected to a reduction. Another measure passed was the Constitution Acts Amendment Act, under which the salaries of the eight Ministers of the Crown, the private secretary to the Governor and the judges were reduced in accordance with the ratio set out in the Financial Emergency Act. Then, again, the Mortgagees' Rights Restriction Act was passed, under the provisions of which a mortgagee, without the leave of the Supreme Court, could not call up or demand payment from the mortgagor of the whole or any part of the principal moneys secured by the mortgage; commence or continue any action or proceeding for the recovery of any principal moneys due under mortgage or the enforcement of any judgment for such moneys; exercise any power of sale; obtain, take or keep possession of any land comprised in the mortgage, or commence, continue or enforce any action, proceeding or judgment for the recovery of possession of any such land; issue or be concerned in the issue or enforcement of any process of execution against any land comprised in the mortgage; and so on. Another measure passed was the Reduction of Rents Act, which provided for a reduction of rents of leases terminal at will of the lessor in not less than one month on or before the 19th August, 1931, to the extent of 22½ per cent., unless

the Commissioner otherwise determined. When another Bill was before the House a little while ago, I referred to two instances on the Eastern Goldfields where the lessees of businesses, the leases in connection with which had two years yet to run, enforced this provision, and secured a reduction of rent to the extent of 22½ per cent., despite the fact that the business turnover increased in each instance by 150 to 200 per cent. Notwithstanding that improved business, the unfortunate landlords had to accept rents reduced by £2 per week and I understand the premises in each instance are now let at £6 per week. Another measure passed was the Tenants, Purchasers and Mortgagees' Relief Act. That measure has been continued on the statute-book almost without amendment since then. The only Act of the many passed, respecting which there has been any attempt to effect amendments, is the Financial Emergency Act. Last session there was a clash between the two Houses, which necessitated the convening of a special session. Members of this Chamber were told, particularly by the present Acting Premier, in very forcible terms, that the chief point to which the Government objected was the inclusion of provisions referring to Arbitration Court awards and industrial agreements. It was contended that the Government had received a mandate from the country to delete those provisions from the Financial Emergency Act. During the special session the Legislative Council gave way. Our managers brought back a recommendation from the conference affecting the provisions I have referred to and these now amount, practically speaking, to nothing at all. To all intents and purposes the Government have effected the elimination of Arbitration Court awards and industrial agreements from the application of the Act. As a secondary consideration, the Government provided certain amendments regarding wages and salaries. If my memory serves me aright, that was a very minor consideration compared with the major principle relating to industrial awards and agreements. Under the amendment dealing with salaries, it was claimed that some awards would be affected by the determination to apply the increases to salaries up to £293, as at the 30th June, 1930. This House made a recommendation but gave way on the point when the matter was dealt with at a confer-

ence of managers. There again the Government won. I claimed then, as I claim now, that there is no valid reason why the Government should apply the basic wage principle to the restoration of cuts under the Financial Emergency Act Amendment Act. What happened? The wages of teachers and civil servants were fixed by properly constituted tribunals. The salaries of members of Parliament were fixed by Parliament, who also fixed the salaries of officers of Parliament. The salaries of professors at the University were fixed by the University authorities. Last session was the first time the principle of basic wage variations was applied to the salaries of those to whom I have referred. Those salaries were subject, under the Financial Emergency Act, to cuts on a rate ranging from 18 to 22½ per cent. Then, when it came to a question of restoration, a totally different method was proposed. If one principle were adopted in effecting the cuts, I claim it is logical to restore those cuts by the same method. I claim it is altogether wrong to adopt another procedure in effecting the restoration of cuts. I warn members there is much more behind this move than appears on the surface.

Hon. C. B. Williams: In what way?

Hon. J. CORNELL: That will come out later on. I will deal with that point. What happened last session? An arrangement that even the public servants and teachers cannot understand was arrived at. It was to base the wage and salary restorations on what was known as the automatic grade receiving £293. Those who received more than that amount got nothing. I know of civil servants who are on the automatic grade and therefore were entitled to automatic increases of £10 per year, who were reduced 12 per cent. under the Act, but got six per cent. allowance on account of the Public Service Commissioner's classification. Those men got £1 a year increase and this year they get nothing.

Hon. J. Nicholson: Which class is that?

Hon. J. CORNELL: The class up to £290. I know men in the Civil Service who were 28 years of age last year and who got increases up to £30 a year. Those servants in their 24th year got £1. This year it is not proposed to give them anything, but it is proposed to continue the flat rate reduction under the Financial Emergency Act.

Hon. C. B. Williams: Those salaries stand to-day.

Hon. J. CORNELL: I am arguing that a series of tribunals fix the original wage of a person on the reasoning and the process adopted for many years.

Hon. C. B. Williams: They have nothing to growl about.

Hon. J. CORNELL: By one process we take away a wage fixed for innumerable years by a properly constituted tribunal, and now by another process we are proposing to restore it. I understand also that junior workers, for instance the boys around this House, got nothing last year, and they will get nothing this year. I understand also that the junior workers in the service who are subject to the cut will get nothing back this year. The proposal had something to commend it last year inasmuch as it was argued that the basis of £293 was a flat-rate basis for wage earners in the Government service, those who had been subject to awards, but the Bill now before us proposes to jump from £293 to £500. All those dealt with last year are to get nothing this year, but all in receipt of salaries up to £500 and over are to get an increase of roughly £54 a year. Viewing the matter calmly, I find myself in the position that Parliament assessed my salary at £600 a year. That is one tribunal. Another tribunal in the person of the Public Service Commissioner fixes the salaries of civil servants in the automatic grade. The latter are to get nothing this year while I am to get £54.

Hon. C. B. Williams: Don't you earn it?

Hon. J. CORNELL: No.

Hon. C. B. Williams: We have a permanent job and they have not.

Hon. J. CORNELL: I find it hard to say that I favour taking an extra £54 a year whilst some other section of the community, also reduced by statute, will not get anything.

Hon. C. B. Williams: On your own argument, they have had £10 a year.

Hon. J. CORNELL: But there are quite a number of women teachers, and women employees generally in the service who will not get anything. If this Bill is passed without any consideration being given to those people, it will be the first time such a thing has happened during the period of my Parliamentary career. I have always stood for a fair wage to be paid to all, and

I have always tried to buttress my views with sound argument. On the cost of living the other fellow might be getting some consideration, bearing in mind the basic wage arguments, but seeing that his original salary was never fixed on that basis, he is going to be hit badly. On the other hand we shall be doing well. Where is this process going to finish? The Acting Premier told us that what is now proposed is the most that can be done at the present time, and that another instalment will probably be given next session. Assume that that promise is to be carried out and that the figure will be increased to £750, then until the whole process is worked out what will have been achieved? There will be achieved a rate of pay on the original basis and arrived at by several independent tribunals properly constituted for fixing it, plus the intervention of Parliament which will make a partial restoration on the cost of living process. So in the end we shall arrive at a set of wages not determined by people who are appointed to determine it, but determined by Parliament itself. I submit that actually the only payments that Parliament itself can fix are those of its members and its officers, and no others. Another anomaly presents itself. We were told that the introduction of this legislation was a common sacrifice—that appears in the preamble of the original Act—a sacrifice on the part of the people of Australia and that as far as possible uniformity was to be arrived at by the several States and the Commonwealth. The restoration of payments in Queensland—and I speak subject to correction—is taking place under the basic wage proposals. I am not aware that the original cut took place under those proposals. If it did, then no opposition can be raised to what is being done. If it took place on the percentage basis, as here, it will be a case of great minds thinking alike. Victoria started from 6 per cent. and graded to 25 per cent., and we started at 18 per cent. on to 20 and 22½ per cent. But what has happened in the Commonwealth service? The employees there in the automatic grade were never reduced as much as were ours by a percentage cut. I am given to understand on quite good authority that those on the automatic grades in the Commonwealth service are to-day where they were originally. All that was taken away has been restored. That is not the posi-

tion here. I have given a retrospect of the law as it was, as it is, and as we should desire to make it. In view of what happened last session and in view of the futile protests of the Civil Service and the Teachers' Association, and also because of the restoration to those on the automatic grade in the Commonwealth service, can we wonder at it that the Western Australian Civil Service do not know what to do and therefore wish to go to the Arbitration Court?

Hon. C. B. Williams: Not they.

Hon. J. CORNELL: Yes; they are not satisfied at having their wages fixed by one process, taken away by another, and a portion restored by a third. The Civil Service and the Teachers' Association consider they should follow the example of the police and go to the Arbitration Court. Reading between the lines they conclude that the Government and Parliament have the thick end of the stick, and that that stick is being wielded so as to keep the members of the association and the teachers in a state of hesitancy.

Hon. C. B. Williams: Are any of them on a starvation wage?

Hon. J. CORNELL: The question of a starvation wage is beside the matter altogether.

Hon. C. B. Williams: You are shedding tears over people who are not worth it.

Hon. J. CORNELL: I think they are. Amongst the members of the Civil Service are some very good men who made the mistake of their lives when they entered the service.

Hon. C. F. Baxter: Any number of them.

Hon. J. CORNELL: My 22 years' experience as a public man has shown me that young fellows are prepared to educate themselves so as to qualify for positions in the service, and that when they are there and they try to assert themselves it is not possible for them to do so. A man in the service finds it very difficult to get a position outside because the service taint is on him.

Hon. C. B. Williams: A lot of them bring that trouble on themselves.

Hon. J. CORNELL: We also know that a person who trains himself as a teacher does not fit into the ordinary scheme of things. My own point of view is this: The only consideration given to the various phases of financial emergency legislation has been to place outside its provisions

people under Arbitration Court awards and to give some form of recognition, by another process, to wage earners and people drawing salaries, we ourselves being included among the latter. No consideration whatsoever has been extended to any other phase of financial emergency legislation. All this legislation has to be passed here, and we are led to believe that the only phase which needs amendment is the restoration to ourselves and to others of part of the money that was taken from us. What justification can there be for such a course? There is only one logical implication, that Western Australia has so far emerged from the condition of financial stringency as will allow us to take back a little bit of the taxpayers' money that we have foregone for a time. But surely now is the time to extend some consideration to people who are tied up with mortgages. That subject is dealt with in the Mortgagees' Rights Restriction Act. But mortgagees are given no consideration whatever. There is nothing in the Bill to say that universities and kindred bodies shall receive a little more in the way of grants. No consideration is given to the legislation referring to tenants, mortgagors and purchasers. All the consideration shown is in the direction of restoring a little money to ourselves and some others. On the other hand, the position of Western Australia to-day is such that in loan money alone this State is to receive within £100,000 of the largest amount borrowed by it for many years past. We are confronted with a progressive policy, which has much to commend it, for the expenditure of a million pounds in the metropolitan area alone. It is only to be inferred that what we are concerned with in this legislation is that we ourselves should get a little more out of the public funds.

Hon. G. W. Miles: And it will have to come out of loan money.

Hon. J. CORNELL: What I am about to suggest may be a drastic remedy, but as the Government have failed to deal with the question as a whole, have failed to give easement in various directions where it is needed, I am prepared to vote for the rejection of all this financial emergency legislation; and then let us have a re-cast of the whole situation, inquire into all branches of the subject, and deal with it logically and consistently. If further emergency legislation is needed, let us confine it to the mini-

mum of that necessity. Let us give a fair, even-handed deal all round. That is not being done in the Bill. All the relief the measure proposes is on behalf of people covered by arbitration awards and people drawing salaries. The population at large, who pay the taxes and keep the wheels of industry turning, have a right to be considered. The only way we can show them consideration is to reject the whole of this legislation. Hon. members may say that that would be a drastic step, taking the conduct of affairs out of the hands of the Government. I am not looking at the matter from a personal standpoint. I claim to have done as much as any other member of the Chamber to place the salaries of members of Parliament and of officers of Parliament where they are. After all, we members of Parliament are the only mouthpiece of the people, and Parliament is the only tribunal through which servants of the Crown can become articulate. To their credit be it said, I have met numerous highly-qualified and highly-placed members of the Public Service and of the Education Department who take the same view as I do, who are unwilling to accept £54 a year additional while other members of the community receive nothing at all.

Hon. G. Fraser: Let us put their names on record!

Hon. J. CORNELL: For the present I reserve judgment on the Bill.

**HON. J. J. HOLMES** (North) [5.23]: The Bill comes to us really as an amendment of that financial emergency legislation which is part and parcel of the Premiers' Plan. The parent Act is only one of the many measures which have been produced to give effect to that Plan; but, strange to say, it is the only measure which there is any attempt to amend. The amendment, as explained by the previous speaker, is on such lines as to do injustice to some while giving to others a greater measure of justice than is necessary. Why was the Premiers' Plan evolved? It was evolved at a time when Australia was on the verge of either bankruptcy or repudiation. We had been advised previously by the "Big Four" that something had to be done, and done at once; but nothing was done until we had reached the stage when we had to face either insolvency or repudiation. One of the principal objects of the Premiers' Plan was to

enable the States to reduce expenditure so as to balance their budgets.

Hon. G. Fraser: It was done very successfully.

Hon. J. J. HOLMES: In a publication which has reached me to-day I see it stated that at the 30th June last the accumulated deficit stood, in round figures, at £5,150,000. The deficit for the first three months of this year is £162,000, making a total accumulated deficit at the end of last September of £5,312,000. From the same publication I find that the increased taxation collected for the first three months of this year, to the 30th September last, amounts to £137,500 approximately. If we keep on at that rate, the Government will receive half a million pounds this year from the financial emergency tax. It comes to this, that about £500,000 will be taken out of profitable employment, placed in the Treasury and used, as I think, in a reckless manner. The principal object of the financial emergency legislation was to square the ledger, but no attempt has been made in that direction. At all events, if there has been such an attempt, it is not apparent on the surface. The Government were to reduce expenditure in order that the State could carry on and the deficit be adjusted. In reducing expenditure they were to reduce the cost of production. To reduce the cost of production in a country like this, a country of primary production, is just as important as to balance the Budget, in my opinion, especially as we know the difficulties with which the primary producers have been faced during the emergency period, and the position which confronts them to-day. In order to bring about the desired result of the Premiers' Plan, there was to be equality of sacrifice on the part of all sections of the community. If that policy had been pursued, one would not have had much to complain about; but it appears to me that practically all sections affected by the financial emergency legislation have suffered and have to continue to suffer, while one section, men in permanent employment, men under the protection of Arbitration Court awards, are to get back practically to where they were. The principle of equal sacrifice by all parties is being departed from in this Bill to a greater extent than in the measure which was before us last year. Unless we can reduce expenditure and put the primary producer on a basis that will allow him, if

not to make a profit, at all events to live, I do not see how we can go on borrowing money and piling up the interest bill from year to year. In order to do that, we must have profitable production to assist us in carrying on. From what I can see, every opportunity is taken to evade what the Premiers' Plan intended. We see that in the figures quoted. No attempt is made to balance the Budget. There is to be a deficit of £5,300,000 at the end of December. Yet this Bill proposes to give back £90,000 to those who are in permanent employment, while no thought is taken for the men who are at starvation point on the land. We have departed from the Premiers' Plan to this extent, that we have a policy of borrow and spend, and notwithstanding the huge amount of loan moneys we have spent, and notwithstanding the increase in taxation there is no improvement in the State's finances, and so the whole of the Premiers' Plan appears to have broken down. I hope members will not think that Mr. Cornell and I have put our heads together. When I heard him speak this afternoon on the necessity for throwing out this emergency legislation and making a fresh start, I thought, from that point at all events, he had taken the words out of my mouth. For I think we have reached the stage where we should throw out this emergency legislation and make a fresh start on a more equitable basis. Taking the remarks of Mr. Cornell, surely it would be possible, even in respect of the salaried State servants, to evolve some more equitable proposal than that included in the Bill. If we are to give something back—I say we are not in a position to do it—let us give it back on a fair and equitable basis to all parties concerned.

Hon. J. Cornell: We should give it back the way we took it off.

Hon. J. J. HOLMES: If we were to throw out this emergency legislation with the object of making a fresh start on a different basis, all could get back to where they were before the emergency legislation was introduced: but if we keep on as we are going, we shall get into a dead-end very soon; and if we put out all this emergency legislation, and no other legislation is introduced in its place, it will be hastening the end and will bring us to a stage where we shall have to reconsider the position from all standpoints. If we are to go on as we

are, it is a fair thing that every section of the community and every individual should be put back to where he was previously; and if we get to a stage where we find we cannot go on any longer, let there be a reconstruction.

Hon. C. B. Williams: Reconstruction is on the tapis now, according to some people who want revolution.

Hon. J. J. HOLMES: When we reach that stage we shall not be able to borrow and spend as we do now, but shall be compelled to get back to sane finance. If we keep on in the way we are going, at the end of the year our deficit will be £6,000,000. In view of that, can we afford to give anything away? I do not think we can. I cannot understand why the Government have not taken up the attitude that I proposed to take up in regard to the Bill; we have Ministers travelling the country telling people that the increased prosperity is due to the additional spending power enjoyed by the employees of the State. If it is correct—I refuse to believe it—that the increased prosperity is due to the increased payments to men employed throughout the State, why not go farther and say the more money we give these people the better it will be for the whole of the State? If that is the right policy, why not go the whole distance? But I should like the Government to approach this from north, south, east and west, and take an isolated industry, any industry, and, applying to it the Arbitration Court awards, keep accurate accounts of expenditure and proceeds. Then, if it is not soon found that that industry is in the bankruptcy court, it will have to be agreed that this policy of influencing the prosperity of the State by increasing the spending power of the worker is a correct one. Personally I cannot help thinking that the Government employees are being led into a fool's paradise. I am not accustomed to take an unreasonable view of the position, but I cannot see how this State is going on to borrow and spend without a thought as to whether works are reproductive, and yet remain solvent. Every £1,000,000 we borrow means that we increase our interest bill by £40,000 a year. If we borrow £4,000,000 this year which, I understand, means  $3\frac{3}{4}$  millions for loan expenditure and three-quarters of a million for deficits, it will mean to the State £160,000 per annum for increased interest. Where is it all to come from?

Hon. C. B. Williams: What shall we do instead of borrowing?

Hon. J. J. HOLMES: Apart from gold-mining, not one industry in the State is paying at the present time. And if it be suggested that goldmining should carry an increased load, it is like a red rag to a bull. Going one stage further, it is provided under the Financial Agreement that on money borrowed for deficit purposes beyond Loan Council authorisation, we have to pay the Commonwealth 4 per cent. sinking fund per annum.

Hon. A. M. Clydesdale: We have owed it, up to date.

Hon. J. J. HOLMES: That is so, but sooner or later that liability must be met. Take the deficit, which at the end of the year will be £6,000,000. In round figures, 4 per cent. sinking fund will mean a quarter of a million due to the Commonwealth authorities for the current year. What I am concerned about is that, with these ever increasing liabilities, the whole of the revenue will be swallowed up in interest charges, and then perhaps the poor old public servant will be asked to accept a deeper cut than he has had in the past. As I said before, this is a country of primary products, and unless we can get our primary products on to a payable basis, or into such a position that the producers can live on their farms even if they do not make a profit, I cannot see how the Government are to keep on borrowing and financing as they have done. Yet apparently their idea is to go on spending, as in the past.

Hon. A. M. Clydesdale: You have been saying that for 20 years.

Hon. J. J. HOLMES: Yes, and the Chief Secretary knows it is true. When I analyse the figures I find that as a result of all this loan expenditure the revenue decreases. That will help to bring us to an end where the position will have to be properly faced. When it comes to assisting men in permanent employment, or men under an award of the Arbitration Court, the Government seems to be working seven days a week to improve the condition of those men, but when it comes to the primary producers they turn a deaf ear and the primary producers are side-tracked on to the Commonwealth Government—

The Honorary Minister: What is your justification for saying that?

Hon. J. J. HOLMES: —overlooking the fact that the Government have sent to England delegates on the secession mission in order to get right out of the Commonwealth.

Hon. J. Cornell: That is not political insight, although the other is.

Hon. J. J. HOLMES: I do not know what it is. At whose expense will those increases be paid? Under the Financial Emergency Act, we are extracting money from the taxpayers to a far greater extent than this House was led to believe would happen. Mr. Clydesdale said I had spoken in this strain 20 years ago. I am rather pleased he mentioned that. I dislike standing up in my place and saying, "I told you so-and-so" and would not have referred to it had not the hon. member brought it out. Who are responsible for this state of affairs? The members of Parliament of this country, the members who allow the State to drift as it is drifting. It is their duty to see that the drift is stopped and that the finances are straightened up. Reference has been made to the amount of £54 or £58 by which each member of Parliament will benefit if this measure be passed. I know members of this House well enough to refuse to believe that a paltry £50 will make any difference to them in dealing with this legislation as it should be dealt with. The £90,000 properly distributed amongst the languishing industries of the country would help them to tide over their difficulties, and would have a far more beneficial effect than will be the case if the Bill is agreed to and the increases are made as proposed. I do not intend to deal with all the industries. I shall leave other members to speak of the languishing industries in their own provinces, but I desire to direct the attention of members to the North Province, represented by Mr. Miles, Mr. Angelo and myself. I have no hesitation in saying that unless some relief is granted there, one of the principal towns in the North is likely to go out of existence. The North has been a disappearing asset. Take Wyndham and the Wyndham Meat Works. In 1933, according to the balance sheet tabled in the House, 30,000 head of cattle, in round figures, netted to the owners £2 14s. 2d. per head. They were not produced for twice that amount. What growers are going to get for the

1933-34 season, I do not know. The Government refuse information to which we are entitled, but I am told that proceedings under the provisions of Part V. of the Arbitration Act have resulted in the wages bill at the Wyndham Meat Works being increased to the extent of £10,000. That extra £10,000 of expenditure will be a charge against the current year's cattle, not last year's.

Hon. C. F. Baxter: An increase of operating expenses by that amount.

Hon. J. J. HOLMES: Yes. Consequently, the growers will receive £10,000 less than they got last year. There is a provision that the employer may approach the Arbitration Court for an amendment of an award, but the Government are the employers of the men at Wyndham, and who would dream of suggesting that the present Government would go to the Arbitration Court for an amendment of the award? Now take West Kimberley. Last year thousands of cattle were brought to the metropolitan area, and I believe that if the figures could be obtained, they would show that the returns to the growers did not much more than pay the charges for bringing them down.

Hon. A. M. Clydesdale: What is the remedy?

Hon. J. J. HOLMES: The remedy is not to restore cuts amounting to £90,000 to members of Parliament and others.

Hon. J. Cornell: Impose a bigger fine on starting-price bookmakers.

Hon. J. J. HOLMES: One of the difficulties has been the enforcement of the pleuro regulations that prevented the bringing of cattle except by steamer. Under the regulations, when they were brought down, they had to be sold in quarantine, regardless of their quality or condition, or whether the market could absorb them. They were herded in the yards and the buyers were in a position to name their own price. The Minister for Agriculture, Mr. Millington, deserves credit for having dealt with the pleuro aspect. He has arranged for the applying of the Turner test to determine whether cattle are suffering from pleuro. If the cattle were liberated so that they could be agisted down here, some relief would be afforded, but many other adjustments will have to be made if the industry is to continue. Now let me refer to the important town of Broome. The point I wish

to make is that the industries of the country, sooner or later, will have to foot the bill for increased expenditure. If those industries are being carried on at a loss, how can the Government expect to obtain any revenue from them? Broome at one time was the third largest export port in Western Australia. Pearl and pearl shells were the exports. To-day the town has reached such a stage that it cannot carry on.

Hon. R. G. Moore: What is the cause of that?

Hon. J. J. HOLMES: The world's market for the commodity has much to do with it.

Hon. G. W. Miles: And the high charges imposed.

Hon. J. J. HOLMES: The high charges at this and the other end also have much to do with it. I gave some figures, this session I believe, of the charges imposed at Broome and elsewhere, and I believe that to most members they were more or less astounding.

Hon. A. Thomson: The duty on rice is a heavy impost for a start.

Hon. J. J. HOLMES: Yes.

The Honorary Minister: What has that to do with the State Government?

Hon. J. J. HOLMES: What with the low prices of the commodity and the charges imposed, the industry cannot carry on. The matter has been brought under the notice of various Governments. I agree that Ministers have shown themselves just as much concerned about the position as I am, but the matter has not been dealt with. So far as I can understand, unless something is done before the end of the calendar year, Broome will have to close down. Let me quote from a letter dated the 30th October, 1934—

When last writing to you the price of first-grade M.O.P. shells was £135 per ton and relief was necessary, but now that the price of the first-grade of M.O.P. shells has reached £115 per ton, relief is much more necessary.

As you are well aware, the bottom fell out of the pearl and baroque market some two years ago. Previously in periods of low prices for shell, the pearls and baroque have saved the pearlers, but they will not be able to save them this time. Japanese competition is liable to keep the price of shell low for some period, but surely we are not going to surrender the Australian pearling industry to these aliens, and without even a fight.

In a little under two months from to-day, the pearling fleet of Broome lays up, and failing very decisive and swift action before that

date by the Government, it will be a final lay-up. The State Government have many assets in Broome which we feel sure they would desire to save, and further than that, would not like to see one of the largest towns in the North added to the many other monuments of failure along the North-West coast.

Hon. C. F. Baxter: They would have been very much better off had they honoured the agreement instead of breaking it.

Hon. J. J. HOLMES: The letter continued—

The request already made, which we think you will admit is a very reasonable one, should be granted.

Amongst other things, the pearlers object to the wheat passing over the wharf free of wharfage, while pearl shell at Broome has to pay a high rate of wharfage plus 20 per cent. All the goods, inward and outward, have to pay a high rate of wharfage. When men are signed on as ships' crews, the Government charge a fee. When men are paid off, another fee is extracted. I ask members representing the primary producers whether they have to pay a fee when they put on a harvester band, or pay him off. Those are only some of the charges that are heaped on to the pearling industry, and so far not one penny of relief has been granted. The letter continued—

We have examined the industry and know that in two months' time, on laying up, many of the pearlers will be unable to pay off their men. It is therefore essential that an advance up to £200 per boat be made to those pearlers who require it for the paying off of their men and the getting of their boats to sea again. The terms should be the same as the terms for the loan of £100 per boat this year, with the exception that the repayment be over two years.

It is with the greatest reluctance that we write you in this strain, but if definite action is not taken before the end of the next two months, the town of Broome will have ceased to exist.

That is a very serious matter. If the town ceased to exist, I suppose caretakers would be required for Government buildings and that the Government would be liable for various other charges, and there certainly would be no income from the pearling industry.

The Honorary Minister: If all the charges were remitted what would be the total amount involved?

Hon. J. J. HOLMES: It would all help.

The Honorary Minister: What is the aggregate amount involved in all these charges?

Hon. J. J. HOLMES: They must be taken into account with the fact that these people are producing shell at a loss. Unless they can get some assistance by way of a loan from the Government they will be unable to equip their boats and carry on.

The Honorary Minister: That is a different matter. You said the charges were so high as to cause the industry to break down unless the Government did something. What are those charges?

Hon. G. W. Miles: I will tell you. If the State Government did something it would help these people in the case they put up to the Commonwealth Government.

The Honorary Minister: I want to know what the total amount is. We would then know where we stood.

Hon. J. J. HOLMES: The Honorary Minister, being the Minister for the North-West, ought to have the information.

Hon. G. W. Miles: He is not now Minister for the North-West.

The Honorary Minister: I do not want you to misrepresent the position.

Hon. J. J. HOLMES: I am not doing so. The Pearlers' Association say that unless they receive some assistance to enable them to carry on next year the town will have to close down.

The Honorary Minister: But your statement is different from that.

Hon. J. J. HOLMES: In what way is it different?

The Honorary Minister: You say that unless the Government are prepared to help these people with respect to the charges, which you say are so high, the industry will have to close down.

Hon. J. J. HOLMES: The Honorary Minister ought to know that is true. For the sake of developing the North the Commonwealth Government might well assist the industry. The proposal is that the State Government should first say what they are prepared to do. Arrangements can then be made to approach the Commonwealth Government to see what they will do. To approach the Commonwealth Government at this stage would be asking for a flat refusal. The first question they would ask would be, "What have the State Government done?" If these people reply, "Nothing," the Com-

monwealth Government will probably take up the same attitude.

The Honorary Minister: That would not help their case very much.

Hon. J. J. HOLMES: If they could first get some concession from the State Government, and then be able to point that out to the Commonwealth Government, there would be a chance that they would succeed. I now come to the emergency legislation dealing with reductions of interest, reductions of rent, and mortgage restrictions, which Parliament is asked to continue. The Acting Premier sees the injustice of these measures. I notice that in a speech made in another place he said he hoped something might be done for some of these people this year. Nothing has yet been done, and no promise has been made that anything will be done next year, if we pass this legislation. Many people in the community have small amounts which they have lent out on mortgage, and have to live upon the interest. The financial emergency legislation has reduced the interest to such an extent that the income is hardly sufficient for the sustenance of these people, though it might be sufficient if a higher rate of interest were paid. All these people are back on the reduced incomes. Amongst them are aged persons who cannot live on the principal during their declining days, because the principal cannot be called up so long as the interest is paid. They cannot get the old-age pension because they have estates which prohibit them from participating in pension payments. Surely that section of the community is as deserving of consideration as those who are in permanent employment. We ought to begin over again, put out all these Bills, and force the Government to bring down other measures based on the original Premiers' Plan, under which all were to participate in the reductions. Are the representatives of the primary producers in this House prepared to vote for this measure to increase payments to salaried servants to the extent of £90,000, whilst those they represent have scarcely more than sufficient to keep body and soul together?

Hon. J. M. Craig: And they are paying six per cent.

Hon. J. J. HOLMES: I do not think those members will sit down and see the industries of this country languishing whilst

other sections of the community are placed in an improved condition. Anyone who looks into the financial position of Western Australia and has any brains must see that we are reaching the breaking point. I do not know of anyone who has a better grasp of the position than the Premier. The position as he understood it I believe had a great deal to do with his breakdown in health. Unless the financial position is faced as it should be the breakdown of this country will be more serious than the breakdown in the Premier's health. We cannot go on borrowing and spending and piling up the interest bill unless the primary producers are placed in a position where if they cannot live in affluence, they will have enough to live upon and pay a tax quota. We shall never reach that stage by borrowing and spending irrespective of whether the money produces revenue or not. We shall never return to sane finance so long as we have a Government pledged under the Premiers' Plan to reduce the deficit, but instead of doing so every time they see £100,000 that could be devoted to reducing the deficit, they give it back to those who can best afford to participate in the stringency with which this country is faced. I will follow the lead of Mr. Cornell and say I propose to vote against the second reading of the Bill.

HON. C. B. WILLIAMS (South) [6.10]: I have heard nothing different from what has been said in this Chamber during the last three years. It is the same old Jeremiah tale told in the same old Jeremiah way.

Hon. J. Cornell: You know the way to get back your £600 a year.

Hon. C. B. WILLIAMS: The sooner we get back to that the sooner will the pearler, the meat grower in the north, the meat grower in the south, and the farmer be restored to prosperity. Mr. Holmes did not go far enough. He knows that the North is doomed, no matter what wages are paid in the cattle industry. It is doomed even if the people get everything free, and they get a lot free as it is. They have the Wyndham Meat Works which represent a huge loss to the taxpayers. The people realise that the commodity the cattle growers produce must be treated and marketed. How can the North-West possibly compete with the South-West?

Hon. G. W. Miles: Have you been there?

Hon. C. B. WILLIAMS: Yes, and I found the people very obliging and attentive. It is obvious that more cattle can be grown on 1,000 acres in the South-West than on 1,000,000 acres in the North.

Hon. G. W. Miles: Don't talk rot.

Hon. C. B. WILLIAMS: Cattle can be walked up from the South-West without losing a pound in weight, whereas in the North they have to walk enormous distances in order to be marketed. Mr. Holmes told us a great tale about the wages of the employees in the Wyndham Meat Works having been increased by £10,000. He assumes that money will come out of next year's beef prices. He has not considered that any extra price might be obtained next year for beef. After all, that amount represents about only 6s. a head on the cattle slaughtered. If that will make or break the growers they must indeed be in a bad way. I am opposed to this Bill, because I have always been against reducing the standard of living of the people. Mr. Holmes talks about the sacrifices not being equal. I agree. The sacrifice has been all of the one kind. Our wheat-growers have suffered the most, apart from the poor fellow who is working on sustenance at 30s. a week. The growers have no hope, no matter what the Government do. It is all very well for Mr. Holmes to talk about borrowed money. Suppose we cut it out altogether. If we did we should come done even lower in our standard of living. From what source are we to get wealth? He does not suggest we should borrow within ourselves and pay back within ourselves. He puts up no proposition. I admit that it is a big thing to add £40,000 a year to the annual burden of interest.

Hon. A. Thomson: It is £90,000.

Hon. C. B. WILLIAMS: I am not fussy; let us make it £90,000!

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. C. B. WILLIAMS: Dealing further with the remarks made by Mr. Holmes with reference to the outlook in the North-West, I have already drawn his attention to the fact that that part of the State is doomed from the standpoint of supplying cattle to markets within Western Australia. If he allows his mind to turn

back some years when the North-West was prosperous and the cattle-growing industry was profitable, he must realise that it was because what I may describe as the garden portion of the State in the South-West had not been developed. In the same way, other countries had not then developed their cattle resources for the supply of the world's markets. The position of the North-West is similar to that of the wheat belt to-day. If all the money that it is proposed to pay to members of Parliament, civil servants and others affected by the Bill were to be distributed among the primary producers, the latter would not get £2 per head. Would that contribution save the wheat-grower or the cattle-grower? On the other hand, the action of the Government in passing this legislation will tend to restore confidence in the people to that extent. Consider the prosperous condition of the mining industry: I admit that the companies receive 100 per cent. more for gold than they did some years ago. The prosperity of the mining industry means that those employed in it spend their wages freely, and that money goes into circulation. Those men are not afraid that the price of their labour will fall next week. Those who are in work are in a comfortable position, and therefore they circulate their money freely. If that obtains in the gold mining industry, the same conditions should be apparent if general application followed. Why bring people down to the level of the primary producers? Let us bring the primary producer up to the level of the people generally, from this point of view.

Hon. L. B. Bolton: Give them better prices for their product, and you will do that.

Hon. C. B. WILLIAMS: But there is no chance of their getting better prices. If the spending capacity of the people is decreased, what hope is there of better prices? When the legislation was first introduced, Mr. Macfarlane said that the people should buy less. If they smoked four packets of cigarettes, they should smoke one packet only. At that time I asked him if that principle were to be applied generally, how could the producers expect to prosper? The application of that policy would result in chaos. During the past three years, I have not heard anyone use that argument because it is more realised nowadays that it is by trade only that we live. By the circulating

of money, people are able to exist. The wheatgrowers are those I feel most sorry for. Many of them have spent the savings of a lifetime in the development of their holdings, and where are they to-day? They are offered 2s. 2d. a bushel for their product.

Hon. J. Nicholson: How are you going to alter it?

Hon. C. B. WILLIAMS: If I were to tell Mr. Nicholson, he would have me arrested for anarchy or communism. He would not agree with me, so why should he ask me to put up my case? Let members consider the position of a man who is farming, say, 500 acres a year, which would be above the average. His return per acre would run out, on the basis of 2s. a bushel, at about £1 4s. 8d. It would cost him about £1 to put the crop in and take it off. If we were to relieve him from all taxation and costs of every description, and he secured 12 bushels per acre from his 500 acres, he would receive about £625, but the cost of obtaining that return would be over £500. That would not include the payment for labour or for anything else. If we take those imposts into consideration, it means that such a farmer would get absolutely nothing in return for his year's work, not even what the sustenance worker draws by working for one week in three. Will the reduction of wages alter that position? For nearly four years we have tried that method and the farmer to-day is worse off than formerly. We must reorganise society. Instead of the State keeping 2,000 or 3,000 men on the land losing money every day in a wasted effort, those men must be taken off their properties. It would pay us to tell the cattle men in the North that they must leave their holdings because their work is no longer profitable. Mr. Holmes referred to the balance sheet for the Wyndham Meat Works and particularly to the interest burden. Nearly £2,000,000 is invested in that undertaking, and we have to meet huge interest charges. For what purpose? Merely to keep men growing cattle for which there is no market, with the result that the cattle-growers have no chance of making good. We lost £65,000 last year on the Wyndham Meat Works.

Hon. C. F. Baxter: How much would have been saved if the works had not been operated?

Hon. C. B. WILLIAMS: We would not have saved very much, but at least we would have saved £65,000 last year.

Hon. C. F. Baxter: No, we would not.

Hon. C. B. WILLIAMS: I will not enter into an argument with the hon. member. On the figures submitted by Mr. Holmes the growers received £90,000 and the State lost £65,000 in interest.

Hon. C. F. Baxter: You are wrong.

Hon. C. B. WILLIAMS: Of course, I know the Wyndham Meat Works earned part of the interest, but nevertheless we lost £65,000. How long is that to continue? How long are we to continue to carry 10,000 farmers on the land when we do not need them there?

Hon. J. J. Holmes: What would you do with them?

Hon. C. B. WILLIAMS: That is what I ask the hon. member when he talks about not borrowing. We will not have communism, but we demand that our present system of society shall be continued, and so we must continue to pay interest. Those who lend us money must receive tribute from the country. Nowadays we borrow from the Commonwealth Bank and pay interest to ourselves. I regard the interest charged in connection with the Wyndham Meat Works more or less as a book entry. The men up there must be debited with the interest before they get a cut.

Hon. C. F. Baxter: That is not true.

Hon. C. B. WILLIAMS: It may not be true, but it is there.

Hon. J. Cornell: It might be true if it were there.

Hon. C. B. WILLIAMS: I always claimed that the Financial Emergency Act was wrong and should never have been introduced. The Labour Party opposed it, and I would have been proud of the Government had they not re-enacted the legislation at all. We still have thousands of men who are working for a mere pittance to keep them alive. They cannot be employed on profitable work, not because of any fault of the State, but because the world does not want our produce at a profitable price. Everyone who supplies the farmers shows a profit on his deal. The same applies to the cattle men in the North and the dairy farmers in the South. Everyone who does work for them shows a profit. Who derives the benefit? The people in the Old World.

They get the best Western Australian meat and the best of our butter. For the latter they pay 6d. to 8d. a pound, whereas our own people have to pay 1s. 6d. to 1s. 8d. per lb. Why is that so? It is because of the way the organisation of the State has been built up. Instead of having thousands of acres of land lying idle in various parts of the State, we should utilise that land by placing men, who are out of work, upon small blocks where they could provide themselves with a home and grow what they require. I regard the primary producers in a light different from that indicated by Mr. Holmes. Let that section of the community realise that even if they are in a destitute position, it is no reason why they should drag others down to their level. That should be their ambition, and everyone would then get a fair living by being able to buy more products. We tax wrongly. For instance, the Commonwealth tax bread and flour. That is an unfair tax, mainly because the people who could afford to pay it eat very little bread. Let there be taxation which will help the farmer, but before that is done the Government should realise the exact position of the wheatgrower and do everything possible to remove the unfit from the wheatfield. They must be removed before the cost becomes any greater and given work to do that they are physically able to perform. I am opposed to the Bill even though it belongs to my party. I got the cane once before for not heartily supporting my party's proposals.

Hon. C. F. Baxter: Now you must swallow this.

Hon. J. Cornell: Or vote for it under duress.

Hon. C. B. WILLIAMS: I am going back to Kalgoorlie to-morrow, and will probably miss the opportunity to vote. At the same time, the Bill is better than nothing. Because of the depression, employers have been putting men and women off. I have seen that myself, particularly in a place like Boan's, which has a very good staff but is still under-staffed. Everywhere we go we find that one man is doing the work of three. Even on the goldfields this is noticeable. A paragraph in the newspaper refers to the remarkable increase in telegraphic business, and yet not one more person has been added to the staff. At the Boulder post office there were three men

employed five years ago. There are still three men there to-day.

Hon. J. J. Holmes: This Government is not responsible for that.

Hon. C. B. WILLIAMS: No, but the Government here are just as bad in that respect. The business in the Mines Department, Kalgoorlie, has increased enormously, and anyone can go to the Mines Office there at any time of the day and see ten or 15 people waiting to receive attention. The head office refused to increase the staff until they were obliged to do so, and then they appointed a junior. Complaints are frequent, but not because of want of attention or courtesy. The officers are always most courteous, but the simple fact is they are not able to cope with the business. The Government could well employ another five or six officers there, so that the public could have their wants expeditiously attended to. The people who are working in Kalgoorlie are not what might be said to be altogether contented. They think they should be receiving a proportion of the increased price of gold. I live in the town and observe where the prosperity is. Confidence is being displayed and this is shown by the expenditure of £400 or £600 in the building of houses by people who fully believe that they will get a good return on their investment. Yet the Government will not spend anything there. We have no right to waste £65,000 on the North-West coast or £2,000 on any farm where we know there is no chance of growing wheat.

Hon. J. J. Holmes: A few years ago we thought the mining industry was gone.

Hon. C. B. WILLIAMS: And it is the one industry that will go. It has been resurrected and is kept going only by the mugs in the State. They are putting their money into shows; for what purpose?

Hon. J. Cornell: To make money.

Hon. C. B. WILLIAMS: So that other mugs will buy them out at an advance of 100 per cent.

Hon. J. J. Holmes: Someone has said that the mines are all right until you put a pick in the ground.

Hon. C. B. WILLIAMS: Yes, that is the test. Mines that were closed down 20 or 25 years ago because the price of gold did not enable them to show a profit are being opened up again now, and what happened then will happen again, and very shortly. There seems to be millions available to put

into wild cat shows which, when worked many years ago, never produced an ounce of gold. The time will come when the people who are now wildly investing capital in those shows will get a bump.

Hon. C. F. Baxter: You would shut down every industry in the State.

Hon. C. B. WILLIAMS: I have lived long enough on the goldfields to know where gold is and where it is not.

Hon. J. J. Holmes: Lucky man!

Hon. C. B. WILLIAMS: Many shows have been floated for high prices, and the mugs in Western Australia are buying the shares. The pick has yet to prove that the gold is there.

Hon. J. Cornell: I think most of the mugs are in the despised East.

Hon. C. B. WILLIAMS: A lot of them are in Western Australia. There will be a lot of money lost over many of the wild cats that are being floated here, there and everywhere. I could name half a dozen mines that will give results, but there are a lot that will let the people in. The miners of 25 or 30 years ago were the cream of the Australian community. At that time gold was worth £4 an ounce and wages were 10s. a day. To-day wages are 15s. or 16s.

Hon. J. Cornell: Nearer £1.

Hon. C. B. WILLIAMS: I am quoting the minimum, and gold is 100 per cent. higher. But in many of the so-called mines, the gold was not there, and so they had to close down. Now many of those shows are being resurrected and we will live to see many of the people associated with them, in the ranks of the unemployed, unless they look after themselves. However, it is no business of mine. Coming back to the Bill, if I thought it would prove successful, then of course it would suit me.

On motion by Hon. A. Thomson, debate adjourned.

### **BILL—LOAN £3,938,000.**

Received from the Assembly and read a first time.

### **BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.**

*Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [7.55] in moving the second reading said: This is the first of two

measures which are necessary to continue the operations of the financial emergency tax. It merely amends the machinery which has been devised for collecting the tax. It provides that the Act shall be extended to the 31st December, 1935. There are amendments to Sections 4 and 9 of the principal Act which are proposed to provide for the altered rates of exemption. Clauses 2 and 3 contain consequential amendments rendered necessary by the increase of the exemptions in taxable income from under £182 per annum to under £187 per annum.

Hon. H. Seddon: Will you tell us why you are increasing the exemptions?

**THE HONORARY MINISTER:** On account of the increase in the basic wage. Clause 3 contains additional provisions to Section 9 of the Act, these being rendered necessary to clarify and give effect to the principal intention of the existing Act which is that a taxpayers' income from all sources shall be aggregated to include salary and wage, and to levy and collect tax on all such income at the appropriate rate of tax. A person in receipt of income only, excluding salary or wage, is assessed under Section 4 of the Act on his gross taxable income and at the appropriate rate of tax. Under Section 9 of the Act, provision is made for the taxation of salary and wages at the source, and on the weekly, fortnightly or monthly payment at the rate of tax applicable to each such payment. There has been some little difficulty in that connection in the past and the amendment is desired to overcome the difficulty. The amendment will not affect those two classes of taxpayers as they will pay the appropriate amount of the tax as the payments are made. Where the taxpayer is in receipt of salary or wages, and is also in receipt of other income, then the amendment will apply and will ensure that the taxpayer will pay the tax on his gross income. For instance, in the event of his aggregate income, including salary and wage, being liable to a higher rate of tax than that deducted at the source, the taxpayer will then be assessed at the higher rate, and will be required to pay the difference between the tax already paid by him and the correct amount.

Hon. J. J. Holmes interjected.

**THE HONORARY MINISTER:** Every year, when the total is arrived at, the amount which has been appropriately paid

at the source may not equal what the taxpayer is entitled to pay under the Act.

Hon. J. Cornell: How are you going to get the casual workers in the end?

The HONORARY MINISTER: I think that in most cases the casual workers are taxed. Only in very few cases do they escape. Then again there is the person who enjoys a salary or a wage and also enjoys income from other sources. When he receives his salary or wage, he pays a certain rate of tax. When the total income for the year is known, it may be seen that he should have paid taxation at a higher rate. The Bill provides machinery whereby this higher rate will be collected. There is further information which should be given to the House, but which I consider ought to be given on the taxing Bill. I move—

That the Bill be now read a second time.

**HON. R. G. MOORE** (North-East) [8.1]: When this measure was before the House last year, I called attention to the fact that the Bill relieved from the incidence of the tax all those persons who could prove to the satisfaction of the Commissioner of Taxation that they were contributing to the support of one or more members of their family domiciled in Western Australia, and were not earning £3 10s. per week. This amount was fixed in order to exclude all those persons in the metropolitan area and the South-West from the tax up to the basic wage, whereas basic-wage earners, and even those below the basic wage in other parts of the State, were called upon to pay the tax. I pointed out last year that this position was most unfair to people in the various goldfields areas of the State where the basic wage was more than £3 10s. As I indicated then, the amount of the basic wage made no difference seeing that it was arrived at by the same process as, and fixed in accordance with, the cost of living. In order to try to overcome that anomaly, I had an amendment framed and put on the Notice Paper, to the effect that, for the purposes of the Act, in those districts where the basic wage was over £3 10s. per week, the wages should be accounted as £3 10s., in order to place all workers on an equal footing. I was told that the amendment could not be accepted, as the tax had to start on a specified amount. Being a bit new to the

business then, I took that for gospel, and put forward another amendment, one which I did not particularly like but which had at least the virtues of equality of sacrifice and of fair play. This amendment was that the tax on persons with dependants should start at £3 per week. I suggested that the Government should accept that proposal and reduce the tax from 4d. in the pound to 2d., so that instead of the people in one part of the State paying 4d. and people in another and more favoured part paying nothing, all should share in the burden—the burden being consequently rendered lighter. My amendment was carried in this House, but was not agreed to by the Government. In replying to my argument, the Chief Secretary said that the basic wage was not mentioned in the Bill. This was true, but the purpose of the exemption up to £3 10s. per week was made very clear, and was perfectly understood by everyone. This year it has been, if possible, more fully demonstrated by the raising of the amount from £3 10s. to £3 12s. This is for the express object, as stated by the Minister who introduced the Bill in another place, of covering the basic wage in the metropolitan area and the South-West. Why this frantic desire to make sure that the basic wage earners in the metropolitan area and the South-West shall be relieved from the tax, while the rest of the workers are allowed to go hang? Let me ask the Chief Secretary this question: if the basic wage in the metropolitan area and the South-West had been increased to £4 per week, would the Government have increased the exemption to £4 per week?

Hon. J. Cornell: Of course they would.

Hon. R. G. MOORE: Of course they would if they knew what the basic wage stands for. One is at a loss to understand, or to form any opinion or find any good reason, why the Government should differentiate between basic-wage earners in different parts of the State. Last year we had the spectacle of the south-western worker getting an Irishman's rise through an increase in the basic wage. He got a rise of 6d., which brought his wage up to £3 10s., and this brought him within the range of the tax, and he had to pay 1s. 4d. tax, leaving him 10d. a week worse off than he was before the rise. And yet that rise was given only because of a small increase

in the cost of living. Now we find the Government raising the amount from £3 10s. to £3 12s. in order to bring these sheep, who were temporarily outside the fence, once more within the fold. But the black sheep of the goldfields can still be fleeced. Perhaps they should be used to being shorn by this time, but I can assure hon. members that such is not the case, and that they resent being singled out to be shorn in season and out of season. It is my intention to move, in Committee, that a clause be added to this effect, that notwithstanding anything to the contrary in the Act, no person who can prove to the satisfaction of the Commissioner that he is contributing to the support of one or more members of his family domiciled in Western Australia, and that he is not earning more than the basic wage ruling in the district, either from wages and/or income, shall be subject to the incidence of this tax. I can see no difficulty whatever in either the adoption or the application of this amendment. As I have already stated, I was put off last year in regard to a similar amendment, because I was told that the tax had to start at a specified amount. Now, as a matter of fact, there are two starting points in the Bill already. The real starting point is £1 10s. Then, subject to certain things being proved, the amount is raised to £3 12s. By the same rule, subject to that fact being proved, if further proof is given that the person is not earning the basic wage, he is exempted up to that amount, whatever it may be. The object of the Bill would be safeguarded whether the amount was £3 10s. or £3 12s.; and the fluctuations of the basic wage would not affect the issue at all. That, in my opinion, is most desirable. The collection of this tax from all wage earners is obligatory on the employer. If an employee was not earning more than the basic wage, the employer simply would not deduct any tax. On the other hand, if the employee was an intermittent worker and was earning a taxable wage for part of the time, he could have the whole matter adjusted at the end of the year. One could elaborate on the disabilities of those living in the far distant portions of this State, far away from the coast and its congenial surroundings, and with the added expense of sending wives and families away periodically for health reasons. One might with a good deal of justice even plead for special treatment;

but I am asking no favours, no special treatment, no advantages. I do, however, strongly object to residents of those parts of the State being singled out for special taxation. The effect of my proposed amendment on the estimated revenue probably would not be a large amount. In fact, I think it would be only a comparatively small amount; but the relief would be given to those who need it most. Again, I must point out that it would not be giving them any relief such as was not being enjoyed by others. In looking over the estimates of revenue from taxation for 1934-35 I find several large increases anticipated. From the emergency tax, an increase of £138,284; from dividend duty, an increase of £79,120; from probate duty £29,846, and large increases from several other sources. So that the extension of the exemption under this Bill to basic-wage earners on the goldfields should in no way embarrass the Government. I shall support the second reading of the Bill, with the intention of moving an amendment on the lines indicated, when the Bill is in Committee. I notice a new clause in the Bill enabling the Commissioner to collect a higher rate of tax than has already been paid if the aggregate amount of wages and income brings the total income up to a figure that would warrant a higher rate being collected. This clause is the counterpart of a clause I was able to get included in the Bill last year, to enable a taxpayer who had paid a higher rate of tax on wages than the aggregate amount for the year would entitle him to pay to obtain a refund of the excess tax. Hon. members will recollect the difficulty I had in getting that clause included. Now the Government come along with a new clause representing the other side of the picture. It only goes to show how necessary it was that the clause I submitted last year should be adopted. If it was found necessary to include this clause in order to give the Commissioner the necessary power to adjust the tax and collect the higher rate, how much more necessary was it to include a clause giving the taxpayer the right of an adjustment and the benefit of a refund. I see no objection to the new clause. It is only fair to have the thing work both ways. It may be that if this amendment were carried it would be difficult to administer because the workers are spread over areas where the basic wage

varies. But very few if any of those workers will come under this provision at all; for the wage earner going from one district to another seeking employment would be very fortunate if at the end of the year he had earned even the amount stipulated in the Bill. But there are some people running small businesses and making possibly less than the basic wage. Other workers are earning reasonable wages, but now and again are put off and then re-engaged, only to be put off once more, with the result that at the end of the year they have not earned the aggregate amount nor anything like it. If those men are not earning the basic wage they should be exempt from tax. If it is fair that the man on the basic wage in the metropolitan area should be exempt from the tax it is grossly unfair that those other people should have to pay the tax even when earning less than the basic wage. So, while I support the second reading I, like other people on the goldfields, feel so strongly about this that in Committee I will move the amendment I have outlined. I hope the Government will accept it.

**HON. C. B. WILLIAMS** (South) [8.17]:

I want to enter my protest against the basic wage earners on the goldfields and in isolated places along the railway line or the water-supply line having to pay the tax, while the metropolitan workers living in decent conditions are to be exempt. Again I oppose the range of tax, from 4½d. to 9d. It should know no limit at all. In this protest of mine I am backed by two of the most influential industrial bodies on the goldfields. First there is the A.W.U., mining branch, of the management committee of which I am a member. That organisation has entered the most emphatic protest against the measure, and I understand has sent it on to the Parliamentary Labour Party. Then the Eastern Goldfields Council of the Australian Labour Party, which is the official body of the Labour Party on the goldfields, has also entered an emphatic protest against this taxation.

Hon. C. F. Baxter: But you are here to serve the Crown, not the union.

Hon. C. B. WILLIAMS: We all have to serve our masters. I know it is not right,

because sometimes one has to fight his own political party.

Hon. C. F. Baxter: It is not constitutional.

Hon. C. B. WILLIAMS: But it is what happens. So in making my protest against this measure I am in good company. It is not fair to expect solid supporters of the Labour Government, as we have in the mining industry, the railway industry, and the water supply on the goldfields, to be penalised for their staunch support of the Labour Party. After all, that is what we are getting, namely a penalty for our staunch support of the present Government. We are getting a rap over the knuckles for being loyal. In actual voting there are no more solid supporters of the Labour Party than are to be found on the Eastern Goldfields. All of them vote Labour more solidly than do the workers of any other district in the State. Yet we get the boot for our loyalty, by being taxed much more heavily than are the shandy-gaff labourites in the metropolitan area. When we get a big organisation like the A.W.U. mining branch, they are a pretty good type of unionist, including a lot of aspiring politicians. Maybe we shall have in the Assembly a new set of Labour politicians from the goldfields, for they are looking for trouble. I do not wish to be told, as I was on a previous occasion, that I am out to curry favour at the expense of members of my own party, because I have still 5½ years to go. So it is not on that score that I am taking up this attitude. I am sorry to know that because of the protest that was made last year, and the unpopularity of members of the present Labour Government representing the goldfields—through their attitude in discriminating against the goldfields worker, in contrast with their attitude towards shandygaff Labour supporters elsewhere—we have to be penalised again. The basic wage on the goldfields is £4 2s. per week, and in the mining industry £4 6s. per week. No person in Western Australia can move up to Kalgoorlie to-day and get a house at anything less than 25s. or 30s. per week rent, whereas the basic wage earner in the metropolitan area has not nearly so much rent to pay. The basic wage is supposed to be the smallest amount upon which a person can reasonably live. But a railway worker in Perth in receipt of the basic wage is miles ahead of his fellow worker along some isolated stretch of railway, or up North, or

down at Esperance, or in any of those isolated parts where men and women have to live on the basic wage while their fellow workers in Perth enjoy ideal living conditions generally, and are able to buy fresh vegetables and other fresh food. Yet those men in the isolated districts, living in arduous conditions, have to pay tax to the Labour Government, whereas their fellow workers in much more wholesome conditions are exempt. It is very unfair. The man in the mines has a basic wage of £4 6s.; but 2s. 6d. per week is taken from him as a compulsory contribution to the relief fund, a condition of his employment. Yet he has to pay tax on it. I appeal to the Government that if they are going to exempt the basic wage-earner anywhere at all, they should exempt those on the goldfields, indeed everywhere. The basic wage-earner in Fremantle has the sea almost at his back-door. It may cost him a few pence in tram fares to go there, but it would cost the goldfields' basic wage-earner from £10 to 15 to take his wife and family to the seaside, and if he were earning his living at Gwalia or Wiluna, it would cost him very much more. Men in those isolated districts have a small district allowance above the Kalgoorlie basic wage, but they get it only because the cost of living in the remoter areas is so much higher than in Kalgoorlie. If rent were taken into consideration in the fixing of the basic wage, the basic wage on the goldfields would be over £5 per week. But it is not taken into consideration, and so the basic wage-earner on the goldfields, the man on £4 6s. per week, has to pay 25s. or 30s. per week rent. And the railway man on the goldfields is in receipt of only £4 2s. per week, so what chance has he to pay 25s. per week rent? Yet those men are to be taxed, while men living in ideal surroundings on the coast are to be exempt. It is a crying shame, and the sooner the Labour Government wake up to the fact that they cannot discriminate between basic wage-earners in the metropolitan area and those on the goldfields, who give their time and cash and votes to the support of that Government, the better it will be.

Hon. R. G. Moore: That is the stuff to give them.

Hon. C. B. WILLIAMS: It should be the absolute boot. Disgust has been ex-

pressed because Labour was not organised on the goldfields during the last Federal election. That was because the workers were aware that they were getting the kick from the Government. Labour always gets its majority from the goldfields, from the basic wage-earners, who give their life-blood to the movement in a way that no other basic wage-earners ever do. Yet we get nothing but kicks, and no heed is taken of our protests. However I have entered my protest on behalf of the goldfields workers. I have been asked to do it and I have done it. I warn the Labour Government that I am acting at the behest of the people who elected me.

**HON. J. CORNELL** (South) [8.30]: It is well that the goldfields representatives should speak with one voice. Last session I was at a loss to understand why the Government, particularly a Labour Government, consisting of four goldfields Ministers and four metropolitan Ministers, should agree to set aside an emergency tax that had some semblance of all-round fairness and introduce in its stead a graduated tax that destroyed any semblance of fairness. Whatever may be said against the emergency tax imposed by the Mitchell Government, this much can be said in its favour that it was a flat rate tax.

Hon. G. Fraser interjected.

Hon. J. CORNELL: I do not know that it pressed very heavily on the men on the bottom rung of the ladder, but it was fair in that it was a tax of 4½d. in the pound of salary, and without variation as regards the part of the State in which the taxpayer lived. Notwithstanding that there are four goldfields Ministers in the Government, we are again asked to put a premium on position. Last session we were told that it would be preposterous to adopt as a starting point the basic wage. Of course it would be preposterous, and could not satisfactorily be adopted either in a taxing Bill or in an Assessment Bill, but in this Bill the basic wage is adopted as a starting point. Last year the basic wage for the metropolitan area and the South-Western districts was £3 9s. 6d. and the exemption was £3 10s. The basic wage was arrived at by the Arbitration Court after inquiry identical with that on which the basic wage of the goldfields workers was fixed. By what process of reasoning should a worker who

has his wages fixed in a certain way have to pay tax, while another worker who has his wages fixed in the same manner has not to pay? The only logical reply is that the people who are proposing the tax are out after money and are not prepared to exercise equity and justice, except so far as it will affect voting strength at election time. If we consider the representation in another place we must realise that it is a large factor as compared with the goldfields, which have been most loyal to the Labour Party. I am protesting, not from the point of view of a Nationalist, but from the point of view of equity. If we are going to adopt an exemption that will exempt half the basic wage earners from paying the tax, have not the other half of the basic wage earners a right to protest? If one section are to be taxed, why should not the lot pay something? Immediately the Arbitration Court raised the wages on the quarterly adjustment and the basic rate came to £3 10s., workers of the metropolitan area were brought within the four corners of the Act. They immediately protested and arranged a deputation to the Premier, and he told them that a Bill would be introduced in the following session to exempt them once more. If that is not political chicanery, I do not know what is. I understand there is only a sixpenny margin at present and it is possible that the next quarterly adjustment will, in view of the prosperity about which we hear and the restoration of salary cuts, bring basic wage earners once more within the scope of the tax, and then we shall have a repetition of the previous experience. A deputation will wait on the Acting Premier, and he in turn will promise that the exemption will be raised once more. That is hypocrisy. If we are going to have an emergency tax, it should be based in such a way that all earners of the basic wage shall pay or not pay. Men in the metropolitan area receiving £3 10s. 6d. should pay equally with men on the goldfields who are paid the basic rate of £4 2s. That is really the only point in the Bill that calls for discussion. I agree heartily with all that Mr. Williams said to the effect that the goldfields workers, irrespective of their politics, are quite within their rights in protesting that another section of workers whose wages are fixed by the same process

should receive exemption while they have to pay. The payment for margins of skill on the goldfields are relatively higher than those fixed for Perth, and consequently under this measure the goldfields men will pay higher taxation as compared with men in the metropolitan area. Hence the workers on the goldfields are caught both ways. Mr. Williams pointed out that the miners are compelled to contribute to their own welfare and pay for medical and hospital attention in case of accident. Does that happen on the coast? No. I know men enjoying margins of skill who get all the hospital treatment they need and swing the lead on it. If a man works in the mines, he is taxed at the source, because deductions are made of his contributions to the medical fund. This is a measure against which I shall vote cheerfully. If we are going to take the basic wage as a standard, we should begin at the higher rate of basic wage, but I am not prepared to do that. I urge the House to stand four-square for the principle that one set of basic wage earners should not be exempt while another, whose pay is fixed by precisely the same process, is called upon to pay.

**HON. G. FRASER** (West) [8.41]: I will support the second reading of the Bill.

Hon. J. Cornell: Of course you will. You are politically involved.

Hon. G. FRASER: I understand that goldfields members are supporting it.

Hon. J. Cornell: No, we are not.

Hon. W. J. Mann: Do you represent the shandy-gaff Labour men?

Hon. G. FRASER: I thought Mr. R. G. Moore said he intended to support the second reading.

Hon. H. Seddon: He is the only one.

Hon. J. Cornell: We will convince him before the vote is taken.

Hon. G. FRASER: I believe Mr. Williams intends to support it. I propose to support it, not because I like the tax, but because I realise there is no way out of the difficulty. I do not blame goldfields members for entering a protest. Undoubtedly it is anomalous that the basic wage earner on the goldfields should be taxed while the basic wage earner in the metropolitan area is exempt. Still, I cannot understand the logic of Mr. Cornell in adopting the dog-in-the-manger attitude that because someone

on the goldfields cannot obtain exemption, he would rope in all the workers in the metropolitan area.

Hon. J. Cornell: Goldfields Labourites have carried your mob for many years.

Hon. G. FRASER: Not in this House.

Hon. J. Cornell: For years.

Hon. G. FRASER: There is only about one Labourite amongst all the goldfields members and we have nothing to thank the goldfields for.

Hon. J. Cornell: There was a time when the goldfields had all the representation here. You will never get it if you tax them.

Hon. G. FRASER: If the Government of the day will not exempt goldfields workers, I am not going to help to put the tax on thousands of other workers. I thought the hon. member favoured building up rather than pulling down.

Hon. H. Seddon: Have you any idea of the number of men in the metropolitan area who are on the basic wage?

Hon. G. FRASER: No, but it must run into some thousands. They are well distributed, and would not have much say from a voting point of view. Therefore the hon. member should get out of his mind the idea that this has been done for political purposes.

Hon. H. Seddon: Do not you think they have the same voting strength?

Hon. G. FRASER: It is not so effective down here as in the confined area of the eastern goldfields. The basic wage earners in the metropolitan area are spread over 12 or 13 constituencies.

Hon. H. S. W. Parker: There are a good many in North-East Frenantle.

Hon. G. FRASER: But how many are there in North Perth and districts of that kind? From a political point of view, there is not much behind the Bill.

Hon. H. Seddon: Do you not think so?

Hon. G. FRASER: No. I hope the Government will attempt to free the man on the basic wage on the goldfields. An amendment to that effect will be moved, when we shall know the attitude of the Government. If the Government will not accept such an amendment, that does not force me to oppose the Bill and to bring in other men who at present are exempt. Two wrongs do not make a right. What success could this

Chamber expect to have if they threw out the present legislation?

Hon. H. V. Piesse: Who says that will happen?

Hon. G. FRASER: It is suggested tonight that if the Government will not accept the amendment, the Bill will be thrown out.

Hon. G. W. Miles: And leave us with no emergency tax at all?

Hon. J. Cornell: There is the one on the statute-book for the £3 10s.

Hon. G. FRASER: That expires at the end of the year. It would suit me to have everyone exempt, but I do not wish to embarrass the Government to that extent. I feel sure that the Government will, at the first available opportunity, remove the tax.

Hon. J. Cornell: They are tightening it up.

Hon. G. FRASER: It is the pessimist who has put us where we are to-day. Mr. Holmes has been talking pessimism for the last 20 years.

Hon. J. J. Holmes: But no one takes any notice.

Hon. G. FRASER: I prefer the optimist to the pessimist. I believe the Government will at the first opportunity take off the workers of the State the tax they have found necessary to impose upon them. At the same time, I hope they will give serious consideration to exempting the man on the basic wage on the goldfields. Members representing that province are justified in registering a protest, but I trust, if they do not get their way, they will not adopt the attitude that because a worker somewhere in the State cannot get exemption, no one else may have it. I support the second reading.

On motion by Hon. H. Seddon, debate adjourned.

## **BILL—APPROPRIATION.**

Received from the Assembly and read a first time.

## **BILL—FINANCIAL EMERGENCY TAX.**

*Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [8.50] in moving the second reading said: This Bill will continue the operations of the financial emergency tax until the 31st December, 1935. As some

members have remarked, the tax when first introduced was a flat rate of 4½d. in the pound, and operated until the 30th June, 1933. It was then decided by the Government to alter the incidence of the tax to what they considered was a fairer method of taxation. It was determined that the tax should range from 4d. in the pound to 9d., according to the amount of income received. The measure also provided that certain exemptions should be granted.

Hon. J. Cornell: Higher than the original ones.

The HONORARY MINISTER: Yes. Under the original Act, the only exemption was in the case of those receiving less than £52 a year, or less than £1 1s. a week, in the case of married persons. Under the existing Act, the exemption is for persons earning up to £3 10s. a week, if married. That figure was arrived at owing to the desire of the Government to exempt those who were earning the basic wage which, at that time, was £3 9s. 6d. per week. Since then, the basic wage in the metropolitan area has gone up between £3 11s. and £3 12s. a week, I think actually to £3 11s. 4d. The Government have, therefore, decided to increase the exemption to £3 12s. a week. It may be, as pointed out by Mr. Cornell, that at some future date the Arbitration Court will alter the basic wage.

Hon. J. Cornell: I think it is a certainty.

The HONORARY MINISTER: It may even be reduced. The Bill provides, as I have said, for an exemption up to £3 12s. a week.

Hon. H. Seddon: Can you tell me the number of persons who will be affected by the increase in exemption.

The HONORARY MINISTER: Not off-hand. It is also necessary to increase the exemption of the yearly income to £187. There will be no alteration in the exemption for single persons. Most of the amendments are consequential on our endeavour to increase the exemption in the case of married persons. One or two other amendments are necessary to clarify certain sections of the Act. Apparently difficulties have arisen, but these will now be overcome. The present tax was imposed as from the 1st October of last year. The bulk of it is collected at its source. The collection for the nine months ended 30th June last amounted to

£411,716. That includes £28,000 representing arrears of tax at the flat rate of 4½d. in the pound.

Hon. J. J. Holmes: That is £550,000 for the year.

The HONORARY MINISTER: It is estimated that the collections for the current year will amount approximately to £550,000.

Hon. W. J. Mann: That is well above the original estimate.

The HONORARY MINISTER: I believe it is a little above it.

Hon. W. J. Mann: We were told it would be £350,000 last year.

The HONORARY MINISTER: All the statements that were made were of an approximate nature, based on the advice of the Commissioner of Taxation. We frankly admit the estimated total is approximately £550,000.

Hon. G. W. Miles: That will be under the estimate, too, in view of the prosperity due to borrowed money.

The HONORARY MINISTER: I doubt that. I am sorry to note the tone of the debate on the Bill associated with this one. It is a tone I deprecate. The inference is that taxation measures of this kind are determined by the political colour of the people in a given district. We do not subscribe to that.

Hon. J. Cornell: You do not?

The HONORARY MINISTER: The taxation is not based on whether a man is a supporter of Labour or not.

Hon. J. Cornell: I do not know you well enough, apparently.

The HONORARY MINISTER: If the hon. member will look at the matter in a reasonable light, he will agree there is nothing in his contention. The Government are to be commended for taking the stand they have taken. If there is anything in the suggestion that because they have adopted this attitude they are cutting their own throats, members should be prepared to commend them for doing their duty. In Committee I shall be able to give members further information. I move—

That the Bill be now read a second time.

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

**BILL—CONSTITUTION ACTS AMENDMENT ACT, 1931, AMENDMENT.***Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [9.2] in moving the second reading said: The Bill proposes to extend a measure of relief to those persons whose salaries are provided under the Constitution Act, namely, the Chief Justice, the Puisne Judges of the Supreme Court and the Private Secretary to the Lieutenant-Governor. The salary of the last mentioned officer is nominally £350 per annum, and his reduction will be £42 instead of 20 per cent. as hitherto. The Bill also provides that the salaries of the Chief Justice and Judges of the Supreme Court shall be reduced by £54 10s.

Hon. G. W. Miles: The basic wage enters into that, too?

The **HONORARY MINISTER**: Yes. The reduction of £54 10s. is on the first £500 of the salaries they receive, and there will be the deduction of 22½ per cent. on the balance, but in no case will any individual benefit to the extent of more than £58. The Bill evidences the desire of the Government to act equitably as regards all persons affected by the financial emergency legislation. The consideration indicated in the Bill is to be extended to the judges and accords them the same measure of relief as that to be enjoyed by other civil servants who receive more than £1,000 per annum. The Bill does not provide relief for Ministers of the Crown or the Clerk of the Executive Council.

Hon. J. Cornell: But the latter is the secretary to the Premier's Department.

The **HONORARY MINISTER**: The reason for that is that those persons have already been provided for under the Financial Emergency Act Amendment Bill. The same arguments apply in this instance as in regard to the other Bill that members have been discussing. The Government desire to extend equitable consideration to all sections of public servants, whether the salaries are governed by the Constitution Act or by the Public Service Act. I move—

That the Bill be now read a second time.

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

**BILL—REDUCTION OF RENTS ACT CONTINUANCE.***Third Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [9.7]: I move—

That the Bill be now read a third time.

On motion by Hon. G. W. Miles, debate adjourned.

*House adjourned at 9.8 p.m.*

**Legislative Assembly,**

*Tuesday, 20th November, 1934.*

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

**STANDING ORDERS SUSPENSION.**

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle) [4.35]: I move—

That so much of the Standing Orders be suspended as is necessary to enable an Appropriation Bill and a Loan Bill to be passed through all their stages at this sitting.

Question put and passed.

Mr. **SPEAKER**: I have counted the House and satisfied myself that there is an absolute majority of members present.