

**Legislative Assembly.***Wednesday, 11th November, 1936.*

	PAGE
Assent to Bill	1725
Questions : Public Service, superannuation	1725
Pearce aerodrome, boilers, oil fuel or coal and wood	1725
Aeroplane factory	1725
Tractors for log hauling	1725
Bills : Industries Assistance Act Continuance, 1R.	1725
Mortgagees' Rights Restriction Act Continuance, 1R.	1725
Dairy Industry Act Amendment, 1R.	1725
Dairy Products Marketing Regulation Act Amendment, 1R.	1725
Agricultural Bank Act Amendment (No. 2), 1R.	1725
Factories and Shops Act Amendment, 3R.	1725
Financial Emergency Tax (No. 2), 2R., Com.	1726
Financial Emergency Tax Assessment Act Amendment, 2R., Com.	1743
Fair Rents, Com. report	1749
Industrial Arbitration Act Amendment, Com.	1749
Justices Act Amendment, returned	1754

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

**ASSENT TO BILL.**

Message from the Lieut.-Governor received and read notifying assent to the Supply Bill (No. 2), £1,600,000.

**QUESTION—PUBLIC SERVICE, SUPERANNUATION.**

Mr. NEEDHAM asked the Premier: 1, Do the Government affirm the principle of superannuation for public servants on a contributory basis? 2, Is it the intention of the Government to introduce a Bill to provide for an equitable contributory scheme of superannuation for public servants during the present session of Parliament?

The PREMIER replied: It is not customary to announce Government policy through the medium of a Parliamentary question.

**QUESTION—PEARCE AERODROME, BOILERS.***Oil Fuel, or Coal and Wood.*

Mr. LAMBERT asked the Premier: In view of the fact that the Federal Government are calling tenders for the installation of oil-fired boilers at the new R.A.A.F. station, Pearce aerodrome, and the fact that this State possesses abundant supplies of native fuel, which in cases of national emergency is always available, will he make representations to the Federal Government for the substitution of coal or wood burning boilers?

The PREMIER replied: Yes.

**QUESTION—AEROPLANE FACTORY.**

Mr. LAMBERT asked the Premier: As the Federal Government contemplate the erection of a factory in Australia for the manufacture of aeroplanes, and as this State would, for economic and strategic reasons, be a most suitable place for the erection of such a factory, will he take measures to persuade the Federal Government, both directly and through the members of the Federal Parliament representing this State, to have such a factory erected on a suitable site in this State?

The PREMIER replied: Yes.

**QUESTION—TRACTORS FOR LOG-HAULING.**

Miss HOLMAN asked the Minister for Railways: 1, Were tenders called in connection with the hauling of logs by tractors, or the installing of such tractors, at the No. 2 Railway Mill, Dwellingup? 2, Was any such tender accepted? 3, If so, was the highest tender accepted? 4, Who was the successful tenderer?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, No. All tenders were declined and negotiations initiated. 3 and 4, As a result of action taken, *vide* answer to No. 2, arrangements were made with Messrs. J. Brown & Son, Spalding & Moore, Owen Jones, D. Johnson, and W. Frazier, to undertake the work.

**BILLS (5)—FIRST READING.**

- 1, Industries Assistance Act Continuance.
- 2, Mortgagees' Rights Restriction Act Continuance.

Introduced by the Minister for Lands.

- 3, Dairy Industry Act Amendment.

- 4, Dairy Products Marketing Regulation Act Amendment.

Introduced by the Minister for Agriculture.

- 5, Agricultural Bank Act Amendment (No. 2).

Introduced by Mr. Patrick.

**BILL—FACTORIES AND SHOPS ACT AMENDMENT.**

Read a third time, and transmitted to the Council.

**BILL—FINANCIAL EMERGENCY TAX**  
(No. 2).

*Second Reading.*

Debate resumed from the previous day.

**HON. N. KEENAN** (Nedlands) [4.37]: I desire to thank the Premier for his courtesy in allowing me to have this debate adjourned from yesterday to to-day, and also for his further courtesy in taking this Order of the Day, at my request, before a preceding Order. I can only assure the hon. gentleman that I feel his courtesy deeply. I hope an opportunity may arise when I shall be able to show, by some reciprocity on my part, that that expression of my appreciation is entirely sincere. The Bill is a titular successor of a number of similar Bills which have come down annually in the Parliaments that preceded this Parliament, since the year 1932; but the only similarity it has to the measure of which it is to take the place is a similarity in Title. The first statute, passed in 1932, was for the express purpose of recouping to Consolidated Revenue the expenditure which Consolidated Revenue had suddenly been called upon to bear by reason of the financial crisis, and which took the form of unemployment relief and sustenance and involved many hundreds of thousands of pounds. That particular taxing measure did not recoup revenue to the extent of the money that was spent in those directions. It only partially recouped revenue, for one reason that it was not in operation during the whole of the year, and for the second reason that, being a new statute, it was not enforced with that accuracy which subsequently was attained. The fact is that the whole of the revenue produced by the statute was applied to relief of unemployment and, of course, also to sustenance of labour. But nowadays the position is entirely different. Now this is a taxing measure which, it is computed, will bring in approximately the same amount as if the law on the statute book were to be the law under which the tax is collected. In other words, it is estimated that the amount to be received under the Bill, if it becomes law, will be somewhat near to £900,000 or £1,000,000. Of that large sum only an infinitesimal and utterly negligible amount can be hoped for as an additional expenditure in the way of unemployment relief or sustenance. In fact, the position nowadays is

that this is a taxing measure pure and simple, and of an income tax character. It merely imposes an additional income tax, without, however, the qualifications and conditions for the protection of the taxpayer which are to be found in the Income Tax Assessment Act. This position has been recognised in South Australia, where there is no special tax, but only an income tax. The result is that taxation there is not only more logical, but also far more considerate to the taxpayer, because, naturally, this legislation in South Australia is only part and parcel of the general income tax legislation, and includes all the provisions of income tax legislation which give relief to taxpayers. It may be interesting to the House to know the position in which Western Australia stands as compared with the average for all Australian States having special taxation under the head of either financial emergency tax or some similar head, except of course South Australia, where no such taxation as this is enacted. That comparison will show that Western Australia, in regard to taxation of this character, stands out as being exceptionally severe. Thus, in the case of an income of £600 per annum, the provisions proposed in the present Bill—which by the way are also, as far as that particular amount of £600 is concerned, the present law—will impose on the Western Australian taxpayer a burden of 41 per cent. above the average of all the Australian States. In the case of an income of £700 annually, the proposals of the present Bill will impose a burden of 52 per cent. above the average of all the Australian States.

The Premier: Taking income tax together with this?

Hon. N. KEENAN: No; only the special tax. I wish to proceed with figures giving comparisons of special taxes that have been imposed in consequence of financial emergency as distinguished from ordinary taxation which generally bears the name of income tax. In the case of an income of £800 a year, the burden to be imposed on the taxpayer under the proposals of the Bill will be no less than 65 per cent. above the average of all the Australian States. In the case of an income of £900 the burden imposed under the provisions of the Bill will be 77 per cent. above the average of all the Australian States. These examples I have put before the House—a comparison

of the burden imposed by special legislation in this State and in the other Australian States where special legislation is given effect to—show that, in respect to those amounts, that particular percentage of difference exists. But I may inform the House that in the case of every income from £200 upwards, the rate of tax proposed in this Bill is in excess of the average of all the Australian States for corresponding incomes. It is, I suppose, a mere truism to say that the heavier the burden of taxation the less there is left for the support of industry. The taxpayer cannot pay away income to the Government on one hand and keep it to support industrial enterprises on the other hand. Therefore there is always an extreme danger to be faced in imposing any excessive burden of taxation because if the matter be given proper consideration it will be recognised that such a course means the drying up of the well that feeds the income tax. Unless industries are successfully carried on it is obvious that there will be far less wealth from which income tax may be derived. So excessive taxation is the most dangerous possible experiment, especially in any young and developing country. There is another consideration which must be taken into account in connection with taxation of an excessive character, and that is that it means drawing to an excessive extent on the resources of the country; it means beggaring the resources. I do not propose on the occasion of this debate to go into figures which I have already on other occasions submitted to the House, and which I have submitted on various occasions to the people of this country. But even the present Minister for Lands, who was then Acting-Treasurer, when introducing the Budget statement to this House during the present session, pointed out that of a gross sum that was in excess of anything received before by way of income in this State, there was only a very paltry amount left to meet all ordinary Governmental expenditure. In other words, that lesson brings home this fact that we have already travelled a long way on the road of extravagance, and a long way on the road of the exhaustion of our resources. When the Loan Estimates are brought down a more appropriate occasion will arise for an examination of that position on my part. Therefore I do not propose to go further to-night, other than to point out the obvious

danger that must arise if there is an attempt to impose a burden of taxation in excess of what the resources of the country can reasonably bear. I now turn to the proposal to be found in the Bill. I agree with what has already been said that whatever Government happens to be in power—whether this Government or any other Government—they must be given moneys necessary to meet the wants of the day, but there are two conditions to be observed. The first is that the moneys which will provide for that purpose should be raised in the most equitable manner possible, and secondly there should be a complete assurance that the moneys when raised will be spent judiciously, and to the best advantage of the State. Dealing with the first condition, namely, that the moneys required should be raised in the most equitable manner, I noticed on examination of the particulars in the Schedule to this Bill—and I propose to draw the attention of the House and ask members also to notice those particulars—that comparing the figures and the proposals contained in those figures with what is the existing law, most extraordinary anomalies will be discovered, anomalies past explanation so far as any member of the House is concerned, other than members of the Cabinet who, I presume, have already discussed the matter. I propose briefly to compare the proposed rates and the existing rates under the law as it stands to-day in the case of several different amounts of income, beginning with the class of persons with dependants. Those in receipt of £4, £4 10s., £5, £5 10s., £6 and £6 10s. a week, all stand, so far as this proposed measure is concerned, precisely as they stand under the existing law. There is no change whatever in their position. If the existing law can be said to give any relief, at any rate it gives no relief whatever to them. But a change—an entire and extraordinary change—takes place when the higher wages or salaries are reached. Those in receipt of £7 a week obtain a relief of 2d. in the pound as compared with the present law, as also do those receiving £7 10s., £8, £8 10s., and £9. In the case of those drawing £9 10s., £10, and £10 10s. they also obtain a concession but of only 1d. in the pound. What is the reason for this favoured class? I have looked through the report, and I find no mention whatever of any reason for this extraordinarily favoured class. Why should a man on £468 obtain 2d. in the pound relief, while

a man on £234, exactly one half, obtains no relief whatever? There must be some reason why this class of taxpayer ranging as high as £546 per annum is to get relief, while those apparently far more in need of consideration—if there is money to spend on consideration—get none whatever.

The Premier: They pay a very much higher rate.

Hon. N. KEENAN: They have been reduced from the higher rate.

The Premier: But they still pay a much higher rate.

Hon. N. KEENAN: I have just told the House that considering the Commonwealth from end to end, and taking into account the average of the Australian States, we are all paying much higher rates in this State. But that does not alter the comparison. The whole list is very much higher than the average of all the Australian States.

The Premier: All the States have not been taken into consideration.

Hon. N. KEENAN: The whole list has been taken into consideration, where special legislation exists.

Hon. W. D. Johnson: You excluded South Australia.

Mr. SPEAKER: Order!

Hon. N. KEENAN: The tax on those in receipt of £11, £11 10s., or £12 per week remains as under the existing law. By the way, that happens to be the Parliamentary salary. It is a useful fact to know that that salary is absolutely untouched. Then comes the class ranging from £12 10s. to £15 10s. and over, and the taxpayers in that class are all called upon to bear a heavy increase. All the different grades show a different increase. I said that the amount it was estimated would be collected under the new Bill would not vary very much from what the existing scale produces. I have made an endeavour to check that statement, but I have found it impossible to do so, because I could not get the necessary materials in the time at my disposal. But accepting that as correct, taken as a whole the Bill can be described as leaving all taxpayers just as they were under the existing law, up to and including those in receipt of £6 10s. a week, and also in the case of the three classes obtaining £11, £11 10s. and £12. As regards taxpayers between £7 and £10 10s. the Bill provides a

considerable measure of relief by a reduction of 2d. in the pound, in five cases below the amount that is now chargeable on that income by the existing law and one penny in three cases. The loss of income resulting therefrom is made good by the increase of taxation on taxpayers receiving over £12. This class provides the wherewithal to enable relief to be given to a specially favoured class. Again I ask, What is the reason for this specially selected class? I should like to know whether it is the result of a deputation. We have heard of certain provisions of the Bill which were inserted as a consequence of a deputation. I should like to know if this specially selected class also is to be attributed to a deputation. If so—

The Premier: It is not so.

Hon. N. KEENAN: —it would be interesting to know the names of the deputation.

The Premier: It is not so. So you need not worry about that.

Hon. N. KEENAN: If it is not so, I accept the Premier's statement. But one thing is absolutely certain and that is that the proposals contained in the Bill cannot possibly be based on capacity to bear the burden, since those who are least able to bear the burden are to be given no relief whatever. The figures I have quoted deal with taxpayers who have dependants. I propose to inform the House that, as regards taxpayers without dependants, if the figures were examined, they would be found to give exactly the same result. Again, we find a favoured class between £7 and £10 10s. a week. In the circumstances I cannot agree that the proposals in the Bill are equitable, or that the money to be raised under this Bill could be described as money raised in the most equitable manner possible. So I turn to the second consideration, namely, that there should be with a Bill of this character a complete assurance that the moneys raised under it will be spent on some defined object and with the best advantage to the country. What assurance have we received as to how, in what manner, or to what extent the moneys raised by this tax will be spent? It is by no means certain that any single portion of the moneys raised by the tax will be spent on unemployment or on sustenance, or for relief connected with either sustenance or unemployment. Leaving that aside for a moment, for what particular purpose is it intended to use these moneys? I admit that this answer could be made—if it be an

answer—that the moneys simply go into Consolidated Revenue and meet charges on Consolidated Revenue. That might be a very good answer to offer for moneys collected under a general measure of taxation, but this is a special measure, born of the financial emergency, and justification of a special impost must indicate a special need for the impost. On that point we have no information whatever. In comparison with the grossly inequitable proposals in the Bill, in comparison with this extraordinarily favoured class, for which no reason has been given why they are so favoured, the fact of the appropriation of the money raised becomes of minor importance. Giving the Government a blank cheque to spend the money as they like, that question, in the circumstances, does not really amount to a matter of grave importance, because we are not raising the money in any equitable manner. On examining the Bill, I find there is no ground that appeals to me or that would lead me to support the measure. Although I am anxious to furnish the Government with means to carry on, although I quite admit that, irrespective of the party occupying the Treasury bench, the Government have a right to ask for supplies, I cannot, having examined the measure, find that I can give it my support. Therefore I propose to vote against the second reading.

**MR. HUGHES** (East Perth) [5.4]: I suppose we are dealing now with a Bill that goes right to the hearts of the people.

**Hon. C. G. Latham**: To their pockets, anyway.

**Mr. HUGHES**: On examination, it is found to be an extraordinary Bill, inasmuch as we would have expected from a Government pretending to be a Labour Government that, if any reduction was to be made in taxation, the benefit would go to the man on the bottom rung of the ladder. Instead of that, we find, as the member for Nedlands has pointed out, that the tax remissions will go to a middle group, a group well able to pay. This legislation was originally introduced to provide additional relief for those people who were unemployed. I propose to repeat figures which I have used on many occasions because we can rest assured that they will not be disclosed to the general public by the "West Australian." I can repeat them without any great fear of the news becoming public. This form of taxation was intro-

duced in 1933 for the specific purpose of providing additional relief for the people who were unemployed. Although it produced only £202,000, there was applied from revenue that year for the relief of unemployment a sum of £357,000. Thus, the Government of the day did give by way of relief for unemployment every penny raised by means of the wages tax plus £155,000.

The Premier: And had a deficit of one-and-a-half millions.

**Mr. HUGHES**: I have reminded the House on a previous occasion that a member once said he did not care whether the deficit was a million so long as it was necessary to feed and clothe the people. That would have been all right if this legislation had been introduced with the intention of financing the deficit. I think there is something commendable in the suggestion of the Premier that the deficit should be met. It might be a very wholesome and salutary rule to introduce into our public life that each triennial period, just before the general election, we should calculate the amount of the accumulated deficit over the three years and strike a special deficit redemption tax, under which all should be levied according to their capacity to pay. That would be a very wholesome means of placing the responsibility upon Ministers charged with the expenditure of public funds. They would have the opportunity to justify to the people on the only occasion when the people had an opportunity to hear an account of their stewardship why the special impost had been levied. I know of no way of arousing public interest in the matter that would be so effective as a proposal for a special impost. On one occasion we had some difficulty in getting a good meeting of members of a union of which I happened to be secretary. We wanted a majority of members to decide a certain question, and somebody hit upon the idea of giving notice of motion to the effect that at the next meeting a 10s. levy should be struck on all members for some purpose or other, and we had a bumper attendance.

**Mr. Sampson**: Was the notice of motion withdrawn?

**Mr. HUGHES**: No, we did not want our members to feel that we were merely flying kites, but the result was not so successful as we had hoped. The establishment of a flat rate of wages tax was achieved under the expedient of providing additional work for

the relief of sustenance men. As I have shown, in the first year every penny raised by the tax was applied to that purpose. In the following year we had a change of Government, and the rates of tax were so altered as to bring in more than double the money. In that year the proceeds of the tax amounted to £411,000.

Hon. W. D. Johnson: Was that due to the alteration of the tax or to the longer period of collection?

Mr. HUGHES: The tax rate was altered, and of course there was a longer period of collection. I think the period in the first year was six months. Still, the main factor was the increase in the rate of tax. Strangely enough, although the Government obtained from the tax £411,000 for the relief of unemployment there was applied in the relief of unemployment from revenue that year only £244,000. So the general revenue made a clear profit of £167,000 out of the tax. Surely in the next year, when this tax levied for a special purpose was producing more money than was required for that special purpose, we could have expected a reduction in the rates, in order to wipe out the deficit. But the rates were not reduced, and in the following year the tax produced the enormous amount of £684,000. Although the tax had been increased by 50 per cent. in the previous year, the money contributed from revenue for the relief of unemployment dwindled from £244,000 to £92,000. So the revenue garnered £592,000 out of the wages tax in that year. In the next year the tax produced the still higher amount of £840,000.

Hon. W. D. Johnson: Your criticism should be associated with the rise and fall in the revenue deficiency.

Mr. HUGHES: I shall come to that presently. Will the hon. member kindly remind me in the event of my forgetting?

Hon. W. D. Johnson: You will forget it without doubt.

Hon. C. G. Latham: Then you will not forget to remind him.

Mr. HUGHES: Last financial year we garnered from the pockets of the workers £840,000 by means of this tax, and the Government distributed on the relief of unemployment only £50,000. Although we provided for an expenditure of £63,000, the Government preferred not to spend that amount. There was an additional £13,000 available and yet dozens of people in Vic-

toria Park were living on a shilling per day per adult. The member for Victoria Park was apparently quite satisfied that that was a proper standard of living for those people.

Mr. Raphael: Did not you pay the tax?

Mr. HUGHES: I was not earning enough at the time.

Mr. Raphael: You said the workers paid it.

Mr. HUGHES: Unfortunately, I was not then earning enough, but this year when I am earning over the amount, I find myself in the grade that is to pay at an increased rate. I do not know whether that represents an act of personal aggression by the Premier.

The Premier: No, it is also an act of aggression against myself.

Mr. HUGHES: The Premier might have exempted me.

Mr. Raphael: By putting through a special Act?

Mr. HUGHES: We garnered last year from the tax £800,000 for the purpose, and we distributed in the relief of unemployment a matter of £50,000. I would not mind garnering that if all the money were applied to the relief of unemployment, or to improving the conditions of the unemployed. I refer particularly to the unfortunate class of citizen known as the "C" class worker who, because of his disabilities, is not able to earn under any relief work scheme, and is compelled to keep himself and family on 1s. per head per day.

The Premier: How many "C" class men are there?

Mr. HUGHES: The Premier would be surprised if he knew how many there were.

The Premier: Not getting 1s. per day.

Mr. HUGHES: A man, his wife and two children are receiving 28s. a week. These people frequently cannot get work.

Hon. W. D. Johnson: They should be helped under the Child Welfare Scheme.

Mr. SPEAKER: Order!

Mr. HUGHES: It would not matter how they received the additional relief. I wish I had an open sesame to the Premier's Office every time a person came to me with proof that he was living on 1s. per day, so that I might get the allowance doubled. These people are in an unfortunate position. If only they were sufficiently invalided to get a Commonwealth pension, they would receive 19s. a week. The Commonwealth Government believe that 19s. is the minimum on which an adult can live.

Hon. C. G. Latham: We know that wages have gone up about 5s. a week.

Mr. HUGHES: They have gone up slightly. This tax was imposed for a purpose, but it has become the main revenue-producer. If we do not take the opportunity to rid the statute-book of the tax, it will remain there for years to come. It is very easy to put a form of taxation on the statute-book, but very difficult to get it off again. There is no justification for a flat rate wages tax. Next to the sales tax, it is the worst form of taxation known to anyone who has any pretensions to economic knowledge. The only way to get in taxation is by means of the income tax. To show the type of inaccuracy with which the Bill bristles, I would point out that a man receiving £5 a week and having five children to keep will pay at the rate of 5d. in the pound, whereas the man earning £4 a week with no children will pay at the rate of 4d. in the pound. There is no comparison between the taxable capacity of the one case and the other. The man with extra mouths to feed and an extra £1 a week is in a far worse position to pay taxation than is the man on £4 a week with no children. In proper taxation measures all the necessary adjustments are made to provide allowances for the obligations of the taxpayers, so that we arrive at the figure where the taxable capacity has been properly adjusted in accordance with obligations. We allow so much a year under the State Act off the income figure for each child, and under the Federal Act the same thing is done. Under this Bill, the man receiving £4 a week and having a wife to keep pays exactly the same rate of tax as the man on £4 a week who is trying to keep three or four children. I am sorry some of my friends on the Opposition cross bench have so readily forgotten the struggles of the man on £4 a week. I knew some of those gentlemen when they were poor. They knew then what the struggle was to keep a family on £4 a week. They are now prepared to tax the man on £4 a week, and when there is some relief of taxation they give it to the man receiving £7 or £8 a week. The tax provides one of the cleverest pieces of political diplomacy that was ever put over the State. I refer to the exemption of the basic wage from the financial emergency tax. The workers were

led to believe in 1933 that if the present Government were returned to power, they would exempt the basic wage from the wages tax.

The Premier: Who said that?

Mr. HUGHES: No one said it definitely; that is where the cleverness comes in. This statement regarding the exemption of the basic wage was put out to the worker. I myself heard one candidate refer to it. I would not hold the Premier and his colleagues responsible for everything that every candidate might have said throughout the elections. That would not be fair. The only inference to be drawn from the election propaganda was that the basic wage would be exempt from this tax. When the Government came back to power, they provided that where the worker was receiving the basic wage only and no more, he was exempt from the payment of this tax. The moment he received over the basic wage he became taxable, not on the margin between his income and the basic wage, but on the whole of his income.

The Premier: No one said anything different from that at any time.

Mr. HUGHES: The only inference to be drawn from the propaganda was that the basic wage was to be exempt. Workers in thousands drew that inference. There are workers on the goldfields who draw the inference to-day that the basic wage there will be exempt. Under the Bill it is proposed to exempt the basic wage where the worker is receiving no more than that. If we want to give taxation remissions, we should absolutely exempt the basic wage, and then start taxing on the margin, so that the man receiving £5 a week would only be taxed on £1 8s. If the basic wage is basic, it is what we have set up by law as the irreducible minimum on which a man, his wife and family can live in a reasonable standard of comfort. It is fixed by the Arbitration Court as the absolute minimum. What is the use of setting up an Arbitration Court to fix the basic wage, and then reducing the basic wage by means of taxation?

Hon. W. D. Johnson: Is that in the Bill?

Mr. HUGHES: Yes. The Bill proposes to exclude from taxation any person receiving no more than the basic wage.

Hon. C. G. Latham: That does not apply to single men.

Mr. HUGHES: I am speaking generally of a man with dependants. I would not

differentiate between married and single men. We should not adopt a selfish attitude towards single men. We had our fling when we were single, and now it is desired to make single men the special subject of taxation. Single men have their obligations and their future responsibilities. I would make no differentiation in taxation in their case. If they spend a few pounds foolishly when they are single, the money goes into circulation, and we might as well allow them to sow their wild oats and be done. I take it from the Bill that the basic wage as declared by the Arbitration Court will be free from taxation in the different localities. This means that throughout the State, with two excepted areas, the basic wage will be £4 7s., and anyone receiving only that amount will be free from the financial emergency tax. The excepted areas are the metropolitan area, where the basic wage is £3 12s., and the South-West land division where it is £3 13s. a week. If a man in the goldmining areas receives only £4 7s. a week, I take it he will be free from the financial emergency tax. I think there is a catch in it so far as the miners are concerned. In the mining award there are not many people on the basic wage. Let me take the "Industrial Gazette" of the 21st December, 1934. On page 233 there is a schedule of the wages paid in the mining industry. I will take one case at random. Here is a man whose wages amount to 13s. 8d. a day; for the margin of skill he receives 3s. 4d., and, as an industry allowance, he gets 2s., making a total remuneration per shift of 19s. Probably the lowest-paid men in the mining industry are the mullockers, truckers, shovellers and tool-carriers. They have a margin of 6d. and an industry allowance of 2s., making a total of 16s. 2d. per shift. If we multiply 16s. 2d. by  $5\frac{1}{2}$ , we get over £4 7s. a week. These men, with the 6d. margin and the 2s. industry allowance, are getting 2s. 6d. above the basic wage. It is possible that the industry allowance may diminish under certain conditions of the award, but in no case can these men receive less than 6d. above the basic wage. These are probably the lowest-paid people in any number in the mining industry. There is the case of the conveyer-beltman who has no margin. He receives 2s. industry allowance, making his total 15s. 8d. per shift. I can see no classification in the award where there is both no margin and no industry allowance. The Bill therefore is not going to relieve men on the eastern goldfields from payment of the finan-

cial emergency tax. This is the catch in the business.

The Premier: Did anyone say it would?

Mr. HUGHES: I have heard it suggested it was going to relieve these people.

The Premier: Who suggested it?

Mr. HUGHES: There are fairies about.

The Minister for Employment: A case of auto-suggestion.

The Premier: Like some of your other statements, fairy tales.

Mr. HUGHES: The Premier said that there would be less tax collected, but that the higher rates would make it up.

The Premier: That is obvious.

Mr. HUGHES: It is not going to effect any reduction in the case of these workers. When we come to incomes of £6 a week, where the relief first comes in, we are getting outside the sphere of industrial workers. With the basic wage at £3 12s. a week, it would be necessary for a man to receive £2 8s. for margin for skill to bring his wages up to £6 a week. There are not many workers under any industrial award who receive £2 8s. a week for margin for skill. So the Bill still leaves the burden on the backs of those least able to support it. On the other hand, it affords relief to those in receipt of the higher incomes. To show the position, I will cite the man who received £7 a week in 1930 and still receives that wage to-day. That individual has, in effect, had an increase in wages of nearly 20 per cent. because, on the basis of the Arbitration Court figures, it has been laid down that in the metropolitan area 72s. will purchase in 1936 what 86s. could purchase in 1930. Therefore, that man's salary has been increased by at least 16 per cent. in value to-day. Take the position regarding members of Parliament who are in receipt of £600 a year. We are really receiving, approximately, £700 a year in real money and purchasing power because we can to-day buy with our £600 as much as we could with £700 in 1930. Take another simple instance. Consider the position of the tramway man who in 1930 received £4 18s. a week and to-day is getting £4 4s. That man is 14s. a week worse off but he is told he is really not worse off because he can purchase as much to-day with 72s. as he could previously with 86s. On top of that, the tramway man is obliged to pay 1s. 4d. a week in financial emergency taxation, so that he is really 15s. 4d. a week



worse off. On the other hand, take the position of the secretary of the Tramway Employees' Union who received £7 a week in 1930. His wages were not reduced because the tramway men do not believe in the reduction of wages. As the secretary still draws his £7 a week, his salary has a purchasing value of at least 16 per cent. more. Consequently, he is in receipt of an amount in the vicinity of £8 a week. Prior to the present Bill being introduced, that man had to pay taxation at the rate of 6d. or 7d. in the pound. When he paid that tax, his total remuneration was much greater than in 1930. When we are asked to give relief from taxation it is to men who are in receipt of considerably better wages and salaries than they received in 1930. As a matter of fact, it is a strange coincidence that the people who will enjoy a reduction in connection with the financial emergency tax cover the group in which will be found the secretaries of industrial unions.

The Premier: Oh, what next!

Mr. HUGHES: I venture to assert that if we could get the particulars, they would indicate that a reduction will be enjoyed by all the leaders of the industrial and political labour movement.

Mr. Withers: And what percentage would those few individuals represent?

Mr. HUGHES: It is not a matter of the percentage, my friend; it is their power that counts.

The Premier: There is no doubt about it, you have an imagination!

Hon. W. D. Johnson: Have you experienced their power?

Mr. HUGHES: No.

Mr. SPEAKER: Order! The member for East Perth will address the Chair.

Mr. HUGHES: I am sorry to say, too, I am not the only one who will not participate. When we consider the position of the men in receipt of from £6 to £9 a week, we will find that they secure relief from this tax. There is no reason why they should have that relief, and there is no reason why this taxation, if it is to be levied, should cease at a rate of 1s. in the pound. If we were to provide for increased rates up to 2s. 6d. in the pound, which would be applied to men in receipt of £30 a week, no hardship would be imposed upon those individuals, particularly when it is remembered that their £30 per week has a

considerably greater purchasing power than formerly. If we were to levy a tax of £4 on such men, even then their position would not revert relatively to that which they enjoyed financially in 1930. It must be borne in mind that under the Bill it may appear that the man in receipt of £15 10s. a week will be taxed at the rate of 1s. in the pound. Before it can be determined what such a man will actually pay, we must take into consideration the fact that, before his assessable taxation figure is arrived at to calculate the rate of both the Federal and State taxation, he is allowed to deduct the amount paid as financial emergency taxation. By that deduction, the taxpayer not only enjoys a lower rate on the remainder of his income, but a lower rate in other directions. If we consider the position of the man in receipt of £15 10s. a week and work out the amount of income tax he would have to pay if there were no financial emergency tax, and then calculate the amount of the Federal and State income taxes with the financial emergency tax, it will be found that he secures a rebate of the financial emergency tax because he pays so much less income tax. Similarly with regard to the man in receipt of £30 a week. If we take £4 from him by way of financial emergency tax, it means that we also reduce his Federal income tax. The more we take from him as financial emergency tax, the less income tax will the individual have to pay.

The Premier: If you take £50 off the individual, he would pay about 10s. less in Federal taxation.

Mr. HUGHES: It would be more than that.

The Premier: No; I have just worked it out.

Mr. HUGHES: Take the position of men in receipt of £3,000 a year or more. The Minister for Employment informed us the other evening that the member for Nedlands (Hon. N. Keenan) receives a salary of £6,000 a year.

Hon. W. D. Johnson: And you suggest that was a good guess.

Mr. Stubbs: How could the Minister possibly know?

Mr. HUGHES: He said he had worked it out at £6,000.

Hon. W. D. Johnson: But that was only a guess.

Mr. HUGHES: Just imagine that—£6,000 a year!

Mr. Sleeman: Do all the members of his profession do as well?

Mr. HUGHES: I am sorry to say they do not. As a matter of fact, it may not be known generally that any number of trade union secretaries, when they go to the Arbitration Court to plead on behalf of their unions, receive better brief fees than many lawyers.

Government Members: Nonsense.

Mr. HUGHES: I have known of brief fees paid to laymen in the Arbitration Court that would make gentlemen like the member for Nedlands turn green with envy. The member for Guildford-Midland (Hon. W. D. Johnson) could enlighten us regarding brief fees.

Hon. W. D. Johnson: I have done work in the Arbitration Court for unions on many occasions in an honorary capacity.

Mr. HUGHES: I do not mind admitting that the hon. member has acted on many occasions in an honorary capacity, but were there no other occasions?

Hon. W. D. Johnson: I have drawn fees at times.

Mr. HUGHES: And if members generally knew what they were, it would probably make legal practitioners wonder.

Hon. W. D. Johnson: I have not drawn fees of that description.

Mr. SPEAKER: Order! I think the member for East Perth had better address himself to the Chair.

Hon. W. D. Johnson: At any rate he is an authority and he can speak.

Mr. HUGHES: I have never had an arbitration case that provided me with fees that were worth speaking about, but that was not my fault. I do not see why any trades union that desires to employ someone in the Arbitration Court to fight for better wages and improved conditions for them, should not pay that man a decent wage and provide him with decent conditions while he is doing the job.

Mr. Wilson: Then what are you complaining about?

Mr. HUGHES: I am not complaining about it.

Mr. Wilson: We thought you were.

Mr. HUGHES: One reason why we kept lawyers out of the Industrial Arbitration Court was to save costs. I doubt very much if there has been any saving in costs.

Mr. Sleeman: Do those advocates take juniors into court with them?

Mr. HUGHES: Yes.

Mr. SPEAKER: Order! The member for East Perth is getting well away from the Bill.

Mr. HUGHES: I do not desire to be discourteous to members opposite and not answer their interjections. If they will excuse me, I will turn my attention once more to the Bill. The existing provisions relating to the financial emergency tax will continue to operate until the 31st December next. It is reasonable to assume that we will receive by then half of the amount it is estimated will be paid during the full financial year. I believe the tax will produce a larger amount because payments have been on the up-grade. When I raised the question of applying the financial emergency taxation payments exclusively to the relief of unemployment, I was told that it did not make any difference. The Minister for Employment and the Minister for Lands only the other night said that it did not make any difference whether the money came from loan funds or from revenue. They pointed out that the money was in two pockets and we had only a certain amount to spend. I do not agree that that is the position. Loan funds have to be repaid; we promise to do that. On the other hand, the money we receive from the taxpayers can be spent as we like. If the financial dogma enunciated from the Treasury Bench is correct, then we do not require this form of taxation, because we are to get a grant of £1,000,000 from the Loan Council.

The Premier: Who said so?

Mr. HUGHES: That has been announced.

The Premier: I wish it were so.

Mr. HUGHES: Then we are getting a loan.

The Premier: Not even that yet.

Mr. HUGHES: Well, it is on the cards that we shall get a loan of £1,000,000.

Mr. Styants: That is different from a grant.

Mr. HUGHES: Throughout the history of Australia during the last 100 years, experience has shown that there is very little difference.

The Premier: Unfortunately I do not think we are to get even that.

Mr. HUGHES: Well, we shall get something from them.

Hon. W. D. Johnson: That is better.

**Mr. HUGHES:** We shall get something because we are to have an election. If we are to get £1,000,000 because there is to be a Federal election, it would not be a bad thing if we had annual elections under such conditions. It is true, as the Minister for Employment suggested, that it makes no difference where the money comes from. We shall have £300,000 with which to finance the deficit and £700,000 will be left from the Federal grant to provide for the relief of drought stricken farmers. We do not know whether we shall have to spend all that amount in the latter direction. Of course, we have an estimate that we are going to spend it. On a previous occasion we had an estimate that we were going to spend £63,000 on the relief of the unemployed, but we spent only £50,000. If we throw out this Bill lock, stock and barrel, as I hope we will, we shall not be dislocating anything, because the Financial Emergency Act will run till the 31st December, and so the Government can have until that date to go into the question of raising additional money by taxation. They can reconstruct the income tax; they can bring down a new system of income tax and get rid of all the anomalies that lie under this tax, and bring in a form of taxation on an equitable basis. We are in a happy position in the House tonight in that we can vote against this Bill knowing that we will not thus dislocate the public service of the State in any way, because we give the Government a couple of months in which to reconsider the whole question of taxation and bring down a measure that will provide for the raising of taxation in an equitable manner, adjusted according to the capacity of the taxpayer to pay. If the Government do that they can be assured of all members' support. Everybody knows that we have to raise taxation to meet public requirements. All that we want is that the taxation shall be raised on a fair and equitable basis. We shall be giving the Government two months in which to go into the question and bring down a new measure before we take a penny piece out of the public Treasury. I suggest that this is the time; if we do not get rid of this Act from the statute-book now, we may never get it off, it may go on for ever. I do not know of one working man in this country who is in favour of this form of taxation, nor do I know any business man with an understanding of any system of taxation

who does not agree that the whole of this Bill is wrong. They all say it is not right to put such a heavy burden on those on the lower scale. Therefore I propose to vote against the Bill. I hope it will be thrown out, so as to give the Government an opportunity to reconsider the position and bring down a more equitable taxing measure that will get the required revenue and get it in a fair and equitable manner.

**THE PREMIER** (Hon. J. C. Willecock—Geraldton—in reply) [5.47]: We have had three extraordinary speeches on this Bill from the Opposition. The Leader of the Opposition made all sorts of different statements, contradicting himself two or three times, advocating different principles on different phases of the Bill; and then at the end of his speech he said something entirely different from what he had said in the beginning. For instance he said that the present Act should be continued, and that he had no objection to it. Then he proceeded to pull the present Act to pieces.

**Hon. C. G. Latham:** No, the present Bill.

**The PREMIER:** No, the present Act. In regard to the basic wage, he said we should fix it at £3 14s.

**Hon. C. G. Latham:** I said that that was what it was last time.

**The PREMIER:** The hon. member, in another part of his speech, said that the basic wage earner has been paying this tax for three years and had made no complaint about it.

**Hon. C. G. Latham:** On the goldfields he has.

**The PREMIER:** Yes, but the hon. member's speech was a mass of inconsistencies. He agreed that in the metropolitan area the basic wage should be exempt, but afterwards he said it should be taxed.

**Hon. C. G. Latham interjected.**

**The PREMIER:** Of course if anybody criticises the Leader of the Opposition he flies off the handle, and like a snake with its tail chopped off he proceeds to bite the rest of his body.

**Mr. Marshall:** And then he runs out and drafts a no-confidence motion.

**The PREMIER:** It certainly is peculiar that when the Leader of the Opposition is under criticism he says one thing and then says another thing. I have always endeavoured to give the hon. member none but fair criticism of what he does, but I cannot

understand what he wants, for his statements are so inconsistent.

Hon. C. G. Latham: I will put you right in the Committee stage.

The PREMIER: That is the trouble, his statements are so inconsistent that one cannot understand what he says. He said we should continue the tax in its present form, but he said afterwards that he did not see why we should stop at a shilling instead of increasing the amount. What did he mean?

Hon. C. G. Latham: What I said was that if you could justify it I would agree. You could not have read my speech.

The PREMIER: No, but I heard it. Then the hon. member said we should do as the other States have done, and increase the rates. But at a later stage he said that our taxation was so high that we were driving capital out of the State. He cannot have it both ways, and certainly I cannot understand what he wants.

Hon. C. G. Latham: All right, I will make it clear, and then we shall not have all these notes put up.

The PREMIER: Does not the hon. member put up notes? Does he think that I regard him so lightly that I would not bother to prepare a speech for him to consider? About the basic wage, he said it was impossible to find out whether the employer could understand where he had to adjust the payment of the tax, since the amount was £3 13s. in one part of the State, and £3 12s. in another. As a matter of fact the basic wage has been on those boundaries for the last five or six years, yet we never had any trouble in finding out what the wage was in different districts. And if the employers have been able to find out what the wage is, it is easy to arrive at the tax.

Hon. C. G. Latham: But the wage is generally fixed at £3 12s.

The PREMIER: It is different in the metropolitan area from what it is in the South-West.

Hon. C. G. Latham: That does not affect the tax. It is the £3 12s. that affects the tax.

The PREMIER: No one bothers to find out whether it is going to be £3 12s. or £3 13s. No one has had any difficulty in ascertaining where the workers of the metropolitan area are in regard to the payment of wages. If there is no difficulty in regard to the payment of wages, there will be no difficulty about the payment of the tax. At another stage the hon. member said that single men should pay more than married

men. In that he was entirely out of agreement with the member for East Perth.

Hon. C. G. Latham: That is not unusual.

The PREMIER: No. We set out to graduate this tax on the incidence of the income tax.

Mr. Hughes: Under the income tax the rate is the same for single people and married people.

The PREMIER: Yes, the married man has so many exemptions that he is not paying as much tax as the single man. Indeed he may be paying £3 less. The hon. member quoted the poor married man with four children on £8 a week.

Mr. Hughes: No I said a married man on £4 a week.

The PREMIER: As a matter of fact a married man with £8 a week and four children does not pay income tax at all. The hon. member stressed the incidence of this tax without any consideration of what income tax means in regard to revenue.

Mr. Hughes: If you were to get them all on one basis you could then adjust these things.

The PREMIER: We catch with this tax some of the people who get exemptions under the income tax. I have looked through taxation measures of all the States, and I find little difference in regard to the rates paid by the married man and the single man, especially when we get on to higher incomes. That is a principle adopted right through Australia. Since I have finished with the Leader of the Opposition, I will now take up another set of notes and quote from them. These are in regard to the Leader of the National Party. He says that the tax was over-assessed. Yes, it was over-assessed in the first place, but at that stage there was a deficit of over £1,000,000. No one ever knew that this tax was put up for the purpose of relieving unemployment.

Hon. C. G. Latham: It was given that name by your Auditor-General and other experts.

The PREMIER: The member of the Government who introduced it said it was not for the purpose of relieving unemployment. He would not accept any amendment that would bring the tax into that category.

Mr. Marshall: It was said to be mere expediency, even taken at its best.

The PREMIER: The member for Nedlands criticised the Bill in its £600 per year

section. But the burden of the complaint he made at election time was that the incidence of the tax on people in receipt of £400 was entirely inequitable. That was what he said then, and because we rectified what he said was entirely inequitable, he still criticises us, though not that aspect; he goes up £200 or £300 a year and talks of the £600 received by members of Parliament.

Hon. P. D. Ferguson: There are a few others besides members of Parliament.

Hon. W. D. Johnson: You were one of the deputation.

The PREMIER: Then the member for East Perth selected the salaries of union secretaries and said that those people went to the Treasury to get relief.

Mr. Hughes: I never said that.

The PREMIER: The hon. member mentioned that Mr. Nash got £7 a week and an additional 15s. because of the fact that the cost of living had gone down.

Hon. C. G. Latham: Is Nash the financial adviser of the Government?

The PREMIER: Nash has nothing whatever to do with the Government.

Hon. C. G. Latham: Except to change the trams to trolley buses.

The PREMIER: He did not even do that. The complaint the Leader of the National Party had, and which he continued to voice ad nauseam, was that the man just over the basic wage had to pay too heavy a burden. When we agreed with him in that regard and brought down a Bill which had the effect of gradually increasing the burden instead of steeply increasing it on those able to pay, even then he was not satisfied. It is hard to satisfy some people. We set out to get what we considered an equitable form of taxation, and if this form is wrong, then all forms in Australia are wrong in the aggregate.

Hon. C. G. Latham: South Australia's system is very fair, surely.

The PREMIER: South Australia is altering its incidence this year.

Hon. C. G. Latham: Only because that State has adopted the Federal Assessment Act.

The PREMIER: I reiterate that we must consider not one tax by itself but both, and consider them in comparison with the average tax paid throughout Australia. If members will compare the taxes, they will see how closely the incidence of our income tax and financial emergency tax together

agree with the average amount of tax paid throughout the Commonwealth. Victoria has always been the lowest-taxed State because it is a very wealthy State and can afford to have low taxation. The investments there are such as to make the people so much better off. Then the hon. member said something about the burden on industry. What industry has done, so far as we are concerned, is to put the burden of finding work on to the Government. That is what it has done. A number of men previously employed by industries now cannot be employed, and the industries have handed them over to the Government and said, "Keep all these people." That is what we have been doing for five or six years past. The Government of which the Leader of the Opposition was a member had to borrow more than a million a year for deficit purposes. I do not blame them because no Government could have found all the money that was required at the time to balance the Budget. Money had to be borrowed to enable the wheels to be kept moving. The hon. member should have discussed this tax not by itself, but in conjunction with the income tax. Let me give him some figures. On £400 our average is £12 4s., and the average for Australia is £12 9s. 6d. On £500 our average is £21 11s. 10d. and the Australian average is £21 7s. 11d. On £600 our figures are £29 17s. and the Australian average £29 0s. 9d.

Mr. Hughes: The £500 men are 3s. below the Australian average?

The PREMIER: Under the Bill the payment of both taxes will give £21 11s. 10d. and the average for the Australian States is £21 7s. 11d., really 3s. 11d. more than the Australian average on an income of £500 a year. If the incidence of our taxation is wrong, taking into consideration the income tax as well, it means that the whole of the Australian States have made a mistake in trying to get an equitable system of taxation. We are closer to the average than any of the other States. Queensland pays more and Victoria less, but we get close to the average of the whole of Australia. The hon. member also referred to the people who are getting £600 a year. I wonder whether he also thought that Ministers of the Crown, about whom he had so much to say, also waited on the Treasurer.

Mr. Hughes: There are many on salaries lower than ours who are paying 1s.

The PREMIER: The whole question was considered in the light of what the average man would pay, whether that man be a member of Parliament, a union secretary, or anyone else. That was the system that was followed and any innuendoes about members of Parliament and union secretaries influencing the Government regarding the rate of tax are just nonsense. The member for East Perth referred to the Government as pretending to be a Labour Government. We do not pretend but we are, in fact, a Labour Government. The hon. member pretended to be a Labour Radical.

Hon. C. G. Latham: You have the reputation of being a Conservative Government.

The PREMIER: Who called us that? Some of the measures we have brought before the House this session have been termed so radical that they must be booted out!

Hon. C. G. Latham: I think they are very conservative, far too conservative for the present day.

The PREMIER: Too radical for the hon. member to agree to?

Hon. C. G. Latham: The Factories and Shops Act Amendment Bill is one of them.

The PREMIER: Too conservative?

Hon. C. G. Latham: My word it is.

The PREMIER: It is too radical. Then there is the Arbitration Act Amendment Bill and the Fair Rents Bill introduced by the Minister for Justice, all too radical in the opinion of members on the opposite side of the House. What really happened with regard to this tax in comparison with the tax when it was first introduced, and when it was supposed to be such a good tax? When it was first introduced, it was greater than it is now on people below the basic wage. It was 4½d. then; it is 4d. now. A single man had to pay on £52 a year and a married man on £104 a year. Then we removed the burden from the sustenance workers. All those on relief work and earning £2 and over came within the incidence of the payment and we claimed that that was entirely wrong. That was why the tax was altered.

Mr. Hughes: The whole taxing system is wrong.

The PREMIER: We have reduced this tax, not increased it, on people getting £4 a week. Those on £4 a week now pay 4d., whereas before they paid 4½d. Under the Bill before us there will be a more equitable spreading of the burden of the tax, and if that is not going to prove to be the case, then I am a poor judge. The hon. member

referred to what we had paid out in sustenance. We paid only to assist those who were on our hands.

Hon. C. G. Latham: But you did not look after the rest of the money; that was the trouble.

The PREMIER: What this Government said when in opposition was that we would find work for the unemployed and we did so. There are not more than 500 people on sustenance at the present time.

Mr. Hughes: Even 500 is a large number.

The PREMIER: That may be so, but 500 is very different from 15,000. Most of these people are now in receipt of wages of £3 or £3 5s. a week, and before they were all in receipt of sustenance payment amounting to 21s. a week. They know the difference and appreciate it, even if the member for East Perth does not.

Mr. Marshall: They tell you so when you speak to them.

The PREMIER: I do not wish to say anything further, or I shall be entering on another Budget discussion. I have answered the criticisms of members opposite, and have given, I consider, justifiable reasons for the alteration of the incidence of this tax.

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

Ayes	..	..	..	22
Noes	..	..	..	19

Majority for .. .. 3

AYES.	
Mr. Coverley	Mr. Raphael
Mr. Cross	Mr. Rodoreda
Mr. Fox	Mr. Sleeman
Mr. Hawke	Mr. F. C. L. Smith
Mr. Hegney	Mr. Styants
Mr. Johnson	Mr. Tonkin
Mr. Lambert	Mr. Troy
Mr. Marshall	Mr. Willcock
Mr. Millington	Mr. Wise
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. Wilson
(Teller.)	
NOES.	
Mr. Brockman	Mr. Seward
Mrs. Cardell-Oliver	Mr. Shearn
Mr. Ferguson	Mr. J. M. Smith
Mr. Hill	Mr. Stubbs
Mr. Hughes	Mr. Thorn
Mr. Latham	Mr. Warner
Mr. McLarty	Mr. Watts
Mr. North	Mr. Welsh
Mr. Patrick	Mr. Doney
Mr. Sampson	(Teller.)

Question thus passed.

Bill read a second time.

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

*In Committee.*

Mr. Sleeman in the Chair, the Premier in charge of the Bill.

Clauses 1 to 3—agreed to.

## Schedule:

Hon. C. G. LATHAM: When the Premier was replying he said that I had put forward a mass of contradictions on the second reading, and that I really did not know what I wanted.

The Premier: I said that I did not know what you wanted, not that you did not know.

Hon. C. G. LATHAM: I said it had been the accepted principle of Parliament to exclude the basic wage from this taxation, and to provide for the exclusion of the basic wage by fixing an exemption 2s. above the amount of the basic wage. At the time we fixed that margin of 2s., the basic wage was, if I remember rightly, £3 10s.; and so the exemption was fixed at £3 12s. I want the Premier to follow the same principle this year by excluding all incomes below £3 14s., £3 12s. being the metropolitan basic wage. For the last three years that principle has been adopted, but the Bill departs from it and sets up an entirely new standard. The argument now submitted by the Premier was submitted by an Acting Treasurer two years ago in dealing with an amendment by another place. Where there are employees whose pay is the basic wage, the matter is easily understood and readily adjusted; but the basic wage is inapplicable to many industries—the agricultural industry, for example. Persons are employed in that industry without any award. It is with such employees the tax collectors will have difficulty. Therefore I move an amendment—

That in lines 1 and 2 of the first part of the Schedule the words “basic income” be struck out, and “One hundred and ninety-two pounds” inserted in lieu.

Thus the exemption would be fixed at 2s. above the present basic wage for the metropolitan area. The amendment clears up any misunderstanding between the Premier and me as to what I do actually want.

The Premier: You said many people on the basic wage had been paying this taxation.

Hon. C. G. LATHAM: That is the case on the goldfields. The fixing of the exemption at 2s. above the basic wage has obtained for three years.

The PREMIER: I do not propose to accept the amendment. The entire fabric of the Bill has been constructed on the understanding that we desire to exempt the man on the basic wage but not by the crude method adopted previously of putting on 2s., waiting until the basic wage has reached that level, and then again raising the amount of exemption. Moreover, that applies only in the metropolitan area. If we state a figure applying to the metropolitan area, we should also state figures applying to the goldfields and to the rural districts. There is no reason why a metropolitan resident in receipt of the basic wage should be exempt while a goldfields resident receiving the amount of that metropolitan basic wage should have to pay the tax. A prospector getting £4 a week would be receiving less than the goldfields basic wage, and yet would have to pay this taxation. Anomalies must result unless the term “basic wage” is used. A man on the goldfields receiving £4 a week might be 8s. under the goldfields basic wage and yet would be liable to this tax. That principle is not good.

Hon. C. G. Latham: It has been adopted for three years.

The PREMIER: Yes, with constant complaints regarding the anomalies created. A man suffering from tuberculosis or some other complaint obliging him to live in a warmer climate goes to the goldfields, where it costs him, according to Arbitration Court statistics, £4 7s. per week to live. Then, if his income is only £4 a week, in addition to suffering the disability of the high cost of living on the goldfields he has to pay taxation under this measure. The principle of exemption which is good in one part of the State should be good in other parts. There is a great deal of discontent on the goldfields over this matter. It has to be borne in mind that immediately the income exceeds the basic wage, the whole of the income is subject to the incidence of this taxation. The principle of the Act is that once people get over the basic wage the whole income comes under the incidence of this taxation wherever they live. Parliament deliberately set out last year when they passed this tax to exempt people on the basic wage or under.

Hon. C. G. Latham: In the metropolitan area.

The PREMIER: Yes. We find now that people on the basic wage whom Parliament tried to exempt are subject to repayment of

tax. So we have replaced money terms with the words "basic wage." The wording of this particular part of the schedule is to give effect to what Parliament desired to do last year, that is, to exempt the basic wage. Using money terms we found that the basic wage was not exempt.

Mr. HUGHES: I agree with the Premier on the question of the basic wage. Obviously if the basic wage is £4 7s. in Kalgoorlie and £3 12s. in Perth, both sums have the same purchasing power. If the exemption were made on £3 12s. as the basic wage we would be putting people in the higher basic wage areas at an unfair disadvantage. We could get over the difficulty by deleting the words proposed to be struck out, but instead of having £192 inserted as suggested by the Leader of the Opposition we could put in £260. We would thus have a start on the basic wage. If we make it 2s. over the basic wage, the basic wage might overtake us in 12 months. But if we make it £260 and exclude from taxation all men under £5 a week, it is not likely the basic wage will overtake us before we have another session of Parliament. I propose to support the motion to delete the words "basic income" and when I have an opportunity I propose to move an amendment to the amendment that "£260" be inserted instead of "£192."

Hon. C. G. LATHAM: The Premier talks about wrong principles. The principle has been wrong for three years. It was introduced by the Labour Government. It is not our fault that the principle is wrong. What I propose to give will be of greater advantage to the worker. At present the metropolitan worker will be taxed immediately he gets any more than the basic wage. I am giving him a margin of 2s. above the basic wage and I presume I will get the support of those representing the metropolitan area because I am making the conditions for the workers much better. On the second reading I pointed out that the last Treasurer who introduced this measure gave very serious thought to it and worked it out on an acceptable basis. The people have become accustomed to that and know all about it to-day, but now a new Treasurer comes along with a new-fangled idea. I am sure he will not get anything near the revenue he expects from it, because it will give opportunity for excuses. The Government want to tax the worker in the metropolitan area immediately he is in

receipt of a penny over the basic wage. They will take the penny. I propose to see that the worker shall get 2s. for himself over and above the basic wage before we tax him. I expect members on the Government cross-benches to support me in this. The Bill will not relieve all the men on the basic wage, because 98 per cent. of the workers on the goldfields have a margin of skill over and above the basic wage, and so the Bill does not offer them any advantage. Shop assistants also have a margin of skill, and so will not be affected. Not 2 per cent. of the wages men on the goldfields will get any benefit from the Bill. As I propose to amend this, I do not propose to exclude the worker on a weekly wage, for I am going to move the same amendment to the second part of the Schedule. Therefore it must not be said that I want to give a benefit to those on incomes alone.

Amendment put and negatived.

Mr. HUGHES: I move an amendment—

That "fourpence" wherever it appears in the Schedule be struck out and "twopence" inserted in lieu.

I do this for the reason that we are giving the man on £6, £7 or £8 per week a rebate of 2d. in the pound on his tax. Surely, then, we cannot refuse the same relative advantage to those on £4 or £5 per week. The Government are asking that a man who paid 4d. in the pound previously shall now have his tax reduced by 2d. in the pound. If we reduce a man's tax from 7d. to 5d. and from 8d. to 6d., it is clear that we should have the same relative rebate right through, and at least place a man on a lower salary on an equality with the man on a higher salary.

The PREMIER: To get a proper understanding of this, we require to go right back to the beginning. In the beginning the tax was 4½d. all round. Subsequently it was altered, increasing to 5d., 6d., 7d., 8d., and 9d. That was a very severe burden to people on certain incomes, and as a result of experience we have found it would be more equitable if we made these steps less steep. Even now those people will be paying considerably more than the original tax, so the Leader of the Opposition cannot say that they are getting their tax reduced. Actually they are getting a rebate on a higher tax. The lower-paid people will have their tax reduced from 4½d. to 4d., and so they will



be getting some consideration from the Government. This tax now is so arranged in its incidence as to enable us to get sufficient money to carry on with. The amendment moved by the member for East Perth would destroy the incidence altogether. We have exempted everybody on the basic wage. We went to the country on that principle. Previously a man on £3 a week was paying 4½d. in the pound, which meant 1s. 1½d. per week. Now those people have been exempted and are to pay nothing. People on £4 a week had to pay 4½d. in the pound, or 1s. 6d. a week. Under this Bill they will pay only 1s. 4d. Therefore they have received consideration through the lowering of the incidence of the tax. We are making the tax more equitable, a course which experience indicates to be reasonable. The amendment would upset the whole framework of the Bill as well as the Budget and all the financial arrangements that have been made.

Mr. HUGHES: The tax was 4½d. in the pound for a man getting £4 a week during the very depth of the depression. There was no virtue in the tax as introduced in the first place. Labour members considered a flat rate all wrong, and the graduations were inserted to make the tax more equitable and more in accordance with the taxpayers' ability to pay. What has happened to destroy that principle? The Premier said he had acted in the light of experience. What experience has there been to justify the abandonment of a sound principle, that of fixing the tax at a higher rate according to ability to pay. Has any person paying 9d. on £8 per week proved that he was suffering greater hardship than the man on £4 paying 1s. 4d. per week? The man on £8 generally did not have his salary fixed by the Arbitration Court, and was not subject to the basic wage reduction. There is proof that he is much better off, even if we allow him to have £8 a week less 6s. tax. That man was much better off than the worker who suffered a reduction of 14s. or 15s. under the basic wage. I cannot see how the Premier can justify the statement that the tax has operated more harshly on people receiving £6, £7 or 8 a week, than on those receiving £4 or £5 a week. We raised the scale to make it more equitable. Now we are told it is not equitable. That statement will not bear examination. A rebate should be given to the men on £4 or £5 a week at least equal to that given to those in the

middle grade. This tax is a bad one with nothing to commend it.

The Premier: All taxes are bad.

Mr. HUGHES: I do not agree with that statement. Everyone realises that the provision of public services necessitates taxation. Under our system of accountancy a good deal of confusion exists as to what constitutes taxes. Many people regard water rates as taxation instead of as payment for a specific commodity supplied. In our returns we show the total railway receipts and the total amount paid out. The public would get a clearer view of public finance if a profit and loss account were issued in accordance with ordinary accountancy practice showing only the difference between revenue and expenditure.

The CHAIRMAN: Is the hon. member connecting his remarks with the 4d.?

Mr. HUGHES: There is a definite connection. When a man complains of having to pay £3,000 or £4,000 a year in taxation, we envy him. He gets no sympathy. No hardship is done him, because he has sufficient left with which to buy all the things that are good for him, as well as a lot of others. When we take 1s. 4d. a week from a man who is trying to rear a family on £4 a week, we are taxing below the taxable basis. Years ago members opposite definitely declared that the minimum exemption should be £5 a week. I think the member for Boulder, in his youthful and radical days, put forward that proposition, and we thought him wonderful.

Hon. C. G. Latham: So he was.

Mr. HUGHES: Now I am going to give him an opportunity to vote for a rebate of 2d. for a man trying to rear a family on £200 a year, and I hope the hon. member will not be found wanting.

Mr. DOUST: I desire to give notice of my intention to move a further amendment.

The PREMIER: A person earning £500 a year was paying previously £2 5s. above the average for the whole of Australia. They felt they had legitimate reasons for complaint and objected to paying that much more than the average taxpayer in other parts of the Commonwealth.

Hon. C. G. Latham: People on lower incomes are also paying more.

The PREMIER: No. This anomaly justifies our bringing the rate for people who are on the middle amount of income down to something like the Australian average.

It puts right an injustice. It is a reasonable thing to bring such people into line with the Australian average, but that does not mean we are going to bring everyone down by 2d. in the pound.

Mr. HUGHES: I do not see what the Australian average has to do with the matter. We can upset the average at once by abandoning all these rates and bringing in some other rates. The authority to raise money in this State belongs to this Parliament. We raise money by taxation in order to carry on the services of the country. How are we to raise this money and provide also that each citizen bears equitably his portion of the burden? There may be rebates of taxation in the other States, and the Australian average will be affected. I do not see the force of the Premier's argument. The rate is lower in Victoria. That State enjoys certain conditions, such as the fact that a great proportion of its borrowed money was raised on the Australian market and exchange upon it saved. Such conditions are not applicable to Western Australia. These things enabled Victoria to have a lower rate of income tax and a lower rate of special tax than we have. There must, however, be some States which have a higher rate than we have. There is no virtue in our being on the average.

The Premier: It is justification for the alteration.

Mr. HUGHES: If we alter the rate from 4d. to 2d., the Australian average will at once be affected. There is no reason to follow blindly the example of Victoria. If this tax does not bring in enough money, we could have a special session of Parliament after December, and raise a further sum.

The PREMIER: The member for East Perth advocates the raising of all taxation by means of the income tax.

Hon. C. G. LATHAM: That system does provide for exemptions.

The PREMIER: If that principle were followed, we should have to quadruple the rates to get as much in revenue as we do now from the emergency tax and the income tax put together. People who are only paying 3s. 4d. in the pound to-day on their income taxation would, if the financial emergency tax were abolished, have to pay 14s. in the pound, so that we might

raise the money we now raise from both these forms of taxation.

Amendment put and negatived.

Hon. C. G. LATHAM: The Treasurer's arguments are not at all convincing. There exists no reason for altering the figures in question. If the taxing is wrong, it has been wrong for years and years—in fact, ever since Western Australia has had an income tax, or ever since the member for Boulder altered the incidence of the tax. The rate of tax under the Land and Income Tax Act has been imposed for at least seven years, probably for 10 or 11 years. The member for Boulder reduced it at the time the Commonwealth gave us a grant to meet our necessities. In fairness to the workers we ought to leave the taxes on the higher incomes, from £312 upwards, as they were last year. The argument of the member for East Perth is perfectly sound. There is no justification for the reductions proposed by the Bill. If in order, I would move the striking out of £338 and the insertion of £312 in lieu.

The CHAIRMAN: The hon. member can move to strike out £338. He would not be in order in moving the insertion of £312, because the effect would be to increase taxation.

Hon. C. G. LATHAM: Not on the people generally.

The CHAIRMAN: The amendment would bring more people under the taxation.

Hon. C. G. LATHAM: That is exactly what I want.

The CHAIRMAN: I am afraid I cannot allow the hon. member to move that.

Hon. C. G. LATHAM: We ought to be logical in our taxation. The Premier has evaded the issue every time he has spoken. All he puts up is the contention that other States, Queensland for example, have higher rates. Against that we could adduce the case of Tasmania.

Mr. HUGHES: I move an amendment—

That in line 3 of subcolumn (b) of column 1 of the second part the word "fourpence" be struck out, with a view to the insertion of another word.

I shall not repeat the arguments in favour of the amendment. The feeling of the Committee should be tested on it.

The PREMIER: I do not want to have an argument on this with the member for East Perth. The Committee having decided that 4d. shall be the rate for the smaller

incomes, it would be against all principle to say that people receiving greater incomes should pay a rate of only 3d. That would be an absolute blunder.

Hon. W. D. Johnson: At that rate, when £1,000 a year was reached, there would be no taxation at all.

Mr. HUGHES: The Government have started by giving rebates in respect of higher incomes. The Government propose relief for those who do not want it badly.

Amendment put and negatived.

Mr. DOUST: I move an amendment—

That in line 2 of subcolumn (b) of column 1 of the second part the word "fourpence" be struck out, and "threepence" inserted in lieu.

The amendment does not convey what I had in my mind, and therefore I propose to give an explanation. If the amendment be agreed to, it is my intention to move that the 5d. be struck out in the next line, and 4½d. inserted in lieu, and I propose to continue the graduation on the higher incomes.

The CHAIRMAN: If the hon. member desires to increase the taxation, he will not be in order.

Mr. DOUST: Then I do not know that there is anything at all to discuss. If we cannot alter the gradation because it may mean increasing taxation regarding certain sections, why is such a measure brought before members for consideration at all?

Hon. C. G. Latham: You will have to alter the Constitution Act if you want to do that.

The CHAIRMAN: I am bound by the Standing Orders. The hon. member can move to reduce taxation as much as he likes, but he cannot increase taxation.

Mr. DOUST: The actual results that would follow the amendments I have in mind might not increase the amount of taxation derived, but as it would increase taxation in respect of the people affected, I presume I will be out of order.

The CHAIRMAN: That is so. Do you propose to go on with your amendment?

Mr. DOUST: No, what is the use of going on with it? On second thoughts I will proceed with it. If my idea is acceptable to the Treasurer, he can, of course, recommit the whole Schedule in order to make the necessary alterations regarding the higher incomes. Conditions have improved throughout the State, and if there is to be any reduction of taxation, I hope the Premier will accept my amendment.

Hon. C. G. LATHAM: The Premier was quite right when he said that if he did not impose a fair rate on those receiving the wages or salaries the hon. member desires to alter, and imposed a higher rate of tax on those in receipt of larger incomes, he would get very little in return, because the great bulk of the tax must come from those in the groups such as that now under discussion. We endeavoured to exclude the worker by giving him a margin of 2s. above the basic wage, but the Government would not agree to that. As the Committee decided to accept the Treasurer's point of view, we must be consistent, and I cannot support the amendment in view of the Committee's earlier decision.

Amendment put and negatived.

Schedule put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

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

### *Second Reading.*

Debate resumed from the previous day.

HON. C. G. LATHAM (York) [8.37]: The Bill is closely related to the taxing Bill we have just taken through Committee, and is one better considered in Committee than at this stage. It deals with amendments to the interpretation section of the parent Act, in respect of which there are one or two matters to which I desire to draw attention. The Bill fixes the accounting period as that provided in connection with the Dividend Duties Act, 1902. That means that if a company balances its books at any time other than the 30th June, a distribution must be made to coincide with that period. It also provides an interpretation of "basic income" and "basic wage." It defines "dependant," and I wish to have something to say on that score. The Premier has gone to a great deal of trouble to define that word, but if he had adopted the definition appearing in the Land and Income Tax Assessment Act, it would have been far better because the definition in the Bill does not provide for everything. To my mind, the definition in the Land and Income Tax Assessment Act would have been suitable. I contend that if a person claims con

sideration on the score that he has to contribute towards the support of dependants, he should be compelled to contribute a substantial amount. At present I understand that if any individual provides £1 for his mother or mother-in-law, he is classed as a person with dependants. Surely that is wrong. The definition in the Land and Income Tax Assessment Act is as follows:—

“Dependant” means a relative of a taxpayer by blood, marriage, or adoption towards whose maintenance the taxpayer has contributed £26 during the year in which his taxable income was derived: Provided that a person shall not be deemed a dependant unless his annual income, including any payment or allowance for sustenance, is less than £100 nor unless he resides in the State.

To my mind that covers exactly what we should do. If a person who happens to be a dependant is getting £200 or £300 from different relatives or contributors he is exempt from the tax and placed in a very much better position than the person making the contribution to him. Consideration should be given to that fact. As the parent Act stands I understand that any person who makes a contribution of £1 claims that he is a person with dependants. That is surely wrong.

The Premier: That doesn't work out in practice.

Hon. C. G. LATHAM: I think it does. The definition of the word “dependants” in the Bill is very clumsy. It makes no provision for any person who contributes to an adopted child, and quite a number of people have adopted children. Single girls I know have adopted a baby. There are bachelors who have done so. I know of one bachelor in this city who has two adopted boys, and he is educating them. But there is no provision for him in the Bill. If we had taken the definition from the Land and Income Tax Assessment Act it would have been far better. Provision is also made for the exemption of ministers of religion. The Premier will have to put up pretty good reasons why ministers of religion should be exempt. To my mind these exemptions are wrong in principle. Why pick out ministers of religion? Why not exempt police, or somebody else?

Hon. P. D. Ferguson: Why not members of Parliament?

Hon. C. G. LATHAM: If there is any justification for assisting ministers of religion surely the soundest way would be to make a contribution direct to their salaries. If

political stunts are needed, I know of no better procedure than to give exemptions. Exemptions are wrong in principle; they are not sound and should not be given. Surely there is some way by which we can get out of it, if it is desirable.

Mr. Patrick: Is that done in Victoria?

Hon. C. G. LATHAM: Of course it is not. May I address myself to the Commissioner of Taxation's returns. A perusal of page 8 indicates that clergymen are better off than many other people in the State. Under the heading of income of clergymen liable to tax we find that in 1933-34 the sum was £225; in 1934-35, £228; and in 1935-36, £321. Those figures represent the taxable income after exemptions have been made for families. I notice that the tax imposed in 1933-34 per taxpayer was £2.9, in 1934-35, £3, and in 1935-36, £4.8. So their salaries are increasing, yet we select them for special exemption. I do not think there is any justification for it. It is wrong to exclude people like that. If anybody should be exempt surely widows should be! Why pick out ministers of religion? I am just as anxious as anyone to help the churches, but this does not help the churches. This is helping individuals most of whom have a fixed stipend. There are some denominations in which the men get no salary at all, so they will not be taxed. This principle permits of political stunts, and so far as taxation is concerned we should treat every taxpayer alike. I want to know what argument the Premier has for excluding ministers of religion. The statement he made was that big claims were made against them. If there are any people in the country districts who have big claims made against them it is the police. Those who are hard up seek the local policeman, and he is generally the one who has to put his hand in his pocket and provide the individual soliciting help with a couple of shillings.

Mr. Patrick: Members of Parliament are handy too.

Hon. C. G. LATHAM: Yes, when they are in the city; and when they reside in the country also. There is no justification for excluding ministers of religion. If the principle is right, of assisting these men, let us find other means of making up their stipends. There is another provision I would like the Minister to explain. It is proposed to make the person who pays the salary or wage personally liable, as well as

the employer. Does that mean that when we send out a Public Works Department paymaster who has nothing whatever to do with the making up of the wages sheets, he is to be personally liable if the tax has not been deducted correctly?

The Premier: Yes.

Hon. C. G. LATHAM: Surely that is wrong. Very often we find in the Public Works Department—

The Premier: They will not make mistakes.

Hon. C. G. LATHAM: I thought the only men or women who did not make mistakes were the people who never did anything. But they probably will make mistakes, and to make a person responsible who has had nothing to do with the mistake made, is surely wrong. The person who makes the deductions, and not the person who pays out the money, should be responsible.

The Minister for Justice: Who is responsible now?

Hon. C. G. LATHAM: The employer is.

The Minister for Justice: He passes it on to the paymaster.

Hon. C. G. LATHAM: He does not. If we are going to adopt that principle, where shall we be? The title of the Minister for Justice does not sound quite all right, if that is the principle he is going to adopt.

The Minister for Justice: I have held jobs of that kind, and I have been responsible for the mistakes.

Hon. C. G. LATHAM: Although you have had nothing to do with the making up of the accounts?

The Minister for Justice: Yes.

Hon. C. G. LATHAM: It is the first time I have heard of such a thing. The Minister looks to be a very much harder man than that; he does not look as simple as that, and I cannot believe that he ever allowed anyone to put it over him in the manner stated.

The Minister for Justice: You would soon put it over anyone you were employing if he made a mistake in your cash.

Hon. C. G. LATHAM: But there would not be a mistake in the cash; he would have nothing to do with the making up of the accounts. He is handed a long wages sheet and told "There is the money, go out and pay it." And he does so. The accountants of certain firms do all the necessary work inside, and then hand out the wages sheet and the money to the pay-

master in order that he might pay the men. But under this it is proposed to make him as well as the employer liable.

The Minister for Justice: Whoever makes up the pay sheet is liable.

Hon. C. G. LATHAM: I do not mind that. But it is provided here that the person making the payments is to be liable; that is the point. The Minister knows very well that he can go to many places where he will find a girl paying the staff, although the girl has not made up the accounts. Now I am going to ask the Premier another question: In the matter of an income spread over the year ending the 30th June, 1937, how does he propose to provide for a man who has shorn his sheep and disposed of his wool before the 31st December, 1936? Is he going to pay a tax of 1s., or of 9d. in the pound?

The Premier: He will pay on his income.

Hon. C. G. LATHAM: Again, suppose a person is shearing and has not sold his wool but will sell it next year, although his income was earned this year, because that is when his shearing took place. All these problems will be put up to the department. Then suppose a man harvests his wheat and earns his income in this half year, but does not sell his wheat until the next half year?

The Premier: He will be assessed on the income of the previous year. However, I will explain it when replying to the debate.

Hon. C. G. LATHAM: I think that would be much better. I notice that the 31st December, 1936, is mentioned, and also the 30th June, 1937. If it were a year behind, as the Premier suggests, it might be all right, but I do not think that is what is intended. If the Minister has any other post besides his parliamentary profession, he is allowed to the 30th June, when the income is earned during the year. I know a number of people who have only now had their assessments for income earned last year. It is very objectionable when one gets two income-tax demands in the one year. I know that the present Premier had quite a lot of surplus cash awaiting him at the Taxation Department. That would be worth while explaining. I suppose it was due to rulings given by the Taxation Commissioner, but those rulings ought to be made public so that taxpayers might know what the position really is. As I have pointed out, this Bill can be far better dealt with in Committee, because it contains quite a

lot of ideas, while there is no principle at stake except the principle of exempting from taxation ministers of religion. I will support the second reading.

**MR. SAMPSON** (Swan) [8.55]: There will be general support for the Government's sympathetic consideration of the clergymen, but I think it is more a gesture than a benefit to the majority of clergymen. Nowadays, with sermons on the air and radio services, the churches do not enjoy the incomes they once enjoyed. I know that ministers of many churches are in receipt of exceedingly small salaries. The implication of the consideration to be extended to clergymen is that the Government are sympathetic towards clergymen. I should like to know whether any amount is to be paid to the chaplains or clergymen who visit the Wooroloo Sanatorium, or whether the amount that previously was paid has been entirely withdrawn. It may be on the Estimates, but I cannot find it there.

**MR. SPEAKER**: The hon. member cannot discuss the Estimates on this Bill.

**MR. SAMPSON**: No, but in considering the Bill it would be helpful to see to what extent the sympathy of the Government has been extended. Again, there are the prisons of the State. There is a prison at Roebourne, although I do not know whether it is operating to-day, and there is the prison farm and the Fremantle prison. I find that the chaplains of the State are due to receive £213. That is not over-generous, and if it means that the future of the prisoners is to be—

**MR. SPEAKER**: I think the hon. member had better discuss the Bill, not the chaplains and the prisoners.

**MR. SAMPSON**: I am connecting them up.

**MR. SPEAKER**: Then much of the connection is out of order also.

**MR. HEGNEY** interjected.

**MR. SAMPSON**: My hon. friend is sympathetic in regard to the need for improving the conditions of chaplains in the gaol. I am with him there, for I also have been in Fremantle. Perhaps the Premier will give the House a little information as to these matters. It does appear on the surface that there is sympathy for the leaders of religion, but in looking into it more closely we find that the sympathy is more imaginary than real.

**MR. NORTH** (Claremont) [8.59]: I desire to support the measure, and also the remarks of the Leader of the Opposition much more warmly than usual, because he enunciated a very important principle which I trust will have more support in the future than it has had in the past. On the question of assisting ministers of religion, he said it should be done, not by means of exempting them from taxation, but by means of a subsidy.

**MR. SAMPSON**: Some of them are on the basic wage.

**MR. NORTH**: In that remark the Leader of the Opposition touched a very important principle. It appears to me the only solution of many of our problems to those who do not believe in socialism would be the general introduction of the principle of the subsidy. What a magic word it is! Wherever we travel through the world, in trains or by other means, and wherever we stay, at hotels or elsewhere, we hear the word "subsidy."

**MR. SPEAKER**: Order! I do not think there is anything about subsidy in this Bill.

**MR. NORTH**: No, but it was suggested by the Leader of the Opposition.

**MR. SPEAKER**: I hope the hon. member is not going to make a speech on that suggestion.

**MR. NORTH**: The proposal to grant relief to ministers of religion is quite a good gesture on the part of the Government, but if relief could be granted by way of subsidy, I should prefer it. Is that out of order, Mr. Speaker?

**MR. SPEAKER**: The hon. member must speak to the Bill.

**MR. NORTH**: I am pleased that the Government have seen fit to make this gesture and help the church and the officers of the church in their very difficult mission. They are trying to introduce a system of living that is in absolute conflict with conditions prevailing in the economic world. This assistance is being offered at a time when, unless the economic system is straightened out and drastically improved, the work of the churches will become almost hopeless.

**MR. MARSHALL**: This measure will not release you from making your ordinary contributions to the church.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Hegney in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

Hon. C. G. LATHAM: I have endeavoured to frame amendments but have met with difficulties. One amendment proposed to include "adopted son or daughter" in the definition of "dependant." Practically all blood relations are included.

The Premier: If a child were adopted by deed poll, it would have all the legal rights.

Hon. C. G. LATHAM: Then I should like to know what the Premier considers is maintenance regularly contributed. Would he consider £1 a year sufficient?

The Premier: No.

Hon. C. G. LATHAM: Then we should insert a minimum of, say, £26.

The Premier: Two people might be paying £20 each.

Hon. C. G. LATHAM: A person who hands his mother £1 now and again, say, at Christmas time, should not be considered to be regularly contributing. If a dependant receives £100, or £78 under the measure just dealt with, he should be compelled to pay taxation the same as anyone else. I hope the Premier will look into this question. If anomalies exist, they should be corrected. The Commissioner of Taxation cannot possibly tell who is a dependant. Even the word "substantially" is not used to qualify "contributed."

The PREMIER: If a person occasionally gave his mother a pound, the recipient could not be regarded as a dependant. "Dependant" really means what it implies—dependent on another. Two sons might be giving their mother 15s or £1 a week and they would be entitled to relief, but there must be real dependence. Proof would have to be given that the recipient was actually dependent. The supposititious case instanced by the Leader of the Opposition is not likely to occur.

Hon. C. G. Latham: If you ask the Commissioner to consider the matter and adjust it in another place, I shall be satisfied. I know that what I say is right.

Mr. Marshall: How do you know?

Hon. C. G. Latham: Because I remember what happened under the hospital tax.

The PREMIER: I will undertake to have inquiries made and, if necessary, have an amendment moved in another place.

Clause put and passed.

Clause 3—Amendment of Section 4 of the principal Act:

Hon. C. G. LATHAM: This is a clause that might well be discussed. We should deal with the apportionment of the tax between the old rate and the new rate.

Hon. P. D. FERGUSON: I am concerned about the innovation which exempts ministers of religion. I disagree with the Leader of the Opposition that everyone in distress goes to the local constable for relief. My experience is that they go to the local clergyman, who in many instances has rendered great service and saved considerable expenditure to the State. I wish to provide that not all the clergy shall be exempt but only those who are in receipt of a moderate income. With that object in view, I move an amendment—

That at the end of subparagraph (ii) of paragraph (f), the following proviso be inserted:—"Provided that if the total income, salary, and wages under subparagraphs (i) and (ii) received by any such minister of religion exceed the sum of £300, the said exemption shall cease to apply."

The sum of £300 a year will cover practically all the working clergy in Western Australia. It will not include high dignitaries who may be in receipt of £1,000 a year. I fully recognise the value of the services rendered by ministers of religion, but fail to see why any clergyman who is well off should be exempt.

Mr. THORN: In most country towns the local constable is the man who dispenses charity, in the form of rations. I do not see why the clergy should be exempt. This looks like further kite-flying on the part of the Government.

The Premier: You do not agree with the member for Irwin-Moore?

Mr. THORN: On this side of the Chamber we have opinions of our own. It is not to be supposed that all members of the clergy are extremely charitable men. I think more claims are made upon my salary than upon the stipends of many ministers of religion. We may yet expect to have members of Parliament moving for exemption in the case of members of the police force.

Hon. C. G. Latham: Who are just as much entitled to it.

Mr. THORN: I do not know what the Government are fishing for, but they are after something. If we are to give exemptions, let them be given to men on the lower rungs of the ladder.

Mr. WATTS: I should like to see the amendment of the member for Irwin-Moore amended by inserting "£400" in lieu of "£300." The former is a reasonable figure. There are two ways in which the clergy can be taxed, either through their stipends or their private resources. I understand the average stipend of a country clergyman is a little over £300 per annum. Parsons are frequently called upon to assist cases of distress. That happens often in my own district.

Mr. Thorn: My experience is that people come to me.

Mr. WATTS: The clergy are therefore entitled to some consideration. Ministers of religion have been given special consideration under other Acts, so that the principle is not a new one. It seems to me reasonable that that consideration should be extended in this legislation. At the same time, the provision as it stands, placing no limit on the amount of stipend and income received from outside by a minister of religion, should not be accepted. I move an amendment on the amendment—

That the word "three" in the amendment be struck out, and "four" inserted in lieu.

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

The PREMIER: I move an amendment—

That in proposed paragraph (c), after the word "person," in line 3, there be inserted "with dependants."

Otherwise any person, single man or single woman, receiving less than the basic wage would be exempt.

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

Clauses 4, 5—agreed to.

Clause 6—Amendment of Section 9 of the principal Act:

Hon. C. G. LATHAM: I move an amendment—

That in paragraph (a) the words "he and," in lines 4 and 5, be struck out.

The amendment absolves from responsibility under this provision any person having no responsibility for the payment of salaries or wages.

The PREMIER: The position is difficult to deal with. The employer employs a manager or accountant or paymaster to make out the salary and wages sheets and to apply the deductions, and the employer in good faith expects the employee to do what he pays him to do. The employee makes a mistake, perhaps deliberately conniving with some workman not to deduct the proper amount of tax—this without the employer's knowledge and entirely against his wishes. It seems wrong that the employer should be fined and made to pay tax because of the omission made by a man whom he is probably paying a good salary to do the work. Practically in all cases where the employer is liable, he would be the person selected by the Commissioner of Taxation for prosecution; but if some other person is unquestionably blameworthy, the Commissioner of Taxation can sue that other person for having failed to perform the duty placed on him by the parent Act. The accountant prepares the wages sheet, and passes it to the paymaster to go out and pay the workers. Then it is hard to know who is to be held blameworthy for not collecting the tax. That, however, is a duty cast on the employer by the parent Act.

Hon. P. D. Ferguson: But it is not right for the Commissioner to collect from both of the men.

The PREMIER: The Commissioner does not do so, as the hon. member will see if he reads to the end of the clause. When the unpaid tax is recovered from the employer, nobody else is asked to pay it again. The Leader of the Opposition mentioned this matter to me yesterday. I went into it carefully and consulted the Parliamentary Draftsman. I can assure the hon. member the position is as I have indicated.

Hon. C. G. LATHAM: I understand that, in accordance with common law, the employer is responsible for any act of his employee. This provision in the Bill is intended to protect the employer against the dishonest employee. Surely it is for the person owning the business to see that his employee does his job, not Parliament. I do not think it is fair to ask Parliament to legislate to protect a careless employer or his manager.

The PREMIER: It is awkward to fix the responsibility on the proper person. We have to trust to the Commissioner of Taxa-



tion to determine the individual to be prosecuted.

Hon. C. G. Latham: He would certainly select the employer.

The PREMIER: The Leader of the Opposition has a farm. He may be in town when shearing operations have to be undertaken. He would naturally instruct someone to pay those men, and he would forward a cheque to cover the amount that would be involved. It would be rather rotten in those circumstances if the hon. member were to be summoned for not carrying out the provisions of the Act when he actually had instructed someone to do so, and that person had deliberately disobeyed his orders.

Hon. P. D. Ferguson: As the proposed subsection reads, he could be summoned.

The PREMIER: That may be so, but only one tax could be collected.

Hon. P. D. Ferguson: If the word "or" appeared after "and," which the Leader of the Opposition proposes to strike out, it would then specifically provide that one or the other could be prosecuted.

The PREMIER: I am prepared to accept an amendment on those lines to make it still more clear.

Hon. C. G. Latham: Next you will be introducing legislation to protect an employer against someone who swindles him.

The PREMIER: That principle does apply. For instance, if three or four men enter a hotel and one happens to be drunk or under 21 years of age, and the barman or barmaid, in response to a call for four pots of beer, supplies the liquor, after which a policeman appears on the scene, the employee would be prosecuted, not the licensee.

Amendment put and negatived.

Hon. P. D. FERGUSON: I move—

That after the word "and" in line 3 of proposed new paragraph at the end of Subsection 1 the word "or" be inserted.

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

Clauses 7 and 8—agreed to.

Title—agreed to.

Bill reported with amendments.

## **BILL—FAIR RENTS.**

*In Committee.*

Mr. Hegney in the Chair; the Minister for Justice in charge of the Bill.

Clauses 1 to 7—agreed to.

Clause 8—Basis of determination of fair rent:

Hon. C. G. LATHAM: In line 6 of Subclause 1 occur the words, "and the land occupied therewith." Sometimes half-acre or even acre blocks of land are sold on which houses are erected. Do the words quoted refer to the whole of the land? I think the area should be limited.

The Minister for Justice: Obviously the meaning is that portion of the land occupied by the dwelling house.

Mr. NORTH: Subclause 2 provides that "the court shall determine the fair rent at a rate of not less than 1½ per centum above the rate of interest which is for the time being charged upon overdrafts by the Commonwealth Bank of Australia on the capital value of the dwelling house determined as aforesaid, plus the following":—There follow four paragraphs. Paragraph (e) is "insurance on any buildings." Does that include insurance for loss of rent?

The MINISTER FOR JUSTICE: It includes insurance for any purpose whatever, including insurance for loss of rent.

Clause put and passed.

Clauses 9 to 20—agreed to.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

## **BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.**

*In Committee.*

Resumed from the 10th November, Mr. Sleeman in the Chair; the Minister for Employment in charge of the Bill.

Clause 2—Amendment of Section 4 of the principal Act (partly considered):

The CHAIRMAN: When progress was reported last night, the member for Nedlands had moved an amendment "that in line 12 the words 'or substantially' be struck out."

Mr. NORTH: This deals with canvassers for insurance and includes part-time workers. In Queensland they have had practical experience of attempting to bring in a clause of this sort. The effect has been very unsatisfactory, being damaging to business and disastrous to many men who previously had been able to earn a living. A number of branch houses had to be closed. It was not found practicable there to appoint

part-time agents working on a weekly basis, nor to give general agency work to men on part-time. So one-third of those previously employed have lost their employment. That situation is worth investigation by the Minister. If he can see his way clear to having these words "or substantially" deleted, it will be much more satisfactory.

Mr. WATTS: The point seems to be whether a canvasser is fully engaged in the canvassing industry, or whether he has only a part-time job. If he has a part-time job, he is not engaged in the industry and so should be removed from the Bill. What the mover of the amendment intends is that if a man's canvassing efforts are wholly devoted to the canvassing industry, he should be subject to the Bill, which is quite reasonable. It is not a question of his being substantially concerned in the business of one company, but of his being wholly concerned in the business of canvassing. I know of a man who canvasses for a life insurance company, but part of his time has to be put in on an auctioneer's country sales, and in other ways. To bring in such a man as that, who might be classed as substantially devoted to the interests of one company—he works for only the one company—under the Arbitration Court award would be going too far. I hope the Committee will accept the amendment, which, as the Notice Paper shows, is to be followed by another to strike out the words "interests of one company or society" and insert the words "industry of canvassing."

Mr. NEEDHAM: I hope the amendment will not be agreed to. The member for Katanning spoke of part-time work. The Act provides for part-time workers engaged in many industries, and such men appear in many awards. The clause provides for a man who is only part of the day engaged in canvassing. We have other industries under the provisions of the arbitration law in which men do not put in the whole of one day for any particular company, but sometimes are engaged by various companies in one day. Surely we should not deprive those men of the protection of the arbitration law! An attempt is now being made to deprive insurance canvassers of that protection. These men have been deprived of the protection of the arbitration law for many years. I remember, 14 years ago, these men went on strike in order to get better wages, but they could not be included in the arbitration law under the definition of

"workers." The Bill endeavours to give them long-delayed justice, but this amendment and the next succeeding one, referred to by the member for Katanning, will destroy the benefit they otherwise would get. The original intention of the mover of the amendment was to see that men engaged in insurance canvassing should not be included. At the last moment, however, he abandoned that intention and has now beaten a retreat, leaving this amendment with us. The clause is a legitimate attempt to provide long-deferred protection for these canvassers.

Mr. WATTS: At the time the hon. member refers to, when the insurance canvassers were struggling for better conditions, I was sympathetic with their efforts, and I understand that they did succeed in those efforts. The mover of the amendment is not desirous of preventing insurance canvassers from obtaining such benefits as there may be under the Industrial Arbitration Act. Neither am I. But there are cases, such as I have mentioned, in which to bring the men under the Arbitration Act would be to do the part-time canvassers no good at all. It is reasonable to allow that the man wholly engaged in the canvassing industry is the one worth looking after. A man whose livelihood definitely is concerned with canvassing for life and other forms of insurance needs protection, not the other class of canvasser who does it as a side-line.

The MINISTER FOR EMPLOYMENT: I replied to this amendment at a previous sitting. All I have to add is that there must be some provision for the canvasser who is not devoting all his services to canvassing, but is substantially devoting them to canvassing for insurance. It will be difficult enough to check up on the proposal in the Bill, but if we accepted the amendment that has been indicated to make the services apply to the industry of canvassing, as against associating them with one society or company, the task of checking up would be impossible. The deletion of the words would limit the protection to those men devoting the whole of their time to insurance canvassing.

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

Ayes .. .. .	17
Noes .. .. .	22
Majority against ..	5



## AYES.

Mr. Boyle  
Mrs. Cardell-Oliver  
Mr. Doust  
Mr. Ferguson  
Mr. Hill  
Mr. Latham  
Mr. McLarty  
Mr. North  
Mr. Patrick

Mr. Sampson  
Mr. Seward  
Mr. Shearn  
Mr. J. M. Smith  
Mr. Thors  
Mr. Warner  
Mr. Watts  
Mr. Welsh  
Mr. Doney

(Teller.)

## NOES.

Mr. Coverley  
Mr. Cross  
Mr. Fox  
Mr. Hawke  
Mr. Hegney  
Mr. Johnson  
Mr. Lambert  
Mr. Marshall  
Mr. Millington  
Mr. Needham  
Mr. Nulsen

Mr. Raphael  
Mr. Rodoreda  
Mr. F. C. L. Smith  
Mr. Styants  
Mr. Tonkin  
Mr. Troy  
Mr. Willcock  
Mr. Wise  
Mr. Withers  
Mr. Wilson

(Teller.)

## PATRS.

AYES.  
Mr. Keenad  
Mr. Stubbs  
Mr. McDonald

NOES.  
Mr. Collier  
Miss Holman  
Mr. Munsie

Amendment thus negatived.

The MINISTER FOR EMPLOYMENT:  
I move an amendment—

That in subparagraph (iii) of paragraph (b), after the word "that," in line 7, there be inserted "in respect of subparagraphs (ii) and (iii)."

Amendment put and passed.

Hon. C. G. LATHAM: I move an amendment—

That in paragraph (b) the words "either nothing or of small account," in line 38, be struck out, with a view to the insertion of another word.

If this amendment is carried, I propose to move the insertion of the word "fictitious." Frequently a partnership exists where one man puts very little capital into the concern, perhaps only providing his labour and sharing the profits. The paragraph as it stands would make that man not a partner, but a worker. Substantial reasons should be shown for breaking up a partnership.

The MINISTER FOR EMPLOYMENT:  
I certainly oppose the amendment. At a previous stage of the debate it was explained how the practice of forming partnerships had grown at an alarming rate in recent years. It was also explained that many of these partnerships were really bogus, being forced upon employees by employers desirous of evading awards or industrial agreements. Therefore, it is highly necessary that the proposal in the Bill should not be weakened in the manner suggested by the amendment. The words proposed to be struck out really protect the genuine partner who, for some

reason, has not a large holding in the partnership.

Hon. C. G. LATHAM: The provision has reference to the capital invested. If the words "of small account" are retained, what will they mean? What does the Minister consider "of small account"? What he considers to be of small account, no doubt a magistrate would regard similarly. There would be something for the magistrate to give consideration to if the amendment were carried.

The MINISTER FOR EMPLOYMENT:  
The proposal is to insert in place of the words to be struck out, the word "fictitious," which means something that does not exist. If a man had two shillings in a partnership he would be legally considered a genuine partner, as his holding would not be fictitious. However small a holding, it would not be fictitious, because it would be something that existed. I ask the Committee not to accept the amendment.

Mr. WATTS: I disagree with the definition of "fictitious," as presented by the Minister. I have a dictionary that gives the meaning of "fictitious" as "unreal, counterfeit, or not genuine." There are many partnerships entered into in which one partner has a small financial interest, but his services are of great value to the concern. That partnership is bona fide and not fictitious. The inclusion of "fictitious" would certainly cover instances where the partnership is entered into in a manner that is not bona fide. The provision goes a little too far. I accept the Minister's assurance that there are such instances as that to which he referred in which workers have had to submit to compulsion. I do not know how that compulsion could be exercised, but I accept the Minister's statement that that position has arisen. It is dubious as to what use will be made of the words "of small account." Later on there is another amendment to insert the words "sham partner." I think the Minister, if he were to consider these proposals, would agree that they really cover what he intends. As the provision reads now, injustice may be done to people who have acted bona fide.

The MINISTER FOR EMPLOYMENT:  
While I desire to express my deep appreciation of the very clever and involved support given by the member for Katanning to the amendment, I claim his definition of "fictitious" provides abundant justification for that which I submitted. If the actual hold-

ing in the partnership is unreal, then the partnership is not real. If it is counterfeit, it is not real, not genuine, and therefore does not exist. The proposals to insert "fictitious" and "sham partner" are dangerous, and would leave the position almost entirely as it is at present, and would provide no protection at all against the increasing tendency to force sham partnerships upon the workers for the purpose of evading the terms of an industrial award or agreement.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	22
					—
Majority against	..	..	..	..	5
					—

## AYES.

Mr. Boyle  
Mrs. Cardell-Oliver  
Mr. Ferguson  
Mr. Hill  
Mr. Latham  
Mr. McLarty  
Mr. North  
Mr. Patrick  
Mr. Sampson

Mr. Seward  
Mr. Shearn  
Mr. J. M. Smith  
Mr. Thorn  
Mr. Warner  
Mr. Watts  
Mr. Welsh  
Mr. Doney

(Teller.)

## NOES.

Mr. Coverley  
Mr. Cross  
Mr. Doust  
Mr. Fox  
Mr. Hawke  
Mr. Hegney  
Mr. Johnson  
Mr. Lambert  
Mr. Marshall  
Mr. Millington  
Mr. Needham

Mr. Nulsen  
Mr. Raphael  
Mr. Rodoreda  
Mr. F. C. L. Smith  
Mr. Styants  
Mr. Tonkin  
Mr. Troy  
Mr. Willcock  
Mr. Wise  
Mr. Withers  
Mr. Wilson

(Teller.)

## PAIRS.

## AYES.

Mr. Keenan  
Mr. Stubbs  
Mr. McDonald

## NOES.

Mr. Collier  
Miss Holman  
Mr. Munsie

Amendment thus negatived.

Hon. C. G. LATHAM: I move—

That progress be reported.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	23
					—
Majority against	..	..	..	..	6
					—

## AYES.

Mr. Boyle  
Mrs. Cardell-Oliver  
Mr. Ferguson  
Mr. Hill  
Mr. Latham  
Mr. McLarty  
Mr. North  
Mr. Patrick

Mr. Sampson  
Mr. Seward  
Mr. J. M. Smith  
Mr. Thorn  
Mr. Warner  
Mr. Watts  
Mr. Welsh  
Mr. Doney

(Teller.)

## NOES.

Mr. Coverley  
Mr. Cross  
Mr. Doust  
Mr. Fox  
Mr. Hawke  
Mr. Hegney  
Mr. Johnson  
Mr. Lambert  
Mr. Marshall  
Mr. Millington  
Mr. Needham

Mr. Nulsen  
Mr. Raphael  
Mr. Rodoreda  
Mr. F. C. L. Smith  
Mr. Styants  
Mr. Tonkin  
Mr. Troy  
Mr. Willcock  
Mr. Wise  
Mr. Withers  
Mr. Wilson

(Teller.)

## PAIRS.

## AYES.

Mr. Keenan  
Mr. Stubbs  
Mr. McDonald

## NOES.

Mr. Collier  
Miss Holman  
Mr. Munsie

Motion thus negatived.

Hon. C. G. LATHAM: I move an amendment—

That in lines 41 and 42 of paragraph (b) the words "substantially an employee of one or more partners" be struck out with a view to inserting the words "a sham partner" in lieu.

The whole of this paragraph throws the responsibility on a partner to prove that he is not an employee, but we are hedging it in so much that it will be difficult to prove. This class of legislation is brought down every session and we never seem to be able to satisfy either side, the employer or the employee. It is about time we had a thorough overhaul of such legislation, particularly that dealing with partnerships. The Bill should have been referred to a select committee. If that had been done we would have got something acceptable to both sides. I hope the Minister will accept the amendment. We are not attempting to hold up his legislation; we are asking him to accept amendments that will be in the best interests of all concerned. The Minister represents the workers' side, but no legislation can be successful unless there is representation from both sides. The members on this side of the House view it from an unbiassed standpoint, because we represent neither section. We want to see legislation put through which is fair both to employer and employee. But this is not fair. A person will legitimately enter into a partnership, and then the matter will be referred by an inspector under the Factories and Shops Act to the court and he may be proved to be a worker under the Industrial Arbitration Act. This class of legislation is going to keep a man always a worker; the progressive man wants to get on and do something better.

The MINISTER FOR EMPLOYMENT: Whatever may be said of some clauses, this particular clause is desired not only by in-

dustrial workers, but by a large number of employers.

Hon. C. G. Latham: Would this have anything to do with baking?

The MINISTER FOR EMPLOYMENT: Yes.

Hon. C. G. Latham: I thought it might when I saw the member for Guildford-Midland about it a little while ago.

The MINISTER FOR EMPLOYMENT: As a matter of fact the baking industry is one in which a great number of workers have been forced into partnership, not with a view to giving them any interest in the business, to assist them to move from the ranks of ordinary workers to the ranks of employers, but to deprive them of a portion of the wages they are entitled to, and to force upon them industrial conditions they would be protected against if an award or an agreement were covering them. So I assure all members of the Committee that this is a proposal desired not only by the workers in industry, but also by a great majority of the employers, and by those employers in genuine partnerships. It must be clear to all that unfair partnerships create unfair trading conditions and give an unfair trading advantage to those employers who are sufficiently unfair to force this type of partnership into existence. So I have no intention of accepting the amendment moved by the Leader of the Opposition.

Mr. SAMPSON: Some consideration should be given to those business men who, anxious to acknowledge faithful service on the part of an employee, have handed that man a partnership, not a partnership to the extent of 50 per cent. of ownership, but still a partnership. I question whether the Minister is justified in suggesting that where what appears to be a partnership exists, that partnership has been established for the purpose of doing something of a sinister nature in the industry. Where a partnership appears to exist there is protection in regard to the trading affairs of that concern. It is wrong to state that those partnerships in many cases act in a way derogatory to the true progress of the industry.

Hon. C. G. LATHAM: I have now been advised by the Minister that this provision applies more particularly to bakers. I know there are genuine partnerships in that industry. Personally I am acquainted

with two men, one of whom bakes the bread while the other delivers it. That is a genuine partnership. This provision seems to be a subterfuge to bring in what we have already thrown out by other legislation. The Government side of the House ought not to encourage the keeping down of any man, unless they expect thus to get that man to vote for them. I still hope the Minister will agree to the amendment.

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

Ayes .. .. .	15
Noes .. .. .	21
<hr/>	
Majority against ..	6
<hr/>	

#### AYES.

Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. Ferguson	Mr. J. M. Smith
Mr. Hill	Mr. Warner
Mr. Latham	Mr. Watts
Mr. McLarty	Mr. Welsh
Mr. North	Mr. Doney
Mr. Patrick	(Teller.)

#### NOES.

Mr. Coverley	Mr. Raphael
Mr. Doust	Mr. Rodoreda
Mr. Fox	Mr. F. C. L. Smith
Mr. Hawke	Mr. Styants
Mr. Hegney	Mr. Tonkin
Mr. Johnson	Mr. Troy
Mr. Lambert	Mr. Willecock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Cross
Mr. Nulsen	(Teller.)

#### PAIRS.

AYES.	NOES.
Mr. Keenan	Mr. Collier
Mr. Stubbs	Miss Holman
Mr. McDonald	Mr. Munsie
Mr. Thorn	Mr. Wilson

Amendment thus negatived.

Clause put and passed.

Progress reported.

#### BILL—JUSTICES ACT AMENDMENT.

Returned from the Council without amendment.

*House adjourned at 11 p.m.*