

one to six, and in subdivided municipalities a ratepayer has up to six votes in each ward. Tasmania is, therefore, consistent in allowing the utmost limit in plural voting. As this Bill affects the municipalities of the metropolitan area more than those in the rest of the State, I wish to make the position perfectly clear, enabling the metropolitan municipalities to see clearly what is the Government's policy. The proposal to hand over water supply and sewerage in the metropolitan area to a board composed of representatives of the municipalities cannot possibly be agreed to by the Government while plural voting exists. We know that an independent board could get money for water and sewerage works that at the moment the State Government could not possibly get; and the same thing applies to tramways and electricity supply. A separate board operating these utilities would be outside the purview of the Loan Council, and therefore would not be bound by the restrictions now imposed upon the State Government. It is realised that such a board would be able to obtain money, and thus to put in hand works which at present cannot be undertaken by the Government owing to shortage of funds. However, no Government representative of the people in this State could assent to the transfer of such activities, affecting the life of every person in the metropolitan area, from a House for which every adult in the State has a vote, to a board elected on the basis I have just outlined, a basis that includes plural voting. Such an idea is beyond the comprehension of us as democrats, and certainly it represents a policy for which the Government cannot possibly stand.

Mr. Sampson: The Bill merely proposes to give a vote to those who are concerned, not to give a vote to every resident of a municipality.

The MINISTER FOR WORKS: All the Bill does is to abolish plural voting. It merely proposes one ratepayer, one vote. Certainly it does not go to the extent which a certain city newspaper alleged I stated to a deputation that waited upon me. That assertion represented purely a figment of the newspaper's imagination. I never said anything of the sort, and the Government never intended anything of the kind. The Bill proposes to abolish plural voting and to establish the principle of one ratepayer, one vote. Until that position obtains, the

Government cannot possibly entertain the idea of handing over the activities in question to such a board as suggested. All the arguments I put up in connection with the other Bill apply equally to this measure, and I do not propose to detain the House by repeating them. Accordingly I content myself with moving—

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

House adjourned at 6.6 p.m.

Legislative Council,

Tuesday, 22nd August, 1933.

	PAGE
Papers: Land settlement west of Cranbrook ...	432
Bills: Returned Sailors and Soldiers' Imperial League of Australia, W.A. Branch, Incorporated. Headquarters Building, 3R, passed ...	433
Financial Emergency Tax Assessment Act Amendment, 2R. ...	433
Health Act Amendment, 2R., Com. report ...	452
Yuna-Dartmoor Railway, 2R. ...	453

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

PAPERS—LAND SETTLEMENT WEST OF CRANBROOK.

As to Tabling of Papers.

HON. A. THOMSON (South-East)
[4.35]: I move—

That all papers covering Surveyor Hicks' report on the voluntary relinquishment of land west of Cranbrook, for the purposes of closer settlement, be laid on the Table of the House.

Frequently during debates in this House and in the Legislative Assembly, the argument is advanced that we should make use of land already alienated adjacent to existing railways. The settlers in the district referred to in the motion took up their holdings 30 years ago when it was the policy of

the Government and of the Agricultural Department to have the land taken up in areas of from 5,000 to 10,000 acres, the belief being that it would be impossible to make a success of farming operations there unless large areas were held. With the advent of superphosphate and subterranean clover, it was discovered that a farmer could make as good, and possibly a better living on a holding of 1,000 or 1,500 acres than had been the experience with the larger areas long ago. Some time back the construction of the railway from Boyup Brook to Cranbrook was authorised and a later Government constructed the earthworks as one means by which work could be found for the unemployed. Prior to that work being undertaken, the settlers in the area concerned considered they held too much land and four or five years ago they were prepared to relinquish portions of their holdings to the Government. In consequence, Surveyor Hicks was sent to carry out investigations. I understand he has gone into the matter exhaustively and that a report has been prepared. Seeing that shortly we shall be asked to discuss proposals to construct new railways to areas that are not already fully settled, it seems to me we should have the information I suggest, because if the settlers west of Cranbrook are satisfied that they can carry on successfully with one-fourth of the areas they hold, it will be advisable for the Government to consider taking over the land the settlers are willing to relinquish. If that were done, a greater number of settlers could make provision for themselves and their families in that district by the creation of new wealth, besides providing additional traffic for the railway, which must ultimately be completed. Those are my reasons, given as briefly as I can, for asking that the papers be tabled.

HON. G. FRASER (West) [4.39]: I wish to ask Mr. Thomson what he has in mind when asking for the tabling of these papers? The motion refers to the voluntary relinquishment of land. There are a number of other estates in the area and it might mean that the Government would have to resume land there. Has the hon. member taken that into consideration? Does he desire his motion to cover particulars regarding that phase, as well as that specifically referred to in his motion?

The PRESIDENT: Order! I would remind Mr. Thomson that if he answers the question that has been put to him, he will close the debate.

On motion by the Chief Secretary, debate adjourned.

BILL—RETURNED SOLDIERS AND SAILORS' IMPERIAL LEAGUE OF AUSTRALIA, W.A. BRANCH, INCORPORATED, HEADQUARTERS BUILDING.

Third Reading.

Read a third time and *passed*.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 17th August.

HON. C. F. BAXTER (East) [4.43]: I am pleased that the Leader of the House saw fit to mention that the Bill and the Emergency Tax Bill are so interwoven that it is difficult for members to deal with the one without encroaching on the other. In fact, it is almost impossible to do otherwise. All taxing measures are unpopular, but unfortunately Western Australia is facing a crisis, and in such times additional money has to be raised. There are different methods by which that can be done. The one under discussion seems to be the most popular form because it represents, in the main, taxation at the source.

Hon. J. M. Macfarlane: Did you say it was popular?

Hon. C. F. BAXTER: I was speaking from the point of view of Governments, not of the taxpayers. No taxation is popular with the individual unless he happens to belong to the section fortunate enough to escape taxation. When considering such an impost as that before the House at the moment, it is not wise to compare Western Australia with other States of the Commonwealth.

Hon. C. B. Williams: For what reason?

Hon. C. F. BAXTER: Because the other States are in a different category. They have larger populations than we have; they are through the pioneering stages while we are still in the throes of them. They have

established large secondary industries which we have not; they have larger incomes to tax than we have. We can well afford to forget the difference in taxation here as compared with the other States. While there may be a need to raise further funds, they should be raised in a manner that will be lenient and equitable. The Mitchell Government were opposed to increasing taxation for the simple reason that they recognised two very important factors. The main one was that the more taxation is increased, the higher does the cost of production become, thereby delaying the recovery of the State. The financial emergency tax of last year was forced on the then Government who had to find so much extra money to make up the leeway. Otherwise that tax would not have been imposed. Further, it was imposed for a short period only. It was to end on the 30th June last, and in actual experience it operated for only seven months. During that time it produced a little over £200,000, but some of the proceeds of that tax have yet to be collected, and the present Government will benefit from those collections. It would be well for the House to remember that the present Government will receive a substantial amount from the emergency tax of last year in addition to the proceeds of any tax approved by Parliament under the present proposals. Governments should tax the people only to provide such money as is urgently required to carry out the purposes of government. All the money taken from private avenues by the Government leaves so much less available for industry. Much better use can be put to the money if it is left in the hands of private individuals. During the six years of the previous Collier Government, from 1924 to 1930, they had the advantage of £25,000,000 of loan money. I do not intend to discuss the financial position in that respect beyond pointing out that the £25,000,000 was used in investments that are not producing 1 per cent. interest. That bears out my statement that it is better to leave as much money as possible in the hands of private individuals. In imposing taxation Parliament should exercise the greatest care to ensure that it shall be equitable and shall not overburden taxpayers and cause serious reaction. When the Chief Secretary was introducing the Bill, he said that the need for funds to arrest the financial drift was no less pressing now than it was 10 months ago, and that the determination

of the Loan Council to force a reduction of deficits was as great now as when the Mitchell Government hurriedly introduced their Bill of last session. Surely the Chief Secretary was not serious in making that statement! The loan money granted to this State by the Loan Council for the financial year 1932-33, totalled £1,955,000, whereas the present Government have been granted £2,670,000 for the current financial year.

Hon. C. B. Williams: They are going to do a lot more for the unemployed.

Hon. C. F. BAXTER: The hon. member will have an opportunity to speak later.

Hon. C. B. Williams: You should try to keep to facts.

Hon. C. F. BAXTER: After allowing for the amount of £105,005 necessary to meet interest on the loan account, plus the interest on the deficit, plus sinking fund, the present Government will have £610,095 more than the Mitchell Government had. Therefore the argument of the Chief Secretary cannot be sustained.

Hon. J. Cornell: Have they used any of it to reduce the deficit?

Hon. C. F. BAXTER: I do not wish it to be inferred that I intend to oppose the Bill. I realise that more money is needed, but I intend to use my efforts to make the Bill more equitable.

Hon. C. B. Williams: To justify a reduction to 4½d. in the pound?

Hon. C. F. BAXTER: The Leader of the House has completely reversed his opinion expressed last year when addressing himself to the emergency tax legislation submitted by the Mitchell Government. On that occasion he said—

The plea of emergency, as a justification for launching a Bill of this character does not appeal to me in the slightest. The vicious principle of the end justifying the means is strongly exemplified in this measure. The Bill also convinces me that it is in effect a confession of the incompetent administration of the Government. The Government, as I have already said, have raised a considerable sum of money by taxation and their revenue has benefited immensely from other sources, but with the exception of removing the 13 and 1/3rd per cent. rebate on income tax, there has been no attempt to amend the ordinary Income Tax Act with a view to providing more taxation. Even our ordinary income-tax legislation should have been amended as far back as 1920 in order to bring in more revenue. The whole of the 33 and 1/3rd per cent. rebate, as I have already said, could have been removed. That rebate was granted at a time of great prosperity, and an extra tax on income from property could have been imposed. People

could not stand it, some members might be tempted to say, but if they were not earning an income they would not be called upon to pay. This is the reply. A genuine unemployment tax having some of the elements of justice—and there are no elements of justice in this Bill—ought to have been placed on the statute-book as soon as it was realised that the Government were going to the bad financially. But no; the Government imposed a levy on wages and salaries, whilst the levy on persons with large incomes was only $4\frac{1}{2}$ per cent. more than it was on the personal earnings, yielding barely enough to keep body and soul together. There was the levy on the workers of the community, and I refer especially to Government workers, because the Government benefited in proportion to the amount deducted from the wages and salaries of their employees. This was virtually a tax because the Government went over the heads of the Arbitration Court and the Public Service Appeal Board, so that there has been taxation from the very inception, and the ordinary Income Tax Act has not been touched at all except in regard to the removal of the 13 and $1\frac{1}{3}$ rd per cent. rebate. Now with the clock striking 11 the Government hoist the flag of distress and come along with the proposal which we have before us, a proposal which, as I have pointed out, is unjust in every feature. Why are they doing this? Because they have discovered what they should have discovered long ago, that the Loan Council ultimately would not permit them to increase the deficit to the extent by which it has been increasing during the last two years. The cry of urgency, in these circumstances, will not touch my heart, will not receive any sympathy from me. I will not be a party to this iniquitous legislation. I intend to oppose the Bill and I shall vote against the second reading.

Hon. J. J. Holmes: Whose statement was that?

Hon. C. F. BAXTER: The Chief Secretary's, on the emergency legislation submitted last year.

Hon. G. Fraser: He has learnt something from you in the meantime.

Hon. C. B. Williams: Do not you think it shows the hypocrisy of politics?

Hon. E. H. Harris: Is that a reflection on the Leader of the House?

Hon. C. B. Williams: It is a reflection on politics.

Hon. C. F. BAXTER: If the Mitchell Government, with £600,000 less money available than have the present Government, were in a sound position, why the need for the present Bill? The Chief Secretary occupies a very important position in the Ministry. Why does not he follow the lines of his argument of last year, especially as the present Premier spoke in the same strain at that

time? Instead of doing so, the Chief Secretary advances a strong plea for the passing of this Bill. I advise members to read the Minister's speech. In urging support for this Bill he used arguments the contrary of what he said on the Bill of last year. He said—

In the absence of the operation of legislation for the continuance of this form of taxation, we are exactly in the same position as was Sir James Mitchell when he was called upon to reduce his estimated deficit from £1,360,000 to £765,000. Failure to pass the Bill in an acceptable form is unthinkable.

What a contrast of attitudes!

Loss of the Bill would mean a deficit of nearly a million and a quarter pounds. It would mean more than that; it would mean a financial catastrophe for the State, for the Loan Council would not finance us farther to the extent of even a shilling. They certainly would have no consideration for the lowest taxed State in the Commonwealth which had refused to continue to place upon themselves the burdens necessary to reduce, gradually, the adverse annual balance between revenue and expenditure. If, instead of that, we were to object to a re-enactment of taxation to the extent imposed last year, or if we amended the Bill with the effect of lessening the amount needed to comply with the undertakings given to the Loan Council in June last by Mr. Collier, we should prove ourselves regardless of the best interests of the State.

What a change has come over the scene! Last year the tax was not necessary. This year the Government, though being £600,000 better off than were the Government last year, consider the Bill more necessary. The Bill before us is not equitable, and moreover it contains the most pernicious principle of retrospection to which I have always been opposed. My experience during the life of the late Government has hardened me in that respect. I am of opinion that this House should, with all its strength, press for an amendment to eliminate the clause that seeks to make the tax retrospective.

Hon. C. B. Williams: Hear, hear! If you make it 12 months hence it will do me.

Hon. C. F. BAXTER: A retrospective provision is not warranted on this occasion. There would be no end to the trouble that its enactment would cause. I have not come across a statement by anyone who has spoken on this Bill that would justify making the tax retrospective. So far as I can see, there is no reason why the measure should not become operative on the 1st September or

thereabouts. There is certainly no need to impose the tax retrospectively.

Hon. G. Fraser: That is different from what you said a few months ago.

Hon. C. F. BAXTER: It is not.

Hon. G. Fraser: When you made a Bill retrospective for two months.

Hon. C. F. BAXTER: The Bill of last session, to which the hon. member refers, reached me after considerable delay, and only seven months of the financial year remained in which to secure revenue to keep the deficit within the agreed bounds. On this occasion 10 months of the financial year remain. However, were I placed in the same position again to-morrow, I would not feel disposed to advocate a Bill that contained a retrospective clause, however slight the retrospective effect. We know how harsh are the Federal taxation measures. Quite frequently retrospective taxation through tariffs is resorted to by the Commonwealth—the most iniquitous form that any Government could adopt. The emergency tax last year was on a flat rate of 4½d. I do think that a graduated form of taxation on proper lines is the better one to adopt, but I cannot agree with the present proposal. The Bill before Parliament now will enable a section who never pay taxes to escape altogether—the section on the rates between £52 and £104.

Hon. C. B. Williams: I suppose you think they live in luxury on those amounts now.

The PRESIDENT: Order! The hon. member will have an opportunity to address the House later.

Hon. C. F. BAXTER: The excuse advanced is that the position of those who are on sustenance now can be remedied by administration. But what we have to consider now is that there are thousands of young people earning from £1 to £2 a week, who are availing themselves of all the free services rendered by the State and who escape the payment of anything. These young people are being brought up to a life of luxury and pleasure, and they think of nothing else. Wherever one might go to-day, it is not possible to make any of these people realise that the existing position is serious.

Hon. G. W. Miles: Were you serious when you were young?

Hon. C. F. BAXTER: When I was young, all youths were forced to be serious. Consequently I say that the sooner the young people of to-day are brought in as

taxpayers, even in a small way, the sooner will they be made to realise that they owe a responsibility to the State. After all, with the hospital tax added, they would not be asked to pay more than 2½d. in the pound, and surely that would not cripple any of them. Probably it would be for their own good if we doubled that amount, although I would not go so far. When the Bill is in Committee I intend to ask the House to agree to a request that the exemption be allowed to remain what it was in the Act that has just expired.

Hon. J. Cornell: A request is not necessary.

Hon. C. F. BAXTER: Then let us strike it out. I do not know whether other members are better informed than I am when I say that we have nothing to guide us regarding how the incidence of this taxation will work out. Neither is it possible to secure figures that may be considered to be up to date. All the information I have been able to gather has been obtained from the report of the Commissioner of Taxation for the year ended 30th June, 1932. This report contains an analysis of income tax assessments for the financial year 1930-31. I have not been able to get any figures applying to the group in receipt of between £52 and £104. These are the figures that appear in the report—

Grouped according to total income.	Taxed.	Exempt.	Total	Total
	No.	No.	No.	£
£103 to £200	15,439	2,717	18,156	2,422,706
£201 .. £300	18,200	14,871	33,071	6,071,692
£301 .. £500	14,794	5,714	20,508	6,293,661
£501 .. £700	3,566	323	3,889	2,107,289
£701 .. £1,000	1,736	23	1,759	1,448,119
£1,001 .. £1,500	957	10	967	1,154,201
£1,501 .. £5,000	787	4	790	1,822,966
£5,001 and over	42	1	43	309,639
	55,521	23,463	78,984	£21,620,273

Hon. G. Fraser: Do those figures represent gross or net income?

Hon. C. F. BAXTER: Income chargeable for taxation. Under the Bill with which we are dealing, the tax appears to be unnecessarily high, and that is brought about by the exemption of a big field amongst the lower incomes, to which I have referred. Surely the tax should be spread over all incomes. Moreover, a graduated tax as is proposed will mean considerable trouble to employers in the way of calculations, but accepting the

principle of a graduated tax, it would appear that a sufficient amount would be obtained with a maximum of 6d. or 7d. in the pound if it were spread over all incomes. Based on the figures for 1930-31 as contained in the Commissioner of Taxation's report for 1932, a tax rising from 1d. in the pound on an income of over £50, to 6d. in the pound at £700, the return would work out as follows:—

Grouped according to Total Income.	Rate of Tax.	Total Income as per Commissioner's Report.	Tax Yield.
£50 to £100 ...	1d. in £	£	£
£101 .. £200 ...	2d. in £	2,422,706	20,189
£201 .. £300 ...	3d. in £	6,071,682	75,896
£301 .. £500 ...	4d. in £	6,283,661	104,727
£501 .. £700 ...	5d. in £	2,107,289	43,901
£701 and over ...	6d. in £	4,734,925	118,373
	...	£21,620,273	£373,086

Here, again, we can add one-third of the dividend duty collected in 1931-32 amounting to £178,187, giving us, say, £60,000, which raises the total of the yield from taxation to £433,086. In other words, if my suggested amendment were agreed to, and the tax operated from the 1st September—a period of 10 months—the Government should receive approximately £360,000. The range of "Income groups" has been used because these are shown in the Commissioner's report and are consequently the only ones for which figures are available. If it were desired to raise the rate of tax on each progressive £100, the range would be as follows:—

Per annum.	Per Week.	Rate of Tax.
£52—£104 ...	Or over £1 and under £2	1d. in £1.
£104—£208 ...	" £2 .. £4	2d. ..
£208—£312 ...	" £4 .. £6	3d. ..
£312—£416 ...	" £6 .. £8	4d. ..
£416—£520 ...	" £8 .. £10	5d. ..
£520—£624 ...	" £10 .. £12	6d. ..
Over £612 ...	...	6d. ..

This would produce about the same or perhaps a little more than under the previous table, and just as much as the Bill. We must not inflict heavy taxation to the prejudice of investment, for investment creates employment. This suggested alteration in the incidence will, in my opinion, although still unpalatable, be more equitable and will result in a sufficient amount for governmental purposes, and most certainly give the Government a

much greater amount than was yielded by the tax of last year. As the Bill stands, it will be most difficult for employers who employ persons on a commission basis to assess the tax, as these amounts vary so much from time to time. As an illustration, take the case of an employee in the insurance business, where policies are frequently cancelled. He may do business which returns him £10 commission. The agent receives that sum, the tax is deducted and the stamps are put on the receipt. But a little later the policy is cancelled and a refund made, and so it is possible that the agent, after being taxed on £10, finds his commission reduced to £5. This sets up a very difficult position for consideration. I understand it is the intention of the Commissioner of Taxation to establish a flat rate of 4d. in the pound and leave the onus on the taxpayer to furnish a return. That, I take it, would be done by regulation, for there is nothing in the Bill providing for it. However, that would overcome the difficulty, and I would appreciate an announcement from the Minister regarding it.

Hon. J. J. Holmes: An announcement would be no good. Can we not amend the original Act?

Hon. C. F. BAXTER: I would be prepared to take the word of the Government in this regard. Members will realise that all the information obtainable so far is insufficient to allow us to arrive at a just decision; on the information we have, our conclusion would be merely guesswork. Parliament should not impose hardships on the taxpayers unless it is in possession of full knowledge of the circumstances. Exhaustive inquiries are necessary before the Bill be agreed to. Therefore, at the proper time, I intend to move that the Bill be referred to a select committee, in order that full information may be secured to enable us to come to a just and equitable decision. This would not serve to hold up the Bill, because the select committee would not need to make very much investigation to obtain the required information. It would mean only a matter of a few days, and if the Bill were not passed and assented to by the 1st September, as proposed, it would be finalised very soon afterwards. It is not my intention to hold up the Bill, but I cannot agree to hurrying it through on the information we have. I hold that every section of the community should contribute. I say

there should be no retrospection and that every section of the community earning from £1 per week upwards should contribute towards the tax.

HON. SIR EDWARD WITTENOOM (North) [5.24]: I have been wondering which of the two preceding speakers was the more interesting, the Chief Secretary or Mr. Baxter. I am inclined to be more profuse in my compliments to Mr. Baxter, for I think he deserves encouragement for the clear and able manner in which he dealt with the subject. The Bill is extremely important and affects all members of the community in one way or another. I cannot say the explanation of the Minister has simplified the position. He says this State is the lowest taxed of all. I will show later that the existing income tax and land tax, to say nothing of other taxes, take 20 per cent. of a man's income. With all these tax rates, one has to pay from 2d. up to 9d. How are we to discriminate? Am I going to pay my people 2d. or 5d. or 9d.? It will be most difficult to discriminate, but of course if members want a graduated scale, I suppose we must have it. Then we are given to understand there is to be a further loan of £2,600,000. Who is going to repay this, or is it to be added to our present indebtedness of £81,000,000? Taking the loans of one Government after another, we shall have a terrible debt to meet, and it would be interesting if the Minister would tell us how it is to be repaid.

Hon. C. F. Baxter: And you have to add the deficit to that loan.

Hon. Sir EDWARD WITTENOOM: Taking the two Bills as one—I understand we have been invited to proceed on that line—we are faced with a severe tax on one portion of the community while many exemptions are provided for another portion. The Act which expired in June was a very fair one, but this certainly is not. Any attempt to amend it in another place was met by dictatorial and uncompromising hostility, and so we realise that any suggestions for amendment in this House will probably carry little or no weight.

Hon. C. B. Williams: I hope you stone-wall it till next year.

Hon. Sir EDWARD WITTENOOM: The whole Bill is on extremely wrong lines. I consider that 6d. should be the maximum, and that a flat rate. Even that would be 50 per cent. higher than the Act which expired

in June. No one should be exempt who receives over £1 a week, and the payments should date only from the proclamation of the Act. I intend to move on those lines when in Committee, and I feel sure I shall have the support of members of the Labour Party.

Hon. C. B. Williams: Hear, hear! You will have the support of one.

Hon. Sir EDWARD WITTENOOM: If we must have graduations, I would suggest that they should be as follows—

Over £1 to 50s.—2d.
From 50s. to 80s.—3d.
From 80s. to 120s.—6d.
All over 120s.—6d.

When the Chief Secretary was recounting the exemptions I asked him did he not think everybody should pay something. In answer the Minister said, "Certainly not those on the bread line." If a single man on £2 a week may be said to be on the bread line, and if a married couple on £3 10s. a week may be said to be on the bread line, what is to be said of the poor devils drawing less than those amounts? I think those for whom such exemptions are proposed should be made to contribute to the tax. One can see that the exemptions are perhaps not a payment, but a recognition of the number of voters who returned a Labour Government. As the Government promised to relieve taxation they are bound to do so for that particular class. That is no reason why this House should consent to such extreme conditions for the public generally. The maximum taxation is 9d. in the pound, amounting to £37 10s. on a income of £1,000 a year. That will do a lot of harm, hamper industries that are carried on by private enterprise, and stifle contributions to charities. There are two income taxes and land taxes, Federal and State, which absorb over 20 per cent. of an income, and there are also city rates and metropolitan water rates. The man with £3,000 a year has to pay 20 per cent. of his income in taxation alone.

Hon. G. W. Miles: Is it not more than that?

Hon. Sir EDWARD WITTENOOM: An individual with £3,000 a year has to pay 20 per cent. of it in taxation, amounting to £600 a year. If he has any property in the city he has to pay city rates and water rates, so that out of the £3,000 one-third has to go in taxation. How many people are fools enough to go on trying to earn £3,000 a year

when £1,000 of it is taken away from them? In the case of income taxation numbers of people are exempt. In this State single people up to £100 a year are exempt and married people up to £200 a year. In addition to that a married man with three children under the age of 16 is exempt at £8 a week. I do not remember what the Federal exemptions are. If the Bill be carried, those people will contribute nothing to the revenue, and yet every one of them is entitled to a vote to send a member to the Assembly, who in turn can vote for taxation for which those people will not be liable. Is it a fair thing to have representation without taxation? It may be argued that because the Government were returned by a majority of the electors this House should not interfere with their measures. That could be said of every Government, in which case there would be no necessity to have more than one House. It is part of the duty of this Chamber to protect the minority. After carefully considering the Bill, I am in favour of making suggestions for modifications to be sent down to the Assembly, but judging from the manner in which the Bill was introduced in another place, I am not very sanguine about the reception that will be accorded to them. I would even make one for the throwing out of the Bill if the Assembly would not consent to any amendment. When introducing the measure the Chief Secretary said that if anything happened to cause it to be thrown out, or it was amended so that it was not acceptable, this would mean a loss of about £1,250,000.

The Chief Secretary: I did not say anything of the kind.

Hon. Sir EDWARD WITTENOOM: I remember it distinctly. He said it would be a very serious matter.

The Chief Secretary: I was referring to the amount of the deficit.

Hon. Sir EDWARD WITTENOOM: I meant the deficit. That is money lost.

Hon. J. Cornell: No. We never had it, and, therefore, cannot lose it.

Hon. Sir EDWARD WITTENOOM: With one of his usual sensible interjections Mr. Miles asked, "What about further economies?" I understood the Chief Secretary to say there could be no further economies and that the Government could not cut things down any further. I know of at least three economies that could be effected. There is

the £23,000 which the Government hand over to the University, a richly endowed free institution. The salaries connected with the Agent-General's office are now unnecessary. Every State should do away with its Agent-General, and the department should be put under a man like the Secretary to the Agent-General, at a salary of £800 or £1,000 a year, with £300 a year for house accommodation. That would be quite sufficient in these times. With a High Commissioner in London the Agents General have no authority and no influence. The third economy could be effected by doing away with State trading concerns. Many thousands of pounds are lost in that direction. And yet the Chief Secretary says that all possible economies have been effected. I have been in Parliament long enough to know how dangerous and unusual it is to throw out a money Bill. If it were the Estimates we were dealing with, given that they were thrown out, I could understand the Government resigning. Only once during my political career have Estimates or a financial Bill been thrown out by an Upper House. That occurred in Victoria, either at the end of the seventies or early in the eighties. Mr. Graham Berry was Premier. He failed to get a Bill through the Council without amendments, and he tacked it on to the Estimates, feeling confident that House would not pass one without the other. The Council rejected both, and in consequence Mr. Berry closed the Treasury, and refused to pay the salaries of all civil servants, hence the famous Black Friday of years ago. Considerable correspondence passed between the Victorian Government and the Colonial office. I am not sure whether Mr. Berry did not go to England. At any rate, the Bill was withdrawn and the Estimates were passed. In this case I do not think there would be the least fear of the Government resigning, because they are only too pleased to occupy their present position, and I do not think they would get back with this Bill before the electors. Doubtless they would secure all the votes of the exempted electors, but I do not think that would bring them back. I am sorry to have to take this course, but the uncompromising attitude of the Government leaves me no alternative. I trust that no member is under the impression I am opposing the Bill because it emanates from a Labour Government.

Hon. C. B. Williams: You joined us once.

Hon. Sir EDWARD WITTENOOM: Whilst I cannot support their platform I am not so prejudiced as that. Any Bill or measure introduced by the present Government, having for its object an improvement or advancement for the State, whether socially, industrially or financially, will have my support. I intend to vote for the second reading of the Bill, but when in Committee will suggest or support any amendments that will tend to improve it, whether they are my own amendments or something better.

HON. R. G. MOORE (North-East) [5.40]: This Bill is full of surprises and inconsistencies. Coming as it does from a Labour Government, it is rather difficult to understand. In the first place, I should like to call the attention of members to the lowest wage or taxable amount under this Bill, the case of a person earning £3 10s. a week who can prove that he is contributing to the support of one or more members of his family. Here we have the surprising fact of a Bill being introduced by a Labour Government without any regard whatever for the Arbitration Court or the basic wage. This Bill aims at exempting from taxation altogether people on the basic wage in one area or district, while it imposes the tax on other workers in other districts who are well below the basic wage. Not only is that so, but the worker receiving an amount lower than the basic wage in some districts will be called upon to pay more tax this year than he had to pay under the Mitchell tax of last year. An examination of the figures will show that last year a person receiving £3 10s. a week had to pay 4½d. in the pound, but nothing under 15s. was taxable, so that the total tax per week in the case of this person was 1s. 1½d. Under the Bill now before us the same person would be called upon to pay 1s. 4d. a week, an increase of 2½d., in the case of a married man well below the basic wage. My contention is that either all people on the basic wage should be exempt or all should be called upon to share the burden. I refer to a person who is supporting one or more members of his family. The Government propose to exempt one lot of people, and impose a greater tax on another section who are in a worse position than those who are to be exempt. If this position is to be allowed to stand it will set up a situation that is both unjust and inequitable. This

is my first reason for objecting to the Bill in its present form. On all hands last year we heard that the Mitchell tax of 4½d. was an iniquitous one for the worker. Some of us have lively recollections of the capital that was made out of it at the last general election. We were told by some that if Labour got into power the tax would be abolished; while others said it would be altered in such a way that the wage earner would pay very little though the fat man would be made to disgorge. I suggested it could be altered by making it 9d. instead of 4½d., but no one would listen to me. In the Bill we have before us we find the 9d. embodied. In fact, the Mitchell tax of 4½d. was represented by some, and regarded by many, because of the manner in which it was represented to the people, as a devil of a tax which must be got rid of. It seems to me that in abolishing the Mitchell tax of 4½d. the Collier Government have got rid of one devil, swept and garnished the house, and introduced several other devils, and that the last state is infinitely worse than the first. The second reason why I object to the Bill in its present form is on account of the way it will slug the intermittent worker. It is well known to hon. members that there are numbers of men whose work engages them only in certain seasons. Although in some instances these workers may and do earn big money while engaged in their particular avocation, they may obtain only from three to six or seven months' work in the year. Let me instance the shearers. It is a common thing for shearers to have earned £8, £9 or £10 per week while shearing lasts. Under this Bill they would be called upon to pay a tax of 9d. in the pound though not earning more than other workers, in constant work, who would be called upon to pay only 4d. or 5d. in the pound. This applies equally to all casual workers who may be called upon to pay double the tax paid by their fellow-workers earning a similar income, though at a lesser rate and over a longer period. Next I wish to draw attention to the retrospective clauses of the Bill. The provision dealing with business men is not so bad, but the provision dealing with employees is likely to cause a deal of trouble. Let me return to the instance of the shearers. A registered shearing contractor deducts the tax from the earnings of his employees, and is himself responsible to the Government for the tax. However, to my knowledge some stations

have already finished shearing, and the men have been paid without such a law as this being in operation. In such cases who is going to be responsible for the tax? The shearers have been paid, and in many instances the employer will never see them again. That applies with special force in times like the present, when there is so much casual work. I repeat, in many cases the employer will see very few of the employees whom he has paid prior to the passing of the Bill. Again, there is an element of unfairness in the retrospective clauses, inasmuch as an employee will pay for 11 months while the employer will pay for 12 months; and it is a well-known fact that many business people in a small way are earning far less than some employees. The inequity of the retrospective provisions is a third reason why I cannot vote for the Bill in its present form. I have already pointed out that a man on £3 10s. per week will pay more taxation under this Bill than he did under the Mitchell Act. Let me for a moment examine the different rates on men earning £4, £6, and £8 per week. The man on £4 pay 1s. 4d. per week, or £3 6s. per year. The man on £6 per week pays 3s. per week, or £7 16s. per year. Thus there is an increase in earnings of 50 per cent., but an increase in taxation of over 133 per cent. The man on £8 per week pays 6s. per week, or a total of £15 12s. per year. Thus, as compared with the man on £4 per week, there is an increase of 100 per cent. in earnings but an increase of 372 per cent. in taxation. I know that the imposition of a tax is imperative in order to deal with the present situation, and I have no objection to a graded tax; in fact, I go so far as to say that I welcome a graded tax; but I do consider that under the Bill the initial tax is too high and the grade too steep. I have already pointed out how, under this measure in its present form, one section of workers will be victimised and another section will escape. Accordingly I suggest that a lower rate of tax to begin with, and fixed on an amount which would deal fairly with everybody, would yield a better result, and also would prove more acceptable to the people, because it would treat them all alike. My suggestion, therefore, is that the tax should start at 3d. in the pound on £3 per week for a person maintaining one member or more of his family, and that the 3d. should be increased by $\frac{1}{2}$ d. in the pound until a maximum of 8d. is reached, thus allowing the same margin between the lowest

rate and the highest as under the Bill but on an easier grade. For the single person I would suggest 3d. in the pound at 30s. per week, rising from $\frac{1}{2}$ d. in the pound until the 8d. is reached. Then we would not have the person on £3 10s. per week paying more than he did last year; he would pay 9d. as against 1s. $\frac{1}{2}$ d., instead of 1s. 4d. as against 1s. $\frac{1}{2}$ d. Again, on that basis we would not have a section on the basic wage escaping the tax altogether while other persons well below the basic wage would pay more than they paid under the Mitchell Government's Act. I have criticised this Bill because I think it needs criticising and amending. The suggestions I have made are offered in a friendly spirit. I should be glad if a clause were inserted permitting an intermittent worker to send in his return to the Commissioner of Taxation at the end of the year, when his tax would be assessed on what he had actually earned over the whole 12 months. In that case he would be entitled to a rebate if in the meantime he had paid a higher rate of taxation than warranted by the total amount of his earnings for the year.

HON. C. B. WILLIAMS (South) [5.55]:

I have something to say about this Bill, just as I had about last year's measure. I happen to be a supporter of the Government who introduced the present Bill, and I am astonished that the Labour Party could not think out a better measure for the benefit of their supporters, especially those who are out of work. I have said here previously that a chap named Lang in another State can teach the Labour Parties of Australia exactly what is the policy the wage earners require.

Hon. E. H. Harris: Then God help them!

Hon. C. B. WILLIAMS: The wage earners are the best judges of whether God is to help them or whether the capitalists of this State shall do so. In my opinion, Lang would be of greater help to them than either the capitalists or many of the Australian Labour Governments. I recall the position taken up by Labour representatives in this Chamber last year against the flat rate of 4d. starting at £1 per week and continuing up to £1,000 per week, if anybody received such an income. When Mr. Baxter was speaking, I said that this subject showed the hypocrisy of politics. I have previously expressed my opinion that members who are prepared to vote for the imposition of taxa-

tion on persons earning £1 per week must be very poor Christians. However, I shall probably have to support this Bill, introduced as it is by a Government of which I am a supporter. Now, here is a Bill intended to help people who are unemployed, the proceeds to go towards their sustenance.

Hon. E. H. Harris: What authority have you for saying that?

Hon. C. B. WILLIAMS: I suppose I shall have to be like Sir Edward Wittenoom, unable to hear an interjection that does not suit me to answer. I understand that the proceeds of this taxation will be used for the relief of the unemployed—though, thank God, they are not starving yet! The object is to relieve people who under the present economic system cannot obtain jobs. It might be thought that on this account I should be in favour of the Bill *holus bolus*. But no. In my opinion, there are available to the Labour Party other means of helping the people who voted for them a few months ago, and incidentally to build up faith that the Labour Government can govern in times of stress. That faith is lacking in Australia.

Hon. G. W. Miles: You do not think they can?

Hon. C. B. WILLIAMS: They have failed badly in the Commonwealth sphere. The Labour Government of Victoria have failed, and so did the South Australian chap—I cannot think of his name.

Hon. J. J. Holmes: Hill.

Hon. C. B. WILLIAMS: Yes. I forgot his name because he is of such slight value, in my eyes, as a Parliamentarian. To my way of thinking, he sold the workers. Now let me turn to the Bill, which comes from a Government that should be class-conscious. The members of the Cabinet are old hands at the political game, old politicians well versed in all the tricks. On the present occasion they have tickled the people's fancy. All previous Labour Government in this State have been composed of goldfields members, but the present Ministry is drawn largely from the metropolitan area. Collier and Munsie must be outvoted in this Cabinet of metropolitan members.

Hon. G. W. Miles: There are also the Central Province people.

Hon. C. B. WILLIAMS: I am not referring to the Central Province, which is far removed from the metropolitan area, and which will get the cane from this tax just

as much as the South Province will. Further, the Central Province contains a fairly large mining community. I wish to draw attention, as Mr. R. G. Moore has already done, to that phase wherein the Labour Party have gone a long way from the track it was thought they would endeavour to follow once they got back to power. It was thought that Labour in power would relieve the workers. By this Bill the Government intend to raise, I understand, taxation totalling some £300,000. If the basic wage in this State goes up by 1s. per week, how many more workers in the metropolitan area and the country districts will come under this Bill and how much more money will the measure then bring in? I should like the Chief Secretary, in replying, to deal with that point. Let me draw the attention of the Minister and of members of the Labour Party generally to the fact that more would be gained if one-half per cent. were cut off the interest bill payable by the State. That is what the Labour Party should fight for—a reduction of the interest bill that the State has to meet. It is strange that Sir Edward Wittenoom and the members of the Labour Party are so silent on that particular matter. I can understand the attitude of Sir Edward Wittenoom, but not that of the Labour Party. If we could have one per cent. knocked off our interest bill, we would get a reduction of about £800,000 this year. I have been a member of the Labour Party ever since I was 15 years of age and, in making the claim to be as good an adherent to Labour principles as any other man, in or out of Parliament, I am not egotistical nor do I attempt to scratch my own back. When I find the Labour Government introducing a measure of this description to tax the very men who put them in power, I confess it is beyond me. They want to tax the railwaymen on the goldfields, who receive £3 11s. 6d. a week, which is 1s. 6d. above the basic wage in Perth.

Hon. R. G. Moore: But 7s. 6d. below the goldfields basic wage.

Hon. C. B. WILLIAMS: It is a matter of £3 11s. 6d. as against £4 6s. I am not arguing on the basic wage, but on the actual wage received. The basic wage paid to shop assistants, storekeepers and others on the mines is £4 6s. a week, not £3 17s., as was suggested. The railway men and public works employees, such as the men on the water supply pipe track, who live in isolated districts,

receive £3 11s. 6d. a week, and must have their meat, groceries and other requirements sent to them under adverse conditions throughout the year. Do the Government expect me to believe it is fit and proper for the people in the metropolitan area, who are represented by Mr. Gray, Mr. Kitson and Mr. Clydesdale, who is not present at the moment, to be exempt from the financial emergency tax because they receive the basic wage of £3 10s. a week? Those people are to be exempt from taxation that is imposed to assist their fellow-men. While the people in the metropolitan area receiving that weekly wage are to be free from this taxation, men on the goldfields who receive £3 11s. 6d. a week and have to live in humpies, will have to pay the tax.

Members: Shame!

Hon. C. B. WILLIAMS: Those men on the fields cannot afford to provide themselves with better homes, because it would be so much waste of money. They do not know whether they will be there for 12 days, 12 months or a lifetime. I want to make myself plain when I say I am disgusted with the Labour Party for advancing such a proposition. They have asked the railway men on the fields, who were promised, together with the public servants, the restoration of some of the 22½ per cent. that was deducted from their wages—

Hon. G. W. Miles: Was that definite promise made by the Labour Party?

Hon. C. B. WILLIAMS: They have promised on numerous occasions.

Hon. G. W. Miles: It is just as well to know the facts.

Hon. C. B. WILLIAMS: The workers have not received any of that consideration yet, and despite that, they are now asked to pay 4d. in the pound on a wage of £3 11s. 6d. a week. That is the position regarding the men on the goldfields, whereas their fellow workers in the metropolitan area, who have decent homes and every convenience, with vastly cheaper living conditions, are to be exempt.

Hon. J. Cornell: Yet both rates were arrived at by the same process of reasoning.

Hon. C. B. WILLIAMS: Yes. If a man from the metropolitan area were transferred to Kalgoorlie, he would be lucky if he could rent a house at 30s. a week. In Perth, houses vastly superior to those for which such a rental is demanded in Kalgoorlie, can be obtained at rentals of from 10s. to 15s. a week. That means that the man who has to

pay 30s. a week has his salary reduced straight away from £3 11s. 6d. to £2 1s. 6d. At the same time, his fellow-worker in Perth in receipt of £3 10s. a week will have to pay nothing under the Bill, and will be able to live in luxurious surroundings. Let us consider the position of the mine workers, with whom I am more particularly concerned. I have asked a series of questions regarding deductions that have been made by the mining companies already, in view of the introduction of the legislation under discussion. The men were nearly going on strike on the fields, because deductions were already being made in anticipation of the Act taken effect as from the 1st August. I do not think the Government had anything to do with it. I do not think Collier would do it, for he would have more sense. The mining companies have deducted payments from wages on the higher scale mentioned in the Bill. If such things can happen, even before the legislation is passed by Parliament, let me inform the House as to the position of miners on the fields who receive £4 6s. a week. Out of that amount, certain deductions are made weekly, and these include 3s. a week for the doctor and the hospital charges. Then a further 1s. 6d. a week is deducted as the man's contribution to the Mine Workers' Relief Fund. On top of that, an additional 6d. has to be paid in the form of hospital tax. That means in all a deduction of 5s. a week.

Hon. J. M. Macfarlane: You have forgotten another 6d. a week.

Hon. C. B. WILLIAMS: What is that for?

Hon. J. M. Macfarlane: Union fees.

Hon. J. Cornell: It is more than that.

Hon. C. B. WILLIAMS: It does not matter what I discuss, even if it be a matter of bread and butter for the workers, the question of union fees is always introduced. Perhaps I should have taken no notice of it on this occasion. When I speak of deductions from wages, I refer to compulsory deductions. The proposed tax we are now discussing will mean a reduction by another 1s. 6d. a week.

Hon. C. F. Baxter: And union fees on top of that.

Hon. C. B. WILLIAMS: That means that the 6s. 6d. a week has to be lost out of the basic wage paid to surface workers and others. Unfortunately, there are only one-third of the union membership that formerly existed, and whereas there were 2,000 mem-

bers of the union at one time, there are now only 700.

Hon. G. W. Miles: How do they get their jobs?

Hon. C. B. WILLIAMS: I did not know that I had to enlighten members on all these points. I do not know that in any part of Australia is the possession of a union ticket necessary before work can be obtained unless it be in those exclusive fields reserved for legal and medical practitioners. When I refer to the wages paid to the men on the fields, I am dealing only with compulsory deductions.

Hon. J. Cornell: Deductions that represent a condition of employment.

Hon. C. B. WILLIAMS: That is the point. These men are supposed to get £4 6s. a week, but deductions quickly reduce the payment to £3 19s. 6d. I have no objection to this tax whatever, because it is to help people who are in distress. What is wrong, then? If the members of the Labour Party are honest and sincere, and desire to get kudos from the people who elected them to their present positions in Parliament, let them impose a tax that starts at the very lowest. Let them draw up taxation on a scale under which the man who earns £1 will pay a tax of 1d. Then let them go right up the scale. The man who gets £2 will pay 2d. On £3, 3d. will be paid; on £4, 4d. will be paid; on £5, 5d. will be paid. Do not let them stop at that, but go right on up the scale. That would be more in conformity with what I have always understood to be Labour principles. It would mean the taxation of those who could afford to pay. There should be no stopping at £8 or £9 a week, as the Government suggest.

Hon. W. J. Mann: You do not suggest any exemptions at all.

Hon. C. B. WILLIAMS: No; why should there be? Would the man in receipt of £1,000 a year desire an exemption?

Hon. H. V. Piessé: Of course.

Hon. C. B. WILLIAMS: Of course he would not, unless he were an extraordinarily mean man. We all realise that the emergency taxation has been levied for the purpose of assisting the country out of its troubles. As the State gradually emerges from its difficulties, will it not be the man who earns £1,000 a year or more who will benefit most? When the tide turns, the man in charge of a business, who can show extra returns, will have his salary raised because of the extra

profits earned, and so it will go on. I realise that on this occasion I am again the only one out of step with the rest of the Labour Party. I want to refer to an article that appeared in the "Westralian Worker," under date the 7th April last. This gets back to my interjection about "hypocrisy." The paper I have referred to is the official mouthpiece of the Labour Party of Western Australia. The article reads—

The Little are caught,
But the Big get through the Net.

As illustrating in opposition to the general experience that the little fish get through the net, and the big ones are caught, study this lot:—

In the following table a comparison is made of the total taxation payable to the State Government during Mr. Collier's Premiership and that of Sir James Mitchell. The figures are:—

Income Personal Exemption.	On Married Persons. (Mr. Collier.)		On Married Persons. (Sir James Mitchell.)	
	£	s. d.	£	s. d.
£100 ... ..	...	...	0 12 6	
£151 ... ..	...	...	3 15 6	
£201	0 2 6	...	5 3 0	
£251	1 0 2	...	7 9 8	
£301	2 17 0	...	10 18 11	
£351	3 13 3	...	13 3 3	
	On Unmarried Persons.			
	£	s. d.	£	s. d.
£100 ... ..	...	...	2 10 0	
£151	0 19 9	...	4 19 3	
£201	1 10 3	...	6 10 9	
£251	2 2 7	...	8 16 8	
£301	2 17 0	...	10 18 11	
£351	4 7 11	...	13 3 3	

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. B. WILLIAMS: The extract continues—

Why this injustice was done.

The Mitchell Government refused to increase the ordinary income and property taxes to balance the budget; it fixed the added burden on wages. Yet the Western Australian income and property taxes are the lowest in Australia for persons in receipt of £1,000 a year or more. The comparison is as follows:—

A taxable income of £1,000 from property
exemption pays—

In New South Wales—£100.

In South Australia—£112.

In Queensland—£122.

In Victoria—£62.

In Western Australia—£33.

A taxable income of £1,000 from property
pays—

In New South Wales—£116.

In South Australia—£135.

In Queensland—£146.

In Victoria—£99.

In Western Australia—£33 18s. 4d.

It was to relieve the rich of taxation on an equality with that paid by similar incomes in other States that Sir James Mitchell put his tax on the poor.

It will be seen that a taxable income of £1,000 from personal exertion pays about half in Western Australia of what it pays in Victoria, while a similar income from property pays roughly one-third. Those who say that the higher incomes in this State are over-burdened with taxation are a long way out in their contention. Relatively, the higher incomes here are taxed on a very low basis.

Hon. H. Seddon: What was the date of the article?

Hon. C. B. WILLIAMS: April of this year. In the face of that article, I cannot agree to this tax. The present Government are merely proceeding along the same lines as did the Mitchell Government and are taxing the poor. All that was said 12 months ago against the iniquitous flat rate of 4½d. in the pound is applicable to this tax. I looked through the "Hansard" reports to see whether any opposition was offered to the tax by Labour representatives in another place, and I say with regret that I failed to find any. I would not be doing my duty to the workers of the goldfields if I did not oppose the Bill, particularly the workers on the basic wage of £3 11s. per week. Many of those men are working under conditions of isolation; they are away from the enjoyments of even a small village; they have to depend upon the railways to transport their food to them, and they have to pay through the nose for it when they get it. Yet they are to be taxed while people in Perth, living in luxurious surroundings, will avoid payment. Let me refer to one or two instances that have come under my notice. A shift boss on one of the Boulder mines has 10 children. Several of them have been eligible for work for three or four years, but all that they were able to contribute last year towards their upkeep was £7. That man had to pay 4½d. in the pound on his income, but under this measure he will have to pay 8d. or 9d. No effort was made by the Mitchell Government to relieve him of the burden of the tax and no effort is being made by the present Government to assist his out of work children. The same argument applies to many other workers. I have a boy who has long since passed the age for starting work, and I have to keep him because there is no opening for him. Many parents with three or four children have been unable to place them in work and there is no chance of their getting work probably for some years. Yet the Government will tax the

breadwinners, and they will receive no assistance from the proceeds of the tax. Talk about the iniquitous tax of the Mitchell Government! This is worse. The Government are looking for trouble and will find it. Their own organisation on the goldfields is up in arms against them. One has only to read the resolutions of protest carried unanimously at their meetings. The Government will not do more than any other Government to get out of the ordinary capitalistic rut. I give the present Government credit for intending to spend some millions more on the unemployed than did the previous Government. They intend to increase the amount to be paid to the unemployed for casual work plus sustenance, the idea being to bring them as near as possible to the basic wage. But the money could more easily have been raised from other sources. The tributers will be called upon to pay the tax. A fair average of the earnings of some of them is £5 or £6 a week. Some of them might earn £100 a week. Those men will have to pay the tax.

Hon. J. Cornell: They are like the shearers whom Mr. Moore quoted.

Hon. C. B. WILLIAMS: Yes. I am surprised that the Government, including such a large number of representatives of the goldfields, do not understand the needs of the constituencies they represent.

Hon. W. J. Mann: Do they live on the goldfields?

Hon. C. B. WILLIAMS: No.

Hon. W. J. Mann: Perhaps that is the reason.

Hon. C. B. WILLIAMS: Insurance costs a tributer 8s. to 10s. per week for each man employed. If a tributer employs two men, the better part of £1 a week goes in insurance. If a man contracts miners' complaint and is turned down, there is no provision to exempt him. He may receive half wages, £2 10s. or £3 per week, the maximum being £3 10s. plus perhaps something from the lodge, and he will be taxed. I shall not forget that matter when the Bill reaches Committee. Then there is the man who is turned down under the Miners' Phthisis Act. He has finished with work and has not long to live, probably only a year or two. He receives a pension and the Government want to tax him. He requires more of the luxuries of life than does a man in good health,

and yet he will have to pay 1s. or 2s. a week, while an able-bodied man in the metropolitan area will pay no tax at all. Sir Edward Wittenoom said that the people who pay no taxes should have no votes. I do not agree with him. If it were not for the people, the huge majority of whom are wage-earners, there would be no taxpayers at all. The money earned by the sweat of their brows, whether it be clerical or manual labour, keeps the country going. That is proved by the fact that because one-third of the adult population is out of work, the country is in a bad way. If all were earning the basic wage, there would be no need for this emergency legislation. For safety's sake the people must have some form of government, and the British system is one of the best, because a change of government can be effected without anyone receiving a punch on the nose, much less having a revolution and the shootings witnessed in other countries. Not many of the farmers are earning the basic wage. Should they get a decent season, how will they stand if their average earnings exceed £3 10s. a week? I am satisfied that the Labour Government when framing this taxation, could have started as low as they wished and then gone higher, and kept going higher without any full stop at all. A man on £1,000 a year should be quite prepared to pay at least £200 of that amount, whilst a man on £180 should be asked to pay in the vicinity of £9. I sincerely hope that if the Bill does pass, it will not be permitted to remain in existence for more than 12 months. I know what answers will be given by the Chief Secretary. It will be that the Government could not possibly do what I suggested in the early stages, namely to bring about a reduction in the interest rates on the State's loans. Still the Government should try, and if they set out to do so now they would have the backing they require. I read in "Smith's Weekly" that the manager of the Commercial Bank has declared that the interest rates of that bank must come down and I also read the other day that the manager of the Bank of New South Wales said that something would have to happen or Australia would be obliged to default. It is just what my friend, Mr. Lang, said two years ago. Some Governments have already

stated that they do not believe in repudiation, but while they make that statement they do not hesitate to show that they are in favour of repudiating the people in respect of the basic rate of living. The present Government unfortunately are doing just what the previous Government did, and they are making no attempt to wipe out any of the reductions made by the Mitchell Government. This amounts to perpetrating another injustice and making the taxation much harder to bear than need be the case. On behalf of the people I represent I shall oppose the Bill in its present form.

HON. H. V. PIESSE (South-East) [7.48]: I understand this is the first occasion that any financial tax has been brought before Parliament prior to the Estimates being agreed to. We have all learned from the Press reports of the Premier's visit to the Loan Council, that a much larger sum of money was granted to the present Government, than the previous Government received to carry out sustenance work for those unfortunate people who are unemployed. In my opinion, it has yet to be proved by the Premier that it is essential to levy this tax, and it is very doubtful whether the sliding scale basis will be the best for all concerned. The tax should certainly not be made retrospective, and I shall oppose this clause when the Bill is in Committee. The Labour Party in this State have always striven and fought against retrospective legislation when it has been suggested in Parliament; yet we find when they take office that the first financial Bill they bring in, at once supports the retrospective clause. I would like to ask the Chief Secretary if, in the event of the services of an employee being dispensed with, say in the month of September, and should the tax pass this House on the 30th September, whether the Commissioner of Taxation would hold the employer responsible for the payment of the tax due by the man whose services he has dispensed with. If so, it would be a most unfair position. If the tax is not passed until the end of September, will it mean that the deduction will have to be made from all employees' salaries in a lump sum, together with the current tax that is paid after the Bill has passed this House? If so, that I am afraid, will cause grave hardship. I should like to submit a

table showing how the tax will operate on the different salaries:—

Amount of wages drawn per week.	People without dependants.	People with dependants.
£ s. d.	s. d.	s. d.
2 1 0	.. 8	
3 0 0	.. 1 0	
4 0 0	.. 1 8	.. 1 4
5 0 0	.. 2 1	.. 2 1
6 0 0	.. 3 0	.. 3 0
7 0 0	.. 4 8	.. 4 8
8 0 0	.. 6 0	.. 6 0
9 0 0	.. 6 9	.. 6 9
10 0 0	.. 7 6	.. 7 6
11 0 0	.. 8 3	.. 8 3
12 0 0	.. 9 0	.. 9 0
13 0 0	.. 9 9	.. 9 9
14 0 0	.. 10 6	.. 10 6
15 0 0	.. 11 3	.. 11 3
16 0 0	.. 12 0	.. 12 0
17 0 0	.. 12 9	.. 12 9
18 0 0	.. 13 6	.. 13 6
19 0 0	.. 14 3	.. 14 3

If we refer to the above schedule we find that a married man has certainly a small reduction in his tax of 4d. in the £ as compared with a single man when he is drawing £4 per week, but when a salary of £5 is reached, a similar tax is charged to both single and married men, or the man without dependants. This tax will be a very grave hardship for the married man with a large family. I know of one instance of a man, receiving £8 per week with only his wife to maintain. He left the district and in his place there was employed another man on a similar wage. This man had six children, besides his wife, to maintain, clothe and feed. I consider that the married men with large families should pay a lower rate of tax than the men without dependants, or single men; particularly as the future welfare of our State depends upon the encouragement to rear larger families, while it must not be forgotten that the married man with a family has to provide, boots, shoes, clothing, food and house rent. I realise that the collection of the tax should be made as simple as possible, because it is collectable at the source, and the employers are responsible for the collection. When the Premier was discussing the Bill in Committee in another place he stated the estimated amount that would be collected from single men, and men without dependants over and above the basic wage; but it would be most interesting to this House to know how much was collected on salaries between £2 10s. and £3 10s. per week when the 4½d. in the £ tax

was collected over the seven months of the past financial year.

During my career I have represented the Australian Mutual Provident Society, and this company, like other mutual companies, has built up its assets purely by mutual effort. They are really acting as trustees for the funds of those who insure their lives, and it seems to me that it is unfair to tax the thrift of the people through these societies, by bringing them under the financial emergency tax, particularly when friendly societies, trade unions, co-operative societies, savings banks, and racing clubs are exempt from the tax. The members of the societies are liable to a double tax in their individual capacity; also all employees of the life insurance companies will be called upon to pay this tax on their salaries. Surely, this should be sufficient tax to be collected from the societies. I have been informed that the emergency tax that was imposed in New South Wales and Victoria is regarded as a personal liability and is not applicable to life insurance companies. The A.M.P. Society has invested in Western Australia over £6,000,000, and already is a very heavy contributor to the State revenue. The emergency tax will be a further burden on the income of the company. The following tax was paid by the A.M.P. Society to the Western Australian Government for the year ended 30th June, 1933:—

	£	s.	d.
Government Tax	30	0	0
Land Tax	185	15	5
Hospital Fund Tax	744	8	9
Financial Emergency Tax (7 months, 4½d. in £) ..	1,302	15	4
Stamp Duty	143	1	6
	<u>£2,405</u>	<u>1</u>	<u>0</u>

The £1,302 15s. 4d. was paid for seven months of last year in which the 4½d. in the £ tax operated. A full year's tax would have been £2,200, but as the proposed rate is to be increased to 9d. in the £ the tax payable, on a similar income to that which the company received last year will amount to £4,400. The A.M.P. Society has invested in this State practically all the income earned in Western Australia and because of this it is being penalised, whereas other companies who have invested their money outside the State will not be called upon to pay the tax. In my opinion, it is essential that the Government should encourage the in-

vestment of capital in the State for the benefit of our primary and secondary industries. It might be interesting to members to hear the following tabulated figures of the taxation paid by the A.M.P. Society in Australia (including Western Australia):—

	Taxes paid.			Percentage to Total Income.
	£	s.	d.	
1928 ..	165,861	13	0	1.54
1929 ..	320,177	7	9	2.81
1930 ..	432,742	9	10	3.66
1931 ..	702,377	7	3	6.05
1932 ..	822,230	9	0	7.41

Increase from 1928-1932—£656,369.

Some little time ago I read in the Press that the board of directors of the A.M.P. Society had stated that if they were given relief from taxation they would be prepared to reduce their interest on loan on mortgage to a flat rate of 4 per cent. With regard to the business of commission agents, I can speak with knowledge, as I have acted in this capacity for many years. On the second reading of the Bill in another place, Mr. Stubbs asked how it would apply to agents or auctioneers who did not receive their commission on a weekly basis. The Treasurer's reply was that it did not differ from the Act that was in operation last year. In this connection I would like to bring under the notice of the Chief Secretary the position regarding those remunerated by commission. A great majority of commission agents hold agencies for several lines, no one of which constitutes their sole source of income. In addition, expenses are incurred in the conduct of the agency and it is not possible for the principal to say what the net earnings of any particular agency may be. The principal has no right to inquire, nor has he the means of ascertaining the expenses of his agents. It is contended that the agency is a business conducted by the agent, the remuneration from his principal, by way of commission, being the equivalent of the gross turnover of a grocer, butcher, storekeeper, etc., on which turnover, it will be admitted, it would not be fair to levy an emergency tax. In addition to this, it is impossible to state what the future commission earnings may be. On no two consecutive weeks, except as a coincidence, would the remuneration be the same, and in many instances a commission agent employs sub-agents who, in turn, will be taxed under

this emergency tax, if they earn over the minimum suggested by the Bill. It is quite possible for an agency turnover to be less than the taxable minimum of £2 in any one week, but much greater than £2 in the following week, and a difficulty arises as to the sum on which the tax is to be levied each week, especially as it is a graduated one. In view of the fact that the Bill provides for a tax on a sliding scale, consideration should be given to the exemption of the commission men from deductions of the tax at the source, and agencies should be treated as any other business which is in common with agencies, when their earnings can be arrived at at the end of the financial year after deducting expenses in a similar manner to which the income tax is collected. In this connection, I would like to draw the attention of the Chief Secretary to the Principal Act, page 2—definition of "Salary and Wages," and page 8, section 10, subsection 2, and I suggest that when the Bill is in Committee the definition of "salary" in the original Act should be amended so as to exclude agents' commission. I feel sure no one would object to paying this tax if it was for the benefit of one's fellow men who are unemployed, but I am of the opinion that the married men, and public servants, are being most harshly treated, particularly when receiving a salary of from £6 10s. to £10 per week. I know of a technical officer in the Agricultural Department whose salary is £360 per annum, but with the 20 per cent. reduction under the Premiers' Plan, he is now drawing £308 per annum. His deductions from his salary are hospital tax, death benefit fund, life insurance premiums, and if this tax is passed he will have to pay 6d. in the £ on the £308 which he received per annum. This will barely leave him £5 per week to maintain himself, his wife, and children. Out of this he has to pay house rent and clothing, and he informs me that during the past year his hospital expenses amounted to over £30 on account of illness in his family. I have heard it stated that we are losing a number of our experienced men from the Government departments who have taken positions under the Federal Government on account of our lower salaries. Our State is the poorer for the loss of these trained men. I will not vote for the Bill in its present form, but will endeavour to have further amendments registered when the Bill is in

Committee, and will support Mr. Baxter's idea of a select committee to inquire into the finances.

HON. J. CORNELL (South) [8.4]: First of all I want to clear up a misconception. Mr. Baxter said the Act of last year, which this Bill proposes to amend, was introduced by his Government and was not intended to be of a permanent nature. There was no limitation set to the period over which it should operate. The inference is that the hon. member was referring to the tax Bill, which had nothing to do with the assessment Bill, the machinery Bill. The purpose of the Bill before us is to amend the assessment Act of last year, and has nothing whatever to do with the taxing measure, notwithstanding which the present debate has ranged around both Bills. The first question we have to ask ourselves is as to whether there is any necessity for further taxation, since the tax imposed by the late Government has expired. I think we should accept the word of the Premier that extra taxation is as necessary now as it was last year when Sir James Mitchell was Premier. It is clear that extra taxation is necessary; so much is shown by the way in which we are budgeting. Much has been said about the loan of £2,600,000. But half of that is not yet earmarked, and the balance has to be raised by loan within Australia. If that loan be not forthcoming, the amount allotted to us by the Loan Council will not mature. That is the point, and it has not been considered by any previous speaker. So, after all, the £2,600,000 loan to be advanced to this State is still problematical.

Hon. Sir Charles Nathan: Not the whole of it, surely.

Hon. J. CORNELL: No, not the whole of it, but a considerable part of it; and unless there is within the next few days a very material change in the climatic conditions of this State and other parts of Australia, I venture to say that in a few months' time the position will not be nearly so bright as has been anticipated. I firmly believe there is necessity for further taxation, for even if we get the £2,600,000, the Loan Council has agreed that this State can go to the bad to the extent of £800,000, the deficit agreed upon.

Hon. J. J. Holmes: Is not that included in the loan?

Hon. J. CORNELL: No, the deficit is to stand.

Hon. J. J. Holmes: It is evident that it cannot stand.

Hon. J. CORNELL: Last year we had a deficit of £560,000, which was financed by Treasury bonds, and at the end of the present year there will be a similar deficit; because I have yet to learn that the Government will live within the financial commitments allowed them. So we must admit there is necessity for additional taxation, and that a state of emergency in the financial affairs exists just as clearly as it did 12 months ago, when the parent Act was passed. Last year I voted against the 4½d. tax because it was not graduated. I reasoned that the man who earned £1,000 a year was in an infinitely better position than he who earned only £3 per week, and so I said that to charge that man 4½d. in the pound was unfair as compared with imposing the same tax upon a man enjoying £1,000 a year. I am in favour of a graduated tax. The only difference between the tax imposed by the Mitchell Government, and that proposed by the Collier Government is the starting point, at what rate of wage shall the tax begin to apply? The present Government have practically doubled the exemptions, bringing the exempt single man to £2 per week and the exempt married man to £3 10s. per week. That is the debatable point. We can only arrive at the rate of the tax after we have fixed its starting point; and if the House disagrees with the starting point in the Bill, the Minister will have no alternative but to hold up the tax Bill until finality is arrived at on the assessment Bill. There has never yet been a tax imposed which has not created some anomaly. Nevertheless if we have to impose a tax we ought to endeavour to impose it justly and equitably. I submit there is practically no necessity for the Bill at all, since all the machinery is already in existence. The only question at issue is what shall the tax be, at what point shall it start. The Bill alters the machinery and fixes the starting point almost 100 per cent. above what it was in last year's Act. An anomaly in regard to the married man is that he starts at £3 10s. a week, which is above the basic wage in the metropolitan area. And, as Mr. Williams and Mr. Moore have pointed out, not a worker on the goldfields will escape the tax, since the basic wage of the metropolitan area is £3 10s., while that

on the Eastern Goldfields is £3 18s., and that at Wiluna 2s. a day above the basic wage at Kalgoorlie. Yet all these several standards of basic wage are fixed on the common standard of cost of living, the basic wage on the goldfields being higher than that in the metropolitan area because it costs more to live on the goldfields. How unfair, then, is it to allow the basic wage man in the metropolitan area to escape this tax, while imposing it upon the basic wage earner on the goldfields. I cannot see any better starting point for the tax than the position as it presents itself to-day: that is so say, 21s. per week for single men and £2 per week for married men. The charge can be laid against us of taxing the man on sustenance, and the man below the breadline, but after all many of these charges levelled against us more or less political claptrap. The argument could be applied the other way. Why should the goldfields worker be taxed and not the metropolitan worker? The whole process of reasoning is open to argument in every way. That being so, it is better to say that a single man in receipt of 21s. a week shall pay so much, and a married man in receipt of so much more a week shall pay so much, starting the scale at a low figure and going up on a graduated basis. All this House need concern itself about is what the Government will eventually concern itself about, namely, arriving at a basis as equitable as possible as a compromise with regard to the starting point, and a rate of tax which will give the Government the amount of revenue required in the time of emergency. I feel sure that all this House will concern itself about is the distribution of the tax on an equitable basis, and in an equitable manner. Reference has been made to sending the tax Bill to a select committee. I venture to say that if this House indicates to another place that it considers it ought to apply this tax from the exemption point of view to the 1932 emergency Act, there will not be very much necessity to indulge in the innovation of referring a Bill we cannot amend to a select committee. The Government of the day must of necessity then reconsider their position. They will have to reconsider the casting of the tax at a new starting point with the idea of establishing a series of graduations that will bring in the amount of revenue required. I could quote a number of illustrations showing the inequity of applying the two proposals, such as have

already been dealt with by Mr. Williams with regard to Government workers on the goldfields. Those people are hit in every way. I will, however, rest content with the few remarks I have made, and will conclude by saying that the points raised by Mr. Piesse with respect to insurance companies, and those raised by Mr. Baxter with respect to commission agents, are, in a way, foreign to the Bill. They are a condemnation of the principles of the Act passed by the Mitchell Government. In application they are found not to work out reasonably or equitably to the people to whom they apply. They find no place in the Bill now before us. We cannot charge the present Government with other than saying that they are desirous of perpetuating something which has not worked out reasonably well under last year's Act. Inasmuch as they have not provided for an amendment in the assessment amending Bill before us, it is the duty of members who have stressed those points to endeavour in Committee to secure the necessary amendment. If the Bill is rejected, and my vote would go in that direction, it would be an indication to the Government that we should start the tax where the other tax was started. They would then have the alternative either of dropping the matter or of accepting the decision of the House, and proposing a new graduation tax. With these remarks I feel inclined to vote against the second reading of the Bill.

HON. L. B. BOLTON (Metropolitan)
[8.21]: As I agree with Mr. Cornell that some further taxation is necessary, it is not my intention to oppose the second reading of the Bill. I am desirous of seeing some drastic amendments made to it before it becomes law. I would have preferred to see the Estimates considered before we tackled the taxing measures. I appreciate the fact that the Government want money, and that, as some delay is anticipated in revenue production, they desire these Bills to be put through as quickly as possible. From the industrial angle I am opposed to the retrospective clauses contained in the measure. They would be unworkable in respect to workers employed during the retrospective period. How would it be possible for employers to know the extent of their liabilities, even after the Act were assented to, in reference to commission agents, casual workers, and workers who are supplementing their incomes through other work unknown to

the employer? It is, therefore, my intention in Committee to move the following amendments:—(Clause 2 to be amended to read "To operate from date of proclamation"; Clause 5 to be wholly deleted, and a new clause substituted as follows:—"Section 10 of the principal Act to be amended by the addition thereto of the following subsection (3) 'Persons paying salary or wages to any other person shall be responsible only for the payment of financial emergency tax calculated at such rate per pound as would be applicable if the salary or wages so paid were only salary or wages received by such other person.' (4) Persons paying salary or wages to any other persons otherwise than at a certain rate per day, week or other period shall be responsible only for the payment of the financial emergency tax in respect of such salary or wages as if such salary or wages were subject to the lowest rate fixed by Parliament.'" I also intend to support the amendment suggested by Mr. Baxter. I agree that the measure should operate only from the date of proclamation. I do not agree with a graduated form of tax, and would prefer to have seen a similar measure to that brought down by the previous Government providing for a fixed rate. This tax seems to me to be aimed at the middle class taxpayer. If graduation is insisted upon, I should prefer to see, and would support, a much lower exemption than that provided in the Bill. I am of opinion that those in receipt of small incomes and earnings, particularly if they are single, should pay some small portion of the large sum that is expended annually in free services. This class of taxpayer enjoys the bulk of those services and should be, and I believe is, willing to pay something towards their cost. I have a lot of sympathy for the married man with a wife and family to keep. If the measure is to provide for a graduated tax, I hope the exemption will be lowered to the stage provided for in the last Act. If this were done, I would support the suggestion of Sir Edward Wittenoom to make the graduation from 2d. to 6d. in the pound. With these reservations I support the second reading of the Bill.

HON. C. H. WITTENOOM (South-East) [8.27]: Apparently no one likes the Bill, but we have to recognise that the Government must have money with which to carry on the affairs of the country. The Premier and other members of Cabinet, in

their speeches at the last election, undertook to make alterations in the various taxing measures, particularly the emergency taxation measures. The Premier also promised he would alter the conditions so that the exemptions would be raised. So far, so good: he has kept his promise. The exemptions now are, in the case of single men, £2, and in the case of married men, £3 10s. When the Bill was in another place, the Premier explained it and the taxing Bill in a very hasty manner, in something like seven or nine minute. He treated what is a weak Opposition in another place apparently with contempt, and instead of, as is the custom, carefully explaining the Bills in detail, he dealt with them as I have said. When the Bill now before us was introduced by the Leader of the House, we were not treated in that manner. With one exception, I believe the Premier allowed no amendments to be carried, and the Bill is now before us to deal with from a non-party point of view. I have frequently heard it said that the present Government is a very lucky one. I have even heard the Premier spoken of as "Lucky Collier." It is a name that is well deserved. The Premier has taken the reins of office after what will probably always be regarded as the three worst years of the depression, and after the previous Government had carried out experiments of all descriptions concerning taxation and various means of dealing with unemployment problems. All these experiments must be of great advantage to the present Government. The Premier was also successful in his visit to the Loan Council in that he was able to raise more money than the previous Government was able to do.

Hon. T. Moore: He put up a good case.

Hon. C. H. WITTENOOM: No doubt, and so did his predecessor. Mr. Collier has been successful in raising something like £715,000 more than the Mitchell Government raised.

Hon. J. Cornell: He was promised it.

Hon. C. H. WITTENOOM: I am inclined to think his success in this direction has been due at least partially to the activities of those who interested themselves in secession, and perhaps to members of the Dominion League in the work they carried out. It is largely due to their activities that Mr. Collier has been more successful than Sir James Mitchell was.

Hon. G. W. Miles: Do you call it success when a further liability of £6 or £8 a head is being placed upon the shoulders of the people?

Hon. C. H. WITTENOOM: It is by no means always an advantage to get borrowed money. The amount raised by the Mitchell-Latham Government's tax was approximately £200,000 in seven months. My point is that if the present Government were to cut out emergency taxation altogether, they would have at least £500,000 more than was available to the last Government. However, the present Government, in pursuance of promises made in their election speeches, are asking for a further amount of £400,000, in spite of the absolute fact that if the Government were to administer the finances as efficiently and as economically as the previous Government did, the £500,000 would be more than ample for their requirements. However, the Loan Council apparently do not approve of our being lightly taxed. I am bound to admit that if the Government declare that they want more money—and they have been returned by a large majority—then it is the duty of this Chamber to authorise some tax, but certainly in another form and without agreeing to retrograde steps which would injure the financial position of the country. It is to be hoped that as we cannot amend the Bill in the ordinary way, suggestions will be accepted by the Premier. The retrospective clauses of the Bill I cannot approve of, and I trust that the collection of the tax will be made operative only from the proclamation of the measure. I disapprove of the Government's action in putting this Bill before us prior to our having an opportunity of perusing the Annual Estimates. It was necessary for us to pass the Supply Bill, although that was like signing a blank cheque. In this instance we should not be asked to act similarly. We have been given no information. On the other hand, the last Government said in effect, "We want so much, and for such a purpose, and we want it from the time the measure is proclaimed to the end of the financial year." The present Government give no such information. They should show for what purpose this taxation is intended. The difficulties which may result from the graduated tax I dare not contemplate. I hope the Minister will make the position clear when replying. The duration of the proposed tax discriminates and is unfair. If the Act is

not renewed after December 1934, assessable incomes not included in the definition of salaries and wages may be assessed on the total amounts for the financial year ending 30th June, 1935. In that event the taxpayers concerned will be called upon to pay two years' taxation under the measure whilst salaries and wages will be taxed only for a period of 17 months. I support the second reading in the hope that the Bill may be improved in Committee.

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

BILL—HEALTH ACT AMENDMENT.

Second Reading.

Debate resumed from the 17th August.

HON. A. THOMSON (South-East) [8.35]: As the member who moved the adjournment of the debate I have gone carefully into the Bill, which is simple and unexceptionable. Accordingly I have much pleasure in supporting the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1 to 4—agreed to.

Clause 5—Amendment of Section 266:

Hon. G. FRASER: I have never been able to understand why local government authorities should be called upon to bear portion of the cost of treatment of patients taken to the infectious diseases hospital. I understand that at present, in cases where the patient cannot pay, the local authorities pay half the amount involved. Under this clause they are to pay two-thirds. However, the local governing bodies should not enter into the matter at all. In the first place there is the patient, who pays for treatment through the medium of the hospital tax, which covers treatment for all diseases except such as are specifically excepted. Nevertheless, local authorities have been called upon to pay for treatment of infectious disease cases where the patient could not pay out of his own resources. So far, the amount has been only a few pounds per annum in the case of most local governing

bodies; but should an epidemic occur, the local authorities might find themselves in an awkward position under this clause.

Hon. E. H. Harris: The local authorities might be galvanised into activity by the prospect of being compelled to pay.

Hon. G. FRASER: That is not the object of the provision. My view is that the Health Department should bear the entire cost, and that local governing bodies should be exempt altogether.

Hon. A. Thomson: In the case of infectious disease there is the expense of transfer, fumigation and so forth.

Hon. G. FRASER: Those things are part of the treatment. The local authorities should not be burdened with any of the expense involved.

The HONORARY MINISTER: Under the principal Act the obligation was upon local authorities to provide accommodation and treatment for patients suffering from infectious diseases in their respective districts. In the metropolitan area that has not been observed, but patients suffering from infectious diseases have been sent to the Government hospital at Subiaco. Section 266 of the principal Act stipulates that the Government shall contribute 50 per cent. of the money not collected by the hospital authorities for the treatment of patients. A controversy arose about two years ago as the result of which the then Minister for Health agreed to pay two-thirds of the amounts outstanding. That undertaking has been observed ever since, but the Auditor General has drawn attention to the illegality, seeing that the Government exceeded the contribution specified in the Act. The amendment will rectify the position and if the Minister so desires, he will be able to pay more than the two-thirds.

Hon. G. FRASER: The Minister has not answered the point I made when I asked him to explain why the whole of the financial responsibility should not be accepted by the Government.

Hon. J. J. Holmes: The Health Department can administer the Act only as we pass it.

The HONORARY MINISTER: If the local authorities carried out their responsibilities, they would probably have infectious diseases hospitals in their own districts, but instead of that, their patients are taken to the Government hospital at Subiaco.

Hon. A. Thomson: Under the amendment the local authorities are getting off very lightly.

Hon. J. J. Holmes: It is very fair.

The HONORARY MINISTER: In many instances the amounts cannot be collected at all because the patients are indigent. The amendment will make it possible for the Minister to pay the whole of the amount should the circumstances warrant it.

Hon. W. J. MANN: Did I understand the Honorary Minister to say that the local governing authorities in the metropolitan area have been paying nothing at all towards the cost of treatment of their infectious diseases cases at the Government hospital?

The HONORARY MINISTER: No. The local authorities have paid their proportion under the arrangement I have mentioned. The amendment will probably prove satisfactory to all concerned.

Clause put and passed.

Progress reported.

BILL—YUNA-DARTMOOR RAILWAY.

Second Reading.

Debate resumed from the 17th August.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [S.55]: The opening up of agricultural belts in a large State such as Western Australia naturally creates transport problems and the railway service has hitherto been looked upon to solve the difficulty. The railways we constructed became a problem not easily solved unless operated with the advantage of an increased population in proportion to the financial responsibility created by their construction. The Commissioner's problem is to make the railways pay while run on a population basis far too small for the thousands of miles our railways traverse. We all recognise that to settle and develop our large State, the effort must be along primary producing avenues. All Governments in the past have looked upon it as a question of supreme importance and we have the experience of an active Lands Department policy to spy out new areas and conduct surveys many miles from a railhead north, south, east and west of those areas. To-day we have wheat growers in isolated areas and most of them say they were induced to take up their selections on

the promise of the construction of a railway in the near future. In my opinion past Governments have done remarkably well in endeavouring to redeem those promises. In the Railway Department's report for 1932 I find that we have 4,235 miles of working railways, of which 4,000 miles were constructed during the last 38 years at a capital cost of, roughly, £25,000,000. On a population basis we have 100 people to each mile of railway, which is the lowest in the Commonwealth. According to the particulars included in the Commonwealth Year Book of 1932, we have double the railway mileage of South Australia, with about half that State's population. We have almost an identical mileage with Victoria and less than one-fourth her population. I look upon the achievement of our State with pride, but the time has arrived when it becomes necessary to take stock of our position and to ascertain if we have not been opening up territory too quickly for safe financial running. I am coming to the conclusion that we have, and that no Government should suggest further extensions for the time being unless under special circumstances. The successful balancing of the railway finances is of vital importance to the Treasurer because as soon as that becomes impossible, national deficits become hard to control, taxation in some form has to be imposed and every one in the community is affected. Admittedly the Commissioner has had extreme conditions to contend with, but even in the most favourable light, I confess to some uneasiness regarding the future. The annual deficits have been colossal and if we impose additional non-paying mileage on the Commissioner, as is proposed in the Bill, then we ought to get our political discharge when next we appeal to the electors. It has been clearly shown that our railways cannot maintain themselves until prices, particularly those relating to wheat which, according to the Commissioner, forms 50 per cent. of the goods and livestock traffic, improve appreciably. It is wheat that will provide most of the tonnage expected for the Yuna-Dartmoor extension. The Minister has warmly advocated the construction of the line and I presume he intends it shall have preference over other lines already authorised. It is proposed to build 30 miles of the 51 miles mentioned in the schedule at an estimated cost of, roughly, £100,000. He also estimated that the line would represent

a loss of £2,100 per year for 10 years, or a total loss of £21,000 for that period. It is also the Minister's objective to afford relief to settlers already in the district to be served, but is it necessary to open up new areas for wheat growing, and cannot relief be granted to the settlers the Minister has in mind, without constructing 30 miles of railway at an estimated cost of £100,000, involving an annual loss of £2,100? I thank the Chief Secretary for having hung the large map on the wall of the Chamber because it clarifies the position. I was under the impression that the line ran 30 miles north from the Mullewa-Meekatharra line, but it runs from Geraldton, not parallel with the Mullewa-Meekatharra line. The main revenue from the proposed railway must come from fertiliser, wheat and wool. Fertiliser freight is less than ½d. per ton per mile; wheat freight is 1d. per ton per mile, and wool freight 3¾d. per ton per mile. The last-named freight has been reduced from 4¼d. Page 76 of the Commissioner's report shows that 93,000 bags of wheat were railed from Yuna. I should think that much of it came from the country that it is proposed to serve by this railway. Taking 12 bags of wheat to the ton, the quantity represents roughly 8,000 tons. Give the proposed new line credit for the 1d. per ton per mile over the whole mileage and we get 2s. 6d. per ton, or one per cent. of the 4½ per cent. on the cost of the line. I am unable to visualise fertiliser, wheat and wool and general merchandise earning more than another £1,500 per annum, which would leave the interest charges short by £2,000. Assuming the interest rate at 4½ per cent., one has also to take into consideration the running and maintenance costs. I realise that I have not taken further development into account, but we can off-set the revenue by deducting from the 93,000 bags the contribution by Yuna and calculating the lesser revenue for the shorter mileage. I am not expecting the wheat industry to maintain the present acreage until more normal times return. The Commissioner, on page 4 of the report, stated that he had experienced a drop in wheat tonnage of 160,000 tons, due to the lesser acreage cropped. With a world's glut and America threatening a world war in wheat, I cannot believe that the Yuna-Dartmoor area would be rushed for wheat growing for a while. I noticed in to-night's "Daily News" further alarming news regarding the world wheat position

which it seems to me would rather damp the ardour of any prospective settler. The Leader of the House stated that the Bill was designed to give relief to those settlers who were isolated by distance from a railway. What are the claims of those settlers in areas for which lines have already been authorised? Think of the time the Yarramony-Merredin settlers have been waiting for relief.

Hon. E. H. Harris: How many years is it since that line was authorised?

Hon. J. M. MACFARLANE: From memory I should say six or eight years.

Hon. G. W. Miles: What about the Brookton-Dale River line?

Hon. J. M. MACFARLANE: We have to consider the Brookton-Dale River settlers and the authorisations for the Manjimup-Mt. Barker and Boyup Brook-Cranbrook railways. The Minister will there find plenty of work for the unemployed if he is really anxious to embark on a railway construction programme. I cannot picture members who represent electors in the areas I have mentioned trying to convince them that they voted for this new proposal because it was more important or more necessary than the lines previously promised, even if the Minister assures me that the Railway Advisory Board, the wool and wheat experts of the department and the Commissioner's own report favour it. I am of the opinion that the time is not opportune to open new areas, but that there is plenty of opportunity to place anyone desiring to undertake wheatgrowing along the lines already constructed, as an application to the Agricultural Bank will prove. If railways must be built to provide work for the unemployed, then the authorised lines afford the opportunity. The land along existing railways requires building up with settlement to prevent the railway system from becoming inefficient. That is proved by the statement of the Minister for Railways that he requires £500,000 for renewals, etc. This expenditure, if undertaken, would provide employment for many hands. I cannot support the measure. Should the second reading be passed, I will endeavour in Committee to limit the proposal to the construction of 30 miles, which the Minister said it was the Government's intention to build. We have a precedent for this; Mr. Holmes some years ago induced the House to authorise the construction of

only a section of the Pemberton-Denmark line when the Government proposed to construct the whole length.

HON. W. J. MANN (South-West) [9.6]: I do not intend to oppose the Bill; neither do I propose to discuss the question whether the line is justified. I think this House should take stock of the position regarding railways and come to some definite decision as to what is to be the fate of the five railways already authorised but not constructed. For a long time there have been authorisations for the Yarramony-Eastward, Brookton-Dale River, Boyup Brook-Cranbrook, Manjimup-Mt. Barker and Leighton-Robbs Jetty railways, the latter being of more recent date. People who settled in the back country along the routes of the projected railways mentioned are becoming concerned, and they will have reason for complaint as the years go by if no effort is made to redeem the promises given them and the Government submit to Parliament fresh railway proposals.

Hon. J. J. Holmes: They were more than promised; the railways were authorised.

Hon. W. J. MANN: This measure, if passed, will make the number authorised but not constructed six. I understand that a Bill for still another railway has been introduced in another place. Looking at the aggregate figures of the railway costs, one finds them somewhat astounding. The loan money expended in the six States on railway totals no less than £335,000,000. Adding to that the Commonwealth expenditure of £15,000,000, the aggregate is something like £350,000,000. That is a colossal figure. In view of the unfortunate outlook for our primary producing country, we should go warily in giving people to understand that if they go into the back country, they will receive railway communication. I appeal to the Government to have some thought for the settlers who have had such promises and authorisations made in their favour. Equally with the people of the Yuna-Dartmoor district are many others suffering from the lack of railway facilities. While I feel that I cannot vote against the Bill, because it does promise railway facilities to the Dartmoor people at some time or other—we do not know when—we should bear in mind those people who have been working for so many years in the hope that their position would soon be bettered by the provision of the railways promised them.

HON. C. F. BAXTER (East) [9.10]: There may be a good deal in what the Leader of the House said, when moving the second reading, regarding the quality of the land, the rainfall and the yield in the Yuna-Dartmoor district, but there is a more serious question to be considered. For different parts of the country, railways have been authorised for many years, and people have gone on developing their properties in the hope that the near future would bring them railways. They, however, have been doomed to disappointment. There are five or six railways authorised but not constructed—Brookton-Dale River, authorised in 1923; Yarramony-Merredin, authorised in 1923, the settlers in that area having been suffering and agitating for 22 years; Boyup Brook-Cranbrook, approved in 1926; Manjimup-Mt. Barker, approved in 1926. With the Leighton-Robbs Jetty line, we are not much concerned. If this Bill is agreed to, the railways I have mentioned will be set to one side and the settlers will be disappointed again. The construction of another railway, too, will involve a heavy loss per annum. There is no hope of the proposed line meeting expenses. We should be very careful in approving the construction of additional railways. First of all we should honour the promises given by Parliament. It is questionable whether we should proceed to any extent beyond those authorisations already given, because the mode of transport appears to be changing. In other countries motor trains are being adopted which are cheaper to run. I was interested in the wonderful speech made by the Chief Secretary, a much better speech than he made on the emergency tax Bill. He almost won my support until I realised the position regarding other authorised lines. The Yarramony-eastward line would traverse a fine belt of country. I do not think the Dartmoor land is any better. The Yarramony settlers, however, cannot develop their holdings owing to the distance they have to cart their wheat, some of them as far as 24 miles. They cannot cart as the crow flies; they have to follow the roads. If the Government wish to utilise labour on railway work, they could give attention to the Yarramony promise which has been standing for 10 years. The construction of the Brookton-Dale river line would open up a lot of new country suitable for dairying which now carries only a few sheep. Apart from that the construction of this line would

relieve the railways of the congestion at the bottle-neck in Perth. The easier grade would enable locomotives to haul loads one-third greater than what is possible now, and thus the freight on wheat could be reduced. I shall vote against the second reading of the Bill because I consider we should keep faith with the people who have been promised lines and construct those already approved by Parliament. What is the use of Parliament approving of railway construction if no action is taken? The people in the districts concerned have been buoyed up with promises for years; nothing has been done to fulfil the promises made to them, and now a new line is proposed. The promises made are to be forgotten and some entirely new country is to be given railway facilities. I hope the House will realise its responsibilities and not agree to the passing of the Bill. In good faith we passed Bills for the construction of railways in others parts of the State where people have expended their capital. The Bill should be rejected in the hope that the Government will build the lines already authorised.

HON. J. CORNELL (South) [9.15]: I intend to support the second reading. It is rather interesting to hear some hon. members say that the Bill should be rejected until other railways that have already been authorised are built. When we make a retrospect of the railways in this State, we find that no fewer than five have been built after others have been authorised. For instance, there is the line running from Bullfinch to Lake Brown, the Lake Grace extension, the Ejanding northwards the Wiluna line and the Salmon Gums-Norseman. The position now is that we have either to say that those people who have gone out and opened up the country—and I include also those in the miners' settlement whose district it is also proposed to serve by the construction of a railway—must get railway communication or be evacuated and found areas elsewhere.

Hon. J. J. Holmes: Are you referring to Dartmoor?

Hon. J. CORNELL: Yes. The experience of that district has shown that it is one of the most promising parts of the State. There is a factor in favour of Dartmoor that does not exist in respect of any other part of the wheat belt and that is the absence of spring frosts. Experience has

proved that in the Dartmoor area, spring frosts are practically unknown.

Hon. J. J. Holmes: It is the same along the Midland line.

Hon. J. CORNELL: In most parts of the wheat belt, particularly in the eastern areas, spring frosts in one night can reduce a potential 30-bushel crop to three bushels. Thus it can be said of the Dartmoor district that it is comparatively safe for wheatgrowing. If we leave the settlers there, we must provide some form of transport. We have heard of motor transport, but we must remember that in addition to moving wheat from the Dartmoor district to the rail head there is also the question of transport of fertiliser, and the settler there will require to be subsidised not only with regard to wheat but for his cornsacks, super and other things. When speaking on the Loan Bill, I said that in these troublous times we should always take the long view provided money could be found, and budget and build as if things were good. We hear doleful tales from Jeremiahs that we will never be able to pay back our loans. I do not think that is going to worry me very much.

Hon. G. W. Miles: It will worry your children.

Hon. J. CORNELL: I am not worrying about them; they will have to carry their own burdens. We ourselves have worries enough in our own circles and so long as we rear our children and give them a decent education, the world then is theirs to fight in.

Hon. E. H. Harris: And you would put a rope around their necks.

Hon. J. CORNELL: No; as I said, I would take a long view. The Dartmoor district has been reported on favourably by the Railway Advisory Board, and there are others who are qualified to speak about its capabilities. If I vote against the second reading of this Bill, and another Bill comes along soon afterwards for the construction of another railway—

Hon. G. W. Miles: You will vote against that.

Hon. J. CORNELL: I shall then have to vote against that also. But I am not going to vote against that for the same reason that some members intend to vote against the present Bill. They want other railways constructed because they have been authorised. I intended to vote for the Dartmoor railway and the Southern Cross southward

railway and let them stand on their merits. The Labour Government began the construction of most of the railways. They took the long view and built those lines that were most urgently required. There is one thing that can be placed to the credit of the Collier Government and it is their railway construction policy. I intend to support the second reading.

HON. V. HAMERSLEY (East) [9.23]: I heartily support the second reading of the Bill. I do not believe that all the railways should run from Perth and Fremantle, and I would not wonder, were that policy adopted, if the people in the northern areas began to clamour for separation from the southern district. We have already sunk a considerable sum of money in the Geraldton harbour and we are aware that there is very rich country surrounding that port. The people who have settled there are deserving of all the help we can give them, and in regard to the Dartmoor district, the results that have been attained have shown what the country is capable of producing. I have been there and have seen the development that has taken place. It has been advanced by one of the speakers in opposition to this line that we have a small population per mile of railway constructed in the State. I would remind that member that the conditions in Western Australia are such that the cost of building our line should be extremely low; very much cheaper, in fact, than in any other part of the world, because of the absence of engineering difficulties. Undoubtedly we should be able to construct railways very cheaply, and we know also that the farming areas can be cleared reasonably cheaply. At the present time our improved machinery covers a very much wider area per day, per man, and there is not the same amount of labour required to take off the wheat crops that was needed in days gone by. Thus we enable settlers to produce more cheaply and make a success of their operations and provide a greater volume of trade for Geraldton. I support the second reading of the Bill.

HON. H. V. PIESSE (South-East) [9.26]: I congratulate the Leader of the House upon the excellent manner in which he presented the second reading, and it is for that reason mainly, and hearing of the productivity of the

district concerned, that I intend to support the second reading. Incidentally I should also like to mention that in the Province I represent, three lines have been authorised, the construction of all of which I should like to see put in hand at an early date, particularly the Brookton-Armadale line. The construction of this railway would mean an immense saving in the transport of wheat from Corrigin, Kondinin and Lake Grace districts. It would also relieve the congestion at the bottle-neck near the tunnel.

Hon. E. H. Harris: Do you really think that railway would be justified?

Hon. H. V. PIESSE: Yes.

Hon. E. H. Harris: More so than the Dartmoor proposal?

Hon. H. V. PIESSE: Yes, but I am not one to oppose the construction of a line that will serve a district that has been so highly spoken of by the Leader of the House.

HON. G. W. MILES (North) [9.30]: I intend to oppose the Bill and to oppose every Bill that comes down for the construction of any railway until the Government alter their methods of bookkeeping. If this railway be constructed, the Government will get considerable revenue by the sale of land, and that will be spent, instead of some of it going to pay for the capital cost of the line. I am astounded to hear the views of some members supporting the Bill. They talk about the position we are in and the taxation we have to pay, and then compliment the Government on raising a new loan for the present year of £2,600,000, forgetting that with the anticipated deficit, it is going to add another £8 per head to the public debt. We cannot afford it. Then some members want our children to look after themselves. I say it is disgraceful for members of Parliament to saddle the rising generation with this huge burden of debt. The existing railways impose a load of over £50 per head on every man, woman and child in the State. That is the average for Australia, and for Western Australia, too. It is just about time to call a halt. Another thing, it is proposed to pull up the line from Meekatharra to Horseshoe which, in my opinion, should be allowed to remain, for some day it will assist in the development of Northern Australia. It is a retrograde step to pull up that railway in order to open up land at Yuna.

Hon. C. F. Baxter: The sleepers are useless now.

Hon. G. W. MILES: Well, they can be replaced. Successive Governments have gone on borrowing money, and Parliament is responsible for it. Any railway debate in this House degenerates into "You vote for my line, and I will vote for yours." It has been the ruin of this country, and the Commissioner of Railways has never had a chance to make the railways pay, because successive Governments have sold the capital asset of the land and used it as revenue, instead of setting it aside to pay for the construction of the lines. Until that method is altered I will oppose the construction of any railway.

HON. E. H. H. HALL (Central) [9.34]: Any member who chooses to vote for the Bill will arrive at that decision entirely on the merits of the railway. I have not pledged myself to vote for anybody else's railway. In 1929 there was held at Geraldton what is known as the Northern Districts Conference. In relation thereto the following letter was forwarded to me from the Minister for Railways, who then, as now, was Mr. Willock—

Dear Sir,

Arising out of the Northern Districts Conference held on Saturday last, 7th September, in the council chambers, Geraldton, the question of the advisability of carrying out railway extensions or spur lines into the country north of Yuna and east of Binnu was brought forward for discussion. Members were emphatic in their assertions that the country requires railway extensions. In recent years considerable settlement has taken place along this area, and in many instances farmers are carting from 20 to 30 miles to the sidings. It was recently expressed by the Trustees of the Agricultural Bank, who were visiting this area, that this area must be served with a railway, and in view of the importance of such a statement, and the fact that the bank will not advance grants for properties situated long distances from a railway, I feel sure that you will appreciate the views expressed by the members attending this conference. With this in view the following motion was carried:—

That the Government be urged to consider the advisability of carrying out railway extensions or spur lines into the country north of Yuna and east of Binnu.

The question of the route which this railway should follow is one for the expert officials of the Government to decide. For many years this portion of the State has been asking for railway extensions in this area, but to date same

has not been granted, and the conference expressed the opinion that in view of the railway extensions in other parts of the State, and that this part of the State has not had any extensions for a considerable number of years, consideration should be given to this request. I feel sure that as Minister controlling this important department, you will appreciate the position of these settlers, and I trust that something might be done to relieve the settlers of their long distances in carting. Thanking you in anticipation of giving this request your usual and prompt consideration.

That letter, signed by the town clerk of Geraldton, shows that for some years the people of Geraldton and of Dartmoor and Balla have been agitating for a railway service. One glance at the map should be sufficient to gain support for the proposed railway, because it will show that whilst other portions of the agricultural districts are criss-crossed with railways, the Central Province, which is the best agricultural province in the State, has been sadly neglected by all Governments. It seems to me that from the very inception successive Governments have had no faith in the lands of the Central Province because in the first place it was left to a private company to give us railway communication from the metropolis to the port of Geraldton. It can only be a question of time when the Government of the day will realise the advisability of buying out that company. Various Governments of the past have come very near to purchasing the Midland line, and had that been done we should not to-day have two main trunk lines of railway running parallel for 300 miles without a single spur line between them. The Chief Secretary has a close personal knowledge of the country to be served by the proposed railway.

Hon. G. W. Miles: It is good country, undoubtedly.

Hon. E. H. H. HALL: When the general manager of the Midland railway organised a big party of business men and members of Parliament to inspect the area, it was Mr. Miles who said to me, "Well, Hall, I frankly confess you have splendid country around Geraldton." Notwithstanding the bogey of motor transport, I am sure the House will be justified in voting for this short extension of the existing railway, for the soil is suited to the rainfall, and large sums of money have been spent on the Geraldton harbour. What was the use of spending that money if we cannot get the wheat down to the harbour? I regret that members have not been

given an opportunity to inspect the splendid country to be served by the proposed railway and mix with the very fine settlers to be found in that area. Notwithstanding the huge sum of money that has been expended on railway construction in various parts of the State, for many years past not a penny has been spent on railway construction in the Central Province.

On motion by Hon. Sir Charles Nathan, debate adjourned.

House adjourned at 9.43 p.m.

Legislative Assembly,

Tuesday, 22nd August, 1933.

	PAGE
Questions: Lepers, transport to Darwin ...	459
Coastal shipping service ...	459
State batteries ...	460
Lieut.-Governor, method of appointment ...	460
Bills: Road Districts Act Amendment (No. 2), 2R. ...	460
Land, 2R. ...	467
Municipal Corporations Act Amendment, 2R. ...	486
Returned Sailors and Soldiers' Imperial League of Australia, W.A. Branch, Incorporated, Headquarters Building ...	492

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

QUESTION—LEPERS, TRANSPORT TO DARWIN.

Mr. COVERLEY asked the Minister for Health: Is it his intention to lay on the Table all papers in connection with the recent transporting of leper patients to Darwin?

The MINISTER FOR HEALTH replied: No, because the file is actively in use at present, but there is no objection whatever to the hon. member perusing the file at the department if he so desires.

QUESTION—COASTAL SHIPPING SERVICE.

Mr. WELSH asked the Minister for Health: Has any arrangement been arrived at between the State Shipping Service and Dalgety and Co., Ltd., as agents for Holts