

tracts for cartage and subsidise them from the fund. The Act does not authorise the board to subsidise individual farmers. Once that were done, we would have hundreds more applications. In the Lake-district the amount paid was as much as 8d. per ton per mile; but a contract has now been arranged for as low as 3½d. or 4½d. per ton per mile.

Mr. Patrick: What about the Yuna district?

The MINISTER FOR WORKS: That district will be excluded, unless a contract is arranged. Once we open the door, other districts distant from a railway line would be demanding subsidies from the Transport Board. In any case, consideration will be given to the matter, but the Government has decided against opening the door still wider by introducing a measure such as that recommended by the Transport Board. It would be a dangerous proposition for the board, with the limited funds at its disposal, to issue invitations to all and sundry to request subsidies for carting wheat grown at a distance from a railway line.

Vote put and passed.

Vote—Sundries, £31,903;

Mr. McLARTY: The Government has purchased a property known as Bundibup, with the idea, I understand, of converting it into a farm for mental patients. If that is so, will the Minister state what it is intended to do with Whitby? Is it intended still to continue to use that property as a farm for mental patients, or is it intended to transfer the patients to Bundibup? A very large sum of money has been spent on the development of Whitby, which is an ideal spot.

The MINISTER FOR HEALTH: It is difficult to give a complete answer to the hon. member's question. A general scheme of reorganisation is under consideration and presumably the Whitby patients will be transferred.

Vote put and passed.

This concluded the Loan Estimates for the year.

Resolutions reported and the report adopted.

House adjourned at 10.56 p.m.

Legislative Council,

Wednesday, 22nd November, 1939.

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

QUESTION—YOUTH EMPLOYMENT.

Training for Skilled Positions.

Hon. A. THOMSON asked the Chief Secretary: As the Government is in communication with the Prime Minister regarding the desire to train unskilled youths for skilled positions—1, Will the Government consider providing in its scheme for an opportunity of training unskilled youths from the ages of 18 to 24 for skilled positions who, owing to the late depression, lost their chance of becoming skilled workers? 2, Will the Government arrange or endeavour to place a proportion of youths whose ages range from 18 to 24 in the Midland Workshops so that they may become skilled workmen?

The CHIEF SECRETARY replied: 1. The proposed scheme referred to is a Commonwealth scheme and so far we are not in receipt of any particulars regarding same. 2, Having regard to industrial award conditions, it would not be practicable to adopt this course.

MOTIONS (2)—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved:

That Standing Order No. 62 (limit of time for commencing new business) be suspended during the remainder of the session.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.34]: I move—

That during the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be passed through all stages in one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith.

HON. A. THOMSON (South-East) [4.35]: I should like an assurance from the Chief Secretary that private members will be given an opportunity to have their Bills and motions discussed. I have introduced a Bill for an Act to amend the Government Railways Act, and though I would not expect my Bill to take precedence of Government business, the fact remains that Bills to amend the Firearms and Guns Act and the Bread Act have since been introduced, and doubtless a number of other measures will be coming down. The wish of this House was flouted—if I may use that term—by the action of the Government in imposing increased railway freights. I have received a considerable number of letters from country residents strongly protesting against the increase. By the Bill I have introduced, which is No. 19 on the notice paper, I desire to place control in the hands of Parliament and not permit the Minister to override the wish of Parliament. I should like an assurance from the Minister that the private members' measures that have been on the notice paper for a considerable time will be discussed. I cannot see the need for suddenly deciding not only to suspend Standing Order No. 62 and other Standing Orders, but also to sit on Friday, notice of which has been given by the Minister this afternoon. We are entitled to an assurance that the House will be given an opportunity to discuss private members' business.

HON. J. CORNELL (South) [4.38]: All that the motion means is that the House may receive and pass a Bill through all its stages in one sitting. This does not mean that the House will lose control. Though the Minister is in charge of the notice paper, the House has charge of the Minister, and whether he likes it or not, the House can resolve to deal with items on the notice paper as it thinks fit. The House is master of its procedure and can order the business as it desires.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [4.39] I do not think the hon. member is justified in asking for such an assurance. He and other members have already been told that they will be given an opportunity to discuss everything on the notice paper. That should be satisfactory. I do not remember any occasion when there has been a deliberate attempt to prevent the discussion of any Bill.

Hon. J. Cornell: There have been occasions when one might as well have said nothing at all about one's Bills. Take my experience of my Bills last session.

THE CHIEF SECRETARY: That is so. Private members' business cannot take precedence of Government business. That rule has prevailed throughout. The matter is entirely in the hands of the House, and there is no reason why members should not approve of Mr. Thomson's Bill if they so desire. An opportunity will be afforded this week, probably tomorrow, to deal with that Bill and its present position on the notice paper does not mean that it will remain in that position.

Question put and passed.

BILLS (2)—THIRD READING.

- 1, Workers' Compensation Act Amendment.

Returned to the Assembly with an amendment.

- 2, Firearms and Guns Act Amendment. Transmitted to the Assembly.

BILL—SUNDAY OBSERVANCE.

Received from the Assembly, and read a first time.

BILL—LOAN, £2,137,000.

First Reading.

Received from the Assembly, and read a first time.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.46] in moving the second reading said: This is the usual Bill that is brought down each session to authorise the Government to

raise money for carrying-out the programme detailed in the Loan Estimates. The Bill also provides authority for further advances to be made to the revenue fund to meet the accumulated deficit. On this occasion we are asking approval for total raisings amounting to £2,137,000, of which £150,000 is for deficit purposes. Last year the total authority granted amounted to £1,396,000, the whole amount being for loan works. In accordance with the procedure followed in previous years, the amounts set down for the various works are based on the estimated requirements to the 31st December of the next financial year, having regard, naturally, to the unexpended balances of previous authorisations. This prevents the authorisations for works in progress becoming exhausted before it is possible to obtain further approvals. As at 30th June last, the unfunded deficit amounted to £5,830,486, while temporary advances to the revenue fund for deficit purposes amounted to £5,723,000. The Bill grants a further advance of £150,000 for the purpose just mentioned, and as a result there will be sufficient authorisation in hand at the end of the year to meet deficits to the extent of £42,514. As members are aware, the anticipated deficit for the current financial year is £31,288; and a small balance will accordingly be available by the way of advance from the general loan fund to meet eventualities.

With regard to loan raisings, it will be recalled that for several years past the Commonwealth, in carrying out its responsibility under the Financial Agreement to arrange the borrowing of the State's loan requirements, has followed the policy of floating two loans annually. The first of these loans raised during the expired financial year was floated in February. This was for an amount of £8,500,000 issued at par and bearing interest of $3\frac{7}{8}$ per cent. over a term of 17 years. When our share of £924,760 was debited with flotation expenses, there was left a net balance of £916,555. The second flotation was issued in May. This loan was for an amount of £4,750,000 at $3\frac{7}{8}$ per cent., maturing in 1955. The issue price was £99. From this loan an amount of £384,000 was earmarked for the State. Discount and expenses amounted to £7,136, leaving a net balance of £376,864. A loan of £30,000,000, bearing interest at the rate of $3\frac{1}{2}$ per cent. and

repayable in 1943, was also made available by the Commonwealth Bank in addition to public raisings. Western Australia's share was £283,000. The State also took advantage of the provision in the Financial Agreement which permits Governments to borrow locally from Savings Banks and from funds and institutions constituted under State law. The sum of £292,855 was raised locally in this manner.

During the last financial year, the Loan Council negotiated the conversion loan of a large section of the internal debt. The amount of State debt involved in the conversion totalled £2,906,938 15s. 1d., comprising £114,930 of 3 per cent., stock, £2,792,008 15s. 1d. of $\frac{1}{2}$ per cent., stock, and £462,972 10s. 0d. of £4 13s. 0d. per cent. stock. Redemptions were made from sinking fund amounting to £151,002 10s. 0d., and the balance was converted to new stock at $3\frac{7}{8}$ per cent. at par. As a result of these operations a small saving will be effected in interest payments.

The gross public debt as at the 30th June, 1939, was £95,472,600, inclusive of short term or floating debt in Australia and London as follows:—

	£
Australia	6,305,000
London	2,998,014
	<hr/>
	£9,303,014

When the total debt in circulation is offset by the sinking fund money held on our behalf by the National Debt Commission, amounting to £359,656, a net balance is left of £95,112,944, an increase of £1,708,214 on the comparable figure for the previous year. In regard to our loan programme for the current year, the Loan Council has approved of a total amount of £2,120,000, including repayments totalling £120,000. Although the Commonwealth will require large sums for defence purposes, it is anticipated that sufficient funds will be available to enable us to carry out our programme. As members are aware, approval was given by the Loan Council at its last meeting for the flotation of a private loan of £10,000,000 from the Commonwealth Bank and the trading banks. The rate of interest is $3\frac{1}{2}$ per cent., and the loan will be repayable in three equal instalments which will fall due at the end of three, four and five years.

The State's share of this loan is £860,000, which amount, together with the loan money already provided, should carry us on to the latter part of the financial year, when a public loan will be floated to finance the balance of the loan programme and provide a carry-over into 1940-41. The proposed expenditure on works according to the Loan Estimates is £2,210,863, including a recoup of £122,851 to the Loan Suspense Account. The amount required for each item is provided for in this Bill after taking into consideration the unexpended balances of previous authorisations and the amount available from loan repayments.

Turning now to the Loan Estimates. The current year's figures show an increase of £512,752 on actual expenditure for 1938-39. Summarised under the various headings, the details are as follows:—

	Actual, 1938-39.	Estimate, 1939-40.
	£	£
Departmental	103,104	107,282
Railways, Tramways, etc.	218,352	332,000
Harbours and Rivers	83,912	91,500
Water Supply and Sewerage	871,143	1,040,000
Development of Goldfields and Mineral Resources	41,385	59,000
Development of Agriculture	172,327	196,500
Roads and Bridges, Public Build- ings, etc.	174,140	352,678
Sundries	33,748	31,903
	<u>£1,698,111</u>	<u>£2,210,863</u>

While the Estimates disclose an increase of £513,000 on expenditure for 1938-39, actually the additional funds that it is hoped will be available for works this year amount to £305,000. The difference, namely, £208,000 represents expenditure incurred during 1938-39 on works in respect of which there was insufficient authorisation. The excess will be charged against the authorisation for 1939-40. A provision of £332,000, or £113,648 more than last year's expenditure, has been set aside for Railways, Tramways, Electricity and Ferries. Additions and improvements to opened railways accounted last year for £167,667. The works comprised deviations, regrading and reballasting of different sections, construction of new dams and improvements to existing supplies, and installation of mechanical coaling plants at various centres. Other works consisted of the construction of stockyards in agricultural districts and the construction and strengthening of bridges. The current year's provision, which amounts to £225,000, is for works of a similar nature. Provision has also been made for additions to the equip-

ment of the Midland Junction workshops. The sum of £60,000 has been allocated for continuation of the rolling stock programme. Provision has been made for the super-heating of 10 locomotives and the construction of 10 new "S" class locomotives. Expenditure on similar objects amounted last year to £25,000. The Tramways' allocation is £1,000, or £7,000 less than the expenditure during 1938-39. Last year's expenditure was incurred in connection with the new trolley buses. Five new buses were placed in commission last February. The bodies were manufactured and fitted at the Midland Junction workshops on chassis imported from England. The operation of the trolley bus service resulted in a surplus of £7,668 for 1938-39, after providing interest, compared with £1,136 for 1937-38. A provision of £45,000 has been made for the Electricity Supply in order to carry out extensions to the system to meet the demand for current. Last year £15,000 was provided to meet commitments in connection with the new "B" Station.

Harbours and Rivers will this year absorb the sum of £91,500, as compared with £83,912 for 1938-39. Works carried out during that period included reconstruction at North Wharf, the addition of 120 feet to the Woodman's Point jetty, dredging operations at the eastern end of the harbour, and the commencement of the bellmouthing of the eastern channel. Additions and improvements were carried out in connection with the wheat bulk handling terminal at Bunbury.

With regard to Swan River improvements, levelling and walling operations were conducted at South Perth and along Riverside Drive. During the year reclamation and walling operations were completed on the Dalkeith-Nedlands-Subiaco section. Works which will be proceeded with during the current twelve months include the completion of repairs to the foreshore at Port Hedland, bellmouth dredging of the entrance channel at Fremantle, Swan River reclamation, and the extension of Victoria Quay.

The provision of water supplies, sewerage, irrigation, and drainage works throughout the State involved an expenditure of £871,143 during 1938-39. The allocation for the current year is £1,040,000. Of this total £45,000 will be expended on town water supply works. This sum will be applied in completing the reconditioning of the Gerald-

ton town main, and providing additions and improvements to town water supplies and catchment areas generally. The main works carried out during 1938-39 consisted of boring at Wicherina reservoir, relaying the town main in the northern end of the Geraldton townsite, and improving the Narrogin water supply. Work was also carried out in connection with the provision of a water supply at Brunswick Junction for town and railway purposes.

Dealing now with the metropolitan water supply, last year's expenditure in respect of this item was £124,269. The corresponding figure for 1939-40 is £155,000. This latter sum has been allocated for the purpose of completing the construction of Canning dam, continuing the reconditioning of hill main and extending the water supply system to North Beach. Considerable progress was made last year on the Canning dam. The wall is now an average height of over 185 feet above the bed of the stream, giving a storage capacity of 10,000 million gallons. At the present rate of progress the dam should be finished by the end of the current financial year.

Other metropolitan water supply works carried out during the year included the relaying of the 24-inch Stirling Highway main and the laying of a 30-inch main along Cambridge-street, Wembley. The expenditure of £329,000 incurred last year in respect of metropolitan sewerage and drainage was principally in connection with the reticulation of areas south of the river, the sewerage of Bayswater, Bassendean and Guildford, and further reticulation in the Claremont-Cottesloe area. The sum of 275,000 has been ear-marked for similar purposes this year, including provisions for the continuation of the sewerage works I have mentioned, as well as additional areas in the Claremont-Cottesloe, South Perth and Maylands districts. Work will also be carried out on stormwater drainage at North Perth and Maylands.

Increased expenditure is contemplated in regard to the Goldfields water supply, the provision for the current year being £265,000 as compared with £211,695 for 1938-39. Apart from the further reconditioning of the main conduit and the cement lining of the reticulation mains, we propose to reticulate Kellerberrin, Tammin and Darlington, and to provide additional storage

capacity at various centres. Last year's works involved renovations of main conduits, the repair and extension of branch mains, and the cement lining of reticulation mains at various centres. At £9,000, the provision for water supplies in other goldfields is approximately the same as last year's expenditure, namely £9,000. The bulk of this expenditure will be applied in improving and extending reticulation and providing meters. An increase of £140,148 is expected in respect of expenditure on water supplies, irrigation and drainage in agricultural areas. Last year's expenditure of £149,852 was incurred in connection with channel lining and drainage in the Collic, Waroona and Harvey irrigation areas; the commencement of construction of the Samson's Brook irrigation dam; the drainage scheme at Gavan's Gully; and the roofing, construction and improvement of tanks in agricultural areas generally.

This year's works will be of a similar nature. Employment will be provided for about 110 men on the Samson's Brook dam. When completed this dam will have a storage capacity of 1,800 million gallons, and will provide for the irrigation of further areas in the Waroona flats. Work will proceed on the Stirling dam which is situated 10 miles east of Harvey. This dam will ultimately have a storage capacity of 12,000 million gallons, and will provide for the irrigation of areas in the Harvey and Waroona districts not served by existing schemes.

For the development of the goldfields we are setting aside a provision of £59,000, or £17,615 more than the amount expended last year. Included in last year's expenditure was a sum of £31,390 for assistance to prospectors. This scheme has now been in operation for six years, and during that period the Government has advanced £130,376 of which £23,203 has been repaid. Until the end of last year, assistance given by the State Government was supplemented by grants from the Commonwealth which up to the 30th June last amounted to £80,904. In the future, all payments of this kind will have to be met from the General Loan Fund as the Commonwealth assistance has now ceased. A sum of £36,000 has been provided for this purpose for the current year. The balance of the current provision has been earmarked principally for the erection and improvement of State Batteries and

loans under the Mining Development Act. Last year, expenditure on State Batteries included a new 5-head battery at Marble Bar, and the converting of the Boogardie battery from 5 to 10 heads.

Under the heading, "Development of Agriculture," there has been set aside the sum of £196,500, an increase of £24,173 on actual expenditure for 1938-39. The erection of cattle yards at Robb's Jetty will account for the major portion of the provision of £4,500 for abattoirs. The Government intends to continue the work for reconditioning and clearing vacant holdings, and clearing at Wooroloo Sanatorium and Whitby Falls farms. A provision of £103,000 has been earmarked for this purpose. An amount of £15,000 will be made available for assistance to secondary industries. Assistance will only be granted after the officers of the Department of Industrial Development and the officers of the Treasury have completely investigated applications. The provision for forestry work is set down at £70,000, a figure approximately equal to last year's expenditure of £74,108. Works will include the regeneration of cut over forests, the extension of fire control organisation, and the extension of mallet and pine plantations.

Last year's expenditure on public buildings was £100,140 the main items comprising the provision of the balance of the Government's contribution towards the Infectious Diseases Hospital, schools generally, Mental Hospital additions, and a grant to the hospital fund towards meeting the cost of the construction of the King Edward Memorial Hospital and the Kalgoorlie Hospital. Similar works have been provided for this year, the allocation amounting to £85,000. The provision of £267,678 for roads and bridges includes a recoup of £117,678 to Loan Suspense. The balance, namely £150,000 has been earmarked for assistance to local authorities for road-works generally and the provision of roads and bridges not included under the Federal Aid Roads Scheme.

With regard to Native Affairs, a provision of £5,000 has been made for water supplies and buildings on native stations, the purchase of and reconditioning of native settlements, and additions and improvements to native hospitals. A sum of £7,000 has been allocated for the completion of Caves

House and additions and improvements to State hotels, while £5,000 has been earmarked for the purchase of a new launch for the South Perth ferry service.

Those are the main items of expenditure involved in this year's Loan programme. I have emphasised on previous occasions that although the Government naturally desires to restrict loan expenditure to works that are fully reproductive, such a policy is out of the question in existing circumstances. Some 7,000 men still look to the Government for relief work. With only a limited amount of loan money available, the Government must endeavour to spread that money as far as possible over those dependent on it for employment. This means that it is necessary from time to time to pass over certain desirable works for others which absorb more labour. However, the analysis of the loan undertakings just made does disclose that the Government has made every endeavour to meet the more pressing requirements of our economy.

Hon. H. Seddon: Can you tell us something about the Bundibup farm purchase; Item 22 in the First Schedule to the Bill?

Hon. J. Cornell: It has been bought to increase the area of prison farms, has it not?

Hon. L. B. Bolton: No, it was the boys' farm at Wokalup.

The PRESIDENT: Questions of this nature had better be asked in Committee.

The CHIEF SECRETARY: I assure members that all the information they require will be placed at their disposal. I move—

That the Bill be now read a second time.

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

BILL—BREAD ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [5.16]: in moving the second reading said: The object of this Bill is to remedy defects discovered in the Act during the course of administration. It is pleasing to report that this new legislation has been very successful in its application, and has caused widespread interest in the other States. A special officer was sent by the South Australian Government to inquire into the operation of the Act in this State,

and his report was favourable. While in Melbourne in July last I had the opportunity of addressing a large gathering of the master bakers of Victoria, who were keenly interested in this legislation. I also addressed nearly 400 operatives who were very eager to hear of the new bread legislation introduced in Western Australia. It is safe to say that the amended Bread Act in this State has proved an unqualified success. It must be remembered that it was new legislation, and naturally anomalies have had to be rejected and improvements effected where necessary.

Hon. J. Nicholson: I hope you are not going to spoil that good effect.

The HONORARY MINISTER: I hope not. Clause 1 of the Bill contains special provisions for the licensing of new premises or premises not previously licensed as a bakehouse. It provides that the Act shall not come into operation until proclaimed. The original section 3B is repealed by clause 3 and a new section is inserted. There is very little difference between this clause and the old section, but, on account of the new licensing provisions, the new clause will refer only to premises licensed before the Bill comes into operation, except where otherwise expressly provided. This clause mainly concerns the procedure for the licensing of premises which have already been licensed, and for which a license is current at the commencement of this Act. Subclause (2) makes it an offence for premises to be used as a bakehouse until the necessary licence is obtained.

The Bill also provides, under Subclause 4, that the conditions of the Act, the regulations, the Factories and Shops Act and its relevant regulations, must be observed before a license can be granted. Under Subclause 5 provision is made that applications for a license for new and old premises must be made to the Chief Inspector, and must be accompanied by a license fee of £2 2s. The amount of the license fee is increased from 10s. under the old Act to £2 2s. under this Bill.

Hon. J. Nicholson: You are going to raise the price of bread.

The HONORARY MINISTER: The license fee of £2 2s. was passed in this House but was reduced in another place to 10s. The sum of 10s. is totally inadequate for the purpose, and all parties, in-

cluding the Master Bakers' Association, have agreed that a license fee of £2 2s. is a fair and reasonable figure. In this connection I might mention that the department has a full time inspector policing the Bread Act. Offences against the Act have been remarkably few, and there has been a very small number of prosecutions. That state of affairs is due to the rigid inspection carried out by the department and the loyalty of the master bakers to the new legislation, and system of dough weight inspection. This means, of course, that the revenue is comparatively small, and therefore it is reasonable to increase the license fee to £2 2s.

Provision is made for the annual application for licenses. Applications for licenses under sub-clause 7, namely, old premises, will be considered by the Chief Inspector who may grant or refuse them. The Bill provides for the right of appeal by the applicant for a license if his application is refused by the Chief Inspector. When an application for a license has been refused, the Chief Inspector will give notice in writing to the applicant, and thereafter such applicant will have the opportunity, in accordance with the regulations, to appeal against the decision of the Chief Inspector to the nearest stipendiary magistrate, and such magistrate, on hearing the appeal, may confirm such refusal, or may order the Chief Inspector to grant the license.

The most important amendment of the Act is contained in Clause 3C, which embodies provisions with respect to applications for licenses for new premises. Once an application is received for a license for new premises the Chief Inspector must thereupon give notice to interested parties. These parties will be prescribed by regulation, and will include licensed bakers in the same district, the unions concerned—both of employers and employees—and, if necessary, the local authorities in that particular district. This will enable any person to object to the issue of the license on the ground that the reasonable requirements of the district do not warrant its being granted. The stipendiary magistrate will hear evidence from all parties, and may call for any assistance or information he may consider necessary. After hearing evidence the magistrate will have to decide whether or not the

license should be granted, and he must then instruct the Chief Inspector accordingly. If no objection is received by the Chief Inspector within the time limit fixed by regulation, he will treat the application as if it were made under the preceding Section 3B. and will then deal with it on its merits, accepting or rejecting it as he thinks fit. Bakers have to conform to the regulations of the Health Department, and show that their premises are fit and proper places in which to manufacture bread.

Hon. H. Seddon: That keeps it a close corporation.

The HONORARY MINISTER: No. There is no chance of that sort of thing.

Hon. J. Nicholson: But it cannot be avoided.

The HONORARY MINISTER: In the course of my remarks I think I shall be able to remove such erroneous impressions. Everyone who has any knowledge of the baking industry in this State considers that some action should be taken to restrict new bakeries from operating in districts already well provided with bakeries.

Hon. W. J. Mann: That is a matter of opinion.

The HONORARY MINISTER: Seeing that the hon. member has so many small towns in his province, he should be specially interested in this particular point. The trade is alarmed at the number of foreign bakers who are commencing business, in the metropolitan area especially. Every new bakery commencing business that is unnecessary increases the whole bread cost of the industry, and it is on the general operations of bakeries in this State that the price of bread is fixed by the committee appointed under the Wheat Products (Price Fixation) Act, 1938. This is one of the strongest arguments in favour of this amendment.

Hon. H. Seddon: Will you bring down a Bill to apply the same principle to grocers' shops?

The HONORARY MINISTER: The same principle operates in respect of the milk industry, the liquor trade, and so on. I think I shall be able to satisfy members on all these points.

Hon. L. B. Bolton: I hope so.

The HONORARY MINISTER: I ask members to note particularly the figures I am now going to give. That Perth is already

over-supplied with bakeries is strongly illustrated by the following particulars:—

In Perth there is one bakery to 1,555 of the population.

In Adelaide there is one bakery to 2,800 of the population.

In Melbourne there is one bakery to 4,310 of the population.

In the country an amendment of this nature is also necessary. Where one, two, three or four bakeries are operating it often means the difference between a profitable business and a losing concern if another baker is allowed to come in and start operations where it is impossible either for him or his competitors to earn a decent living.

Hon. W. J. Mann: In how many country towns do you find four bakers?

The HONORARY MINISTER: I know of many towns in which there are two or three bakers in business. There are ample safeguards in this amendment to prevent exploitation by any master baker, and I am satisfied that the time is overdue for the amendment.

Provision is made for the interpretation of the word "district." The purpose of inserting such a definition and restricting it to the particular section concerned is to allow the Minister to divide the State into districts so that the operation of the section may be confined to the districts proclaimed by him. The importance of this definition also lies in the fact that a license for new premises can only be refused on the ground that the reasonable requirements of the district are already served by licensed bakehouses established and operating in the district. The licensing provisions are really the most important part of the Bill. If the House will agree to them, a still further advance will be made in the baking industry.

Clause 5 amends Section 12, and alters the days upon, and the hours between which, bread may be baked. This clause deletes the whole of Subsection 4 of Section 12 and inserts a new subsection in a form which, all will agree, is much superior to the old form. Each day is taken separately, so that by looking at the section one can see what can be done on any Monday in the year, whether it is an ordinary day or a holiday, and so on with respect to the other days of the week. When this legislation was first drafted, the Parliamentary Draftsman found difficulty in explaining the position with respect to the baking hours. The amendments contained in the Bill will make

that position quite clear to everybody. The clause also provides for the deletion from Subsection 6 of Section 12 of the whole of paragraph (c) which is altered and re-enacted as a new section which is embodied in Clause 6. This also is very much clearer and represents a big improvement. The Bill, by new Clause 12A, seeks to confer discretionary powers upon the Minister, who, when exceptional or unforeseen circumstances arise or are likely to arise in the future, may grant authority to any person to make or bake bread on any day upon which bread may lawfully be made under the Act. All are agreed that a provision of this nature is necessary to meet special emergencies. Clause 7 provides for the deletion of the whole of Subsection 1 of Section 13 and the insertion of a provision regarding the hours during which bread or Vienna bread shall be sold. The original section set out the hours during which bread should not be sold. The amendment is much clearer, and is a marked improvement on the old Act.

Provision is made in Clause 8 for amending Section 15 by including the "King's Birthday" as a new holiday for bread carters. The old Act gives bakers and drivers a holiday and all had to finish baking and delivering by 7 p.m. the day preceding the bakers' holiday. This was obviously a mistake in the old Act, because it would be impossible to make a complete delivery of the bread, and in any case the public would be without bread from Friday until Monday.

Hon. C. F. Baxter: Then you are increasing the holidays under the Bill instead of by way of an application to the Arbitration Court.

The HONORARY MINISTER: No. The Bill merely provides that the King's Birthday shall be observed by the bakers as a holiday in lieu of the bakers' holiday. The effect will be in the interests of the consumers, who must be considered. Under the amendment, the operatives will work up to midnight, instead of 7 p.m., on the day preceding the bakers' holiday, and the drivers will deliver on the day of the bakers' holiday. The King's Birthday was given to the bread carters in lieu thereof, which makes it much more convenient and of great advantage to the consumer. The object of Clause 9 is to delete Subsection 2 of Section 16 and insert a new subsection, to

provide that if any bread carters' holiday is observed on a Sunday the bread carter is entitled to an extra day's holiday on full pay, to be added to the annual leave due either under the Act or any relevant award, whichever is the greater. This will rectify an obvious anomaly in the old Act, and has been agreed to by the master bakers and the union concerned.

Provision is made in Clause 10 to add a new subsection to Section 18. This provides that penalties recovered in respect of a prosecution instituted by any municipality or road board shall be paid to the municipality or road board in whose district the offence was committed. Under the Act when successful prosecutions were launched by local authorities, the resultant fines were paid into Consolidated Revenue. This gave rise to grave dissatisfaction on the part of both metropolitan and country local authorities, and had the effect in some districts of slowing down the activities of local authorities with regard to administration and inspection under the Act. Members will recognise that the Act can be successfully administered only with the co-operation of all local authorities, acting under the direction of the Chief Inspector. Strong representations have been made by the Local Government Association, and municipalities and road boards in favour of this amendment. Previously, local authorities that consistently administered the Bread Act were put to considerable expense. This meant a total loss to the local authority concerned in the event of a prosecution being successful. The amendment will be welcomed by the local authorities throughout the State, and they are entitled, in every sense of the word, to the moneys collected by their policing of the Act.

Many local authorities have advocated an amendment to enforce the wrapping of bread before delivery. Within the last fortnight resolutions have been passed in favour of that reform. I mention that point because no such provision is embodied in the measure now before members, and I shall indicate why the Government has so far not seen fit to adopt the proposal. I remember that many years ago the late Dr. Saw was an advocate of this change which, on the face of it, seems a much-needed reform. On investigation, however, the disadvantages consequent upon such an innovation are found to far outweigh the possible benefits. Machinery is obtainable that wraps bread

automatically, but it can wrap one type only—the Devon or sandwich loaf. This machine costs a large sum of money, and could only be used economically by less than half a dozen firms in this State. The alternative would be to wrap by hand, which would be costly, and both methods—machine or hand—would inevitably increase the price of the loaf.

Assuming that the public would be prepared to pay the increased cost, there are other serious objections to the adoption of the practice in Western Australia. Searching investigation and experiments by independent authorities in America have been carried out with regard to the effect of wrapping bread, and the evidence is overwhelming that bread so wrapped undergoes chemical changes which indisputably deteriorate the quality of the loaf. That fact is indisputable. Under present conditions and hours of baking and delivery, the general public, if wrapping of bread were made compulsory, would have to pay more to obtain a loaf of inferior quality, compared with what is being distributed today. Bread of high quality must be crisp, and crispness is impossible if the loaf is sealed with paper. In these circumstances, any agitation for wrapping of bread should be resisted. What must be insisted upon is that bread for delivery shall be conveyed in covered vans or carts, with the baskets kept scrupulously clean, and the delivery men must observe a high standard of hygiene. I trust members will carefully examine the Bill and, if they do so, I am sure it will receive their whole-hearted support. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [5.41]: The Bill sets out the Government's intentions with regard to the amalgamation of the income and financial emergency taxes. That was one of the major, if not the main

issue at the last general election. In fact, to quote from the Premier's policy speech—

Labour was asking for a mandate from the people to abolish the financial emergency tax and to collect the money required at the source under the provisions of the Income Tax Assessment Act.

That was quite definite. Much has been said about the scientific principles of the income tax, which makes allowances for domestic and other responsibilities. From that standpoint, I suppose the Government can argue that it has received a mandate to submit the legislation for parliamentary approval and for effect to be given to its provisions. No excuse can be advanced by the people regarding their ignorance of what the Government intended to include in the legislation. During the election campaign they were informed that such a proposal could only result in an enormous increase in the graduation of taxation if an amount was to be raised equivalent to that now received under the two separate taxes. As a matter of fact, the amount collected as income tax must be trebled in order to provide the equivalent of what the Government now secures under the two forms of taxation. The Government has always made a great deal of the consideration it extends to the lower-paid workers. If members examine the tables that have been furnished to them, they will see that married men in the lower grades of remuneration will enjoy considerable discrimination regarding the amount of taxation to be paid. The benefit of the statutory deductions under the income tax is retained, with the result that the raising of an amount equivalent to that now collected under the two taxes can be attained only by increasing the imposition upon the people in higher ranges of income. This House has always held the idea that all should pay something, however small, towards the cost of social services. Although that is so the Government, in support of its policy, has always raised the exemption each year. It is interesting to note that the cost of social services under last year's tables amounts to £44 2s. 10d. per head of population. Amongst those services which are now given free as a result of the exemption provided by the Government's taxation proposals, are education, health (including hospitals and charities) and the maintenance of law and order. All these services are made

available entirely free to a large section of the public of this State.

The Bill sets out to be a scientific system of taxation. I understand that a graph has been prepared which shows how this taxation and the increases in the various rates work out. I am told that it more nearly approaches a straight line in respect of the amount payable from the varying incomes than is the case in respect of any proposal that has yet been considered. Although that is so, there is a tremendously steep rise in the line which goes from zero to the point at which the statutory exemptions begin to disappear. The Bill contains some peculiar anomalies, some of which I intend to indicate. The most striking is the effect of this taxation on incomes between £600 and £1,000. The reason is, of course, that the Government is introducing a new idea in connection with income tax. Hon. members will know that at present provision is made for exemption on account of children. Each dependent child now entitles a taxpayer to a remission of £62 10s. That is for each child under 16 years. That works out, in the case of a man with a fairly large family, at quite a high figure. The proposal is that when the income exceeds £500 that deduction shall be eliminated by £1 for every pound by which the income exceeds £500, and the result can be seen from the figures in the table with which hon. members have been provided. A man with three children and in receipt of £1,000 a year has to pay £10 5s. a year more than at present, and a man with three children, and in receipt of £1,500 a year has to pay £29 more. Members will perceive the way in which the Government's proposals will work out.

Under the Bill a man with two or three children and who is on the lower grade will benefit very considerably. The married man with three children will pay no tax until his income exceeds £350. I have here a comparison of the way in which the increase operates under the various classifications adopted in the table. A single man earning £500 a year will pay an increase of roughly £4 10s., and a married man with no children will pay the same amount. A married man with one child will pay an increase of roughly £1 5s., but the man with a wife and two children will enjoy a decrease of roughly £1 10s., while the man with three children will pay

£6 5s. less. That is working out the system according to the principle proposed by the Government that the man with the bigger family responsibilities shall pay a lighter tax. When we come to those on the £1,000 range we see some very peculiar results. A single man on £1,000 will find that he has to pay roughly £1 10s. more, and the married man without children comes under the same classification. A man with a wife and one child will pay £4 10s. more. That is, for the privilege of having a child he pays £3 a year more than the man with no children. The man with two children is to pay £7 10s. a year more than previously. That is, for the privilege of having two children he is to pay £6 a year more than the single man on the same range. A man with three children pays £10 5s. a year more than previously: so for the privilege of having three children he must pay £9 more than the man with no children. A single man earning £1,500 a year will pay £16 more than before, and that applies also to a married man with no children. The married man with one child, however, pays £20 10s. more, the man with two children, £24 15s. more, and the man with three children £29 more. The highest salary given in the table is £5,000 a year, and the single man and the married man with no children who earn that amount will pay £270 more per year than they pay now under the combined financial emergency and income taxes. The man with one child will pay £284 10s. more; that is to say, £14 10s. more than the single man for the privilege of having his one child. The man with two children will pay £299 more, and the man with three children will pay an increase of £313.

That is the way the scientific income tax system works out for those on the higher incomes. I hope that hon. members will study this science. It appears to me that we have a new principle introduced into the taxation policy of Western Australia. We hear a good deal today about birth control. Apparently this is an indication of the Government's desire to introduce some new form of birth control in this State. The man on the lower range of income will derive a benefit from having children, but the man whose value to the community is assessed by the commercial world at a high figure will have to pay heavily for the privilege of having children.

Hon. E. H. H. Hall: He is not having them.

Hon. H. SEDDON: That is a popular idea, but quite a large number of men receiving decent salaries today have children and are doing their best to give them a good start in life.

The Chief Secretary: You know the reason it works out that way? You have not indicated the reason, but have just made a comparison.

Hon. H. SEDDON: I have indicated that this is the effect of the elimination of the deduction for children in respect of those on the higher range.

Hon. L. Craig: It puts all those with over £600 on the same rate, whether they have children or not.

Hon. H. SEDDON: I am pointing out the anomalies and indicating how the Government's proposals are working out. I have shown the effect of this scientific income tax scheme, and it appears to me that this is an instance in which a little more science, which is supposed to be organised common sense, might be of great advantage to the people of this State. As to the effect of the Bill on the tax returns, I understand from the speech of the Minister and also of the Premier, that the estimate prepared by the department indicates that the Government expects to receive somewhere about the same total amount from this amalgamated tax as was received from the emergency tax plus the income tax. That is obtained by increasing the rate of taxation under the income tax from 2d. in the pound at the start to 9d. in the pound. In order to obtain that amount the individual who pays tax is to start paying at 9d. in the pound instead of at 2d. in the pound which is the amount imposed at present by way of income tax. With regard to the emergency tax, of course, the amount rises from 4d. in the pound. The Government now proposes that the tax shall start at 9d., and that the increase instead of being, as under the old system, .007d. for every pound above £100, will now be .01d.

Hon. G. W. Miles: Mr. President, I object to the murmuring that is going on all the time. I want to listen to the speech if other hon. members do not.

The PRESIDENT: I am quite sure that hon. members will note the objection raised.

I have noticed of late that hon. members are in the habit of conversing with one another, and that is very disconcerting, not only to other members of the House and to myself, for I am at some distance from the speakers, but also to those who have to report the proceedings.

Hon. H. SEDDON: I was pointing out that not only is the starting rate to be increased from 2d. to 9d., but that in addition the rate of increase is to be .01d. instead of .007d. as hitherto. That does not sound very much but as hon. members will perceive from the tables, it works out to a very high sum on the higher ranges. Of course, that is according to a recognised principle of taxation, that the man on the higher range must pay a very high tax to make up for the low tax paid by the man on the lower range. But in this instance I contend that the very large increases are due to the fact that the Government is seeking to exempt so many men on the lower incomes. That is an altogether wrong principle to introduce into our taxation system. Even though it means only a small amount, my contention is that such a person, by paying a small amount, is more likely to appreciate that he is contributing something for the privileges he is enjoying under our system of government. Taxpayers on the higher rates will of necessity have to make good the loss incurred for taxpayers on the ranges below £360 a year. In order to get an idea of the number of people who will be affected by the exemptions, I refer members to the report of the Commissioner of Taxation for the present year. The report gives the figures for the financial years from 1934 to 1939. Of course the 1939 figures are not complete and therefore the really last complete year is 1938. If members refer to page 8 of the report they will find that of 59,770 income taxpayers, 20,519 were in the income range of £100 to £200, and 18,289 in the income range from £201 to £300. In other words, of the total of 59,770 taxpayers, 38,808 were in the income range below £300 a year. That number represents 65 per cent. of the total income taxpayers. Under the Government's proposal contained in this Bill the greater proportion of the 38,808 will pay no tax at all, or very little tax as compared with what they paid under the financial emergency impost. That exemption as regards the single man is also raised. Under the present emergency tax a single person starts

to pay when he receives more than 30s. a week. Under this legislation the exemption is raised from £78 to about £98 a year, which, of course, brings it somewhere near to the present income tax provision of £100. Thus there is an increased exemption even for the single man.

With the general principle of this Bill, I am in agreement, but the fault I find is that it embodies the principle of representation without responsibility. This, I contend, is an entirely vicious principle to introduce into the economy of any country. It is vicious because it tends to teach a certain section of the public that it can have all the benefits provided by the Government without paying for them. Whatever else the people trained in that school might be, they are certainly not being educated to become a race of free enlightened and self-reliant people, because they are being taught to rely upon someone else to provide the benefits they are enjoying under our system of government. We are really cultivating, to put it into plain English, a race of tax dodgers, and that is entirely wrong. Our people should be prepared—and I think the majority of them are prepared—to pay a little something out of their remuneration for the benefits they enjoy as citizens of the State.

The rates of tax set out are only estimates. They can be varied by the Government each year and consequently, in adopting these proposals, it does not necessarily follow that the rates will be as set forth. The Government made a great song about the benefits proposed to be conferred upon the man with a family. I contend that when those benefits are reduced to pounds, shillings and pence they will not amount to anything like what they could be and should be to the man who is bearing the burden of carrying on this State, namely the man with a family. If the Government wishes to help such a man, the best way is to provide a system of child endowment. That would give him practical aid. All these concessions, which have been stressed so much by the Government, are very meagre and paltry when compared with the benefits that a system of child endowment would give. At the same time, there is no reason why our system of taxation should not be so designed as to enable those people to pay something towards the privileges they are enjoying. The burden, in their case, would be almost negligible. If 3d. or 6d. a

week were stopped out of a man's wages, he would not feel it but the effect of not taxing him will be serious on taxpayers on the higher ranges who will have to meet this increased taxation. The electors, by their decision at the last election, indicated that they want a system of this kind. Whether this is the proposal they thought they were getting is quite another thing. However, it is the Government's idea of what the people want, and personally I am inclined to accept their decision.

HON. C. F. BAXTER (East) [6.7]: As is well known, I have for some years advocated an amalgamation of these two taxes. There is no question that the title "emergency tax" has become a misnomer. We know perfectly well that no Government could possibly carry on the affairs of the State if the financial emergency tax was wiped out. While the Premier, in his policy speech, went very close to telling the electors what the Government intended to do, very few candidates on the Government side spoke along the same lines. All their talk was of abolishing the financial emergency tax.

Hon. J. Nicholson: Wiping the tears from their eyes.

Hon. C. F. BAXTER: Even worse than that. I agree with Mr. Seddon that the exemptions under this measure will be greater than ever in the past. The Government aims, by this amalgamation of taxes, not only to free a very large number of people from the payment of the emergency tax, but also to exempt a large number who at present do, in the aggregate, contribute a large sum to the revenue. It is most difficult to say exactly how much will be lost by the amalgamation for the simple reason that there is no record whatever of the payments of emergency tax when people are taxed at the source. The only way to obtain the exact figures would be to scrutinise the whole of the individual returns, and that would necessitate the employment of a large staff. Still, we can get somewhere near the figures and bring out the most important fact regarding the Bill, namely, the loss that will be involved through the amalgamation and through the exemptions being brought up to a higher rate under the income tax. I am sorry that it should be necessary to quote figures to some

extent, but I cannot see any other way of explaining the position. Consider this estimate of the number of financial emergency taxpayers for the year 1939. These figures have been obtained from the Government Statistician and are as follows:—

Total breadwinners (excluding pensioners)	215,000
Less married persons with incomes below £213 ..	30,000
Less single persons with incomes below £78 ..	45,000
	<hr/> 75,000
Total	<hr/> 140,000

With regard to the number of persons on the basic wage, no data are available for

making this estimate. There are not many men on the basic wage. Most occupations carry a margin over the basic wage for skill, wet pay, camping allowance, dirt money, etc. Therefore it is very difficult to arrive at the exact number and link that number with what might be regarded as authentic figures. I have an analysis of the income tax assessments for the year 1937-38. Members will appreciate that I could not get the figures for 1938-39, as they are not yet available. The figures relate to individuals and are set out in the table shown in the previous column.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. F. BAXTER: It now becomes necessary for me, in the course of my argument, to quote Table "D," dealing with income tax and income exempt as to individuals—

TABLE "D."—INCOME TAXED AND INCOME EXEMPT.
INDIVIDUALS.

Particulars.	Thirty-first Assessment, 1937-38.	
	Amount.	Percentage.
Income Taxed	£ 15,718,525	59.08
Income reduced by Deductions to below minimum	2,375,110	9.68
Premiums—Life Assurance, etc.	620,776	2.35
Children	3,104,912	11.67
Gifts	8,279	.03
Rates and Taxes	665,731	2.50
Repairs, etc.
Funeral Expenses	4,410	.02
Medical Expenses	138,953	.52
Travelling Expenses	370,102	1.39
Contributions to Dependents	270,047	1.02
Statutory Deductions	3,123,014	11.74
Total amount of Exempt Income	*10,888,294	40.92
Total Income	26,606,819	100.00
Thus the Income Taxed amounts to	15,718,525	59.08%

*The figures show that £10,888,294, exempt under the Income Tax, would carry a rate of 6d. in the £ for financial emergency tax—the resultant amount would be—

Say	£ 262,207
Add to this the financial emergency tax paid by persons not furnishing income tax returns, but who are taxed at the source—	
Say	56,052
Total	£328,289

It would be safe to say the amount would exceed £330,000.

Income Tax.	Per Person Taxed.	Total Income.	No. of persons —		Grouped according to Net Income.
			Taxed.	Exempt.	
£	£ s. d.	£			
15,853	0 15 5	3,086,051	24,812	4,293	£101 to £200
31,486	1 14 5	8,160,398	32,593	14,304	£201 " £300
47,662	3 11 3	6,842,077	16,850	3,471	£301 " £500
28,631	7 10 6	2,458,377	60	..	£501 " £700
26,183	14 4 9	1,463,683	1,848	9	£701 " £1,000
29,593	28 10 9	1,415,050	1,042	..	£1,001 " £1,500
91,982	108 19 8	1,950,045	844	..	£1,501 " £3,000
58,243	1,004 3 10	471,129	58	..	£3,000 and over
320,633	5 10 4	26,606,819	81,912	22,142	Totals
			59,770		

Next, coming to classification of incomes and average per taxpayer for 1937-38, I quote Table "E"—

TABLE "E."—CLASSIFICATION OF INCOMES AND AVERAGE PER TAXPAYER, 1937-38.

INDIVIDUAL TAXPAYERS.

Occupation or Principal Source of Income.	No. of Persons Taxed.	Income Taxed.	Amount of Income Tax.	Average amount per Taxpayer of—	
				Income liable to tax.	Income Tax.
		£	£	£	£
Fishing and Trapping	22	7,099	209	322·68	9·50
Agricultural, Pastoral and Dairying ...	3,160	1,451,210	34,760	459·24	11·00
Forestry	84	44,677	1,368	531·86	16·28
Mining and Quarrying	455	346,104	18,591	777·76	41·77
Industrial	1,542	589,917	15,345	382·56	9·95
Transport and Communication	411	152,664	4,207	371·44	10·23
Commerce and Finance	3,867	1,611,421	64,032	416·71	16·55
Public Administration and Professional ...	831	636,068	24,473	765·42	29·45
Entertainment, Sport and Recreation ...	108	41,347	1,274	383·84	11·79
Salaries and Wages	46,905	10,018,701	134,003	213·59	2·85
Miscellaneous	2,395	819,317	31,370	342·09	13·09
Totals	59,770	15,718,525	329,632	262·98	5·51

Referring to classification of incomes and averages, of taxpaying companies for 1937-38, Table "F" gives the following details:—

TABLE "F."—CLASSIFICATION OF INCOMES AND AVERAGES PER TAXPAYER, 1937-1938.

INDIVIDUAL TAXPAYERS.

Nature of Company.	No. of Companies Taxed.	Income Taxed.	Income Tax.	Average amount per Company of—	
				Income liable to Tax.	Income Tax.
		£	£	£	£
Mining	16	934,149	67,142	58,384·31	4,196·37
Trade and Manufacturing	1,058	2,632,723	189,227	2,488·39	178·85
Banking and other Finance	39	389,468	27,993	9,986·35	717·76
Shipping	167	176,292	12,671	1,055·64	75·87
Life Assurance	8	185,350	13,322	23,168·75	1,665·25
Insurance (other than Life Insurance) ...	72	312,389	22,453	4,338·73	311·84
Miscellaneous	201	585,655	42,094	2,913·70	209·42
Total	1,561	5,216,026	374,902	3,341·46	240·16

Getting back to a point from which we may arrive at a definite basis, we find that the Government proposes to mulct the unfortunate taxpayers who already are paying

very high taxation. I am dealing now with grouped incomes from £100 to £200 up to £5,000 and over. The table shown on the following page sets out the position.

**ESTIMATE OF FINANCIAL EMERGENCY TAX CALCULATED ON THE BASIS OF INCOME
TAX ASSESSMENTS FOR 1937-1938.**

Grouped Income.	Taxable Income.	No. of Taxpayers.	Average Income per Taxpayer.	Rate of Tax.	Amount of Financial Emergency Tax.
	£		£		£
£101 to £200	3,686,051	24,812	149	4d.	61,434
£201 „ £300	8,160,398	32,593	250	5d.	170,008
£301 „ £500	6,842,077	16,850	406	6d.	171,052
£501 „ £700	2,458,377	3,865	636	9d.	92,189
£701 „ £1,000	1,623,683	1,848	878	1/-	} 272,995
£1,001 „ £1,500	1,415,059	1,042	...	} 1/-	
£1,501 „ £5,000	1,950,045	844	...		
£5,000 and over	471,129	58	...		
Total	£26,606,819	81,912	767,678
Add Companies as per Table “ R ”	5,216,026	1/-	260,801
					£1,028,479

If taxpayers were assessed for financial emergency tax on the basis of their income tax returns, they would get the benefit of the deductions allowed by the Income Tax Assessment Act, including all concessional deductions. At a reasonable estimate, the financial emergency tax that would be derived from taxpayers in the lower grades would yield £330,000, but allowance must be made for the increase in taxation. This shows very plainly indeed that the burden is to be placed on the taxpayers in the higher grade. Those on the lower grade will not be asked to contribute anything at all for the free services they enjoy; the sum of £330,000 is to be transferred for payment by those in the higher grades. The Bill is not one with which we can do much. In conclusion, I desire to say that the taxpayers of this State swallowed the bait that was offered to them in the early part of the year; it was that the Government would, if returned, wipe out the financial emergency tax. We can disregard what the Premier said in his policy speech, because that was all laid on one side by subsequent speakers who assured the people from one end of the State to the other that the financial emergency tax would be abolished. Its name is to disappear. The Government is freeing its own supporters, some of whom earn as much as £9 or £10 a week, and these are the people who, in the main, enjoy and make use of the free services rendered by the State. They are the people who use our hospitals, which of course are not available to persons earning

higher incomes. Mr. Seddon enumerated other free services, such as education, protection and so forth. The Government seems to think it is its bounden duty to free its supporters from taxation by administrative action and by amending legislation. How long is the evil day to be postponed? What will the taxpayers of the State feel like in probably two years' time, when they receive their assessments under this legislation? Some strong language, not unjustifiable, will be used. Surely it is but reasonable that every person in this great State of ours should contribute something—if only a small amount—towards services rendered by the State. We must always remember that the higher the exemption, the greater the number of people exempted. Those persons earning small incomes comprise the great majority of our population. Individually they may not pay large sums, but collectively the taxation would be substantial. It would afford relief to persons who find money to carry on our industries and who provide capital for undertakings from which the State derives revenue. Apparently, the Government moves in one direction only, and that is to bleed the persons likely to find money for investment, likely to employ labour and likely to improve the State's revenue. But free the man on the lower wages, who does not invest in anything that will produce revenue for the State! There is only one thing I can do, and that is to support the Bill; but I have given my warning as to what will happen. An analysis of the

figures shows that the Government's estimate is not correct. It is far short of the actual amount. Even if it were correct, the fact remains that over £330,000—in my opinion, a sum nearer £350,000—will have to be found by taxpayers in the higher grades which should be provided by taxpayers in the lower grades.

HON. J. CORNELL (South) [7.54]: It is in ignorance that I rise to offer a few remarks on the second reading of this Bill. My desire is to be informed and I hope the Minister will enlighten me in his reply. Should he do so, I give him this definite assurance, that he will enlighten thousands of taxpayers throughout the State who know less about this subject than I do. I find myself in this position: A Bill is introduced to amend the Act passed in 1937, that is, the second measure, not the Rates for Deduction Bill. Both Bills, when passed, will be incorporated in the Income Tax Assessment Act, 1937. Briefly summed up, the Bill will import into the 1937 Act a right for a taxpayer to pay his tax by instalments, or by means of stamps. That I understand is the purport of the longer measure, not the Rates for Deduction Bill.

The Chief Secretary: The assessment Bill.

HON. J. CORNELL: That is all the Bill does. I am proceeding very well so far. Am I to understand that all wage earners and salary earners must, as heretofore, file a return?

The Chief Secretary: Yes.

HON. J. CORNELL: I am still progressing.

HON. L. B. BOLTON: You are putting some easy questions.

HON. J. CORNELL: I have no wish to weary hon. members, but I desire to be put right. Under Section 70 of the Income Tax Assessment Act numerous deductions are provided, such as £62 for each child under 16 years of age resident in Australia and £50 for medical practitioners' fees. There is also a deduction allowed of £20 in the aggregate for burial expenses of the spouse of a taxpayer. Am I to understand that these deductions can be made when a taxpayer prepares his income tax return? I presume the Income Tax (Rates for Deduction) Bill will take the place of the First Schedule to the Land and Income Tax Act. The tax Bill that is

before us and which has been presented to us for years provides for the rate of tax on income, that is, the income that is taxable after all allowable deductions have been made.

The Chief Secretary: No, we have not that Bill before us. It has not come down here yet.

HON. J. CORNELL: We have the short Bill before us numbered 52 on our file.

The Chief Secretary: That is the Income Tax (Rates for Deduction) Bill.

HON. J. CORNELL: Anyway, we know that where the salary reaches a certain figure, the rate will be 6d. in the pound, and above that figure 9d. in the pound. What does that mean?

The Chief Secretary: Those rates have no connection with what we are discussing now.

HON. J. CORNELL: Why have the tables of figures been put before us? Then all we are asked to do under the two Bills that are before us is to continue the status quo; the rates to be imposed have yet to be decided. We are asked to amend the Assessment Act of 1937 to allow of the payment of taxation by instalments.

The Chief Secretary: And payment at the source.

HON. J. CORNELL: Yes, on the basis set out, 6d. up to a certain amount and 9d. above it, and there will be recoups or adjustments. Consequently, I see no reason for labouring the matter. There is no need to do so, because the tax Bill is not before us, and really it will not be before us until the next session of Parliament. I went to some trouble to prepare figures to show what the effect will be when the measures operate on some of the victims. Those people will not consider it such a scientific method as we have been told it will be. I am reminded of a pugilistic story which I might give by way of illustration. The pugilist had a ring encounter and was getting by far the worst of the fight. He remarked to his second, "How am I getting on?" The second replied, "You would do a lot better if you stopped his left." The pugilist answered, "I have not seen it go past me; I got it every time." That seems to me the position of the person who is going to be scientifically taxed. He will be stopping it all the time. On a taxable income of £400

the increase in the case of a single man will be £6 4s., and the increase in the instance of a single man on £800 will be £1 12s. whereas on £900 he will pay 10s. less than he is paying now

Hon. A. Thomson: That is scientific all right.

Hon. J. CORNELL: So it seems that the man on £400 will be stopping all the blows. Anyway, I have satisfied myself that at this juncture there is nothing in either of the Bills before us to debate, that is, in the way of rates. Later we are going to adopt a system that will permit the payment by instalments or deduction at the source, and that, I presume, will carry with it the amalgamation of the two taxes. I consider that payment by instalments is preferable. But deduction at the source is better still, seeing that the financial emergency tax has now developed into a financial necessity tax. So we must all agree to face up to the situation and allow the taxes to be merged. The rate of tax, as I said before, is another question entirely.

Hon. T. Seddon: We will not know anything about that until next year.

Hon. J. CORNELL: That is so. Those hon. members who happen to be here next year—I am not referring to Mr. Parker because I know he will be here—will have the remedy in their hands. The passing of the two Bills that are now before the House will not interfere with members' decision of the rate of tax when it comes before us, because that matter will still be in their hands. In their opinion it may be that the new tax will inflict a hardship. If the Bills now before us are passed some authority will be given for collection at the source or payment by instalments and the amalgamation of the two taxes, though, for a time we will be where we are now. Later the Government will ask for authority to merge the two systems. So we shall not be in any worse position for the time being if we pass the Bills before us, because everything will depend on the rates. That being so, I will not lay myself open to the charge levelled against me that I could not agree on a site on which to build Government offices. I support the second reading of the two Bills, and will reserve my judgment on the question of the rate of tax and as to how the rate shall apply, when the matter is before us.

HON. L. CRAIG (South-West) [8.8]: I should like to say a few words on the question of the effect of high taxation on a State which has low taxability. We are aware that the Government at the present time is endeavouring to encourage the establishment of secondary industries in Western Australia, and I commend it for that. It is a splendid objective because we know that secondary industries are necessary and are required above everything else in this State. But in our effort to encourage the establishment of industries, it is worth while studying the efforts we are making in that direction. The mere request to establish industries here is not sufficient. We must do something to encourage capital to come here, because we are aware that capital is a very fluid commodity, and it goes where it can most profitably be used. With the additional impost we propose to put upon the people we shall almost approach the highest taxed State in Australia, namely, Queensland. Victoria is the lowest taxed State in the Commonwealth, and it is necessary to point out that the people we want to encourage to come to Western Australia are those with capital. Industries can only be started with capital, and if it is our desire to see industries established here, we must do everything we can to induce capital to come to Western Australia and remain here. We must not offend the man with thousands a year, because he is the man who, so to speak, lays the golden egg. For the information of the House I will refer to our State under the new taxation proposals and also the State of Victoria which is the lowest taxed State in the Commonwealth, and I will also refer to the man who, in my opinion, we should encourage to come here, the man with, say, £5,000 a year. In Western Australia a man earning £5,000 a year by personal exertion will pay State and Federal taxation amounting to £1,770. In Victoria on the same income the payment is £1,077, a difference of nearly £700 in favour of Victoria. Further, the taxability of Western Australia, that is to say, the taxable capacity of the people is almost the lowest in Australia. New South Wales is the highest, the figures supplied by the Commonwealth authorities being—New South Wales 123, and Western Australia 89. So we are extracting more money from people who are not in the position to pay. Tasmania is the lowest, its figures being just

under that of Western Australia—38. Queensland, before the imposition of the new taxes was the highest taxed State. To-day we are raising our taxation to the extent that our position will be almost equal to that of Queensland. Queensland's figure is 135 and in Western Australia before the imposition of the new taxes it was 113. Queensland has increased its taxation only slightly. In Victoria the severity of taxation is also the lowest. In Western Australia the figure will be nearly 135, while in Victoria it is 72. It will be seen what we are doing to discourage the introduction of capital to this State. If we want secondary industries, we must have capital. We must not have too great an imposition of taxation where incomes are earned. The impositions under the Workers' Compensation Act are just as much a tax on industry as is income tax itself. I have some figures in connection with workers' compensation. Apparently Victoria is the paradise in Australia for those who want to live cheaply. The workers' compensation insurance rate on builders in Western Australia is 108s. per cent., and in Victoria 66s. per cent. In the case of the butchering industry, the rate in Victoria is 41s. 3d., and in Western Australia it is 93s. 6d. In the case of machinery merchants, the rate in Victoria is 17s. 3d., and in Western Australia 80s. In the sawmilling industry the Western Australian rate is £12 10s. and the Victorian rate 74s. 3d. I do not suggest that the Government can do without taxation, it must tax those who can best afford to pay. The Government cannot have things both ways. If we have a community with a low taxable capacity, we must not say, "Let us tax ourselves higher than any community in the other States." We must cut our suit according to our cloth. Unless we study the matter from that point of view and show people who are willing to come to this State that we are prepared to encourage them, we shall not induce them to come. It would not be right to say to them, "Although you may do well here, we will take all the extra money you make to an extent greater than is found in any other State." Capital moves from State to State. If people with an income of £5,000 in this State can save £1,000 by living in Victoria, they will go there. As a rule a man with an income as large as that

can afford to move about. In New South Wales, when a certain Government was in office, the outflow of capital to Victoria was astounding. There was also a great outflow of capital from New Zealand, amounting to millions of pounds, so great that it had to be stopped. Unless people are treated as well in one State as they are in another, they will move their capital to the State that treats them best. There is a limit to this sort of thing. If we want to develop the State and encourage people to come here, we must meet them financially and see that they are not mulet in taxation to a greater extent than is the case in the average of the other States of Australia.

HON. E. H. H. HALL (Central) [8.20]: I want to take up a thought given to the House by Mr. Seddon. We always listen to him with interest and treat his opinions with respect. I welcome the opportunity to say something in opposition to one to whom I give great credit for sincerity and who, I trust, will accept what I am going to say in the right spirit. Mr. Seddon and other members have frequently talked about the free services enjoyed by the people. I am not a worthy opponent for the hon. member, who has given a great deal more consideration to these subjects than I have. My reading on this matter has not been extensive, but ever since I have been in the Chamber I have thought there was something not quite sound in Mr. Seddon's reasoning in this connection. I have taken the trouble to find out whether my thoughts were original, or whether someone, who knew more about the matter than I did, had previously thought along similar lines. I find there is a volume of informed opinion on these lines. Mr. Seddon spoke about free services the people enjoyed and that some people did not pay any direct taxation. Mr. Craig has just said, "We cannot have it both ways." To-day in the city I purchased an article costing £2 17s. 6d., and it carried a sales tax of 3s. 6d. As a rule, the working man seems to have a large family. Every article he is obliged to purchase for his family carries indirect taxation. I admit the State Government does not get the benefit of it, but, to make my point, it is a tax on services. The Government very rightly is endeavouring to exempt the man on the basic wage from direct taxation, but we should not forget

that he is contributing to the taxation the direct taxpayer pays.

Hon. L. Craig: Is that taken into account when the basic wage is fixed?

Hon. E. H. H. HALL: If that were not so, there would be no big taxpayers. Where does the big taxpayer get his money with which to pay his taxes? I cross swords with the hon. member in all sincerity, and submit that he and others who argue along those lines are not doing so on a solid foundation.

Hon. J. Cornell: A big section of your constituents pays excise on beer.

Hon. E. H. H. HALL: Yes, on their pots of beer and their pipes of tobacco. I cannot see how we can expect the man whose wage is determined by a court set up specially for him, to pay direct taxation, be it ever so little. He is contributing all the time. We do not see that set out in the Commissioner's annual report, but we see it everywhere we look.

Hon. J. Nicholson: Is he the only person who pays it?

Hon. E. H. H. HALL: Huge advertisements appear in the paper. Today the issues of the only daily paper we have are curtailed, but these advertisements continue to appear. The big emporiums do not pay for them, because the cost is added to the price of their goods. The sooner we arrive at a more equitable basis of fixing the basic wage, the better will it be for the man who has to subsist and bring up his family. The moment the basic wage increases, the business man increases his price so that he may meet his commitments. I know that is the vicious circle. We must endeavour to devise a more equitable means of arriving at a basic wage that will be fair to the working man. That is where I cross swords with Mr. Seddon, though I appreciate his thoughtfulness and sincerity. He cannot see the error of his arguments. He says, "I want everyone to pay something towards the free services." There is another member I hold in high esteem. I refer to Mr. Baxter, who is alongside Mr. Seddon in talking about free services. Some people cannot speak unless their utterances are tinged with party.

Hon. C. F. Baxter: I am in good company.

Hon. E. H. H. HALL: When I was at a State school my mother gave me 2d. every Monday morning. Thank God we now have free education, but it is only half free. We have a free Uni-

versity, but that is free only to people who are fortunate enough to live in the metropolitan area. One member referred to my impassioned rhetoric on a motion dealing with railway freights. Some good men cannot see further than the end of their noses. Where would be the City of Perth and those in it, people who have been able to pass many pleasant years of their lives and build up a decent business for themselves, were it not for those against whom railway freights have been raised? People will not take the long view. I am said to have been guilty of impassioned rhetoric. I was annoyed that the Government should be so short-sighted as to inflict further injustices upon a long-suffering community. The present inequitable system must be altered. In the train last night a man said to me, "I feel certain that England and France are fighting for Democracy and that they will win; and if they win we will be hard put to it to retain our democratic system." I agree. As sure as the sun rises, the only thing that can be done is for those who have the money to be a little more considerate to those who have it not. I support the second reading.

HON. T. MOORE (Central) [8.29]: I wish to deal with one particular phase of this Bill. It proposes to wipe out something that has proved iniquitous in another measure, namely, the emergency tax. In the emergency measure there are no allowances nor can deductions be made by the man who is raising a family. It must appeal to members of the Chamber that it is necessary to erase that from our taxation.

Hon. E. H. Angelo: It is one of the features.

Hon. T. MOORE: I had not heard that point stressed by any member, so I thought it best to mention it. There may be other points, but those I have mentioned appeal to me. The existing ridiculous system has been continued for many years. Every member should welcome the alteration proposed, and give the Government credit for its action.

The PRESIDENT: I would remind Mr. Moore, that his references are mostly to a Bill that is not yet before this Chamber. In order to facilitate debate, I have allowed matters relating to finance to be discussed under the Bill members are now considering. I make that observation for the information of members generally, and I hope the debate will not be repeated when the later Bill is

presented for consideration. I have allowed both Bills to be discussed on the measure now before the House.

Hon. T. MOORE: With all due deference to your ruling, Mr. President, the Bill that we are now considering has for its object the wiping out of another measure. It seeks to do away with financial emergency tax legislation, and I certainly think I should be allowed to proceed along the lines I was following.

The PRESIDENT: I have not prevented the hon. member from doing so. The exact purpose of the Bill now under discussion is for "the payment and collection of income tax by instalments in certain cases, and for other purposes incidental thereto." The hon. member may proceed.

Hon. T. MOORE: Should the Bill become law, returns of income will have to be submitted for assessment, and in future deductions will be allowed. Therefore I certainly am in order in discussing those features. All taxation measures raise the ire of some people, because they are not content to allow any individual, no matter how far down the wage scale he may be, to be exempt from taxation. That point was freely discussed during the debate, yet that is not dealt with in the Bill! Nevertheless, it is an issue before the House. I am not concerned about the individual able to pay taxation, but about those not in that fortunate position. Some members of this Chamber claim that everyone should contribute towards the revenue of the State by paying taxation, however small their contribution might be. They have even suggested that men on the lower rungs of the financial ladder really wish to contribute towards the State coffers. I happen to meet many men who have not sufficient money to enable them to pay taxation. One member went so far as to refer to workers buying a few pots of beer. During the past few years, the great majority of those in receipt of the lower wages, and the 8,000 odd people who have been provided for by the Government, have not had much money to spend on pots of beer. If the Bill be agreed to and the one form of taxation levied, there will be a reduction of £62 for each child. That is a fair proposition, and should always have applied under the financial emergency tax. Then again, the deductions on account of medical expenses will be allowed. Members must

realise that workers with families have been severely hit because of sickness in the home. A man may have been getting along quite satisfactorily, paying his way and living quietly, but then some member of his family falls sick, and at once there are bills to be paid. Members know that is a fact, yet no allowance has been made for that under the financial emergency legislation in past years. Because of those two factors alone, the Bill appeals to me. Certainly I am not concerned about the man in receipt of £10 a week, or the individual in possession of £5,000 who desires to secure investments. Mr. Craig referred to the latter type of individual and suggested a better investment could be found in Victoria. For my part, I think the opportunities are here rather than in Victoria. Only where opportunities exist will money be invested, and surely there is room for secondary industries to be established in Western Australia.

Hon. C. F. Baxter: But the overhead charges make it almost impossible for industries to operate.

Hon. T. MOORE: Many trading concerns have been established during the last few years. Considering the conditions that have obtained, the record during the past seven years is certainly satisfactory. We know that the primary producers have experienced most difficult times, and because of that, money has not been so apparent within the State. I do not know how members could expect much money to be floating around. If they will only regard the position fairly, they will agree that it has been most difficult to establish secondary industries during past years. Certainly the Government has endeavoured to induce people to invest money in Western Australia, but members must appreciate the difficulty of the times for any such purpose. The Government should not be taunted with doing nothing to assist in the establishment of industry.

Hon. L. Craig: I did not suggest that.

Hon. T. MOORE: I do not suggest Mr. Craig said anything of the kind. His remarks have always been fair and, to use an Australian term, always dinkum. Many of our people have not been able to pay taxation at all for years past, and that has prevented the Government from taking action along lines that otherwise would have been possible. However, as to the establishment of secondary industries in Western Aus-

tralia and the references that have been made to Victoria, I am convinced that there is quite a lot of money available there for investment.

Hon. L. B. Bolton: But the people will not bring their money here.

Hon. T. MOORE: Members who speak along those lines decry Western Australia. If the possibilities are here, taxation will not prevent the investment of capital.

Hon. C. F. Baxter: But the cost to industry must be considered.

Hon. T. MOORE: When investors in the Eastern States realise the possibility of secondary industries being established here, they will be prepared to provide the necessary funds. When normal conditions return, there is not the slightest doubt that Western Australia will swing ahead and certainly keep pace with the sister States.

HON. E. H. ANGELO (North) [8.40]: In 1932 Western Australia was suffering from a severe depression, and the Government of the day recognised the necessity to take steps to keep at work those depending on Government employment. With that object in view, the financial emergency tax was imposed. At the time, it was explained that the tax was what the name implied—an emergency measure. When the depression lifted in due course, it was expected that the tax would be abolished.

Hon. J. M. Macfarlane: Which Government continued it?

Hon. E. H. ANGELO: I am coming to that point. That Government went out of office, and since then successive Labour Governments have had six years within which to get rid of the tax. They could have done that if they had been genuine in their desire to do so. On the other hand, those Governments found it impossible to do without the extra taxation. Increased expenditure required the tax to be retained, and in the end the revenue derived from it amounted to something like five times what was received during the first year of its imposition.

Hon. C. F. Baxter: Over six times the amount.

Hon. E. H. ANGELO: I wanted to be conservative in my reference.

The Chief Secretary: Were the returns in the first year for a full year?

Hon. C. F. Baxter: No, for seven months.

Hon. E. H. ANGELO: Well, I will say that the revenue derived from the financial

emergency tax increased four times, compared with the original receipts. The fact remains that no attempt was made to dispense with the tax until last year.

Hon. A. Thomson: And is the Government doing away with it now?

Hon. E. H. ANGELO: Another attempt is being made this year. Because the Council could not see eye to eye with another place, members of this Chamber were well and truly adversely criticised during the last general election. I have for many years past pointed to the foolishness of continuing the two separate taxes, the financial emergency and the income taxes, and urged their amalgamation. That step has been taken, but not in the way I contemplated. I thought that when the two taxes were amalgamated, the incidence would remain about the same, and that those who paid one or either of the taxes would contribute towards the payment of the joint tax. We find, however, that a large number of workers are to be exempt under the Government's new proposal. I can hardly believe the figures Mr. Baxter placed before the House.

The Chief Secretary: Examine those figures a little more closely, and they may bear a different significance.

Hon. E. H. ANGELO: I can hardly believe that the Government will lose £330,000.

Hon. J. Nicholson: But that amount will be made up.

Hon. E. H. ANGELO: Quite so, but from those who pay the higher rates of taxation. It seems to me that we are asked to exempt many workers from the necessity to pay a considerable amount of money in a year when funds will be required more urgently even than in 1932.

The Honorary Minister: Relief is afforded the family man.

Hon. E. H. ANGELO: But it is proposed to exempt many who ought to pay taxation. Mr. Seddon enumerated the social services that the worker enjoys. In fact, from that standpoint the worker is on velvet, what with education, hospital treatment and other free services.

Hon. G. Fraser: And 8,000 men in receipt of sustenance!

The Honorary Minister: And the workers do not get much free hospital service.

Hon. E. H. ANGELO: We know that money is required in order to provide for the unemployed. Surely the man in a regular job could contribute a little towards the cost of the services he enjoys and towards

the increase of costs occasioned by the war and also keep his fellow workers in food. Compare his position with that of a man in Germany. Why this is a Paradise. If I was a worker and was to be exempted from a tax like this, I should not feel too happy about it. I would ask, "Who is paying for all these social services? The man who has made money by industry and thrift will be paying for the luxuries and comforts enjoyed by me. Apparently I shall be living on the charity of my fellow citizens." I should want to know whether I could not contribute a little, if only a shilling a week, towards the cost of the social services provided by the State. I would certainly have that amount of pride, and would object to being kept by huge taxation levied on those who, in nearly every instance in this State, have improved their living conditions by their own industry and hard work. Can the worker afford to pay taxation? We heard Mr. E. H. H. Hall and Mr. Moore say that the workers can hardly pay for their pots of beer. Beer, we all recognise, is the national drink of the workers, and rightly so.

Hon. T. Moore: On a point of order, I did not say that they could hardly pay: I said they did not get their pots of beer.

Hon. E. H. ANGELO: Very well, they do not get their pots of beer. Beer is the national drink of the working man. He deserves it. But let nobody tell me that he cannot get it. Here are the statistics published in the "West Australian" only a few days ago. The value of beer consumed per head of population in the several States last year was.

	£	s.	d.
Western Australia	7	18	3
New South Wales	5	16	8
Victoria	4	8	7
South Australia	4	5	3
Queensland	3	11	0
Tasmania	3	5	11

Hon. A. Thomson: Some of them must drink a lot of beer.

Hon. E. H. ANGELO: Yes. Take Queensland, probably the hottest State of all.

Hon. J. Cornell: The people there drink rum.

Hon. E. H. ANGELO: I do not think so. The consumption there is £3 11s. against £7 18s. 3d. here. It is useless to tell me that the working man cannot afford to pay a shilling or two towards the defence, the

protection, the education and the health measures he enjoys when he can spend £7 18s. 3d., for beer, which, bear in mind, is the average for every man, woman and child in the State.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.49]: I was pleased to hear Mr. Moore say that he thought credit should be given where credit was due. I remind him that the Leader of the National Party advocated in his policy speech at Nedlands in 1936 that the financial emergency tax should be thrown overboard and should be merged with the income tax. He did not suggest to the people that any Government could afford to do away with this necessary finance. What he did say was that the financial emergency tax was most inequitable. During my election campaign nearly six years ago, I went through the whole of the suburbs and pointed out how iniquitous the emergency tax was, because it did not give any relief to the man with a family. During the recent general election I was credited in a Labour pamphlet with being the only member who had been consistent in supporting this amalgamation. If there is any credit due, it should be given to the National Party, which has strongly advocated the adoption of this course. The question might be asked why the elections for another place resulted in a certain way. That is not for me to argue or to criticise here.

Undoubtedly this Bill should be passed. I cannot understand why we have been supplied with copies of the pamphlet which I hold in my hand, because it is most misleading unless one reads it very carefully. On the outside there are three "Ifs." It says "If the rate commences at 9d." Why not 1s.? "If the statutory exemption is so-and-so" and "If deductions for children are reduced." Why are we burdened with a lot of "ifs" and a whole mass of figures that certainly made the earlier speeches somewhat confusing to me? This is going to be brought up apparently during the next Parliament after one-third of the members of this House will have gone before their electors. We do not know whether the House, after the next biennial election, will be constituted as at present.

Hon. G. Fraser: I notice that all those going up for re-election are supporting this measure.

Hon. H. S. W. PARKER: That might be so. At the past two Assembly elections, a majority of the people have agreed with the National Party view, but unfortunately, owing to the division of the electorates, Labour has gained a majority of the seats in another place, and it is only natural that those holding this enlightened view should bring it forward at this stage.

Hon. T. Moore: There are three members in this House who have about 300 electors.

Hon. H. S. W. PARKER: There are 32,000 on my roll, so my word should carry considerable weight. In view of that fact, I trust that members will take notice of what I am saying. Before those voters, I advocated this measure six years ago. I support the second reading, and hope that the Government that might be in power next year will not endeavour to foist these pamphlet proposals on us.

HON. G. FRASER (West) [8.53]: In very few words I wish to give my views on this Bill. Replying to Mr. Parker regarding the views of a certain party, I point out that I like to judge people, not by the views they express but by their actions. Right through the years the party in question has at all stages opposed legislation of this kind, whereby certain exemptions might be granted to certain members of the community. Not only have supporters of that party opposed the exemptions as suggested in this Bill, but they have even opposed minor exemptions.

Hon. J. Cornell: The hon. member is entirely wrong. Every increase in the exemption under the Income Tax Assessment Act has been given by this House.

Hon. G. FRASER: I am referring to the financial emergency tax, which this Bill seeks to merge with the income tax. Those members, by their action, on one occasion allowed Parliament to close without an agreement being reached between the two Houses, because the Government desired certain exemptions. Only by holding a special session could the Government get what it wanted. In face of those facts, why say that the party concerned held those views when their actions were so different right through the years? When that party introduced the original legislation, it provided for taxing a married man receiving 28s. a week at the rate of 4d. in the pound.

Several members interjected.

The PRESIDENT: Order!

Hon. J. Nicholson: It could not be.

Hon. G. FRASER: One method adopted at the time was to permit local governing bodies to employ men and to pay them cash, instead of their receiving ration tickets. In quite a number of municipalities the men were working for two days a week and receiving 28s. a week to support themselves, a wife and two children, and out of that they had to pay financial emergency tax of 4d. in the pound. That was the flat rate at the time and it was imposed.

Hon. J. Nicholson: There was an exemption.

Hon. G. FRASER: There was no exemption. The tax was 4d. irrespective of the obligations of the taxpayer.

Hon. J. Nicholson: No.

Hon. G. FRASER: And irrespective of the amount earned over the year.

Hon. J. Nicholson: There was an exemption up to £100 for married men.

Hon. G. FRASER: I repeat that there was no exemption. The present Government endeavoured to improve the financial emergency taxation for men on the lower ranges of income. Every effort made by the Government has been baulked—or attempts have been made to baulk it—particularly by members of this Chamber. Therefore it is useless for Mr. Parker to protest that those members are in favour of these exemptions being granted. Mr. Baxter often speaks on this subject and he considers that every person in the community should pay something. I disagree with that view. I say the earning capacity of the individual should be taken into consideration, together with his family responsibilities. That is the only fair basis on which to levy taxation. For years we have advocated the abolition of the financial emergency tax. I do not intend to be caught by saying that this Bill proposes to abolish the tax. I say the object of the Bill is to merge the income tax and the financial emergency tax.

Hon. J. M. Macfarlane: Why did not you do it years ago?

Hon. G. FRASER: We were lucky to get gradual improvements. After having secured certain improvements to exempt men on the basic wage—

Hon. J. Cornell: Some of them.

Hon. G. FRASER:—in the metropolitan area, I was about to add. Others have to pay because of the action of members in this Chamber. The Government had provided for the exemption of every person in receipt of the basic wage or less, but this House would not accept the amendment in that form. Therefore the Government cannot be accused of compelling men on the basic wage in certain parts of the State to pay, because members of this Chamber were responsible for that happening. By progressive steps the Government has worked up to the stage when it desires the adoption of a principle advocated through the years, namely, to give people the same exemption under the financial emergency tax as under the income tax. I hope this House will pass the measure. We have heard a lot of talk about high taxation preventing capital from coming to this State. What is the use of capital in this State if we have not the workers. By that I mean you must give consideration to the workers as well as to the capitalist.

Hon. A. Thomson: How are you going to get the work?

Hon. G. FRASER: I am more concerned with giving a fair deal to the working man than with lessening taxation for men on the higher incomes. I am most concerned with giving the man slightly above the basic wage exemption on the ground of family responsibilities. This I vastly prefer to granting exemption to the man with £5,000 a year.

Hon. J. M. Macfarlane: Who disagrees with you in that respect?

Hon. G. FRASER: If the hon. member does not know, I cannot tell him. He has heard what was said this evening. The Bill is long overdue. When the emergency tax was first introduced, it should have been on the basis here proposed. We cannot alter what has been done in the past, but we have now under discussion a grievance which has existed for many years, a grievance of the lower-paid people in Western Australia. This Bill having been passed, I admit that next year this Chamber will declare what amount per pound should be paid, and that thus the Government of the day may be placed in a position of difficulty as the result of action by this Chamber.

Hon. C. F. Baxter: You are suggesting something to us.

Hon. G. FRASER: The hon. member interjecting does not need any suggestion of that sort. However, I believe in leaving next year till next year. An attempt is being made to merge the income tax and the emergency tax, and to give authority to collect the merged taxation at the source in certain cases. That is quite reasonable and just. I am more concerned to give relief to the man on a small income than to give exemption to men with large incomes.

HON. L. B. BOLTON (Metropolitan) [9.4] I feel it my duty to vote for the second reading of the Bill, because, like previous speakers, I have for many years advocated the amalgamation of the emergency tax with the income tax. Now that there is a proposal to effect the amalgamation, I support the Bill. However, I do consider that the tax should be fair and equitable to all sections of the community. If we are to take the tables furnished to us as a guide, most certainly the proposed taxation is not fair to certain sections. The Chamber is indebted to Mr. Seddon for his excellent contribution to the debate. Many other members wait, like myself, for Mr. Seddon's speeches, especially on financial matters. The hon. member is to be congratulated on the highly lucid manner in which he has explained these figures to us. The anomalies, of course, are so glaring that one can hardly glance at the returns without seeing them.

Hon. J. Cornell: They are only suppositions.

Hon. L. B. BOLTON: Nevertheless they give us some idea of what is likely to happen unless we are awake to the position. The anomaly that appears to me the most unfair is that a married man without children pays from an income of £300 exactly the same amount of tax as a single man with that income. That is an extraordinary position, and one which I think we should watch carefully.

Hon. J. Cornell: A man with a thousand a year and with three children pays more than a single man with that income.

Hon. L. B. BOLTON: Those anomalies have been pointed out by various members, principally by Mr. Seddon. I do not propose to submit any figures, because it is unnecessary to do so at this stage; but at the risk of offending my friends Mr. Moore and Mr. E. H. H. Hall, and some other hon. mem-

bers, I definitely say, as I have said here previously, that I am one of those who hold that every man should pay something in taxation to the State. We have been told, especially by Mr. E. H. H. Hall, that that is impossible. Other members have said that nobody wants to pay taxation, however small the amount. Nevertheless, in my experience I have met many men on the lower rungs of income who were willing and even anxious to pay something, if only a mite, towards the upkeep of the services they received from the State. Such men look upon the matter in this light: they feel that if they pay even a mite, they are not accepting charity from the State. They feel that by paying the hospital tax of 1½d. per week, they are at least contributing something towards the many services of which they receive more than do higher-paid men. There is a percentage, and a larger percentage than some hon. members believe, most willing to pay something because of that aspect.

Hon. T. Moore: If you put their incomes up high enough, they will pay.

Hon. L. B. BOLTON: No matter how low their incomes, they are still willing to pay something. For that reason I would like to see the tax begin at a lower rate than is proposed. I am perfectly candid about that, and have always advocated it. Like Mr. Cornell, I wish to give the Chief Secretary a question to answer when replying to the debate. From the very inception I have understood that this Bill, which provides for payment by instalments, is only what may be termed a Bill for payment of taxation on the time-payment system, and that at the end of each year the same return as is required today will have to be furnished to the Taxation Department, whereupon the usual deductions are to be made.

Hon. G. Fraser: It could not be done in any other way.

Hon. L. B. BOLTON: The matter seems to be in doubt with some members, but I should be sorry to think that any other method would be adopted. For that reason I consider that the amalgamated taxation should be to the advantage of many taxpayers, inasmuch as under the present system they receive no deductions whatever, whereas under the new system they will receive those deductions to which they are entitled. I hope that every reasonable deduction will be allowed to married men, and

particularly married men with families. I agree with Mr. Fraser that those are the men who should be given every available relief. The intention is to drop the emergency tax; at least there is no provision for its payment by companies. Is it proposed to drop the emergency tax and also the hospital tax in the case of companies?

The Chief Secretary: Not the hospital tax, but the emergency tax.

Hon. L. B. BOLTON: Like Mr. Cornell I am learning a good deal, and am satisfied with the Chief Secretary's answer. I think the companies will be quite willing to continue payment of the hospital tax.

Hon. J. Cornell: Do you think the Government is going to let them off?

Hon. L. B. BOLTON: I often get a headache from having to pay taxation. That is why I like the idea of the Bill for payment by instalments. When I get a tax assessment of £10 or £15 and have to pay in one lump—

Members: Oh!

Hon. L. B. BOLTON: I believe the new system will be a great improvement, and I support the second reading.

HON. J. NICHOLSON (Metropolitan) [9.13]: The Bill has certainly aroused a good deal of interest, as one would naturally expect. You, Mr. President, have pointed out that the Bill is especially one to provide for an Act to make provision in the Income Tax Act of 1907 for the payment and collection of income tax by instalments in certain cases, and for other purposes incidental thereto. It was pointed out by the Chief Secretary on the second reading that the intention was to follow this measure later with a Bill to provide for some scientific basis of taxation. Therefore it was reasonable and opportune for hon. members, when dealing with the pamphlet and schedule of figures which have been supplied, to draw attention to the large number of anomalies they discovered—proving abundantly that instead of the proposed method of taxation being, as we were given to believe, on a scientific basis, it was marked by many defects. The word "scientific" implies fairness and reasonableness, and the anomalies which have been instanced by various speakers prove beyond doubt that the system of taxation proposed is not based on either scientific or equitable lines.

The Chief Secretary: I think you are wrong. The anomalies of which you speak prove that it is scientific.

Hon. J. NICHOLSON: I shall be pleased to hear what the Chief Secretary has to say in his reply. Whatever the taxation may be, it certainly will not be imposed this year; because we have already had a Bill before us to continue the life of the Financial Emergency Tax Act. That will continue in force for a year. The Chief Secretary did not inform us when introducing the Bill that it would be on the basis of taxation to be imposed next year. He told that to the House by way of interjection when Mr. Cornell was speaking; he sought to clarify the position for Mr. Cornell. The Chief Secretary may have made some reference to this point when I was absent from the Chamber for a few minutes.

The Chief Secretary: I did.

Hon. J. NICHOLSON: Both Mr. Fraser and Mr. Moore said that they had not heard any member previously advocating a Bill on the lines of that now before us to abolish the financial emergency tax in order to make some easier provision for payment of the tax.

Hon. J. Cornell: I advocated the amalgamation of both taxes two years ago.

Hon. J. NICHOLSON: I know of other members, including myself, who year after year have referred to that very matter when the Financial Emergency Tax Act was before this Chamber. We suggested on many occasions that it would be a good thing if that tax were amalgamated with the income tax. But in making that suggestion we thought the amalgamation should be on a basis somewhat similar to the then existing rate of taxation. At that time there was no world war threatening the Empire at large. I suggest that widely reformatory taxation measures should not be introduced at this time. Following upon the remarks made by the Chief Secretary, I hope the Government will bear in mind when imposing this taxation the serious position of affairs now existing and the fact that the Prime Minister of Australia has announced that we will be taxed more heavily than was contemplated at the beginning of the session.

Hon. G. Fraser: Why did you oppose the Bill introduced last year, when there was no thought of a war?

Hon. J. NICHOLSON: I did not oppose the Bill last year. That measure was not on the same lines as the present one.

Hon. G. Fraser: Exactly the same.

Hon. J. NICHOLSON: In a recent issue of the "West Australian" newspaper, the Prime Minister is reported to have said that the Federal Government this year would spend more than £60,000,000 on defence. That amount was nearly £30,000,000 more than the expenditure contemplated; but a greatly extended defence programme was later planned and confirmed at the meeting of Premiers held simultaneously with the meeting of the Loan Council at which a borrowing programme of £41,000,000 was brought forward. That goes to show that not only will our people be taxed for defence purposes, but that there will be need for other and greater taxation. That fact should impress upon the Government of each of the States the necessity for easing the burden as much as possible and interfering as little as possible in the methods of taxation throughout the various States. In the course of his speech, Mr. Fraser said that in former years a married man with two children, who had been drawing 28s. per week, had to pay so many shillings from his pittance of wages when the Financial Emergency Act was introduced. I interjected that Mr. Fraser was wrong.

The Chief Secretary: He was quite right.

Hon. J. NICHOLSON: I know the hon. member would not like to make an incorrect statement and have it go forth as true.

Hon. G. Fraser: Substitute 42s.

Hon. J. NICHOLSON: The original Act provides for the exemption of certain persons from liability to taxation, for example, old age pensioners and persons in receipt of wages under 21s. a week; also persons in receipt of salary or wages exceeding 21s. a week but under £2 a week and having no other source of income, or in receipt of income, including salary or wages, exceeding £52 a year, but under £104 a year.

Hon. G. Fraser: Substitute 42s. for 28s.: it is the same thing.

Hon. J. NICHOLSON: The hon. member said 28s. a week.

The Chief Secretary: The hon. member said 28s. for two days' work.

Hon. J. NICHOLSON: For two days' work that man received 14s. a day, which

was 28s. per week, and on that he paid 4d. in the pound.

The Chief Secretary: That is quite correct.

Hon. G. Fraser: That man earned wages at the rate of 14s. a day and therefore was taxed.

Hon. J. NICHOLSON: The Act then provided that if a man received salary or wages exceeding £52 a year, but under £104, and if he proved to the satisfaction of the Commissioner that he was regularly maintaining one or more members of his family domiciled in Western Australia, he would not be liable for the payment of the tax. There can be no question about the position. I hope Mr. Fraser will look into the matter; if he does, he will learn that his statement is wrong.

Hon. G. Fraser: You check up on it.

Hon. J. NICHOLSON: A complementary Bill to that now before the House has been referred to in the course of this debate. It is the Income Tax (Rates for Deduction) Bill, and it refers to the Income Tax Assessment Act, in which it will be embodied. Why it should be given a different title, I cannot say; but I propose to refer to it when it is before the House for discussion. I draw the attention of hon. members to Clause 3 of the complementary measure, which refers to the several rates at which the deductions authorised by Section 2 of the Act shall be made. The various rates are set out. They were referred to by the Chief Secretary when he introduced the Bill now before us. Where the rate of salary or wages does not exceed £8 a week, the deduction shall be 6d. for every pound, and where the rate of salary or wages exceeds £8 a week, the rate of deduction shall be 9d. for every pound. I suggest to hon. members that they consider this clause very carefully and weigh the effect it may have upon the passage of the Income Tax Assessment Bill. It is important to keep that matter in mind, for the simple reason that the clause will determine the commencing rate for deductions.

The Chief Secretary: Not the taxation.

Hon. J. NICHOLSON: It will probably be a determining rate for taxation. I certainly am not opposing the second reading of the Bill before us. I can but hope that the matter will receive that consideration which it is evident will be given to it by most members.

HON. A. THOMSON (South-East) [9.30]: The measure in effect proposes to apply to the collection of income tax the same conditions that have applied to the collection of the emergency tax. Under the Financial Emergency Act, the employer has been enabled to deduct that tax from the employee's wages, supplying him with stamps in return, and the employee has thus been in a position to make his taxation payment by instalments. It may be said that as a result of the merging of the emergency tax and the income tax, the former will be abolished. I think it was Shakespeare who said that a rose if called by any other name would smell as sweet, and I imagine the majority of taxpayers will find that when the assessment is fixed next session, they will pay the same sum as hitherto, if not more. Mr. Fraser said he was concerned about relieving those on the lower rates of pay. I am more concerned to see every man in Western Australia in employment. To bring about that desirable result seems to me to be more important than to relieve those in employment of a small amount of taxation. Mr. Moore mentioned that there were wonderful opportunities in Western Australia for the establishment of secondary industries. I assure the hon. member that anyone desirous of spending money in the establishment of industry in Western Australia must take into consideration two or three important factors.

Hon. T. Moore: The possibility is one.

Hon. A. THOMSON: The possibilities may be great, but the burden of expense placed on industry will far outweigh that consideration. It has been the unfortunate experience of those who have endeavoured to establish industries in Western Australia that they have been swamped by manufacturers in Victoria and South Australia who have enjoyed better taxation and basic wage conditions than obtain in this State, and better conditions with regard to workers' compensation charges. That bears out the statement of Mr. Craig, who is a member of the committee appointed by the Minister for Industrial Development, to inquire into the possibilities of establishing secondary industries in this State. The Government might well consider the advice he gave tonight concerning taxation and workers' compensation. We have before

us what is called a scientific exposition of the incidence of taxation proposed under the amalgamation scheme. Some members have expressed their keen anxiety to ensure that the basic wage-earner does not pay any tax, but when we compare what is to be paid by the married man and by the single man under the new provisions, the single man will be found to be in a very favourable position. I congratulate Mr. Seddon on the careful preparation of his speech. He contended that assistance to married men should be more by way of endowment. I do not know whether the Government will be in a position to introduce a scheme of endowment for married men.

The Chief Secretary: Why flog something that is impossible?

Hon. A. THOMSON: I do not know that it is impossible. Conditions can be improved, and the scheme has not been demonstrated to be impossible. The best assistance that could be given to a married man is by way of additional assistance for his children. That is not impossible at all. It is a matter of fixing the basic wage at a lower rate. If it is reasonable to say that a single man could and should pay more, would it not be advisable to say, or is it not practicable to provide that the basic wage should be slightly lower, and that the married man should have a certain allowance for each child? That would be of assistance to the married man on the basic wage.

Hon. H. Seddon: It is done in other countries.

Hon. A. THOMSON: Yes, and in my opinion it is logical and practicable. It would be a better scheme and of much more assistance to a married man with children than would be the affording of relief from taxation to that man of from 4d. to 6d. a week, as is suggested by the Government. The proposed amalgamation of the two taxes needs careful consideration. Let the single man pay a little more to compensate for the amount of relief desired to be given to the married man. I support the second reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [9.37]: The discussion on the Bill has covered a wide range. It has included a consideration of almost every taxation Bill introduced in the

Chamber this session. Some hon. members have taken the opportunity to repeat the arguments they have used on other Bills this session, with the result that quite a lot of time has been taken up this evening in dealing with matters not exactly relevant to the measure before us. Statements have been made indicating that some hon. members either have not read the Bill or did not listen to what I said when I introduced it; or if they have read it, they do not understand a plain, straightforward statement of facts, or a plain, straightforward method of collecting income tax, as is described in the Bill. I have never read a plainer Bill than this one, and yet members have asked me, when replying to the second reading debate, to explain the basic principles. In my introduction of the Bill I said—

The Bill, of course, deals only with the method of payment and collection of tax, the question of rates being one which will be determined by Parliament next session when the Land Tax and Income Tax Act comes up for revision in the usual way. The rates will then be fixed in accordance with the budgetary requirements of the Government for the financial year 1940-41.

What could be plainer than that? As a matter of fact, the Bill itself deals with two aspects of taxation. First of all, it deals with an alteration in the method of collecting the tax, in that it provides that all taxation may be collected at the source insofar as salaries and wages are concerned. That is something which does not apply to income tax today but which does apply to the financial emergency tax. As I explained when introducing the measure, there is provision for making certain deductions from salaries and wages at a particular rate, which amount when deducted will be used as a set-off against the total amount of tax which the taxpayer will be called upon to pay. All taxpayers will be called upon to render an income tax return, just as they do now. The amount deducted from salaries or wages—which in most cases will be by means of stamps—will be a debit or a credit—however we like to look at it—a credit against the liability of the taxpayer, which will be assessed at a later date in the year. It seems to me to be so simple. What is more, it is a method that has been in operation elsewhere for some time.

Hon. J. Cornell: It is to be hoped that the department will pay overcharges a lot quicker than it does today.

The CHIEF SECRETARY: I think I mentioned it was the intention to make refunds in cash. That is one of the reasons why additional accommodation is necessary. We shall need a lot more accommodation in order to cater satisfactorily for the public and so that the officers who will deal with this aspect of taxation will have proper accommodation in which to carry out their work.

Hon. L. B. Bolton: Will the staff be increased?

The CHIEF SECRETARY: Considerably. It must necessarily be increased. Experience elsewhere has shown that the cost of extra staff is more than covered by the additional taxation received by this method. I pointed out clearly that at the present time quite a number of people evade their taxation responsibilities. Under this method they will have little opportunity of failing to meet their just dues. Experience elsewhere having shown that this is a very satisfactory method of collecting income tax, there is no reason why we should raise objection to it. I am pleased to note there is an entirely different attitude in this Chamber tonight, compared with the attitude it adopted last year when almost the same Bill was introduced.

Hon. J. Cornell: The circumstances were different then.

Hon. L. B. Bolton: And you told us nothing at that time.

The CHIEF SECRETARY: We have been told that the Government is not entitled to credit for introducing this new system of taxation, and that other people advocated it years ago. I admit that certain members have, on more than one occasion, suggested it would be a good idea to amalgamate the financial emergency and income taxes. Members realise that a radical change such as this cannot be introduced at a moment's notice. Much preparatory work is necessary before we can bring down a Bill such as the one we are discussing. The Government was having the matter closely inquired into long before it introduced the Bill last year. The arguments used last year indicated that it was no use the Government bringing down a Bill of that kind if it could not give any information as to what the incidence of taxation would be under the changed conditions.

Hon. A. Thomson: That was a reasonable statement.

The CHIEF SECRETARY: Tonight one or two members who have criticised the Government in this way have criticised it again because we have given that information and have produced a table that will indicate the way in which the new Acts will operate.

Hon. L. B. Bolton: We criticised the tables.

Hon. L. Craig: They were very informative.

The CHIEF SECRETARY: Mr. Parker, who took credit for being one of the advocates of this system years ago, wanted to know of what use the tables were, but he concluded by saying he supported the principle contained in the Bill, though he hoped it would not include tables such as these when it was brought down next session.

Hon. A. Thomson: I did not hear him say that.

The CHIEF SECRETARY: What are we expected to do? Apparently it is possible to supply some members with too much information. Another member suggested that the information we had given to the House disclosed that certain anomalies existed.

Hon. A. Thomson: You asked us to examine the tables carefully.

The CHIEF SECRETARY: I admit that certain anomalies were disclosed, and was very frank about them.

Hon. J. Cornell: They are very numerous, more numerous than we were told.

The CHIEF SECRETARY: The anomalies are not as numerous as the hon. member would suggest. What anomalies there are arise from the fact that the previous basis of taxation was so unscientific that some people were paying more than they were entitled to pay, whilst others were paying less. The moment we get down to a scientific basis, such as the Government claims this to be, the anomalies come to the surface and can be rectified.

Hon. J. Nicholson: It is a good thing we had the discussion tonight.

The CHIEF SECRETARY: Had members confined themselves to the tables and the Bill, I could have taken no exception to their remarks. Mr. Parker asked of what use all the information was. He said there were too many "ifs" about it, that there were no fewer than three "ifs" in the table dealing with taxation.

Hon. J. Nicholson: It is all on an assumed basis.

The PRESIDENT: Order!

The CHIEF SECRETARY: That may be true. If the Government decided next year to institute taxation commencing at 9d. in the pound, which is the rate upon which the tables are based, it will be found that the tables indicate what the effect will be for the various classes of taxpayer.

Hon. J. Nicholson: I hope you will reconsider that.

The CHIEF SECRETARY: Much will depend on the amount of money required by the Government, and the amount that will be necessary by way of taxation. I know of no more competent experts in the country to determine the rates of taxation to bring in a certain amount of money than are our own taxation officials.

Hon. J. Cornell: We have the anomaly of one basis of taxation for the State and another for the Commonwealth.

The CHIEF SECRETARY: We have always had that, and no doubt it will go on for years. Mr. Nicholson appealed to us to remember that because the Federal Government will find it necessary to increase taxation, we on our part should be careful not to do so. We have our liabilities to meet, and they will be greater in the future than they have been in the past. We have promised the Federal Government to assist it, and are told that the best way to do so is by balancing our Budget. The efforts of the Treasurer next year to balance the Budget will determine the rate of taxation, and will probably affect the deductions and exemptions that are at present allowed. The Bills in question will come before the House and members will have an opportunity to discuss them. I do not like the suggestion of one member that citizens who do not pay direct taxation are receiving charity from the State. Thousands of men in Western Australia could not by any stretch of imagination be expected to pay direct taxation. Although they receive their share of what are called free services, that is not to say they can afford to pay taxes. They will not thank Mr. Bolton for his remarks in that respect.

Hon. L. B. Bolton: More would thank me than you think.

The CHIEF SECRETARY: Last year the Government was criticised for not supplying certain information. When the division was taken on the Bill there were 20 "noes" and six "ayes." Tonight every mem-

ber who has spoken has agreed with the principle, and said, in effect that there was no need for the House to spend much time in arguing the point.

Hon. J. Cornell: The Minister ought to be pleased.

The CHIEF SECRETARY: I am delighted that at last we have managed to secure so many converts to the principle the Government has advocated for some years, and tried to carry into effect last year but failed owing to the attitude of this House. Mr. Thomson raised the question of child endowment and suggested the Government should consider a scheme of that kind. That question has been raised on many occasions. The hon. member should realise that to carry into effect such a scheme as family endowment, the whole industrial and social system of the State would have to be altered, from the Arbitration Court onwards. When he suggested that employers would be prepared to pay additional money to men with families, I wondered whether the hon. member was genuine.

Hon. J. Cornell: That has been going on in New South Wales for many years.

The CHIEF SECRETARY: Wherever it occurs it applies mainly to Government servants.

Hon. J. Cornell: It is done in New South Wales.

The CHIEF SECRETARY: Certain qualifications are necessary, and that is why I asked the hon. member, "Who will pay?" When I was told that the employers would pay, I came to the conclusion that the hon. member did not know as much about the business as I thought he did. What employer would accept additional liability by employing married men when a fellow employer was engaging only single men who would not be entitled to the higher rate? The circumstances appertaining to New South Wales are different from those in this State. The scheme could not be put into operation here without revising our whole system of industrial and social legislation. I am pleased to note that members have given practically unanimous support to the principle underlying this Bill and the other that will be dealt with later. I assure members that when it is necessary to bring down the taxing Bill next year and the assessment Bill, due consideration will be given to the situation, and whilst the legislation

will mean a considerable increase in the rate of income tax, that rate will only be paid on the taxable income and not on all incomes as is the case today with the financial emergency tax. Although the rate will be an increase on the existing rate, it will be based on the idea that we are to give relief to those members of the community who are carrying family responsibilities and who are on the lower rungs of the wages ladder.

Question put and passed.

Bill read a second time.

In Committee etc.

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

Bill read a third time, and *passed*.

BILL—INCOME TAX (RATES FOR DEDUCTION).

Order of the day read for the resumption from the previous day of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Deductions from salary or wages authorised for and on account of income tax before assessment of such tax:

Hon. H. SEDDON: If we agree to the clause we practically provide for a permanent tax insofar as the deductions are to be made each year. The principles governing taxation are that the tax must be levied each year, but approval of the clause will mean permanent deductions.

The CHIEF SECRETARY: I thought I made it perfectly clear that the deductions proposed do not constitute a tax. A similar mistake has been made by more than one member. What is suggested is simply a deduction authorised from wages or salaries for use towards meeting the liabilities of the taxpayer. If an individual is satisfied he is not liable to pay taxation, he can procure from the Commissioner of Taxation a certificate that will exempt him

from the deductions. A uniform amount must be fixed, and the Government considers that 6d. and 9d., as set out in the Bill, will cover the average amount to be deducted on account of most people. The rates represent a compromise between the Victorian and the South Australian rates. That the deductions should be so great that a large number of refunds will be necessary is not desirable, nor, on the other hand, that the deductions should be so small that an inordinate number of payments will have to be made by certain taxpayers. The Bill is based upon experience, and surely members must see that deductions throughout the year towards the payment of the tax are preferable to a taxpayer being called upon to pay the aggregate amount in one sum.

Hon. E. H. Angelo: This is a sort of lay-by system.

The CHIEF SECRETARY: That is really the position.

Hon. J. NICHOLSON: The Bill seeks to authorise something that is opposed to the provisions of the present Financial Emergency Tax Act. The deductions may be used as the rates upon which the proposals will be based in the Bill to be submitted next session. Upon that basis the Government will start their scheme of deductions.

The Chief Secretary: The Bill does not authorise the rates of deduction at all.

Hon. J. NICHOLSON: It introduces something entirely novel and unnecessary at this stage. Matters should be left as they are until next year, when the whole position may be revised.

Hon. H. S. W. Parker: But the Government desires to start deducting the tax as from the 1st July, and Parliament will not be sitting then.

Hon. J. NICHOLSON: I consider that we should not agree to the clause.

The CHIEF SECRETARY: I cannot follow Mr. Nicholson's objection. He has entirely overlooked the fact that, having agreed to the Income Tax Assessment Act Amendment Bill, it becomes necessary to commence making deductions as from the 1st July of next year, long before the rate of the tax will be fixed by Parliament. In the circumstances, a Bill is necessary to provide the amounts that may be deducted from salaries and wages. If that

is not done, what will be the position? Nothing will be done until Parliament meets, and then it will be a considerable time before finality will be reached. I firmly believe that Western Australia is not the only State that will adopt the procedure proposed. We are rapidly reaching the stage when recognition is being given to the fact that because of the heavier taxation that may be anticipated the people should be given an opportunity to meet their assessments in the manner proposed. If we are to put the measure already agreed to into operation in July next, this is essential. I do not know of any reasonable argument against it.

The CHAIRMAN: The Bill just passed contains the qualifying words, "but such proclamation shall not fix a day previous to the first day of July, one thousand nine hundred and forty." Those words do not appear in this Bill, so it would be possible to apply the principles of this Bill immediately.

The CHIEF SECRETARY: That was not the argument raised by the hon. member previously. If he takes that point, I suggest that similar words be inserted in this Bill. Does the hon. member suggest that this measure will be proclaimed while the financial emergency tax is still operating?

The CHAIRMAN: The Bill will have to be re-committed.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment.

Recommittal.

On motion by the Chief Secretary, Bill recommitted for the further consideration of Clause 1.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—Short title, commencement and incorporation:

The CHIEF SECRETARY: I was anxious to meet the hon. member, but I point out that deductions will be made from the 1st July and the amendment suggested will not permit of any notice being given.

Hon. H. S. W. Parker: The proclamation could be made tomorrow as from that date.

The CHAIRMAN: Insert the same words.

The CHIEF SECRETARY: Very well.

I move an amendment—

That the following words be added:—"but such proclamation shall not fix a day previous to the first day of July, one thousand nine hundred and forty."

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

Bill again reported with an amendment and the report adopted.

BILL—BUILDERS' REGISTRATION.

Second Reading.

Debate resumed from the 16th November.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [10.25]: I have read the Bill and intend to support the second reading. There seems to be a deal of misconception regarding the object of the Bill. I have received several letters from small contractors objecting to its being passed. If their contentions were true, the measure would have the effect of putting out of business many builders who undertake small contracts. They have not seen the Bill, however, and the fear is groundless.

Hon. H. Seddon: That is the object of the Bill.

The HONORARY MINISTER: Not at all.

(Hon. H. Seddon: Yes, read Clause 4.

The HONORARY MINISTER: That is merely a prohibition against unregistered builders carrying on business. A large number of men in the trade could not possibly qualify to become builders, but they can earn a good living by taking small contracts. Their living will not be affected by this measure.

Hon. W. J. Mann: You want to keep them small men all their lives.

The HONORARY MINISTER: No, they might pass the examination.

Hon. C. F. Baxter: Where will they get small jobs of £500 or under?

The HONORARY MINISTER: There are many such jobs. I would not support any measure that would have the effect of putting small contractors out of work.

Hon. E. H. Angelo: Would the £400 include the cost of materials?

The HONORARY MINISTER: Yes. The public needs protection against men who are

not competent to carry out building work. The constitution of the board provides an adequate safeguard. The board is to consist of four members, namely, the President of the Royal Institute of Architects, the Principal Architect (Government), who shall be chairman, a representative appointed by the Master Builders' Association, and a representative appointed by the Western Australian Builders' Guild. There is an amendment on the notice paper to increase the quorum from two to three.

Hon. L. Craig: That is very necessary.

The HONORARY MINISTER: Yes. Undoubtedly the public needs protection from incompetent and unscrupulous men who undertake contracts. Various safeguards are provided to govern the builders who become registered. If they do not carry on according to practice, they can be brought before the board and their registration may be cancelled. The Bill will ensure better service for the public and the small contractor will not be affected.

HON. W. J. MANN (South-West) [10.29]: I think a similar Bill was placed before us several sessions ago.

Hon. J. A. Dimmitt: In 1934.

Hon. L. Craig: Really in 1935.

Hon. W. J. MANN: And this House expressed disapproval of it. I do not know that anything has happened in the meantime to cause us to alter our minds. This Bill is apparently designed to protect certain people and to prevent other people from exercising their calling, because they might not be in a position to tender for big work. I do not think this House stands for anything of that description. If this House stands for anything, it stands for protection of the man on the lower rungs of the ladder, of which we have heard so much this evening. For that reason I express my disapproval of the Bill here and now, and my intention to vote against the second reading. I have read the measure carefully, and can find in it nothing that would cause me to change my mind. My feeling is that we are getting altogether too much regimentation. People are being bound in every conceivable way of late. I just wonder what the position will be in 15 or 20 years' time if this Chamber continues to pass restrictive legislation such as some that lately we have been asked to enact. The

present Bill has my entire disapproval. I see no good in it whatever.

HON. H. SEDDON (North-East) [10.32]: I have here the volume of Bills introduced in the 1935 session, and the Bill now before us is the same as we dealt with in 1935. Therefore this House would be well advised to follow the good example then set, and put this measure in the same position as its predecessor. The Bill provides that a board shall be constituted and that nobody shall be allowed to build without the authority of the board. I speak rather at a disadvantage, having to jump up and deal with the measure at once; but I trust the House will treat the Bill according to the precedent established in 1935. Perhaps some hon. members would like to consult the record of what happened four years ago.

HON. J. CORNELL (South) [10.33]: The House is asked to reject this Bill as it did that of 1935. A Bill which has just been passed unanimously was rejected last year. One set of rejections, therefore, is a set-off against the other. I regard such a measure as this as necessary. Anyone who takes the trouble to inquire can learn of certain practices in the metropolitan area from which jerry-built structures result—some of them an absolute disgrace by reason of the manner in which they are put together by men who think they are builders. Such men begin with nothing and end with less; or they start out of debt and end in debt. I have discussed this Bill with the secretary of the Builders' Association, who is a most excellent man and most rational. He regards the measure as necessary, and says that it will assist, not retard, the legitimate builder. Anyone who describes Mr. Andrews as hare-brained, or an extremist, does not know what he is talking about. I have also discussed the measure with two or three of the foremost builders in Western Australia, and they agree that the passing of the Bill will assist the building industry and the people for whom the building industry exists. I do not think the big builder has anything to fear from this measure, nor do I think he has any axe to grind in relation to it. In the case of a manager's residence at Kalgoorlie, there was as much as £2,500 between the highest tender and the lowest. The architect gave the contract to a man who was almost £1,000 above the lowest tenderer.

That architect must have known what he was doing, and must have had a fair idea of the extent of the gap.

HON. A. THOMSON: He saved himself a lot of worry and trouble.

HON. J. CORNELL: I agree with Mr. Thomson, who is a builder. Such discrepancies occur throughout the building trade. Personally I fail to see that the Bill can do any harm. It still will leave room for the jerry-builder and the chap who hopes to become a big builder. They will be able to exploit building in the region of £400 jobs. I trust the measure will pass. I understand that though it has the full backing of the Building Trades Association, it has the backing generally of the trade union section of this State. When that section is mentioned, one speaks of carpenters, bricklayers, plasterers, plumbers, tilers and other men who do the work of building. What is more, as far as the workmen are concerned, they are of opinion that a measure such as this, if carried, would give them much greater certainty as to their wages than some of them have today. Men who hope to emulate Madame Melba's father, the builder of the huge Equitable Insurance building in Melbourne many years ago, sometimes end up by not paying wages. I support the Bill.

HON. H. TUCKEY (South-West) [10.38]: I shall vote against the second reading of the Bill, because I believe it will prove detrimental to country towns. We in the country already find it difficult to secure builders, and the operation of this measure would render the position still more difficult. A great deal has been said about jerry-building, but I fail to see that the measure will do away with it. In the metropolitan area, where this agitation has originated, there are numerous architects, and most of the buildings are carried out under competent supervision; but in spite of that we find some examples of what is called jerry-building. If the people of the metropolitan area require the measure, that is quite right. Having regard to the country areas, I am strongly opposed to it.

HON. L. CRAIG (South-West) [10.39]: In 1935 I opposed a Bill similar to this in no uncertain manner. The present Bill is almost the same as the previous one; but in

the meantime I have become a few years older, and have discussed the subject with architects, who are keen on the Bill, and have heard many builders also state how keen they are on it. That did not make me enthusiastic about the measure, but one needs to be very careful before rejecting a measure altogether. Therefore I shall vote for the second reading, but I do not think that country districts should at present be included within the scope of the measure. The Bill declares that it shall apply to the metropolitan area, but may be extended if the Governor so desires. Therefore the Government may extend the operation of the measure. Then there is a Schedule enumerating important country towns—Albany, Wagin, Narrogin, Katanning, Boulder, York, Northam, Collie, Geraldton and so forth. Practically every country town of importance is included in the Schedule. Therefore it seems stupid when the Bill speaks of applying to the metropolitan area. In Committee I shall move to eliminate those towns if somebody else does not do so.

HON. G. FRASER (West) [10.41]: I support the Bill. Of recent years there have been numerous mushroom builders, with the result that many people have not obtained the satisfaction they should have got when taking on building operations. I believe that the establishment of the proposed board will give the public a measure of protection which does not exist today.

HON. J. A. DIMMITT (Metropolitan-Suburban—in reply) [10.42]: Mr. Mann, when speaking against the Bill, gave as his principal reason for demanding its rejection that four years ago he voted similarly.

Hon. W. J. Mann: I said I saw no reason for changing my opinion.

Hon. J. A. DIMMITT: That was one of the hon. member's reasons. If he is not to change his mind on this subject, why should he change it with regard to regimentation? A few nights ago he agreed to regimentation of the dairying industry and regimentation of the dental profession. Now he objects to the regimenting of an industry that is badly in need of it. Mr. Seddon also states as his main reason for opposing the Bill that he opposed a similar measure four years ago. We shall make no progress whatever if we are not prepared to advance with the

times and change our minds when an advance has been made in any industry or in the outlook of any industry. The world progresses in four years, and our minds should also develop. Mr. Craig referred to country districts. On the second reading I said that perhaps the country is more in need of this legislation than the towns are. In towns the architect is invariably on the job daily, whilst as regards the country the architect is almost invariably established in a town and is able to visit a country building job only occasionally—perhaps at most once a week. Therefore the country owner is more likely to be the victim of bad building than is the city owner. The Bill is one that should be passed.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; Hon. J. A. Dimmitt in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Areas under the Act:

Hon. L. CRAIG: I move an amendment—

That in lines 2 and 3 the words “and the areas comprised in the Schedule to this Act” be struck out.

The amendment would have the effect of confining the measure to the metropolitan area.

Hon. A. THOMSON: The hon. member could move to strike out the proviso to Clause 3, and then move to strike out the schedule.

Hon. J. A. DIMMITT: For the reasons I have already stated, I hope the Committee will reject the amendment.

Hon. V. HAMERSLEY: If the amendment is agreed to, would I be in order in moving that the schedule be struck out?

The CHAIRMAN: The deletion of the schedule would become consequential.

Hon. L. Craig: That is a different question altogether.

Hon. T. MOORE: I do not support the amendment. Why should not a town like Geraldton receive the same consideration as does the metropolitan area? I feel I am voicing the opinion of the people at Geraldton when I say they desire the same protection as is to be afforded to the people of the metropolitan area.

The CHIEF SECRETARY: I am surprised at the opposition of country members to the clause as it stands. My experience is that protection is even more necessary in the country than in the metropolitan area. Supervision of buildings by competent architects in country towns is not so easy as it is in the metropolitan area. I shall be sorry if the measure is limited to the metropolitan area.

Hon. H. Tuckey: No complaints have been made in country towns, as far as I know.

The CHIEF SECRETARY: That may be so. I am satisfied the measure is absolutely necessary. If Mr. Thomson would speak his mind, he would have to admit that the Bill is needed.

Hon. G. B. WOOD: I support the amendment. We should not foist on country people restrictions which they do not want. Let the measure be tried out in the metropolitan area.

Hon. L. CRAIG: Many houses in country districts are built by owners, who employ the various classes of workmen. Some four or five years ago my house was burnt down and I erected a building in this way that cost £1,700.

Hon. L. B. Bolton: By day labour?

Hon. L. CRAIG: Yes. I did not employ an architect, a contractor or a builder. I employed tradesmen.

The Chief Secretary: Was the job satisfactory?

Hon. L. CRAIG: Most satisfactory. It is one of the best I have seen. Large houses are erected in the country by Italian stonemasons. They do excellent work. Carpenters are employed to erect the superstructure. Italy is famous for its stonemasons, and yet the masons I mentioned would not come under this Bill.

Hon. J. A. DIMMITT: The instance mentioned by Mr. Craig is not covered by the Bill at all, because “builder” means a person trading as a builder. I do not think the hon. member can claim to have been a builder when he supervised the construction of his home. Nor would the measure apply to the Italian stonemason. A farmer or an owner may erect a building upon his own property under his own supervision. The Bill is not designed to grant permission to build, but so to regulate building that contractors for a job costing more than £400 must be registered.

Hon. E. H. ANGELO: If it is desired that the town of Geraldton should be covered by this Bill, arrangements can be made for the Government to have it proclaimed. That would get over the objection raised by Mr. Moore.

Hon. A. THOMSON: In order to show how unworkable this measure is, I will instance Katanning, which is a mile square. Only a registered builder would be permitted to build on one side of the road in that town; while on the other side a £10,000 job could be carried out by any person whatsoever. Either that portion dealing with the schedule should come out or we should bring the whole of the State under the provisions of the measure. I can foresee grave difficulties arising if the schedule is carried out as it stands. I think it could and should be tried out in the metropolitan area.

Hon. T. MOORE: I think the clause that follows clears up the matter and indicates that Mr. Craig is arguing on wrong lines.

Amendment put and passed.

Hon. V. HAMERSLEY: I move an amendment—

That the proviso be struck out.

The CHIEF SECRETARY: I hope the Committee will not agree to any further amendments to the Bill. I suggest to country members who are keen to limit this to the metropolitan area that if the proviso also goes out the natural result of the operations of the Bill will be that all those who cannot get registration in the metropolitan area will operate outside that area, and if those members have had no objection to raise in the past, they will be likely to have objections in the future.

Hon. H. Tuckey: That would be a good thing for the country, because we cannot get builders now.

The CHIEF SECRETARY: I am glad to hear there is somebody prepared to stick up for the jerry-builder! Apparently the jerry-builders are good enough for the country but not for the metropolitan area. What is the purpose of the Bill?

Member: Protection.

The CHIEF SECRETARY: Of course it is. The proviso stipulates that if it is desired that a particular area should come

within the scope of the measure that can be achieved by proclamation.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 4—Prohibition against unregistered builders carrying on business.

Hon. W. J. MANN: I move an amendment—

That the following be added to Subclause 2 (i):—"Architects registered under the Architects Act, 1921, and the 'Institution of Local Government Engineers of Western Australia Incorporated'."

I am told that if the Bill is passed in its present form architects registered under the Architects Act, 1921, but not members of the elective organisation known as the Royal Institute of Architects of Western Australia will by implication be excluded from the intention of Subclause 2. The total number of registered architects in Western Australia according to the "Gazette" is 90. The total membership of the Royal Institute of Architects of Western Australia is but 65, and it follows that the rights of at least 25 professional architects who have complied with the requirements of the law are by implication and directly adversely affected by the proposed omission from Subclause (2) of their status established by the Architects Act of 1921. In 1931 the Institution of Local Government Engineers of Western Australia was incorporated under the certificate of the then Attorney-General and a Charter issued by the Supreme Court in accordance with the constitution. This organisation comprises almost every gentleman holding the post of engineer, secretary-engineer or town clerk-engineer to a local authority in Western Australia, together with certain other professional engineers who are not members of the Institution of Engineers of Australia (Perth Division). The total number of members of this Institution of Local Government Engineers is 47, and if the Bill goes through in its present form, they will be penalised to the extent that recognition by the Legislature will be withheld from them. With regard to the Institution of Local Government Engineers I am informed that this body has done much to co-ordinate the efforts and studies of engineers employed by local authorities and

recognised as engineers by the State Arbitration Court awards as to conditions and salaries. Further, the institution inaugurated a course in local government engineering at the Perth Technical College and has contributed much to the professional training and status of those gentlemen employed and recognised as engineers by the local authorities in Western Australia. If the Bill goes through in its present form, 25 legally qualified architects will be excluded from the legislation that will give statutory recognition to members of an elective institution not at the present time specifically recognised by any Act of Parliament. If there are sound reasons for recording the Royal Institute of Architects and the Institution of Engineers (Aust.) in Clause 4, Subclause 2 (i) as being excluded from the provision of the Bill, and if one of these reasons is that members of both these organisations act as builders, then for this very reason legally qualified architects under the Architects Act and members of an incorporated body carrying out contracts and building, in a similar manner to members of the two elective organisations, should be included in the Bill.

The Chief Secretary: I think you will find that paragraph (ii) will cover the local government engineers.

The CHAIRMAN: There is no amendment before the Chair. The hon. member should know that he must supply a copy of any amendment not appearing on the notice paper.

Hon. W. J. Mann: I sent one to you.

Hon. H. TUCKEY: I move an amendment—

That in paragraph (i) of Subclause 1 the word "four" be struck out and the word "six" inserted in lieu.

Amendment put and negatived.

Hon. W. J. MANN: I move an amendment—

That the following be inserted to stand as paragraph (iv):—"Any person registered under the Architects Act, 1921."

Hon. J. A. DIMMITT: I have no objection to the amendment.

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

Clause 5—agreed to.

Clause 6—Board. Proceedings validated.

Hon. J. A. DIMMITT: I move an amendment—

That in Subclause 3 the word "two" be struck out and the word "three" inserted in lieu.

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

Clauses 7 to 22—agreed to.

Schedule:

The CHAIRMAN: The schedule is consequentially struck out following upon Mr. Craig's amendment.

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. H. Tuckey, Bill re-committed for the further consideration of Clause 4.

In Committee.

Hon. J. Cornell in the Chair; Hon. J. A. Dimmitt in charge of the Bill.

Clause 4—Prohibition against unregistered builders carrying on business:

Hon. H. TUCKEY: Mr. Mann indicated his intention of amending the clause to provide for the inclusion of the "Institute of Local Government Engineers."

Hon. W. J. Mann: No, I did not.

Hon. H. TUCKEY: I thought the hon. member intended to include them in the Bill.

Hon. W. J. Mann: I have not heard of the body.

The CHAIRMAN: The point was raised about the inclusion of the organisation, and I think it was said those men would be covered by subparagraph (2) of Subclause 2.

Hon. W. J. MANN: I think Mr. Tuckey mentioned something about the Institute of Highway Engineers, but I knew nothing about such a body. I accepted the assurance that members of the body mentioned would be covered by Clause 2, and that satisfied me.

Hon. H. TUCKEY: If the Minister will give me an assurance that they are covered, that will satisfy me.

Hon. A. Thomson: But this is not the Minister's Bill!

Hon. H. TUCKEY: Well, I have drawn attention to the matter.

Clause, as amended in a previous committee, put and passed.

Bill again reported without further amendment, and the reports adopted.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT (No. 2).

Second Reading.

HON. A. THOMSON (South-East): [11.32] in moving the second reading said: The object of the Bill is to so amend the principal Act that Parliament shall have control over fares and freights. We do not want a repetition of what happened recently, when, by means of By-law 55, the Commissioner placed upon the Table of the House a schedule indicating that he proposed to raise certain railway rates. This House disallowed the by-law, and then the Commissioner, or the Government, made use of Section 22, which commences—

The Commissioner may, with the approval of the Minister, from time to time, by notice in the "Government Gazette" fix scales of charges to be paid

The object of the Bill is to delete the words "by notice in the 'Government Gazette'" and substitute the words "by by-laws made by the Commissioner" in lieu. The Bill also embodies two other small alterations mentioned in paragraphs (b) and (c) of Clause 2. I do not propose at this late hour to indulge in a long speech explaining the object underlying the introduction of the measure. The Bill is quite simple. It is intended that the House shall have control. I have received many letters by way of protest, including the communications from the Brookton Road Board, the Kondinin Road Board and the Narrogin Municipality. I do not propose to quote them at this late hour. I move—

That the Bill be now read a second time.

On motion by the Chief Secretary, debate adjourned.

BILL—SUPREME COURT ACT AMENDMENT.

Second Reading.

Order of the day read for the resumption from the 8th November of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time, and transmitted to the Assembly.

House adjourned at 11.39 p.m.

Legislative Assembly.

Wednesday, 22nd November, 1939.

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

QUESTION—CHILD WELFARE DEPARTMENT.

Maintenance of Children.

Mrs. CARDELL-OLIVER asked the Minister for Labour: 1, Is the Government aware that to maintain children at various charitable institutions costs over 14s. per