

munity. If those people suddenly turned wowers, we might as well commit suicide, for life would not be worth living. They seem to add a certain zip to life on this earth. In order to augment Consolidated Revenue in the present difficult times, there seems to be a tendency to confine taxation to the man who goes to the races, to the trots, to picture shows or some other form of enjoyment.

Hon. Sir William Lathlain: Suppose he goes to none of them?

Hon. J. CORNELL: Then he pays no tax. I was seriously thinking of introducing a Bill for an Act to tax Bibles, but then I was told that a lot of the people who use them do not buy them, but borrow one from the other fellow, so we would not get much revenue from them. There is a limit to which taxation can be imposed upon any section of the community. The Bill proposes to increase the tax on totalisator receipts from 6 per cent to $7\frac{1}{2}$ per cent., and instead of $12\frac{1}{2}$ per cent. of the gross amount invested being deducted, the percentage will be $13\frac{1}{2}$. By imposing taxation in this tiddley-winking, finnickay way, we are proceeding on totally wrong lines. The only honest and logical course to adopt in order to raise the revenue required is to impose a super tax on incomes. We are prepared to double the tax on a man who bets 5s. at the races, we are prepared to double the tax on entertainments, it is proposed to increase the totalisator tax, and we are being asked to tax winning bets, but I notice that the Land Tax and Income Tax Act still provides for a rebate of 33 $\frac{1}{3}$ per cent., just as it did when conditions were very much better than they are to-day. For a good many years the present income tax has operated, but when we got a windfall from the Federal Government in the shape of a disabilities grant, the Government, in order to win a little popularity, adopted the brilliant idea of reducing the income tax by 33 $\frac{1}{3}$ per cent.

Hon. Sir William Lathlain: That was conditional on the grant.

Hon. E. H. Harris: Not at all.

Hon. J. CORNELL: It was not a condition of the grant. That was done in good times. Now that we have reached bad times, we still continue the rebate, and introduce a lot of little pettifogging taxes to get at the man who goes to the races, has

a bet or patronises the pictures. The Government would be wise if they cut out the rebate. I think I am the first member to direct attention to the fact that we are perpetuating in bad times a rebate granted in good times. I do not wish to speak disparagingly of the present Government, but I cannot agree with their methods. When speaking on the Bill to impose a tax on sweep tickets, I remarked that if there was a hard and an easy way of doing things, the present Government would adopt the hard way. I now say that if there is a direct way of doing things and a devious way, we can guarantee that the present Government will adopt the devious way. It is not too late even now to take the hard and open road, and that is to increase the tax on incomes and let these other little taxes go by the board.

On motion by Hon. E. H. Harris, debate adjourned.

House adjourned at 8.53 p.m.

Legislative Assembly,

Thursday, 27th November, 1930.

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

PERSONAL EXPLANATION.

Minister for Works and Harvey Irrigation Scheme.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Mt. Marshall) [4.33]: I wish to make a personal explanation. Last night

the member for Kalgoorlie (Mr. Cunningham) asked me a question, and unfortunately I gave him the wrong reply. He asked me what was the proposed rate in connection with the Harvey Irrigation Scheme, and I replied that it was 7s. 6d. per acre, and 2s. 6d. for each of two separate waterings during the season. The board controlling this scheme, I learn to-day, met yesterday, and I find that the rate I said it was proposed to charge was the old rate, the new one being 10s. per acre, and 2s. 6d. for each of two separate waterings during the season. I thought it advisable to make this statement and correction in view of the fact that the reply I gave yesterday has appeared in the Press, and will have been seen by many of the farmers in the district.

QUESTION—FIREWOOD FROM NATIONAL PARK.

Mr. NORTH asked the Minister for Railways: 1, Has he been supplying firewood obtained from timber cut in National Park by the unemployed to customers in the suburbs previously supplied by private enterprise? 2, Does he propose to continue or extend the practice?

The MINISTER FOR RAILWAYS replied: 1 and 2, A small quantity of firewood gathered by unemployed is being supplied to a number of Government institutions.

COST OF LIVING—SELECT COMMITTEE.

Extension of Time.

MR. MILLINGTON (Leederville) [4.36]: I move—

That the time for bringing up the report of the select committee be extended until Thursday next.

The Premier: That is too far away. Will you not try to make it Tuesday next?

Mr. MILLINGTON: I am afraid that is impossible. We have made all the headway we can, but cannot complete our investigation by Tuesday.

Question put and passed.

FARMERS' DEBTS ADJUSTMENT BILL—SELECT COMMITTEE.

Report Presented.

The Attorney General brought up the report of the select committee.

Report read.

THE ATTORNEY GENERAL (Hon. T. A. L. Davy—West Perth) [4.38]: I move—

That the report of the select committee be printed, and that the Bill as amended by the select committee be recommended to a Committee of the Whole House, and that its consideration be made an Order of the Day for the next sitting.

Question put and passed.

MOTION—COLLIE COAL INDUSTRY.

To inquire by Select Committee.

Mr. WILSON (Collie) [4.40]: I move—

That a select committee be appointed to inquire into the coal industry of this State, having regard to:—

1, The economic price value per ton to the railways of this State for the imported and local coal at the depot basis from which the coal is used;

2, The dates on which the Railway Department paid coal tonnage increases as from 1915 to the present date, and the names of the coal companies who received such increases;

3, The amount of imported coal used on the Western Australian railways and where such coal came from;

4, The railway freights for private and bunker coal on the Western Australian railways, and the corresponding freights on the railways of Queensland, New South Wales, Victoria, and Tasmania;

5, The cost of harbour dues, etc., for bunker and shipping coal, the state of the bunker trade of Western Australian coal, the yearly rent for coal hulks, for all States in the Commonwealth;

6, The unconditional surrender of all rights of State coal mine at Collie to a private company and the payment, if any, to the Government for same;

7, The advisability of using 100 per cent. of native coal on Western Australian railways.

At the outset I wish to thank the Minister for Mines and the Chief Secretary for the information and data they have supplied to me to assist me in proving my case. Special circumstances have induced me to move this motion. I refer to statements which do not

contain an element of truth that are being circulated all over the country, concerning the Collie coal industry as a whole, and the miners and mine owners generally. Some of these damaging statements have gone as far as the Eastern States. Important newspapers like the "Age" and the "Argus" have had special headlines about "The Collie Coal scandal." The only scandal I know of is that certain pimps in another place are making all the scandal they can for some personal ends they have in view. It is not a question with them of helping the industry, but of venting their spleen to get home on some person or corporation. I do not intend to allow those statements to go unchallenged. I must express the hope that if the House sees fit to pass this motion, I shall not be appointed to the select committee, so that I shall not be charged with bias. I would prefer a select committee of both Houses, so that the legislators of Parliament as a whole may have an opportunity to get at the truth and the whole truth of this question. In another place a certain member moved for the appointment of a Royal Commission. He tacked on to his motion so many different items that, by comparison, put Woodrow Wilson's fourteen articles in the shade. Later on the House carried the motion for the appointment of a Royal Commission, but the original motion was so mutilated that the member who moved it does not now know what to do. When it passed the Upper House the Minister in charge asked that it be referred to this Chamber for its concurrence. Another place was so gentlemanly in the matter that it did not give the resolution a chance to come here. Only four members voted in that direction. That is why I have submitted this motion to-day. I want to tell the whole truth about the matter. I shall deal first with the economic price value per ton of Collie coal as against the value per ton of imported coal. I was a member of a Royal Commission appointed some years ago to inquire into that phase of the question. Professor Woolnough was chairman. We dealt with the principal coal depots in the State from which the largest loads of coal were drawn, namely Perth, Fremantle, Northam, Kalgoorlie, etc. The mileage was computed, also the fuel consumption of all coals, and a fair price for the coal was put on record. That is the price that is paid to-day. I want the select committee or the Royal Commission to go

into the question of prices. Perhaps changes could be made in them for the benefit of the State, and for the benefit of the Railway Department in particular. With regard to the dates on which the present tonnage increases for the Railway Department were granted, it has been said, times without number, and is being repeated to-day, that these advances were demanded by the Miners' Union and the company. I wish to give that the lie direct. There never was any such demand. We followed in the wake of the Eastern States. The Federal tribunal gave all these advances. Each and every one of them came from that source. The first one was in 1917. The present Premier was in office then and his Government had to pay the advance given by Judge Edmonds. In 1917, 1919, and 1920 the advances were given by the Federal tribunal in accordance with what we were entitled to obtain. That was the proper way to get the prices fixed. There was no strike or anything of that sort resorted to in order to get the increases. A person in the Legislative Council—I refer to a member named Holmes—said, in connection with the price of coal—

No one seems to have decided upon the price of coal. It was no one's business but they got there just the same.

As to the man who uttered those words, I can tell the House he was one of the shareholders of a company that forced the position that secured the increased prices. John Joseph Holmes is the name of a shareholder in a once prominent company. He says there are plenty of complaints about the high prices of coal, but there have been no such increases since John Joseph Holmes' company sold out in 1920. He got all the increases, and now complains about high prices! This man went on to say—

The mine owners were not concerned about prices.

The mine owners were so concerned about prices, and John Joseph Holmes' company sent their manager across to the Eastern States to secure better prices. In fact, the mine owners got across to the Eastern States before the miners' representatives did. Yet John Joseph Holmes says that the mine owners knew nothing about the prices. The third heading, concerning which I desire a select committee to make inquiries, relates to the amount of imported coal being used on the Western Australian

railways. Nearly every annual report issued by the Railway Department shows that a quantity of Newcastle coal has been imported to Western Australia. I agree that the quantity imported is becoming less each year. In my opinion, any local coal that is equal to Collie coal should be used by our railways. Certainly Collie is the best we can get so far. It should not require any special display of patriotism for those interested in the use of Collie coal to induce them to order 100 per cent. local coal. It should always be used where possible. The former Minister for Railways, the present member for Geraldton, attempted to do that, and the present Minister for Railways has followed a similar policy. There should be no reason why we should have to ask the powers-that-be to take 100 per cent. Collie coal. They should be patriotic enough to use the local product without being urged to do so. Now I come to a question that is somewhat involved. I refer to railway freights here compared with those operating in the Eastern States. Railway freights and harbour charges play an important part in connection with the sale of coal. If we desire to foster the bunkering trade, we must make it favourable to those who are interested in purchasing supplies of coal for shipping and bunkering purposes. I will show the effect of freights and dues on the shipping position. I will deal with figures relating to Fremantle and Bunbury and a depot 26 miles distant, and compare them with what obtains in connection with supplies from the Maitland coalfields in New South Wales to Newcastle and in connection with supplies sent to Brisbane from the Queensland fields. In connection with Newcastle coal, a charge of 2s. 4d. is levied for railling coal for a distance of 26 miles for shipping and bunkering purposes. In Queensland, it costs 2s. 11d. over a similar distance, or 7d. more than is charged in New South Wales on Maitland coal. At Fremantle the railway freight on Collie coal despatched over a similar distance is 4s. 5d. over all, or practically 100 per cent. more than is charged in New South Wales. Then there is the bunkering phase. Newcastle coal is conveyed 42 miles, which is practically the same distance as Collie is from Bunbury, for 3s. 3d. per ton. For a similar distance in this State coal is taken to Bunbury at a cost of 7s. 2d. per ton, or practically more than

double the Newcastle charge. In view of those comparative prices, we may well ask ourselves why we do not secure a more favourable bunkering trade in this State. Then again, Newcastle coal is railed for 125 miles, practically the same distance as from Collie to Fremantle, for 7s. 6d., whereas in Western Australia coal is railed from Collie to Fremantle for 12s. 11d. In Queensland bunker coal is railed a distance of 310 miles to Brisbane for 10s. 6d., or 2s. 5d. less for more than twice the distance applicable in Western Australia. That is not all. The trade is also loaded with other charges on bunker coal. There are certain handling and craneage charges, as well as harbour dues. At Newcastle these charges, applicable over a distance of 26 miles, total 7 2/3d. In Queensland the charge is nil, and in Western Australia 11.91d. When we deal with the charges that apply over a distance of 125 miles, the relative position is again emphasised. The handling charges on bunker coal at Fremantle represents 11.91d. per ton as against 7 2/3d. in Newcastle, and in Queensland there are no such charges. That indicates conclusively that we are not getting a fair deal in this State from the railways or from the harbour authorities, particularly in connection with bunker coal. If we are to foster the bunkering trade so as to increase the output of coal and secure the employment of more men in the industry, we must have smaller financial imposts by the railways and the harbour authorities. There is another point of interest that I have included in my motion. I refer to the unconditional surrender of all rights respecting the State coal mine at Collie to a private company. I would remind members that at one time we had a State coal mine at Collie. More than £700,000 has been spent on the coal mines floated at that centre. When people talk about the profits made in the coal industry, they should remember that less than £300,000 has been taken away from the mines, although £700,000 had to be expended to develop the mines to the producing stage. I have here a list of the companies that have been formed in the Collie district during the past 30 years. The list of companies is as follows—

West Collie Coal and Fire Clay Proprietary Ltd.; W.A. Collieries and Fireclay Coy. Ltd.; the Collie Coalfield Proprietary Coy. Ltd.; the Collie Proprietary Coalfields of Western Australia, Ltd.; the Proprietary Coal Mines

of W.A. Ltd.; the Amalgamated Collieries of W.A. Ltd.; Collie-Boulder Coal Coy Ltd.; Scottish Collieries of W.A. Ltd.; Splatt, Wall and Young; Scottish Co-op. Collieries Coy. Ltd. (in Liquidation); Scottish Collieries Ltd.; Collie Coal Trust Development Coy. Ltd.; Cardiff Coal Mining Coy. Ltd.; London and Western Australian Exploration Coy. Ltd.; Collie Co-op. Collieries Ltd.; Westralian Coal Mining Coy. Ltd.; Westralian Black Diamond Collieries Ltd.; Premier Coal Coy. Ltd.; Newcastle Collieries of W.A. Ltd.; New Wellscend Collieries Ltd.; East Collie Coal Mining Briquetting and By-products Coy., 1920, Ltd.; Western Australian Coal Mining Briquetting and By-products Ltd.; Griffin Coal Mining Coy. Ltd.

There is a list of about two dozen companies, but not more than four of them have ever paid any dividends. I want to draw the attention of hon. members to the fact that members in the Legislative Council talk about what has been done in connection with boring in the Collie district and asked what money was spent by the Government prior to 1897 on prospecting the coalfields for various companies. I asked a question yesterday regarding the same work and I was informed that £7,000 had been expended in order to deal with the prospecting of the mines at that time. In the Legislative Council, two members in particular have been extremely prominent in jibing at various matters in connection with the Collie coal industry. So far as I know, everything that has been done there has been above board. I will let hon. members know what happened with at least one of these mines. I will tell them what one of the members got from the formation of a coal company, under conditions I will indicate. I will also furnish an illustration showing how some companies arise out of the ashes of others. We once had a State coal mine. The Government of the day spent thousands of pounds in order to properly prospect the mine. It was then leased to a man named Deakin. It was subsequently taken over from him by another gentleman named Zeb Lane. After some years of parlous existence, that company became defunct and the late Mr. Frank Wilson took the mine over and named what was then known as the Collie Proprietary Coalfields of Western Australia Limited. This other fellow in the Legislative Council told us what people here have been doing. I will tell members what that particular individual has already done. These holy Joes squeal at the

amount of fuel we are burning, but they certainly have no right to squeal considering that they have been burning a free wood-heap themselves. In 1912 a company was formed in this State, concerning which I have been making some inquiries. What prompted me to do so was an article that appeared in the "West Australian" under the following headings: "Collie Coal." "Concealing Profits." "Mr. Holmes's Allegations." The report in the "West Australian" included the following:—

To help an old friend, I put a few pounds into the Collie Proprietary Mines about 20 years ago.

When I read that I wondered who the old friend of John Joseph Holmes was that such a man would help. I went to the Registrar of Companies and I found that John Joseph Holmes had helped—himself! I found that in 1912 an application was made to the Registrar for the registration of a company, and among the first five names registered in connection with the concern was that of John Joseph Holmes. The names included the following:—

John Alfred Northmore, Solicitor (one share), Alex. James McNeil (one share), W. Henry Vincent (one share), Neil McNeil (one share), John Joseph Holmes (one share).

These names were witnessed by the late Mr. Frank Wilson, on the 30th August, 1912. Everything is above board and clean. We may ask who was this old friend whom he was going to help. I went down and got a list of the shareholders, especially to see who this old friend might be. Here are some of the names on the list: "Dorrie Doollette, Alfred Northmore, Paul Strelitz, Victor Strelitz," and there also is the name "John Joseph Holmes." Who is the old friend he wanted to help? The company was formed with 25,000 £1 shares and took over the working of a mine that was sold for £45,500 to the company. That is all right, but he should not talk about other people. The next point is this: He takes up 13 shares, the value of the shares being £25 each. So he pays £325 for those shares. That was in 1912. And for nearly eight years he collects the 30 per cent. on those shares. When the company's assets were sold in 1920 he got £975 for his £325 venture. I want to show this point, that all this time the price of coal was increasing, the value of his shares was going up, and

he was getting his dividends. He forced the coal tribunal by his manager to give an increase in the price of coal to his concern. And there has not been one increase in the price of coal since John Joseph Holmes went out of that company's existence. And then he supports the motion for a Royal Commission. He supports an investigation of the capitalisation of collieries and other related enterprises and then wants to probe into the profit and losses of other companies. Yet the articles of his association, according to the evidence I got in the Registrar's office, were so framed that he need not put in a balance sheet. This evidence regarding the John Joseph Holmes Company was given by Chris. Garland, the secretary, who said, "The articles of association were drawn up in such a way that the company had not to submit their balance sheet to the registrar." That evidence was given before me as a member of the Royal Commission, 1916. Perhaps Mr. John Joseph Holmes forgot that I was on that commission. The articles were so hidden that the company did not have to tell the public anything about the balance sheet, and now, like a prying Thomas, John Joseph Holmes pokes his nose into other people's business. This appeared in the Press—

And I know that, under the sale of interests from one company to another, about £35,000 was made by five people in one hit, said Mr. Holmes, discussing Mr. Miles's motion for the appointment of a Royal Commission to inquire into the Collie coal industry, in the Legislative Council last night. "It was cleverly done. They would have been in gaol if I had had my way," he added.

Five people took £35,000 out of his company. That is according to Mr. Holmes, who does not tell the whole truth there I am going to tell the truth because he has maligned the memory of a good man. I got all this data in the Supreme Court building. I learnt that the Proprietary Company gave an option to a manager named Briggs, an option to sell the mine for £75,000. The manager, of course, justified his right of option. He took another man into it, a secretary named Garland, and together they sold the concern and got £35,000 more than the option. After a year one of the directors heard tell of the good deal that had been made and the "optionists" were threatened with an action at law. It evidently showed that the man had got an option,

but as a compromise £7,000 was paid back out of the £35,000 they made on the option. But John Joseph Holmes did not tell us that he got a share of that £7,000.

Member: He forgot that.

Mr. WILSON: Yes, and if, as he says, the five men should be in gaol, he should be in gaol with them.

The Premier: You should not say that.

Mr. WILSON: I am game to repeat outside, even on his own dunghill, anything that I am saying here. What I want to say is this: He said five men. That is not true. Two of those men who paid the £35,000, did not draw anything out. Two men engineered the option. The John Joseph Holmes company gave the option and after the other men made the money they started squealing, the way they are squealing now. Two men made money out of it and the lawyer of course got his fees. But the other two men paid the £35,000. That was Mr. Johnson and the late Mr. Lynn. If John Joseph Holmes maligns those men, then he does them a cruel injury. It comes well from a man of Holmes's colour to bring a charge of dishonesty against those men. Actually it does not come too well from him or from any man who makes his statement in the security of Parliament. I am prepared to go outside and state that if this investigation means getting into the grips of coal finance. I should say the whole ramifications of the Holmes family should come in as well. I do not know that I can do much more by labouring this, other than adding: The sixth clause I have suggested for reference to the select committee is worthy of the consideration of the House. That is to get the values of Newcastle coal as against Collie coal properly tested. Then there is the question whether we are getting a fair deal from the railways for export bunkering or shipping coal.

The Premier: You cannot have that.

Mr. WILSON: If we could get some concession—

The Premier: Oh, Lord!

Mr. WILSON: I am not saying that you should not get some concession made by the other fellow. But given a concession, we might well increase our trade and employ 1,600 men instead of 800 men. Would not that be of benefit to the State?

The Premier: It would so, if you could do it.

Mr. WILSON: The question of harbour fees and railway rates could be considered. If Newcastle coal can be carried 42 miles for half the price that is charged in this State, then clearly there is something wrong in this State if our engineers cannot do the same. Then we have the unusual spectacle of coal hulks in the Fremantle harbour. What is paid for them? Only £10 a year in order to supply vessels with imported coal. That ought not to be, where we have to pay 2s. or 3s. per ton to get it landed on the wharf here. I want to say in conclusion that it would be wise to have an investigation of this matter so that we might see whether we can assist industry by going into the phases I have spoken of. The question of going into the activities of those other men can be left to the House to decide, but I do want those people living in glass houses to be careful that they do not throw too many stones. I still make this assertion, that I will go outside and repeat every word I have said on this question. As for another member of the Council who spoke so much, I mean Mr. Miles, just as when the mob stoned Jesus on the Cross the Saviour said "Lord, forgive them, for they know not what they do," we can say of Mr. Miles, "Lord forgive him, for he has not the necessary data and knowledge to grasp the real position."

On motion by Minister for Mines, debate adjourned.

BILL—SALARIES TAX.

In Committee.

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

Clause 1—agreed to.

Clause 2—Application of Act:

Mr. SLEEMAN: I move an amendment—
That paragraph (a) be struck out.

The paragraph proposes to exempt the salary of His Excellency the Governor. A civil servant drawing over £19 a week would have to pay 10 per cent., but the Governor drawing about £80 a week would not be taxed. If we are going to tax civil servants, we should start at the top and work downwards.

The PREMIER: I hope the hon. member will not insist on the amendment. Under the appointment the Governor's salary cannot be taxed. I have told members that the Governor forwards a cheque.

Mr. KENNEALLY: We have little information as to what becomes of such cheques. Mr. McNess forwarded some cheques, and it appears to me that the money is used to relieve Consolidated Revenue.

The Premier: That is not so.

Mr. KENNEALLY: If the salary of the Governor is already exempt, there is no need to exempt it in this measure.

Hon. P. Collier: It is tantamount to providing that we will not do what we cannot do.

Mr. KENNEALLY: Yes. Can we tax the Governor's salary?

The Premier: No.

Mr. KENNEALLY: Then why include a specific exemption in this Bill?

The Premier: That is why it is included.

Mr. KENNEALLY: I should like to have the salary deductions and all cheques received paid into a special fund.

Mr. SLEEMAN: The Premier's reply that the Governor sends a cheque is no reason why his salary should not be taxed. The very people whom the Bill seeks to tax were amongst the first to tax themselves to help the unemployed. Their cheques were received regularly until the Bill was introduced, and then no more cheques were received. We cannot blame them for that. Under the Arbitration Act the basic wage has to be fixed each year, and now the Government have introduced a Bill to provide for fixing it quarterly.

The CHAIRMAN: The hon. member cannot discuss that.

Mr. SLEEMAN: When the working man is concerned, the Government can overcome any difficulty, but when the Governor is concerned they do not want to.

Amendment put and negatived.

The PREMIER: I move an amendment—

That the following paragraph be inserted:—“(d) Any person who is receiving salary at a rate which does not exceed one hundred pounds a year.”

The amendment will exempt all persons drawing less than £100. Those whose wages are fixed by the Arbitration Court will not come under the measure, which will

apply only to officers of the service drawing a salary.

Mr. McCALLUM: The amendment means that if anyone draws £2 in any one week he will have to pay the tax, because it provides for salary at a rate not exceeding £100.

The Premier: It is salary.

Mr. McCALLUM: It might apply to a woman who cleans an office and earns £2 2s. in one week.

The Premier: She would be a widow with children.

Mr. McCALLUM: It might apply to a single man a casual employee.

The Premier: A married man is exempt up to £252 of salary.

Mr. McCALLUM: If a casual earned £2 in one week and did no more work during the year he would have to pay the tax. I move—

That the amendment be amended by striking out the words "at a rate."

The PREMIER: A married man receiving £252 or less will not be taxed. Cleaners are usually widows with children and would come under the exemption of £252.

Mr. Panton: They will be exempt under the arbitration clause.

The PREMIER: That is so. I do not object to the amendment; it will not make the slightest difference. If a man were appointed permanently to the service there is no reason why he should not pay the tax.

Amendment on amendment put and passed.

Hon. W. D. JOHNSON: I must draw attention to the injustice of this provision. Here we are going to tax girls in the Public Service in receipt of £2 per week while other people with incomes of £1,000 or more are to be free from this taxation simply because they are not civil servants. Where does the justice of the proposal come in? The Government who when appealing to the electors promised not to increase taxation are not only breaking their promise but breaking it in a disgraceful way. I use the word "disgracefully" advisedly.

The Premier: You are often offensive.

Hon. W. D. JOHNSON: Income tax applies to all people and is graduated so as to make people pay in accordance with their capacity to pay. The typist or public servant on £2 a week is not called upon to pay income tax. Why? Because it would be ob-

viously unjust to impose income taxation on persons receiving such small salaries. Exemptions from income tax are graded in accordance with people's capacity to pay. With this extra tax the Government get right down to £2 a week. Let the Government place the burden upon all people equally in proportion to capacity to pay.

Amendment as amended put and passed.

Mr. SLEEMAN: I move an amendment—

That paragraph (d) be struck out.

The paragraph empowers the Governor, or the Cabinet, to exempt any other person besides those named in the clause. Who are the persons likely to be nominated for exemption from this tax? The great white chiefs in the Ministerial offices? All exemptions should be included in the Bill, so that we may know who are the people exempted.

The PREMIER: The hon. member's suspicious mind immediately leads him to suppose that possibly a member of Parliament is to be exempted. There may be some unfortunate injured or sick man who ought to be relieved even if he has drawn his salary for, say, nine months of the year. The desire to give exemption in such cases is the only reason for the insertion of the paragraph.

Mr. SLEEMAN: In view of some experiences we have had during the current session, every member ought to be suspicious. The Government have camouflaged things, and dealt with them by subterfuge. Here is the tenth taxation measure, and these taxing Bills are still going strong.

The MINISTER FOR LANDS: I hope the Committee will not delete the paragraph, which is intended to give relief in cases where I think the mover of the amendment would desire it to be given. A man with wife or child ill, for instance, is intended to be exempted.

Hon. W. D. JOHNSON: It is dangerous to insert such a provision as this in a taxing measure. The paragraph is unique so far as I know. It is inserted merely because the Government recognise the injustice of the measure. The method of taxation is so drastic that it may operate in a way the Government do not desire. Someone unable to pay may be penalised, and therefore the Government ask for power to discriminate as to who shall be taxed. However, the pro-

vision does not say that people in special circumstances of distress shall be exempt. The paragraph gives power to exempt any person whom the Governor, or Cabinet, may desire to exempt. I want this measure, if it is passed, to apply to everybody. The civil servant seems to be fair game for the Government and their supporters. I appreciate that the Government are somewhat ashamed of their Bill and sorry that they have to get down to £2 a week. Accordingly they say, "Give us the right to tax down to £2 a week, and we will tax those who deserve to be taxed and will exempt those who we think should be exempted." Under such a provision the Government could penalise foes and placate friends.

The Premier: That is what you would do.

Hon. W. D. JOHNSON: The Premier is no better than I am. When Parliament deliberately authorises the doing of such things, is there not a temptation to everyone to do them?

The Premier: I do not mind if the paragraph is struck out.

Hon. W. D. JOHNSON: If there is exemption, it ought to apply up to £252. That would be an all-round exemption. The Premier has got it recorded in "Hansard" that he is desirous of assisting people in distress. If the Bill passes and subsequently there is a complaint about someone having been harshly treated, the Premier will turn around and say, "If Parliament had given me the authority, I would have exempted that person." We have no right to give the Cabinet authority to exempt. The Bill itself should say exactly what is wanted. My desire is to defeat the entire measure. All of it is wrong, and this paragraph is inserted because the Government know the whole Bill to be unjust. I support the amendment.

The PREMIER: The hon. member knows full well that he is talking utter nonsense. During the war period he imposed taxation at a flat rate on the whole of the civil servants. To-day he is highly virtuous. He is afraid now that this paragraph will be used to exempt someone who should not be exempted.

Hon. W. D. Johnson: The years 1915 and 1916 have taught me a lot about the usefulness of taxation. I profit by my mistakes.

The PREMIER: I do not think that is so. In any case, I have no objection to the words being struck out.

Amendment put and passed.

Mr. PANTON: I am concerned about the definitions of "officer" and "salary," and I fear that those institutions mentioned in the Second Schedule will be affected. I am speaking now on behalf of the Victoria Institute for the Blind, which, I fear, may be brought under this tax, although I do not think that is the intention of the Government. The last few lines of the definition of "officer" read "and any other person not hereinbefore specifically mentioned to whom salary as hereinafter defined is payable." Then we read as part of the definition of salary these words, "or holds more than one office." It seems to me that any section of the community in receipt of funds from Consolidated Revenue, or trust funds, could very easily be brought under the scope of the Bill. The Institute for the Blind may come under the Bill, and for safety's sake, therefore, I had better move an amendment. It will not be the Government who will interpret the Act, but it will be the Commissioner of Taxation.

The ATTORNEY GENERAL: The hon. member is unnecessarily alarmed. I cannot see how such an institution as the Victoria Institute for the Blind could possibly come under this. It is not a Government institution.

Mr. McCallum: It receives a subsidy.

The ATTORNEY GENERAL: A number of institutions receive small subsidies, but those subsidies do not make them Government establishments. The Second Schedule sets out a list of the institutions to which the Act will apply, and the setting forth of that list would put the matter beyond all possible doubt.

Mr. Kenneally: Read the concluding portion of the definition of "salary" in conjunction with the first portion. It says "the term includes any payment."

The ATTORNEY GENERAL: Personally, I have not a shadow of doubt that the latter part of the definition of "salary," together with the Schedule, makes it perfectly definite that only those institutions that are mentioned will be affected. There are certain institutions that are truly governmental, for instance, the Agricultural Bank, the Fremantle Harbour Trust, the Forests Department, etc.

Mr. Pantan: The words in the last few lines of the definition of "officer" are a pretty wide dragnet.

The ATTORNEY GENERAL: We can have another shot at Clause 3 and cut out those words.

Mr. Panton: That will be all right.

Mr. WILLCOCK: I should like an assurance from the Premier as to what will happen in the event of public servants having to submit to the salary tax, and later the Government finding it necessary to increase income taxation. Members of the service will thus be penalised twice. We cannot tell what will happen. The Legislative Council may continue to pursue the attitude they adopted the other night when they rejected one of the Government's taxation measures and the Premier may then find himself compelled, before the session closes, to further increase land and income taxation. I do not know how far the member for Nelson was in the confidence of the Government. He said by way of interjection a little time ago, "Wait a while and other people will be brought under the tax."

Mr. J. H. Smith: Maybe.

Mr. WILLCOCK: The hon. member must have had some reason for making that interjection.

The Premier: Oh, no.

Mr. WILLCOCK: Was it then a shot in the dark? The hon. member is not usually guilty of that sort of thing; he is generally very reliable.

The Premier: No taxation will be imposed without first submitting it to the House.

Mr. WILLCOCK: I know, but the trouble is that this Bill will go through and even then it may become necessary to impose extra taxation. Then we have the position that we have reduced the salaries of civil servants by means of this special tax and they will have to pay again under the increased income tax, if an increase is decided upon.

The Premier: The proper time to deal with that is when the proposal is made.

Mr. WILLCOCK: The proposal may be made on the last day of the session. Is there any intention at the present time to increase land and income taxation?

The Premier: I cannot say; I do not know what is going to happen.

Mr. WILLCOCK: We may again have the experience of last week and find the Legislative Council rejecting other taxation measures. If that happens it is certain that

the Premier will have to propose increased land and income taxation. Then, this Bill having passed, civil servants will have to pay the additional impost.

The Premier: Why anticipate?

Mr. WILLCOCK: Our experience of another place justifies us in assuming that they will pursue their usual course and the only thing the Premier can do then will be to increase land and income taxation.

The Premier: I promise you I will consider the matter.

Mr. WILLCOCK: It will have to be considered in any case. I do not want members of the Public Service to be faced with a reduction in salary, and in addition an increase in their income tax. I should like to hear something more from the Premier on this subject.

The PREMIER: We do not know what will happen from day to day in times like these. Everybody knows how difficult it is to get a single penny. We may or may not obtain loan money that will carry us through. If we do get any, the situation will be very much relieved. It is the want of cash that is the trouble.

Mr. Willcock: By reason of the employment it will create.

The PREMIER: It would restore some of our funds. The cash position is a difficult one. I promise the hon. member that he will have ample opportunity to enter his protest if anything has to come down. I have nothing in mind at the moment.

Clause, as amended, put and passed.

Clause 3—Interpretations:

The ATTORNEY GENERAL: I move an amendment—

That all the words after "officer" in line 2 down to the word "Act" in line 10 be struck out and the following inserted in lieu:—"Includes any person in receipt of a salary payable in pursuance of any special Act or out of moneys annually appropriated but does not include any person whose salary is fixed under the terms of an award or industrial agreement made under the provisions of the Industrial Arbitration Act, 1912-25."

Many bright people kept on thinking of some other person who was not in the Public Service and yet ought to come within the scope of this Bill. We have in the clause set forth a list of these people, and have suddenly remembered it does not include,

for instance, the Licensing Bench. Then someone else has said, "What about the Commissioner for Railways?" It is extremely dangerous to endeavour to set forth an exact list of people.

Mr. McCallum: How will this affect the second schedule?

The ATTORNEY GENERAL: I do not think it will affect it.

Mr. Panton: Your amendment will bring in the Victoria Institute for the Blind.

The ATTORNEY GENERAL: The salaries paid by that institute are not paid out of moneys annually appropriated. Logically, we must include officers employed by the Agricultural Bank and the Forests Department.

Mr. Kenneally: They are wholly paid from appropriated money.

The ATTORNEY GENERAL: Possibly not. The Fremantle Harbour Trust pay their officials out of moneys that are derived from their activities. Only the surplus funds go into general revenue.

Mr. McCallum: What about the trading concerns?

The ATTORNEY GENERAL: They are not mentioned in the schedule.

Mr. McCallum: And the tradesmen employed by the State Sawmills.

The ATTORNEY GENERAL: They would be covered by the proposed exemption.

Hon. P. Collier: All who are drawing a salary from appropriated funds would come under the Bill?

The ATTORNEY GENERAL: Yes.

Hon. W. D. Johnson: Suppose the Government refused to renew some industrial agreement; automatically the employees would come under the Bill.

The ATTORNEY GENERAL: All who come under industrial awards or agreements are to be exempt.

Mr. PANTON: I desire to add certain words to the amendment that has been moved by the Attorney General: should I do this now or when that amendment has been passed?

The CHAIRMAN: The hon. member should move his amendment now.

Mr. PANTON: I move an amendment on the amendment—

That the following words be added to the amendment:—"or under the provisions of the Railways Classification Board Act, No. 38 of 1920."

It is impossible to separate railway officers from the railway wages men. The former certainly have a tribunal of their own which classifies them apart from the Arbitration Court. When the big railway union first went to the court, they brought about the establishment of a basic wage for all the other unions. Whatever basic wage was arranged for the railway union, the Commissioner of Railways immediately applied it to the railway officers. The Railway Officers' Union is, therefore, interwoven with the Arbitration Court.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. PANTON: The railway officers are in a totally different position from other railway employees. If the declaration of the basic wage is to be quarterly, either the Commissioner or the railway officers' organisation has the right to apply to the Classification Board, which is the officers' arbitration court, to have the determination of the court applied to the officers' salaries. The effect of that is that the railway officers are subject to the periodical declaration of the basic wage by the Arbitration Court. They being so they should be accorded the same privilege as that extended to other workers who come under Arbitration Court award direct.

The PREMIER: I hope the member for Leederville will not press his amendment. The Classification Board does the same work as the Public Service Commissioner in the classification of the Public Service. The only difference is that the salaries of railway officers are affected upwards or downwards by the Arbitration Court's declaration of the basic wage. It would be wrong to apply to the railway officers any double reduction but that difficulty is overcome under the provisions of Clause 5, which embodies what that the hon. member desires.

Mr. KENNEALLY: The amendment moved by the member for Leederville is necessary unless the railway officers are to be disadvantaged. Unless that is done, the railway officers will be affected by the determination of the Arbitration Court in connection with the basic wage, and then they will be subject to the tax under the Bill.

The Attorney General: But is it not a fact that the arrangement by which the salaries of the railway officers move up and down in accordance with the court's decision?

claration of the basic wage, is a private one made between the officers and the Commissioner of railways?

Mr. KENNEALLY: Scarcely, because the board would not give a decision unless an application were made by one or other of the parties.

The Attorney General: And I suppose it would apply by consent of either the Commissioner or the union.

Mr. KENNEALLY: To that extent, yes. It will be seen that the wages and conditions of the railway officers are determined by the Classification Board, but the men are, to all intents and purposes, subject to the decision of the Arbitration Court regarding wages, and it is the question of wages upon which the Government are determined. In no instance where the Arbitration Court has issued a determination regarding the rise or fall of wages has the board refused to follow that lead. It will be within the memory of members of the Committee that some time ago there was a lot of trouble in connection with the railway service. Certain organisations, mostly comprising wages men, having access to the Arbitration Court, secured certain determinations regarding wages. On the contrary, the railway and tramway officers, who were included in one body, did not have access to any such tribunal. At one time it was claimed they had access to the Arbitration Court, but on account of the dissension that arose under that system, it was decided that the railway officers should be granted a railway classification board to deal with the question of salaries. That position has existed for a number of years, and has made for more amicable working in the department. I am anxious to see that that relationship shall continue. Those people are prepared to be reduced if the other people also are reduced in any determination; and they claim, also, the right to rise with the other people should the determination provide for a rise. This amendment will mean a continuance of the amicable understanding amongst the officers and staff of the Railway Department, and will be quite consistent with what the Government have in mind.

Mr. McCALLUM: I find it difficult to understand just what the Government have in mind. In the Bill they include wages men of all classes. But now the Attorney Gene-

ral has submitted an amendment exempting everyone who is covered by an award or agreement under the Arbitration Court. And we are given no reasons for this alteration. So we cannot judge whether the amendment moved is in logical sequence with the decision to make the amendment. It appears to me the reason for exempting men under the arbitration law is the reason that was put up early in the debate, namely that if reductions in wages were deemed necessary by the Government, the Government could approach the Arbitration Court with that end in view; and so they did not see any reason for making the same men subject to this other law. Probably that is why they are making a distinction between those governed by the Arbitration Court and all others. The men on the basic wage have the recourse of application to the Classification Board. If my viewpoint is correct, what logical reason can be given for a distinction between the railway officers and the rest of the railway service?

The Premier: There cannot be any.

Mr. McCALLUM: If the Government required a reduction in the emoluments of the wages staff they would apply to the Arbitration Court, whereas if they wanted a reduction in the salaries of the officers, they would apply to the Classification Board. So there is no logical reason for making a distinction between the salaried men and the wages men. And if an application by the Government to the Arbitration Court in respect of the wages men were successful, then a reduction in salaries could be secured by a merely formal application to the Classification Board.

The Minister for Railways: Not exactly formal, because both sides would have to agree—that is, if it was within the three years period.

Mr. McCALLUM: But an award of the court may be fixed for only 12 months. It can be fixed for any period not less than six months and not exceeding three years. If the award has been fixed for 12 months, a variation of that award cannot be secured, except by a variation of the basic wage. That system has operated ever since the Arbitration Act has been in force.

The Minister for Railways: But again it would have to be signed by both parties.

Mr. McCALLUM: That position has been accepted by both parties ever since the law

was passed. Usually, when an award is fixed it is provided that wages and hours shall be open to review on the application of either party at any time after the expiration of one year. So why should any distinction be made between those governed by the Arbitration Act and those governed by this law? It seems to me one section of the community is being singled out for special attention, which is absolutely unfair. We are entitled to an explanation from Ministers as to what has prompted them to bring in this amendment. When a Bill is introduced Parliament has a right to conclude that it expresses the Government's policy; but now the vital scope of the Bill is being altered without a word of explanation. I have previously protested against Bills coming down and such vital amendments being made in them at the instigation of Ministers. Originally this Bill was to have dated back to the first day of last month; yet now, nearly two months later, the Government ask the House to alter vitally the very basis of the measure.

Mr. PANTON: At present the Commissioner of Railways has an application before the Arbitration Court for the abolition of the district allowance in the railway service. If that application be successful, it follows that the Commissioner will make a similar application to the Classification Board in respect of the officers in the service. And there is no reason to expect that the board will not accept the lead of the Arbitration Court. The mere fact that this matter is before the court at the present time will have a material effect on the railway officers.

The Premier: Salaries paid at the Railway Department are provided by the Treasury.

Mr. PANTON: The salaries may be, but it is quite different when a tribunal by the application of its awards has a material effect on other salaries. A salary paid by the Railway Department can be materially affected by the decision of the Arbitration Court, but the decision of the court does not affect a salary paid by the Treasury. If railway officers are to be affected by the basic wage, by the abolition of the district allowance, and then be taxed, they will suffer more than any other section of the community. If the amendment means anything, it should be that all employees affected by

arbitration awards should not come under this measure.

The ATTORNEY GENERAL: It is difficult to be completely logical in framing such a measure, and it is difficult in these strenuous times to devise a measure that will not have weak points. But there is a marked distinction between a man who comes under an award of the Arbitration Court and a railway officer. Railway officers have their remuneration and conditions fixed by a board, but their remuneration does not automatically rise and fall with variation of the basic wage. The wages of an employee under an award automatically rise and fall with the basic wage, but that automatic variation is entirely a matter of private arrangement between the Commissioner and the railway officers. If either party objects, the variation does not take place because the classification board have no power to vary in accordance with the variation of the basic wage except by consent of both parties. That puts railway officers in exactly the same position as members of the civil service.

Mr. KENNEALLY: For many years I have been associated with the industrial activities of both the wages and salary men of the railways, and I foresee a possibility of reverting to the bad old times and conditions. Assume that there is a proposal to alter the Arbitration Act, would it not be possible for the classification board to take cognisance of it? We have adopted a system under which wages and salaries of the railway men are determined by Arbitration Court determinations, and it would not be in the interests of the State to revert to the old conditions. The present Premier, when Minister for Railways, assisted to bring about the better understanding now existing between the officers and the department. I ask the Government to accept the amendment. Its non-acceptance might bring in its train much trouble that neither the Premier nor the Railway Department desires.

Hon. W. D. JOHNSON: The Government Railways Act indicates the necessity for the amendment. Parliament has directed that the officers of the Railway Department shall be divided. One section shall be subject to the Minister and Commissioner in regard to remuneration, and they will come under the Bill. The conditions of the other officers, however, are determined by a special tribunal, just as the conditions of the drivers and traffic employees are determined by the

Arbitration Court. If it is right to exempt the drivers, guards and others who are subject to the Arbitration Act, it is only right that officers who are subject to a similar tribunal should also be exempted.

The Premier: It is not a similar tribunal.

Hon. W. D. JOHNSON: The personnel is different, but the methods are the same.

The Premier: The Arbitration Act does not apply to the railway officers.

Hon. W. D. JOHNSON: Their remuneration is founded on the basic wage. I cannot understand why the Government should adopt the extraordinary attitude of providing for one section to be subject to the measure and the other section not to be subject to the measure. I would not mind if the Government had put the railway officers on the same plane as drivers and guards. A section of the railway servants are directly under the Commissioner's control. The Bill being unjust, the amendment is unjust. Up to now, Parliament has declared that the railway officers shall be on all fours with unions that come under the Arbitration Court, except that the officers are under a classification board instead of under the court. The officers have a special Act for the purpose of fixing their conditions. If workers under the Arbitration Court are exempted, the officers must be exempted.

Mr. MILLINGTON: The relationship between the two branches of the railway service has been pointed out clearly but there is the utmost difficulty in altering an existing practice in the Government service. The Bill proposes to alter the relationship. It picks out the officers, and says Parliament is to alter their salaries. The pay of the wages men is fixed by the Arbitration Court. The Commissioner of Railways, who is not under political control as regards this matter at all events, will be justified in saying that the practice of the past shall be continued. Whatever is put into this Bill will not alter the Commissioner's policy. If it is pointed out to him that the existing relationship has been altered, he will reply that he has to maintain an amicable relationship between the two sections of the service, and that he will take the lower grade. Thus the salaries of the officers will be permanently reduced by that amount. The Bill really represents a fixation of salaries by Parliament. Parliament is doing that irrespective of what the railway officers are worth. We are taking upon

ourselves the functions of the Arbitration Court. There are the existing salaries, and we reduce them. If, later, the railway union approached the Arbitration Court and were given a reduction of wages, the Commissioner would take no notice of the fact that Parliament had reduced the salaries of the officers, but would immediately apply to have the same disparity established as exists at present. Undoubtedly an effect of the Bill will be to bring together more closely the wages of the wages men and the salaries of the officers. The railway officers will be subject to this tax, which reduces their pay. When the railway union approach the Arbitration Court, the officers will get the second barrel. The old practice, which may have been fair in the past, will be pernicious now.

The Attorney General: The pay cannot be affected by the basic wage except with the consent of both parties. Either party can withdraw.

Mr. MILLINGTON: I hope the Commissioner of Railways will take that view and say, "The officers are exempt from the influence of railway awards." But the Government will not give us an assurance on that point; I do not know that they can. The Commissioner is responsible for citing the cases to the court and to the board. When the members of the railway union had their pay increased, it was not an argument for an increase in the salaries of civil servants. It was only an argument for an increase in the salaries of railway officers. These two grades, officers and wages men, work side by side in the railway service; and naturally it is the Commissioner's business to arrive at some amicable method of adjustment. There must be logic in adjustments between the two grades. Thus has arisen the present practice, which made for satisfactory and amicable working—an important feature. There should be some method recognised as a fair method of adjusting the disparity existing between the railway wages men and the railway officers. The Premier says that in future the Commissioner will alter his policy.

The Premier: I have not said anything of the sort.

Mr. MILLINGTON: That means the Commissioner will continue his present policy. Now, that is the trouble. Undoubtedly there will be dissension in the service,

and suggestions of favouritism. Anything tending to destroy amicable working between the railway officers and the railway wages men will be dangerous to the railway system.

Mr. McCALLUM: The Attorney General said that the reason the railway officers are treated differently from the wages staff is that the Act governing railway officers does not provide for the automatic alteration of their salaries. That is an admission that this tax is to adjust the wages of those to whom it applies on account of the alteration of the cost of living, and the percentage of tax ranges from £3 15s. per cent. up to £10 per cent. The Premier has given no reason why this amendment has been moved; the only spokesman for the Government has been the Attorney General, who said he could not accept the amendment because those whom the amendment would cover were not subject to the automatic adjustment of the basic wage. That is an admission that this tax has to adjust wages on account of the cost of living. It means that if the cost of living drops further next year the Government will come down with an increased tax. If it drops still further in the following year there will be a still further increase in the tax. So we shall be turning this House into a wage-fixing machine, and it will mean that each of the political parties appealing for support will have the question put to them by the civil servants, "Do you favour increasing wages, or reducing wages, or abolishing our tax?" We shall be throwing the civil servants into the political arena to be kicked by one party or the other. The Premier has not given any explanation why the amendment has been moved.

The Premier: We are now discussing the amendment of the member for Leederville.

Mr. McCALLUM: Yes, his amendment on your amendment. The proper thing to do is not to single out any section of the Community, but we should get money from the community as a whole. If I have misinterpreted the Government's attitude, I should like to have an explanation made. Let the Premier give us the logical deduction to be drawn from the Attorney General's statement. The Premier has given us no information at all. He has a number of amendments on the Notice Paper, and he does not attempt to explain his reversal of policy.

Apparently the Government say, "This is our policy and if it does not suit you we will alter it." I contend that my deductions from the Attorney General's statement were the only logical ones to make. We are developing a policy which will mean that each party will have submitted to it a questionnaire by the Public Service on the subject of increasing or reducing the salaries or abolishing the tax. I do not think any political party desires to see that occur.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	22

Majority against 5

AYES.

Mr. Collier	Mr. Panton
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Walker
Mr. Lamond	Mr. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. McCallum	Mr. Withers
Mr. Millington	Mr. Wilson
Mr. Munsie	(Teller.)

NOES.

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

(Teller.)

PAIRS:

AYES.	NOES.
Mr. Coverley	Mr. Barnard
Miss Holman	Mr. Teesdale

Amendment on the amendment thus negatived.

Mr. McCALLUM: Is the Premier aware of the fact that this amendment, as drafted, does not cover nearly all the wages men? It does not cover the great bulk of the unskilled labourers employed in the Government Service; it covers only those under the Arbitration Act Agreement. Members of the A.W.U. comprise unskilled workers engaged on railway and road construction, drainage work, harbour and lights and harbour works employment, the State Implementation Works, the Sawmills, on the wharves

and in numerous other directions. They are to be found in practically every Government Department.

The Chief Secretary: Are not the members registered under other unions?

Mr. McCALLUM: No.

Mr. Panton: This Parliament would not allow them to be registered.

Mr. McCALLUM: They operate under an agreement made with the Minister for Works. Practically every Minister has signed it.

The Premier: Cannot they go to the Arbitration Court?

Mr. McCALLUM: No. Two applications for registration have been made, but they were ruled out.

The Chief Secretary: Is not the industrial agreement registered?

Mr. McCALLUM: No, because the union is not a registered body. It has the biggest membership of any union in the country. It is very difficult to frame an amendment to cover such a large body of men. It would be advisable to postpone consideration of the clause.

The Attorney General: I admit the ramifications of our industrial system make it difficult to cover a situation of this kind.

The PREMIER: I am obliged to the hon. member for reminding me of these men. If it be necessary, I will recommit the clause and have an amendment drafted.

Mr. McCallum: There is no doubt about the necessity.

The PREMIER: We will recommit the clause if it is necessary, as no doubt it will be. In fact, I agree to the postponement of the clause.

The CHAIRMAN: The clause has already been amended and cannot therefore be postponed.

The PREMIER: Then I will recommit it.

Mr. PANTON: Surely the Premier does not intend to proceed with the clause now.

The Attorney General: He has promised to recommit it.

Mr. PANTON: There are about 10,000 men concerned. I am General President of the Western Australian section.

The Premier: We should certainly like to get them in.

Mr. PANTON: No doubt the Premier would, but about 8,000 are out of work and

not much is to be had from them. The clause should be postponed, if there is anything left to postpone.

The CHAIRMAN: The clause has been amended by the striking out of certain words. I will try to find means to overcome the difficulty.

Amendment put and passed.

The PREMIER: I move an amendment—

That all the words after "Act" in line 19 be struck out.

That will relieve the mind of the member for Leederville to some extent.

Mr. McCallum: How will that affect the State trading concerns?

The PREMIER: The salaried staff will still be affected.

Amendment put and passed.

Mr. PANTON: I move an amendment—

That a new paragraph to stand as paragraph (c) be inserted as follows:—"Allowance received for overtime worked."

I am sure the Premier does not want to tax a man's overtime. If the Government are prepared to exempt everything but salaries it is an indication that they propose to tax only the actual salary.

The Premier: Overtime is part of the salary.

Mr. PANTON: Some of the overtime is worked only at ordinary rates. If it is taxed, it means a reduction in the rate paid.

The PREMIER: I cannot conceive that there are many men who get much overtime. In the Railway Department as little overtime as possible is worked. Perhaps it would have been better if more overtime had been worked in the past, for now, when work is slack, many men have to be discharged. I cannot imagine that there would be much overtime worked by station-masters at country stations. In any case, those who get overtime are very glad of the addition to their earnings.

Mr. Panton: Why take some of it away from them?

The PREMIER: Part of the earnings cannot be separated from the remainder.

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

Ayes	17
Noes	22

Majority against	..	5
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AYES.

Mr. Collier	Mr. Pantou
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Walker
Mr. Lamond	Mr. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. McCallum	Mr. Withers
Mr. Millington	Mr. Wilson
Mr. Munzie	

(Teller.)

NOES.

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

(Teller.)

Amendment thus negatived.

Clause, as previously amended, agreed to.

Clause 4—agreed to.

Clause 5—Imposition and rate of salary tax:

Mr. McCallum: What is the idea of the first proviso to Subclause 1?

The PREMIER: I explained to the member for Leederville that if railway men were taxed twice, as he suggested they might be, then under the first proviso it could be arranged that they should not pay more than the deduction authorised by the Bill. If the pay of railway employees was reduced by the Arbitration Court, it would not be fair to tax them again under this Bill.

Mr. WILLCOCK: It is a pernicious principle to set out exemptions in three or four parts of a taxing Bill.

The Premier: That is done in taxing Bills throughout Australia.

Mr. WILLCOCK: This measure contains various proposals to exempt persons and classes. The Government can do what they like as to the amount of tax to be paid. Now, a cardinal principle of taxation is uniformity.

The Attorney General: This power is intended to enable the Government to avoid inequalities.

Mr. WILLCOCK: The Bill provides a uniform basis of taxation.

The Attorney General: You yourself and the member for Leederville have made a case for this power.

Mr. WILLCOCK: There is not much objection to a power in the nature of a general principle, but to exempt certain classes is something quite different. In this clause the Government are buying trouble. The major part of the discontent in regard to industrial conditions arises from the fact of there not being uniformity, of somebody getting a little advantage here or a little advantage there.

The Attorney General: This clause enables the Government to eliminate inequality.

Mr. WILLCOCK: If the Government provide that men in receipt of £300 shall pay so much, and then exempt some under the proviso, they will be looking for trouble. What would the Government say if it were proposed that a similar proviso should be inserted in the Land Tax and Income Tax Act?

The Attorney General: We would join you in fighting it.

Mr. WILLCOCK: Then why have such a provision in the Bill?

The Attorney General: Because the Bill is a temporary measure and there may be anomalies that will require attention.

Mr. WILLCOCK: Once the Government commence making alterations in the payment of the tax under this clause it will lead to much discontent.

Hon. P. Collier: Of course, if the Legislative Council refuse to re-enact the Bill, we could exempt everyone under such a clause.

The Attorney General: That is so.

Clause put and passed.

Clause 6—Provision for payment and collection of tax:

The ATTORNEY GENERAL: I move an amendment—

That in Subclause 2 all the words down to and including "assented to" in line 12 be struck out.

The amendment will wipe out the retrospective application of the clause, and the proviso will follow Subclause 1.

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

Clause 7—Salary tax not paid or deducted to be a charge on future salary and to be deducted therefrom:

The PREMIER: I move an amendment—

That a subclause, to stand as Subclause 2, be inserted as follows:—“(2) Any salary tax payable by an officer which has not been duly paid or duly deducted shall be a debt due from such officer to the Crown and shall be recoverable at the suit of the Treasurer in any court of competent jurisdiction, notwithstanding that such officer may, since the said salary tax became payable, have ceased to be an officer within the meaning of this Act.” This will rectify an omission from the original draft.

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

Clauses 8 to 10—agreed to.

Clause 11—Operation of Act:

The ATTORNEY GENERAL: I ask the Committee to reject the clause, which refers to the retrospective operation of the measure. I shall later on move for the insertion of a new clause dealing with the operation of the Bill.

Clause put and negatived.

Clause 12—agreed to.

New clause:

The ATTORNEY GENERAL: I move—

That a new clause, to stand as Clause 11, be inserted as follows:—“This Act shall continue in operation for a period of twelve months from and including the commencement thereof, and no longer.”

New clause put and passed.

First Schedule:

Mr. PANTON: I move an amendment—

That all the schedule after the word “basis” in the third line of the heading be struck out and the following inserted in lieu:—

	Per cent.		
	£	s.	d.
From £4 up to and including £4 10s.	2	10	0
Over £4 10s. up to and including £6	3	15	0
Over £6 up to and including £8 ..	5	0	0
Over £8 up to and including £10 ..	6	5	0
Over £10 up to and including £12 ..	7	10	0
Over £12 up to and including £14 ..	8	5	0
Over £14	10	0	0

The amendment deals with the incidence of the tax, and is based on the principle that

those who receive most, should pay most, while the position of those in receipt of lower salaries should be eased as much as possible. The Bill starts off with a rate of £3 15s. per cent. chargeable on salaries up to and including £4 10s. In my amendment I commence with a rate of £2 10s. per cent. on all salaries from £4 up to and including £4 10s. In the Government schedule the rates proceed by £1 10s. per week and then jump £2, £5 and £6. I think the margin should be less than that, hence the grading I have incorporated in the amendment. The Government impose a percentage rate of £10 on salaries over £19 a week, whereas under my amendment the rate of £10 per cent. will be collected on salaries of £14 a week.

Hon. P. Collier: You intend to give the Government more money.

The Premier: You need not worry about that.

Mr. PANTON: The Premier will have to collect the tax and he will have the worry. Why should members of Parliament pay at the rate of £10 per cent. on a salary of less than £12, while another section of the community will pay that rate on salaries of £19 per week?

The PREMIER: I would remind the member for Leederville that in his schedule the married man will not be taxed at all if he is in receipt of the lower salary. If a man is single he can afford to pay.

Mr. Panton: But many single men have dependants.

The PREMIER: Then they will not pay. A married man will not pay until he has £4 16s., and I do not think the hon. member ought to worry about the single man.

Hon. W. D. JOHNSON: Have these figures any relation to the income tax rates?

The Premier: No.

Hon. W. D. JOHNSON: What method of calculation was employed for the purpose of arriving at them?

The Premier: They are quite fair.

Hon. W. D. JOHNSON: But how were they calculated?

The Attorney General: They could not be worked out by Euclid.

Hon. W. D. JOHNSON: But did somebody suggest the figures? How did the Premier get the schedule?

The Premier: I won it in a raffle.

Hon. W. D. JOHNSON: But on what is the schedule based? Is there no explanation.

The Premier: Yes, the schedule itself is an explanation.

Hon. W. D. JOHNSON: Whose figures are they?

The Premier: Mine.

Hon. W. D. JOHNSON: Did not Cabinet have a say in them?

The Premier: Yes, every member.

Hon. W. D. JOHNSON: And what happened at the Caucus meeting? Were they satisfied with the explanation?

The Premier: They are such an intelligent crowd that they did not need any explanation.

Hon. W. D. JOHNSON: Can no one on the Government side answer these questions?

Hon. P. Collier: Try the member for Pingelly.

Hon. W. D. JOHNSON: He has never taken any intelligent interest in the Bill, except when making his speech at four o'clock this morning.

The CHAIRMAN: We are not discussing the member for Pingelly. I hope the hon. member will not proceed.

Hon. W. D. JOHNSON: I will not proceed, but I will continue to ask the question of the Government. Why were these figures adopted, and why are those advanced by the member for Leederville to be rejected? Why is the one set better than the other?

Hon. P. Collier: Because the member for Leederville's were worked out by a mathematician.

Hon. W. D. JOHNSON: Yes, and I believe they are actuarially correct. But we should have an assurance that the figures adopted by the Government bear a relationship one with another. If we pass them, it will be too late to take them to the Government Actuary.

The Minister for Railways: He is on the 'phone.

Hon. W. D. JOHNSON: Then probably the Premier has gone off to the 'phone to consult him.

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

Ayes	..	..	..	16
Noes	..	..	..	20

Majority against .. 4

AYES.

Mr. Collier
Mr. Hegney
Mr. Johnson
Mr. Lamond
Mr. Marshall
Mr. McCallum
Mr. Millington
Mr. Munale

Mr. Pantou
Mr. Sleeman
Mr. Troy
Mr. Walker
Mr. Wansbrough
Mr. Willcock
Mr. Withers
Mr. Wilson

(Teller.)

NOES.

Mr. Angelo
Mr. Brown
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Keenan
Mr. Latham
Mr. Lindsay
Mr. H. W. Mann
Mr. J. I. Mann

Mr. McLarty
Sir James Mitchell
Mr. Parker
Mr. Patrick
Mr. Sampson
Mr. Scaddan
Mr. J. H. Smith
Mr. J. M. Smith
Mr. Thorn
Mr. North

(Teller.)

PAIRS:

AYES.

Mr. Lutey
Mr. Coverley
Miss Holman

NOES.

Mr. Wells
Mr. Barnard
Mr. Teesdale

Amendment thus negatived.

Schedule put and passed.

Second Schedule:

The ATTORNEY GENERAL: I move an amendment—

That the words "Fire Brigades Board" be struck out.

Subsequently I propose to move the deletion of the following:—"University of Western Australia, Public Library, Art Gallery and Museum, hospitals within the meaning of the Hospitals Act, Children's Hospital, Perth, and Royal Mint, Perth. The reason why it is thought proper to strike out these bodies is that, although in each case they receive some money out of Government revenue, the people employed by these bodies are not in any sense of the word Government employees, and therefore it might be quite unfair to impose this tax upon them.

Mr. SLEEMAN: I am pleased that employees of the Fire Brigades Board are not being included. Those men have been practically bludgeoned into accepting a reduction of wages, and if they had been included in the Bill, they would have been doubly penalised. The men work about 84 hours a week, and it is a standing disgrace that the Government should have selected them and bludgeoned them into accepting a reduction.

The Attorney General: What have the Government to do with them?

Mr. SLEEMAN: But for the action of the Government, the board's estimates would not have been cut down.

The Chief Secretary: How much do the Government contribute?

Mr. SLEEMAN: I believe it is one-third.

The Attorney General: The board conduct their own business without any control whatever.

Mr. SLEEMAN: But the Government cut down the board's estimates and returned them to the board on four or five occasions. Otherwise the men's wages would not have been cut down. The board were quite satisfied with the services given by the men, but the Government forced the hands of the board.

Amendment put and passed.

Mr. PANTON: I move an amendment—

That the words "Fremantle Harbour Trust" be struck out.

I produce an agreement made in pursuance of the Arbitration Act between the Federated Clerks' Union of Australia and the Fremantle Harbour Trust Commissioners, operative for three years from May last. I do not think the Attorney General can object to excluding from the measure men covered by an arbitration award or agreement.

The ATTORNEY GENERAL: Insofar as any employees of the trust are under arbitration awards or agreements, they will not come within the ambit of the measure. But there are other employees of the trust who would not be covered by an award or agreement. I presume the trust have a manager, a secretary, and an accountant, and probably the pilots could be included, and they would not be covered by an agreement or award. No doubt some employees of various institutions mentioned in the schedule are covered by awards or agreements, and some not, but the measure will apply only to those who are not covered. The fear of the member for Leederville is not substantial.

Mr. PANTON: I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. SLEEMAN: It is remarkable that the Albany Harbour Board should be included, for I find there is no such thing as an Albany Harbour Board.

The Premier: But an Act has been passed authorising the constitution of a board.

Mr. SLEEMAN: I do not think the pilots under the Harbour Trust should be included.

The ATTORNEY GENERAL: I move an amendment—

That the words "University of Western Australia, Public Library, Art Gallery and Museum, Hospitals within the meaning of the Hospitals Act, 1927, Children's Hospital at Perth, Royal Mint at Perth" be struck out.

Mr. WANSBROUGH: Is the mention in the schedule of the Albany Harbour Board an indication that the Government intend to appoint a board?

The Attorney General: No.

Mr. SLEEMAN: I understand that salaries paid to the University staff are partly contributed by the Government.

The Attorney General: The Government make an annual grant to the University.

Mr. SLEEMAN: Whilst the employees of the Education Department are to be taxed I take it those of the University will escape. This is very sectional legislation.

The ATTORNEY GENERAL: The remuneration paid to the persons employed by the University is entirely in the hands of the Senate, over which the Government have no control. The position with the Fire Brigades Board is almost identical.

Mr. SLEEMAN: Persons who are teaching at the University and those who are doing so in the State schools should not be treated differently from each other in the matter of taxation.

Amendment put and passed.

Schedule, as amended, agreed to.

Third Schedule, Title—agreed to.

Bill reported with amendments.

BILL—APPROPRIATION.

Message.

Message from the Governor received and read, recommending appropriation for the purposes of the Bill.

Standing Orders Suspension.

On motion by the Premier, ordered: That so much of the Standing Orders be suspended as will enable the adoption of the report of the Committee of Ways and Means and the passing of the Appropriation Bill through all its stages at this sitting.

All Stages.

In accordance with resolutions adopted in Committees of Supply and Ways and Means, leave obtained to introduce the Appropriation Bill, which was read a first time.

Second Reading.

On motion by the Premier, Bill read a second time.

In Committee, etc.

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

Read a third time, and transmitted to the Council.

BILL—LOAN, £2,335,000.*Message.*

Message from the Governor received and read, recommending appropriation for the purposes of the Bill.

Standing Orders Suspension.

On motion by the Premier, so much of the Standing Orders suspended as necessary to enable the Bill to be passed through all its stages at one sitting.

Second Reading.

THE PREMIER (Hon. Sir James Mitchell—Northam) [10.15] in moving the second reading said: This Bill authorises the raising of the various amounts appear in the Loan Estimates. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

Remaining Stages.

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

Read a third time, and transmitted to the Council.

BILL—FORESTS ACT AMENDMENT.*Message.*

Message from the Governor received and read, recommending appropriation for the purposes of the Bill.

Second Reading.

THE PREMIER (Hon. Sir James Mitchell—Northam) [10.19] in moving the second reading said: It will be remembered that when the royalty on sandalwood was increased, it was provided that £5,000 should be set aside annually for the replanting of sandalwood. The fund accumulated more rapidly than we thought it would, and provided more money than necessary for the work of replanting. In fact, up to the end of 1929, £9,403 had accumulated; £25,000 had been paid into the fund; and £15,597 had been used. The money available in the fund was, as stated by the Leader of the Opposition last year, sufficient to carry on operations for three years. The work that has been carried out so far represents 2,900 acres that have been sown with sandalwood, and an area of 357,000 acres has been located and the necessary demarcation attended to. It is mostly in areas that were cut out long ago. The germination on the land sown has been fairly disappointing, but that was to be expected. The rainfall is so irregular there, that it must be expected that germination will be correspondingly irregular and slow. Unfortunately the sandalwood trade has been under a cloud for some time. The product has been exported from South Australia, and Queensland has now entered into the trade to a certain extent. Under the new scale of royalties, however, our exports are returning good prices, but owing to the competition, we have lost a good deal of the trade we enjoyed in former years. During this year 125 tons were shipped from this State and a further 750 tons are to be sent away this week. Last year 942 tons were exported. The expenditure from the yearly amount set aside—£5,000—has been as follows:—

1924-25	..	..	..	..	£1,600
1925-26	..	..	..	..	3,269
1926-27	..	..	..	..	3,253
1927-28	..	..	..	..	4,613
1928-29	..	..	..	..	2,862

It will be seen, therefore, that the expenditure in no one year reached the full amount of £5,000 set aside for the regeneration of sandalwood. At present, there is about £9,000 held in reserve for this work. I see no reason why we should be called upon to provide a further £5,000 this year, and I ask the House to approve of the Bill. That will mean that the money provided under

the measure that was rejected by the Legislative Council last year, representing £22,000, together with £10,000 this year, will be paid into Consolidated Revenue.

Hon. P. Collier: Then you take credit for what we were deprived of last year? That will be a windfall.

The PREMIER: But I have not got it yet. That will mean a total of £32,000 in all. There is nothing more I need tell the House. There will be sufficient money in the fund to carry on for the next three years, and still allow £32,000 to be paid into Consolidated Revenue. It is useless having forests unless we can derive some revenue from them. It is quite right to protect the re-growth of sandalwood, which is a very valuable timber, but it is not necessary, in view of the circumstances I have outlined, that we should be deprived of more revenue than is required for that purpose. I move:

That the Bill be now read a second time.

HON. P. COLLIER (Boulder) [10.25]: I have no objection to raise to the Bill. It is similar to the measures I introduced year by year when in office. I was successful in securing their passage annually until last year when the Legislative Council rejected our Bill. I hope the Premier will be more successful this time. I can only conclude that the action of the Legislative Council on the occasion I refer to was prompted because of the near approach of the general elections and the desire on the part of some members of that Chamber to make our financial position appear as unsatisfactory as possible.

The Premier: I think they treated you better than they treat me.

Hon. P. COLLIER: Instead of being able to derive some benefit from the surplus funds, the Council deprived me of the whole amount last year. I have no hesitation in saying the action taken by the Upper House was monstrous and was dictated by considerations of animus, bias and prejudice against my Government. They insisted on money being paid into forestry funds for the purpose of reforestation, and yet that money was not required at all. The figures supplied by the Premier prove that statement, and indicate that ample funds were available for the reforestation of sandalwood. Notwithstanding the fact that information along those lines was furnished to the Upper House, my Bill was rejected. It

was an outrageous attitude for another place to adopt and they pursued that course without any desire to promote the interests of the re-growth of sandalwood, but in order to defeat the Government's proposals. If the Bill is passed in its present form this year, the Premier will receive not only the money I was deprived of last year, but a substantial sum in addition. The Premier is quite right in his attitude. The money is not required for reforestation purposes at all and there is now a surplus of about £9,000. I support the second reading of the Bill.

MR. SAMPSON (Swan) [10.28]: I would have appreciated further information from the Premier regarding the success of efforts made in connection with the re-growth of sandalwood.

The Premier: It is too soon to give that information.

Mr. SAMPSON: I regret that position, because we know what the State owes to sandalwood. I trust that the Conservator of Forests will be able to inform the public in his next annual report of the success that has attended his efforts, for I am sure it will be decidedly interesting. If we had that information, it would assist us to appreciate the justification for diverting the money, as proposed in the Bill, from forestry funds to Consolidated Revenue.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 41:

Hon. P. COLLIER: I am sorry, but when the Premier was speaking on the second reading I did not quite catch the figures for last year and this year.

The PREMIER: Last year it was £22,000, and this year it is £10,000.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment, and the report adopted.

House adjourned at 10.32 p.m.