

Mr. Latham: They are not different from cheques.

Mr. WISE: Much different. Pound notes were not recognised in that country for two good reasons, one being that a note might have spent its life in the toe of an Afghan's boot and therefore had best be got rid of as speedily as possible. But these shinplasters in that particular locality always have their face value. The £10 shinplaster which I have here is printed by a storekeeper with a gallon license in a remote district of Australia, and it is worth £10 to anybody who produces it in that locality. Many outback men have seen no other form of money. A story is told of a man born in outback Queensland who lived all his life there until he traversed the north of the continent and came to the Western Australian coast. He had never seen any other money than these shinplasters. He visited the saloon of the "Bambra" when she was in port at Derby a few years ago, and having called for drinks for himself and his mates he tendered one of these shinplasters. The steward took exception, saying, "That is not money." "But," the man returned, "it is the only money I know. What do you mean?" A tourist sitting by became quite interested in the conversation, and offered to buy some of this peculiar money from the Queenslander, tendering a sovereign in payment. The old wayback looked suspiciously at the sovereign, turned it over, and said, "Well, it may be all right. I can recognise John Forrest on the one side. But who is the blighter riding the goanna?" The story shows that this form of money has rendered very great service indeed to the pioneers of outback Australia. I go so far as to say, that if money printed by a storekeeper or a publican or a producer in that part of Australia can be utilised to his benefit and to the benefit of the community, then money so printed and used by the Government could well support the production of exportable commodities from this country. If to-day's emergency were war—the Leader of the Opposition said that this depression was a worse malady than war, and I agree with him—and if money were instantly required for war purposes, money would be produced in abundance. Therefore I contend it is quite feasible to produce money for the present emergency, which is admitted to be quite as grave as

war. I have much pleasure in supporting the amendment.

On motion by Mr. Wilson, debate adjourned.

*House adjourned at 9.58 p.m.*

## Legislative Council,

*Thursday, 24th August, 1933.*

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

### QUESTION—FINANCIAL EMERGENCY TAX.

Hon E. H. HARRIS (for Hon. H. Seddon) asked the Chief Secretary: What amount is estimated to be still outstanding under the Financial Emergency Act, 1932?

The CHIEF SECRETARY replied: £9,250 was outstanding on assessments issued at 30th June, 1933, and further assessments amounting to £6,218 have since been sent out. It is not possible to say how much of this money has been collected by the Taxation Department, and some assessments still remain to be issued. It is estimated, however, that the total amount to be collected since 30th June on assessments will not exceed £20,000. It is always the case that some tax assessments are not issued in time for payment to be made before the end of the financial year. Under the Bill now being considered it is anticipated that the carry over from this year to next would considerably exceed that from last year to this.

### BILL—ROAD DISTRICTS ACT AMENDMENT (No. 1).

Report of Committee adopted.

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

## *Second Reading.*

Debate resumed from the previous day.

**HON. E. H. HARRIS** (North-East) [4.35]: The introduction of the Bill reminds one of the legislation implemented when the Premiers' Plan was introduced to save the Commonwealth from disaster, in that it included provision for an emergency tax. That legislation was responsible for the subsequent defeat of the Commonwealth Government and five of the six State Governments that gave effect to the Plan. That result was regardless of the political colour of the various Governments. Nevertheless, the Premiers' Plan still prevails. It reminds one of the Greek proverb: "The dogs may bark but the caravan rolls on." The Premiers' Plan is still rolling on, notwithstanding the defeat of various Governments that have been supplanted by the political parties formerly in opposition to them.

Hon. W. J. Mann: To whom do you refer as the dogs?

Hon. E. H. HARRIS: The hon. member can form his own opinion. The Mitchell Government, after providing sustenance for the workers of Western Australia for two years out of loan funds, were told that the Loan Council would not agree to further loans being granted. As a result, the then Premier found it necessary to introduce legislation of a similar character to that which is now before us, in order to provide the money required to enable work to be found for the unemployed. The Labour Party, who were then in Opposition, trenchantly denounced the scheme as unwarranted, and pointed out the depths of degradation to which their opponents had stooped in order to fasten further taxation on the workers of the State. Labour emitted a considerable quantity of poison gas and subsequently when the State elections were held, the Labour candidates, by deception, obtained a majority of the votes of the poll and thus secured office. From every platform they pledged themselves that the first act of the Labour Government, if returned to power, would be to repeal this iniquitous, inhuman, monstrous and obnoxious form of taxation, which, by the way, automatically expired on the 30th June, prior to Parliament assembling. When the Labour candidates broadcast their intention regarding the

emergency tax, they knew that it was not a matter of repealing the legislation because it automatically repealed itself before Parliament could be called together to discuss the future legislative programme for the State. The electors had a very brief respite from the financial emergency taxation, but, to the utter amazement of the industrialists of the State, the Collier Bill has been submitted to Parliament to continue the taxation not on a flat rate of 4½d. in the pound, but starting at 4d. and ending at 9d. in the pound, with a few variations. The bread line, as it is termed, of the basic wage and that paid to the sustenance workers, which is much less than the basic wage, has been varied slightly, which represents an improvement on the Mitchell Bill. The object of the measure now before us is to raise £385,000, which the present Premier (Hon. P. Collier) described, when the Bill of 1931 was before the Legislative Assembly, as an enormous sum to take from the taxpayers, in addition to all the other taxation they were paying. The same argument applies to the Bill now before this Chamber. Under the measure, it is anticipated that approximately the same amount of money will be raised over the 12 months. What was an enormous amount to take from the taxpayers under the 1931 Act, is again an enormous amount to take from them at the present juncture. As to the basic wage, it must be remembered that the wage specified represents the decision of the Court of Arbitration when they fix what they consider to be the lowest wage on which a man, his wife and two children, can exist, having regard to their obligations and comfortable living. The sustenance rates that have been, and still are being paid are, naturally, considerably less than the basic wage. It is remarkable that the day the Bill was introduced in which £3 10s. was the amount fixed for exemption by the Labour Government, was the day that the Court of Arbitration delivered their decision fixing the basic wage at £3 9s. 3d. That declaration was made on a rising market, which indicates that, in all probability, before the quarter is ended, the basic wage will exceed £3 10s. Members will probably be aware that the rate is not altered unless there is a difference of at least 1s. in the cost of living figures. The present basic wage is less by 9d. only, and with the rising market it is almost certain that immediately effect is given to the taxing measure, the basic wage will exceed the amount provided for exemp-

tion under its provisions. That means that the whole of the workers throughout Western Australia will be subject to the financial emergency tax. That was the position under the Mitchell Government's measure, except that the tax levied at that time was 4½d. in the pound on a flat rate and the proposals embodied in the Bill commence with ½d. less than that amount. Nevertheless, the rates imposed are so much higher in the various steps specified in the graduation, that the workers, for whom the Labour Government are so solicitous, will soon discover that they will have to pay considerably more than formerly. Much has been said concerning equality of sacrifice, and the unjust and unfair treatment meted out to married men with large families. The arguments that were advanced against the Mitchell tax apply equally to the Collier taxes. I can find no equity in the Bill before us now as it affects married men. When we have regard to the scheme for relief that the Minister for Employment introduced recently, it will be recognised that he has made provision for men with large families to secure a greater share of the work. Provision has been made for dependants to the number of four or five. The men are to work so many weeks on wages and to be so many weeks on sustenance and the amount of work to be performed is to be governed by the family obligations of the men. That, I consider, is a step in the right direction, but no such principle is recognised in the Bill before us.

Hon. Sir Edward Wittenoom: You want to exempt them?

Hon. E. H. HARRIS: I did not suggest any such thing. I suggest it would be fairer to the man who has to provide for dependants if a scheme were devised similar to that adopted for relief workers.

Hon. H. J. Yelland: Do not you think a tax on bachelors would meet the case?

Hon. E. H. HARRIS: Perhaps, but I hope the hon. member will try to get it without my active support.

Hon. J. M. Macfarlane: How would you fare under it?

Hon. E. H. HARRIS: In these times a family man finds that there is very little work for his children and he should receive relief under this tax. The tax is to be imposed at the source on a graduated scale and the full amount is to be deducted on each pound earned or part of a pound in excess of 10s. When the income tax return is

lodged, a claim could be made for a refund of emergency tax in respect to dependants. In income tax returns, certain deductions are made that benefit a man with a large family, but no such benefit is to be conferred under this measure. During the debate members have pointed out that no one could determine what rate of tax should be deducted from the earnings of an agent or other intermittent employee, and have asked whether such men should be taxed at the highest rate, which might be above the average for the whole year. My suggestion is that everyone should be taxed on the amount earned at the time, and then the taxpayer, when submitting his income tax return, should be able to show on his form or on another form what deductions are due to him. The department could thus give consideration to the man with family obligations as is given under the income tax. When it was found that a taxpayer had overpaid emergency tax, the balance could be credited against his income tax.

Hon. J. J. Holmes: What if he had underpaid? Where would the department get the money?

Hon. E. H. HARRIS: The employer is responsible for deducting the correct amount.

Hon. J. J. Holmes: That is on the yearly average, but a man might become liable to a higher rate late in the year.

Hon. E. H. HARRIS: Could not it be added to his income tax assessment? The Taxation Department should welcome this suggestion because, according to the officials, we have a number of people in Western Australia termed tax-dodgers. They do not submit returns and they work under different names. If they were taxed by the employer at the appropriate rate for emergency tax and a refund were due, they would not be able to claim the rebate unless income tax returns had been submitted. I think such provision would meet with the approval of taxpayers as well as of the department. The much-abused Mitchell Government Act was limited in duration; it expired on the 30th June last. The Bill introduced in another place was of the Kathleen Mavourneen type and might have lasted forever but for the fact that it was amended.

Hon. J. Cornell: The Bill is before you.

Hon. E. H. HARRIS: Yes, and its operation is to be limited. My point in mentioning that is to ask what warrant there is for the measure. Is it an emergency measure or is it means to extract additional money from

the people? One can imagine the Government taking the view, "This is good business. The tax is collected at the source; we receive payment every day, so let us retain it forever in addition to the income tax." The present Government have been fortunate in having gifts showered upon them by a benevolent Commonwealth Government. Probably the Premier's success in obtaining them was due to the fact of the Commonwealth having a huge surplus. They could afford to be generous. But as the Government have received more money than did their predecessors, I should like to hear reasons advanced for their desiring the extra money to be raised by the emergency tax. I suppose one would not be right in suggesting that the money will be used to enable shell to be pumped out of the river, or to build the Dartmoor or Southern Cross-southwards railways. We are entitled to know how the Government propose to expend the money. When the Bill of last year was before us, that point was particularly stressed by Labour members. They said the money should be devoted to providing work for the unemployed and a suggestion was even made that it should be earmarked. The Chief Secretary, who described the measure as a most obnoxious one, moved an amendment as follows:—

That in lines 2 and 3 of Subclause 2 "the Consolidated Revenue Fund for the use of His Majesty" be struck out and the following words inserted in lieu:—"an unemployment trust fund account, to be kept in the Treasury; and, subject to the payment to the Commissioner of the cost of collection, the amount for the time being to the credit of such account shall be applied to the provision of work for unemployed persons."

With the amendment, the Chief Secretary told us on that occasion, the measure would be less obnoxious. There is no such provision in this Bill. If he thinks such a provision will be advantageous to the workers, we may insert it for him in Committee. I thought it well to remind the Chief Secretary that he considered such a provision of value last year.

Member: He made many other suggestions.

Hon. E. H. HARRIS: That is the best I can find. The tax is to be imposed on incomes ranging from £104 to £416 and over per annum. The Government start off as a class-conscious Government. They do not want to tax the bread-liners, but they propose to tax boys earnings 6s. 8d. per day. They in-

dicate that they desire to place the burden on the people best able to bear it. It is the practice of Labour members on the platform and in Parliament to talk about people receiving the higher grades of income. They frequently speak of people receiving £1,000 a year and they talk of taxing those on the higher grades or, to use a phrase employed against opponents by Mr. Lang when he was Premier of New South Wales, "They would chop the lower paid but only prune the tall poppies." That might be applicable to the Government who are forever quoting men on the top rung of the ladder. The bona-fides of Ministers are open to question. A Minister receives £1,150 a year, but I suggest he will not pay 9d. on the whole amount. He will pay 8d. on the £400 paid to him as a private member and 9d. on the £750 he receives as Minister.

Hon. A. Thomson: Are you sure you are right?

Hon. E. H. HARRIS: If I am wrong, the Minister can correct me.

Hon. A. Thomson: I think the tax would be fixed on the aggregate income.

Hon. E. H. HARRIS: The Mitchell Government provided for a tax on a flat rate of 4½d., but the present Government propose a graduated tax. I suggest that Ministers will pay the lower rate on the amount received as private members and the higher rate only on the amount received as Ministers, whereas the man in the street, with an income of £1,150, will pay 9d. on the lot.

Hon. J. Cornell: But the previous Government suggested two heads for financial emergency.

Hon. E. H. HARRIS: I am suggesting that this is a double-header. It is idle to talk of taxing people in receipt of incomes of £4,000 or £5,000. Companies are formed in order to avoid being slugged with heavy taxation. Increasing the tax merely encourages the formation of companies. However, much talk is indulged in by Labour members about the higher incomes, and I suggest it is merely bird lime for unsophisticated electors.

The Honorary Minister: Is it bird lime you are giving us now?

Hon. E. H. HARRIS: I am pointing out the insincerity of doling out this political dope to the industrialists. For simplicity in collection and operation generally, the flat rate has more to commend it than has the graduated scale. Taxpayers know what

they have to pay and there is nothing to argue about. The proposed graduation of the tax is full of significance to the workers on the goldfields. The basic wage on the goldfields is £4 6s. a week, but in centres north of Kalgoorlie allowances are made ranging from 6d. to 2s. per day. Consequently, very few people on the fields will benefit from the exemption proposed by the Government. Men who work in the mines for tributers and contractors—casual or permanent employees—usually receive £1 per day. On the goldfields those who formerly paid 4½d. will now have to pay 5d., 6d. and 8d., and they are saying some harsh things about the Collier Government. All the goldfields Assembly seats are held by Labour members, and the goldfields workers are incensed at the Government passing this burden on to them, after being led to believe that they would be exempt. The action of the Government is resented as much as were Larwood's tactics on the cricket field. The result is that many former ardent supporters of the Labour Government are now expressing their opinion of the Government in words not to be found in the prayer book. I should like to read what Mr. Collier said, when he made an appeal for unity in June, 1932—

To you, the officers of the Labour movement, the facts are plain. You know the folly of promising the unattainable, but you also know that Labour will realise more of what is possible than will its opponents. You know that Labour will not put on the bowed shoulders of the workers responsibilities that should be borne by the wealthy.

Those are words that got the votes. Here are more that were used at election time in Kalgoorlie recently. Mr. Cunningham's circular set out—

Change the Government and vote for the Labour candidate. The Mitchell Government refused to increase the ordinary income and property taxes to balance the budget; it fixed the added burden on wages. It was to relieve the rich of taxation on an equality with that paid by similar incomes in other States that Sir James Mitchell put his tax on the poor. The tax is a very vicious one.

Further, it was urged on the goldfields that, by means of the unemployment tax of 4½d., enormous sums were being filched from the workers there every week, and yet there were hundreds of unemployed not receiving any

sustenance whatever. Then these words were broadcast—

Only by mass pressure can we force the Government to abolish this iniquitous piece of legislation, and thus ensure ourselves against further reductions of the already meagre standard of living. Therefore, refuse to vote for parliamentary candidates who will not pledge themselves to immediately abolish the tax on wages.

That is the kind of thing that was put forward, and all were duped into voting for the candidates that would abolish the tax on wages. Recently, some 6,000, I think, of State employees expressed their disgust at the introduction of this legislation. Hon. members may have read it in the paper, but in the event of their having missed it, there will be no harm in repeating what was published. They felt that the Mitchell Government had chastened them with whips, but the Labour Government's proposals seemed to be like chastening them with scorpions.

Hon. J. J. Holmes: Who said that?

Hon. E. H. HARRIS: That was the view expressed by the secretary of the State employees. It was put up as their protest against this legislation. As a matter of fact, they have written in this way to the Government. The observations of the State employees have been endorsed by the goldfields unions and the A.L.P. have protested by resolution. No public meetings have been held as in 1931, but strong resolutions of protest have been carried and forwarded to the Government. Of course, there is no election pending. If the position had been reversed and a Nationalist Government had introduced legislation of this type, there would have been meetings of protest throughout the State. That was what happened when the Mitchell Government submitted their taxation proposals, but at the present time resolutions of protest are being forwarded quietly to the Government and no mention of the fact is made in the Press. I am a student of the "Worker" and I am indebted to that newspaper for the information which I am repeating here. Mr. Holmes made an excellent speech last night from the State and financial viewpoint. He is to be congratulated on his effort. It is not very often that I throw bouquets around, but I cannot help doing so on this occasion. He referred to the fact that supporters of the Government in this House had so far made no effort to justify the proposed legislation.

Hon. G. W. Miles: They do not want the Bill.

Hon. E. H. HARRIS: I am wondering whether they do. The Premier, when Leader of the Opposition, speaking on the second reading of the Bill introduced by the Mitchell Government, said—

I am amazed at the attitude of the Government supporters; their support has been of the cowardly type—that of the silent vote; not a solitary member has attempted to justify the measure.

That is quite interesting reading after Mr. Holmes' protest. Here are Mr. Collier's comments on the Mitchell tax when the Bill was going through the second reading stage—

Taking into consideration the hospital tax of 1½d., the tax really amounts to 6d. in the pound.

On the platform, Mr. Collier always quoted 6d. in the pound and not 4½d. He went on to say—

The Government could raise £100,000 by an alteration of the Income Tax Act.

Now that the Labour Government are in power, could not they do as their leader suggested when in Opposition? It was spoken of then as being a good move. I wonder why no attempt is made to put it into operation now? Mr. Collier went on to say—

How could any member with a sense of justice vote to tax a married man on £2 a week when a man receiving an income of £1,000 was taxed only £27? It was this kind of tax that made Bolsheviks and brought about revolution and the disturbances that were taking place all over the world.

That was Mr. Collier's opinion of the Bill that taxed a married man on £2 and over. I listened with interest to Mr. Bolton's remarks and his proposed amendments. I do not follow them very well. As I interpret the amendments, Mr. Bolton means that a person may work for one employer for three months and earn less than £3 10s., and then work for another employer for a period of, say, for nine months, and earn more than £3 10s. Then the second employer will be responsible for the payment of the tax on the earnings of the man over the twelve months should his wages exceed in the aggregate £3 10s. weekly.

Hon. L. B. Bolton: No, he will be responsible only for the amount of wages that he himself has paid.

Hon. E. H. HARRIS: Reading the amendment, I imagined that the second employer would be responsible for the tax for the whole period. In that case, an employer would be very cautious when engaging an individual.

The PRESIDENT: I suggest that the hon. member interpret the proposed amendments during the Committee stage.

Hon. E. H. HARRIS: I shall await with interest the hon. member's interpretation of his amendments when we reach the Committee stage. I support the second reading of the Bill, and shall await with some degree of interest the spirited debate I anticipate we shall have when we get into Committee.

HON. A. THOMSON (South-East) [5.13]: When the taxation proposals of the previous Government were before this House I said I would support them, though with a great deal of reluctance. I believe then as I believe now that everyone should pay his just quota, irrespective of the amount he was receiving. When addressing my electors in the South-East Province, I definitely stated I was opposed to all forms of increased taxation until I was satisfied that every step had been taken to obviate the imposition of additional taxation. I think even the Minister and those who have sponsored the Bill scarcely realise the anomalies that are going to arise under the measure. Surely they never for a moment thought that, as pointed out by Mr. Williams, Mr. Moore and Mr. Harris, the gold-fields worker would have to pay the tax, while the metropolitan worker would go free. I congratulate Mr. Holmes on the very excellent and able speech he made on the subject last night. Here I would point out the relative value with which, apparently, the public view the financial position of the State. I am not blaming the Press, because they have to cater for their readers, but we had here a discussion yesterday on the motion moved by Mr. Hall, during which certain statements were made which were quite unworthy of the publicity they received.

Hon. E. H. Gray: That is what the public like to read.

Hon. A. THOMSON: Apparently so; yet when we come to a discussion of the taxation of the people it is given very small space indeed in the public Press. I am only drawing attention to the relative value placed on a discussion which was not of any

importance, while a well-prepared speech on a subject vitally touching the taxpayers did not get the prominence to which it was entitled. I find myself in a peculiar position in regard to the Bill. Mr. Baxter submitted figures showing that, if his proposals were accepted, the Government would receive as much, or possibly even more, money than they will receive under the Bill. I have always maintained that a man, a woman or even a girl receiving only £1 a week should pay a quota to the Government of the State. They would then realise that they have to contribute a nete portion to the expenditure of the State. This measure proposes to relieve many single persons, and so it does not in any way do justice to those who are carrying the responsibilities of family life, since it allows single men and girls to go scotfree. A married man on £5 or £6 a week, if he is purchasing his own home, has to pay £1 or 25s. per week to that end. And if he is not purchasing his own home, if he is renting a house in any decent locality, he will have to pay 30s. to 35s. a week in rent. Compare his position with that of a single man drawing the same amount in wages or salary. The money the married man pays in rent alone would serve to maintain the single man in reasonable comfort. So from that point of view the Bill evidently has not received that consideration which it should have received before being brought down. I hope that if the second reading should pass, a select committee will be appointed with a view to going through the Bill and making valuable suggestions to the Government. Unfortunately, Governments and Ministers take very unkindly to any suggestion which departs from the principles they hold dear. In effect, as in a Supply Bill, we are asked to give the Government a blank cheque. Whilst allegedly government of the people by the people for the people is the standard we have set up, we find that members of the present, as of all Governments, do not invariably subscribe to it. I know I may be regarded as a crank, but I could vote for this measure more cheerfully if I knew how the money was to be spent. However, all we are asked to do is to grant additional taxation, to impose a further burden on the people. We are not asked to say how the money shall be spent; all we are asked to do is say to the Government, "You can now collect so much more from the taxpayers, and we do not attempt to dictate

how it shall be expended." I am blaming, not the present Government, but the unfortunate system that we have. Now let us examine the position in which we find ourselves, and the fortunate position of the present Government. When the late Government took office they were faced with the most unenviable task that ever confronted any Government of Western Australia, in that they had to reduce salaries. The present Government are in the fortunate position of being able to reap the benefit of the work done by the previous Administration, without incurring the odium of having carried out a distinctly unpleasant task. Then we had the secession vote, which showed by an overwhelming majority that the people of Western Australia were dissatisfied with the Federal yoke. Owing to the Financial Agreement, which I supported—

Hon. G. W. Miles: You ought to be ashamed of it.

Hon. A. THOMSON: I am proud that I supported it, because that Agreement has been the salvation of Australia as a whole. Without it, a certain gentleman once associated with the Government of New South Wales, would have run riot. It is difficult to contemplate what would have been the position of Australia but for the Financial Agreement.

Hon. J. Nicholson: Would not anything done by that gentleman have affected only the one State?

Hon. G. W. Miles: He could not have borrowed money.

Hon. A. THOMSON: I have no desire here to go into the merits or demerits of the Financial Agreement, for it is outside the purview of this debate. But, as the result of that Financial Agreement, it has become necessary for the Premier or some other State representative to go over and meet the Loan Council. Think of the wonderful position in which the present Premier was when, with that overwhelming vote on secession behind him, he was able to secure from the Loan Council £600,000 more than the previous Government had received to carry on the affairs of the State.

Hon. G. W. Miles: Do you regard it as an advantage to the country to put a new burden of £8 per head on the people?

Hon. A. THOMSON: I am not discussing that, but am merely pointing out the good fortune of the present Government

who, through that good fortune, are in a much better position to meet the unemployment problem.

Hon. J. CORNELL: The present Government have to do work that should have been done years ago.

Hon. A. THOMSON: But they have £600,000 extra with which to do it. The previous Administration introduced the farm labourers' subsidy scheme, which was highly effective and very beneficial to the State. Under that scheme, money was provided which gave a good return to the State since, if we are to get out of our present difficulties, we must increase production. It was materially helping the farming community, but unfortunately the Government had to cancel it. Why? Because the money that was being used to finance the scheme came out of revenue. It was very much better for the Government to send men away out 30 or 40 miles west of Mt. Barker to work; but that has all been charged up to loan expenditure. That is the trouble we are facing generally, that the money being expended in that and other directions is being charged up to loan funds. So, while it seems that we are reducing the deficit, actually nothing of the sort is being done. The other day a member said the proposed £2,600,000 loan was problematical. If it is found to be unavailable, no doubt that will cause the various State Treasurers of the Commonwealth some anxiety. It is true the Government have carried into effect their election pledges. I congratulate the Labour Party. What they say they will do we know they will make an honest endeavour to carry out. I do not, however, like the graduated tax. I hope this measure will be defeated, and the Government given an opportunity to amend their proposal. A flat rate of 4½d. in the pound is just and equitable. It is simple to collect. I am in favour of collecting the tax at its source. That principle has worked very well during the past 12 months, and the Government might consider giving it another trial. Take the case of married men. A married man with three or four children under the age of 16 is allowed to deduct from his assessable income £62 for every child. There are hundreds of boys and girls in this State who are over 16 and who cannot get a job. They are a greater drain upon the resources of their parents than when they were younger. The whole position should be carefully con-

sidered. Most reluctantly I voted for the 4½d. tax. Like Mr. Holmes I am prepared, however, to give that back to the Government. It is not fair to place single men who have no responsibilities on the same plane as the married man, who has grave and great responsibilities in providing for his wife and children. Man-made laws have certainly caused a great deal of suffering amongst boys and girls. I spent the greater part of to-day visiting different firms to see if I could get a position for a boy of 17. I would have found it easier to obtain a loan of £5 for myself from every man I interviewed than to get a position for this lad. That is the tragic part of the position to-day.

Hon. J. J. HOLMES: Very often they will not accept work when it is offered.

Hon. A. THOMSON: I know boys who will accept any kind of position, but they cannot get work.

Hon. J. CORNELL: I know boys who are working in the bush for nothing.

Hon. A. THOMSON: The position is a very difficult one. Trade unions are certainly looking after the interests of their members. It is the job of the secretaries to do this, and I take no exception to it. The industrial arbitration laws of the country have imposed conditions upon industry which are seriously affecting the children of the workers. It is the children who are suffering most to-day. I cannot understand why the workers do not protest against these iniquitous laws.

Hon. E. H. HARRIS: You want to be a member. You would not protest too often.

Hon. A. THOMSON: Possibly that is so. In days gone by our forefathers fought for the right to think for themselves and for liberty. Unfortunately we have given that up in many directions. I object strongly to the policy of the Government in this matter. Through the Minister for Employment they have definitely stated that no man will get Government work unless he is a contributing member of a union. In effect what the Government are saying, to both married and single men, is "We are going to exempt you from paying anything to the State as an emergency tax, but on the other hand you will not get a job unless you contribute to our funds." The money is really being transferred from the Treasury to other organisations.

Hon. E. H. GRAY: That is a gross exaggeration.

Hon. A. THOMSON: It is perfectly true.



Hon. C. F. Baxter: You cannot get away from it.

Hon. A. THOMSON: I am not protesting against the action of union secretaries, because they are paid to carry out this job.

Hon. G. W. Miles: A lot of parasites.

Hon. A. THOMSON: I object to the Government allowing these things to go on. We exempt these people on the one side from making any payment to the State, but on the other side they are being told they must hand to their unions a larger amount than they would pay to the State.

Hon. C. F. Baxter: The unionist must have preference over the State.

Hon. A. THOMSON: I am merely drawing attention to the position the State finds itself in. I do not think single men, particularly those on the lower grades, will be any better off when they pay what is due. If a select committee is appointed, its deliberations should be of value to the State. I hope the Government will give consideration to its recommendations. I regret I feel it my duty to oppose a graduated form of tax. If the Bill passes the second reading I hope I shall, in Committee, be able to make suggestions for amending it. In view of the fact that I went to the people of the South-East Province pledged to oppose any increased taxation, I am reluctantly compelled to oppose the second reading of the Bill.

**HON. E. ROSE** (South-West) [5.40]: This is a very important Bill, and affects every man, woman and child in the State. Much as we regret having to deal with it, we cannot escape paying into this account to assist those who are unfortunately unemployed. There are thousands of these people, many of them being out of work through no fault of their own. It is absolutely necessary to provide some fund to enable them to live. I do not altogether agree with the provisions of the Bill. All should pay into the fund, however small the contribution. I would be in favour of a smaller tax on those who are receiving lower incomes. Sir Edward Wittenoom spoke about a graduated tax. We should start at 1d. or 2d. in the pound, and the tax should rise by 1d. or 2d. on every additional £100 over and above a certain amount. Mr. Baxter said there was not the same necessity for the tax this year that existed last year, owing to there being so much more in the way of loan funds to spend than was the case then.

We must, however, provide work for the thousands of unemployed in order that they may exist. I hope the money will be spent on reproductive works. I also trust that every unemployed man and woman will be given the same opportunity to work no matter whether or not he or she is a unionist. I believe the policy of the present Government is to give preference to unionists. I would object to paying money into any fund if a distinction were being made between unionists and non-unionists. If the funds collected by the unions were handed over to assist the unemployed it would be a different matter, for the unions would then be finding work for their own people. Every-one should be given the same opportunity to secure work. I do not agree with the principle of paying to the unemployed the basic wage, which is rather high. Many of them are probably worth more than the basic wage, but there are hundreds who would not perhaps earn 10s. a week, and yet they have to receive the higher amount. This means bringing down the good men to the level of those who are too lazy to earn what they get. It is stated that the tax will start from the 1st August. I disagree with that provision. In the North-West many shearers and drovers who are now employed, will soon be paid off. How are the pastoralists to know what amount to deduct from their wages? It is not legal to make the deductions now, but if the law is made retrospective the employers will be held responsible, although the employees themselves will have gone somewhere else. I understand the employers will be called upon to pay the tax in addition to the wages they will already have paid. Retrospective legislation I for one do not agree with, and I shall vote against it on all occasions. I shall support the second reading of the Bill, but hope that in Committee certain amendments will be carried, and that they will be accepted by the Government. Suggestions put forward by this Chamber are intended to assist the Government as much as possible. We all know the plight of Western Australia, and I do not think there is one member of this House but is willing to do his utmost to assist Ministers in the present emergency. We all understand that they have to raise funds, but I hope that the money will be expended in such a manner as to benefit alike the unemployed and the State. I do not believe in the expenditure of money on the Perth

fore-hore at the present juncture. It is nice to have the city beautified, but the State is not now in a position to carry out such works. There are other works which would be of benefit and prove reproductive. There is the development of our lands; there are roads to be constructed, and buildings to be erected.

Hon. G. W. Miles: And there is vermin to be destroyed.

Hon. E. ROSE: Yes. All these things could be put in hand. We have rabbits, dingoes, foxes, kangaroos and other pests. The unemployed might be sent out to undertake the work of destruction. Throughout the State we have unemployed, and throughout the State there are works of a developmental nature to be done, works which will prove beneficial and reproductive. I hold that in expending this money the Government should be most careful to see that the works are reproductive, so that in time we shall be able to say that some permanent good has resulted from the expenditure. I regard 12 months as sufficient time for the measure to operate. I do not favour retrospective legislation, and I do not hold that the currency of this Bill should be extended to the 31st December of next year. During the current financial year the Government will have time, if necessary, to introduce another Bill or re-enact this measure.

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

## **BILL — FREMANTLE MUNICIPAL TRAMWAYS AND ELECTRIC LIGHTING ACT AMENDMENT.**

### *Second Reading.*

HON. G. FRASER (West) [5.50] in moving the second reading said: This measure is a small item, and should occupy only a few minutes of the time of the House. It arises from the need of the Fremantle Tramways Board to purchase certain gear in England this year. The gear is unprocurable in Australia. When I mention that the Federal Government are prepared to admit the machinery free, hon. members must be convinced that it is not obtainable in the Commonwealth. The firm from whom it is being purchased are not satisfied to accept payment in Australian currency, and hence the need for this Bill. All the gear is ready

to be shipped, and the Tramways Board are waiting for it; but the hitch over exchange makes it impossible to complete the transaction until this measure has been enacted.

Hon. J. J. Holmes: Cannot the board pay the exchange?

Hon. G. FRASER: The board were prepared to issue debentures, but the English firm's legal advisers were not prepared to recommend their acceptance because those debentures would be payable in Australian currency. Various communications have passed between the English firm and the Tramways Board on that point. This Bill has been submitted to the Tramways Board, who are of opinion that it will meet the situation. Briefly, the object of the Bill is to permit the board to purchase machinery in England and to pay for it by debentures redeemable in English currency. The amount involved is about £10,000.

Hon. W. J. Mann: Are the board paying it out of revenue?

Hon. G. FRASER: No. The board ask permission to issue debentures payable in English currency. Their borrowing capacity is about £200,000, and their total loan indebtedness about £80,000.

Hon. W. J. Mann: What is to be the life of the debentures?

Hon. G. FRASER: I have no information on that point. However, there is quite a safe margin, the surplus of borrowing capacity being about £120,000. The board have, in fact, always proceeded on the lines of paying out of revenue. In a few years' time they will be absolutely clear of loans. The value of their plant and machinery is about £300,000, as against their present indebtedness of about £80,000. They have always worked on the lines of keeping down loan expenditure.

Hon. J. J. Holmes: Entirely different from Government lines.

Hon. G. FRASER: I should not like to commit myself by replying to that interjection.

Hon. E. H. Harris: What will be the difference between paying exchange in London and issuing debentures there?

Hon. G. FRASER: I presume the board have not the money to remit the cost of the gear plus exchange. They require the debentures in order to procure the gear.

Hon. E. H. Harris: And to save exchange?

Hon. G. FRASER: Yes, to save exchange for the time being. The exchange position may have improved by the date on which the debentures become redeemable. If there is any further information hon. members require, I shall be glad to furnish it in Committee. I move—

That the Bill be now read a second time.

**HON. J. J. HOLMES** (North) [5.55]: Perhaps the House is entitled to know a little more about this Bill. I think the Fremantle Municipal Council borrow money on behalf of the Fremantle Tramways Board. I was a member of another place when the original Act was passed, 30 years ago; and that is my recollection.

Hon. G. Fraser: It was so originally.

Hon. J. J. HOLMES: I quite understand the position as regards paying in English currency. The English firm's demand is due, I believe, to the fact that a similar position arose in Auckland, New Zealand, recently. Debenture moneys had to be paid, and the Auckland Municipality claimed that under their Act they were entitled to pay in New Zealand currency, and not in English currency. There was immediately trouble on the London Stock Exchange, and the Auckland authorities had to come down off their perch and agree to pay in English currency.

Hon. G. Fraser: There is a Privy Council ruling to that effect, too.

Hon. J. J. HOLMES: The Auckland case has re-acted on the Fremantle Municipal Council, through the Tramways Board. I am not objecting to the Bill in any way, but I think that before it goes into Committee Mr. Fraser should furnish additional information as to the life of the debentures and on a good many other points. However, I am not opposing the Bill.

**HON. G. FRASER** (West—in reply) [5.57]: The chief reason for the introduction of the Bill is the need for getting over the ruling of the Privy Council in the case of the Broken Hill Proprietary Company.

Hon. J. J. Holmes: You do not propose to take the Bill into Committee to-day, do you?

Hon. G. FRASER: No. In the Broken Hill Proprietary case a similar set of circumstances obtained, and the Privy Council decided that the company must pay in Australian currency. Because of that decision

the legal advisers of the English firm here concerned were not prepared to recommend the acceptance of debentures unless such a Bill as this was enacted.

Question put and passed

Bill read a second time.

*House adjourned at 5.59 p.m.*

## Legislative Assembly,

*Thursday, 24th August, 1933.*

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

### QUESTION—LOCAL AUTHORITIES.

#### *Use of Crude Oil.*

Mr. LAMBERT asked the Minister for Works,—Will he have a statement prepared showing the number of road boards and municipalities throughout the State using crude oil in the generation of electric current, and the quantity and value of crude oil purchased by these local authorities during the past three years?

The MINISTER FOR WORKS replied: The number of municipalities using crude oil is 3; those using crude oil and suction gas—3. The number of road boards using crude oil only is 43, and the boards using crude oil and suction gas—8. No information is available as to the quantity and value of crude oil purchased by the respective local authorities mentioned.