

that are financing us and with the Commonwealth and States that have placed their trust in us is one of peril to us and one that should be avoided at all costs.

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

Ayes	..	..	..	19
Noes	..	..	..	7
Majority for				12

Ayes.

Hon. C. F. Baxter	Hon. J. M. Macfarlane
Hon. L. B. Bolton	Hon. W. J. Mann
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. M. Drew	Hon. T. Moore
Hon. J. T. Franklin	Hon. Sir C. Nathan
Hon. G. Fraser	Hon. H. V. Piesse
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. E. H. Harris	Hon. E. Rose
Hon. W. H. Kitson	(Teller.)

Noes.

Hon. J. Cornell	Hon. J. Nicholson
Hon. V. Hamersley	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. G. W. Miles	(Teller.)

PAIR.

Aye.	No.
Hon. H. Seddon	Hon. A. Thomson

Question thus passed.

Bill read a second time.

House adjourned at 5.53, p.m.

Legislative Council.

Tuesday, 5th September, 1933.

Question: Esperance District settlers	...	...	PAGE
Bills: Financial Emergency Tax Assessment Act	...	...	674
Amendment, Com.	...	...	674
Yuna-Portmoor Railway, 2b.	...	...	680

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

QUESTION—ESPERANCE DISTRICT SETTLERS.

Hon. J. CORNELL (for Hon. C. B. Williams) asked the Chief Secretary: 1. Is he aware that farmers in the Esperance district are being starved into signing liens in

the Esperance Farm Board? 2. Is he further aware that the Commonwealth grant to destitute farmers is being refused to those who will not sign a lien to the board for the whole of their crop proceeds? 3. If No. 2 is answered in the affirmative, do the Government approve of the action, and if so, why? 4. Will the Government instruct the Agricultural Bank to hold an impartial inquiry in the district, or, alternatively, to finance a deputation to Perth?

The CHIEF SECRETARY replied: 1. I am aware that in consequence of the refusal by a minority of the Esperance settlers to sign crop liens as provided for in their agreement with their creditors further advances are being withheld. 2. No necessitous farmer who is complying with the terms of the agreement is being denied assistance from the Commonwealth grant. 3. The Government do not approve of the repudiation of an honourable agreement by any of the parties thereto. 4. No.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

In Committee.

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

Clause 1—Short title:

The CHAIRMAN: Mr. Baxter has given notice of an amendment to Clause 2. I suggest the proper place for such amendment is in this clause.

Hon. C. F. BAXTER: I move an amendment—

That the following words be added:—“and shall come into operation on a day to be fixed by proclamation.”

I will follow your advice, Mr. Chairman, and move the amendment on this clause. We know what troubles follow in the train of retrospective legislation of this character, and I would never agree to passing anything of the kind again. It is a pernicious system to adopt. Some people have illegally made deductions from the wages of their employees, but the vast majority have not done so, and could never recover the money they have paid out if this Act were dated back. We have no right to penalise employers who have not dared to withhold from the wages they have paid an amount necessary to cover this tax. Even if we take another fortnight

to deal with this Bill, the Government will still have 9½ months of taxation against seven months in the case of the last Government. That will give them approximately the same amount of revenue as last year's Bill gave to the previous Government.

The CHIEF SECRETARY: I do not propose to refer to several illustrious precedents in regard to retrospection because they would merely cloud the issue, but I do maintain that this Bill can only be termed retrospective by a strain of the term. It is in effect a continuance of legislation which was passed last year. Everyone recognised then it would be necessary to re-enact that legislation, and it was due entirely to the general election, and to there being no time to call Parliament together in order to submit a Bill before the end of the financial year, that it was not re-enacted without this break. It is merely a continuance of existing legislation in an amended form. We have a precedent in the Land and Income Tax Act, which expired on the 30th June last. There is no Land and Income Tax Act in operation now, and legislation will have to be dealt with at a later stage; to that extent members may regard it as retrospective. From 1907 onwards, the Land and Income Tax Act has been passed in what members now regard as a retrospective sense. It has been passed as late as five months after the end of the financial year, and yet never before has it been suggested that it was retrospective legislation.

Hon. G. W. Miles: How do you propose to collect the emergency tax on wages paid last month?

The CHIEF SECRETARY: I recognise there will be great difficulty in collecting the tax in respect of wages paid to casual hands, but where the men are permanently employed, it will be an easy matter. Mr. Baxter said the Government would collect the same amount of money as we desire under the Bill even if it were not assented to before the end of September. Even if the Bill were operative as from the 1st July, it is estimated that the total amount of tax received will be £387,000, but actually £486,000 is required in order that the Government may be in a safe position to balance the Budget. I hope the amendment will not be agreed to.

Hon. J. NICHOLSON: The Chief Secretary said he did not wish to obscure the issue, but the issue has been much clouded

and confused by the introduction of the Bill in its present form. Had it been merely an ordinary continuance Bill that would have continued the operations of the existing Act, we would have understood the position and the Bill, which would have continued the rate of tax at present in existence, would have been passed readily. In many instances, because of the changed principle embodied in the present Bill, it will be impossible for an employer to gauge the rate of tax at which deductions should be made.

The CHAIRMAN: Order! I hope members in discussing amendments will refrain from referring to the taxing Bill as much as possible. The present Bill is to amend the assessment Act.

Hon. J. NICHOLSON: It is unfortunate that the two Bills are so interwoven. Grave difficulty will be experienced by taxpayers in determining exactly how much will have to be deducted on account of the emergency tax. No such difficulty was experienced when the flat rate of tax applied. I think it would be fairer to determine the date—it should not be retrospective but some future date—the measure should come into force. I do not know that Mr. Baxter's amendment is necessary in the assessment Bill, because I think it would be better in the taxing Bill itself.

The CHAIRMAN: That is correct. It is not really necessary in the assessment Bill at all.

Hon. J. J. Holmes: On the contrary, the amendment is in its right place in the assessment Bill.

Hon. J. NICHOLSON: I hope the Chief Secretary will recognise the difficulty that will confront taxpayers. The amendment is not moved with the intention of embarrassing the Government.

Hon. J. J. HOLMES: I do not attach much importance to the statement made by the Minister that all taxation is retrospective. Of course it is; but the tax under discussion is a special one. I, in common with other taxpayers, know that I am responsible for the payment of tax on land held by me as at the 30th June last, and also that I am responsible for income tax on the salary I earned to the end of the last financial year. On the other hand, if the present Bill is passed and is made retrospective to the 1st July, I shall not know what amount I shall be responsible for. Men are employed from

Euela to Wyndham and the mere suggestion of deducting something from wages paid, to comply with the emergency tax provisions, is met with a threat of proceedings for a breach of an industrial award. The result is that pastoralists dare not deduct anything in anticipation of the emergency tax, and have to pay the full wage. Shearers in the far North are paid off from week to week. As it stands, the Bill will penalise the station owners and not the men. At one station Tom Jones may be paid full wages without any deduction, and at the next station he is Bill Smith. That would not be the first time that sort of thing had been done in order to dodge taxation. Mr. Baxter's amendment does not go far enough and I think he should include the words, "Not earlier than the 1st October." If we were to agree to an amendment in that form, it would give us time to lick the Bill into shape and at the same time enable employers in far distant parts of the State to be notified that the legislation would be operative as from the 1st October. When we deal with the taxing Bill later on, my idea is to make it operative as from the 1st October to the 30th September. By that means, instead of the Act expiring at the end of the 30th June next, it would remain in force until the 30th September and in the meantime an opportunity would be given to Parliament to deal with the legislation. The Government would have nine months tax only as the result of the legislation we will deal with this session, but they would also know that for the first three months of the next financial year, they would have a fixed emergency tax.

Hon. Sir CHARLES NATHAN: I am inclined to agree with the contention that the dating of the Bill to the 1st July cannot be considered a retrograde step from our well-known attitude regarding retrospective legislation. I desire to be consistent, but the Government require a certain amount of money within the financial year. If the Bill is operative as from two months later than the Government desire, either the Government will go short of the amount required, or it will be necessary to review the incidence of the tax with a view to making it higher. I am concerned about the position of casual workers, and I hope the Minister will make it clear that there will be no obligation upon the employer of casual labour to make up any deficiency in respect of

wages on which no emergency tax has been deducted.

Hon. E. H. HARRIS: You are bound to get an assurance of that description!

Hon. Sir CHARLES NATHAN: I am asking for such an assurance, although it appears to me that Clause 5 seems to cover the position, seeing that it provides that the tax shall not be a charge on future wages.

The CHIEF SECRETARY: Mr. Nicholson said that if the Bill had continued on the same lines as the legislation of last year it would have received his support. That principle has not been adopted by this Chamber in connection with taxation measures. In the assessment Acts of 1916 and 1924 there were very serious amendments which resulted in heavily increased taxation. Those measures, which were agreed to by this Chamber, had retrospective effect. The hon. member's contention, therefore, will not stand. Mr. Holmes stated that there would be trouble with employees. Employers are obliged, under the Act, to collect the tax and the employees are bound to pay it.

Hon. J. J. Holmes: If they can be found after they have left a man's employment.

The CHIEF SECRETARY: The money is there; the tax is paid by the employer during the period of employment. Sir Charles Nathan asked whether there was any obligation on the part of the employer to collect the tax which might go back for a couple of months. Yes, if the wages and salaries are there to meet the tax. I refer the hon. member to Section 9, paragraph (a), of the Act of last year. It reads—

Every person paying salary or wages to any other person shall be responsible for the payment by such person of the said tax on each occasion that any payment of salary or wages is made.

In the first place, wages or salaries must be there.

Hon. Sir Charles Nathan: The wages may have been paid and the employee may have left.

The CHIEF SECRETARY: Then the employer is under no obligation.

Hon. J. Nicholson: That is the point.

Hon. E. H. HARRIS: The general impression is that the employer is responsible for the collection of the tax from the employee. A number of employers on the gold-fields have approached me and asked my

opinion. My reply has been that they are responsible for the payment of the tax by the individual that might have been employed by them.

Hon. J. J. HOLMES: That will be so if the payment is made retrospective.

Hon. E. H. HARRIS: I should like the Taxation Department to put something in writing so as to assure the House that if we say the payment is to be retrospective, employers will not be penalised. There are employers who have deducted $4\frac{1}{2}$ d. in the pound since the 1st July and if we pass something that will involve the payment of 8d. or 9d. in the pound, the employers in question will have to make up the difference.

The CHIEF SECRETARY: That is the one point on which I did not consult the Commissioner of Taxation, because to me it seemed such a simple matter and too ridiculous about which to ask a question. I have already quoted paragraph (a) of Section 9 of the Act of last year. Paragraph (b) of the same section goes on—

As and when every payment of salary or wages is received by any person, the said tax at the rate fixed by Parliament for every pound of such salary or wages shall be paid by one of the alternative methods specified in paragraph (c) of this subsection.

Hon. J. Nicholson: If you make the present Bill retrospective to the 1st July, those paragraphs you have read will apply.

The CHIEF SECRETARY: The argument seems to be that an employer will be responsible for the deduction of the tax if a man has left his employment six weeks before.

Hon. J. Nicholson: If the Act is made retrospective.

The CHIEF SECRETARY: The Act will apply if an individual is still employed or is earning wages. If the individual leaves his employment, the employer would not then be paying wages or salary, and consequently he will not be responsible.

Hon. J. Nicholson: But the employee will be gone and the Act will be retrospective.

Hon. C. F. BAXTER: I am sorry I cannot see the position as the Chief Secretary views it. If the Act is made retrospective, the employer will be liable for the tax as from the retrospective date. The employees who may have departed will have collected their wages and disappeared without the tax having been deducted. The employers then will be responsible for it. I am convinced

the Chief Secretary is wrong. I am prepared to give the Government the same amount of money as was collected by the previous Government. In addition, the Government will have £20,000 that remained uncollected from the tax of last year. Personally, I thought the figure would be higher.

Hon. Sir EDWARD WITTENGOM: The question is very simple. The Bill provides that the tax shall be collected as from the 1st July, though I believe that has been modified to some extent, and it is proposed to collect the tax as from the 1st August. The question now is whether we are to have the tax collected from the 1st August or from the date of the proclamation of the Act. We have had all this argument before on the second reading and we should know what we are going to do. Therefore let us get to business, and learn what the decision of the Committee is to be.

Hon. J. J. HOLMES: The commencement date of the measure is fixed as the 1st July.

The Chief Secretary: It will be the 1st August.

Hon. J. J. HOLMES: In the Bill as we have it here, the date is the 1st July. As from the 1st July every employer is bound to collect the tax at the source.

The Chief Secretary: No; as from the 1st August. The employer deducts the tax when he pays the wages.

Hon. J. J. HOLMES: The measure is not proclaimed until the 1st October, let us say. During August and September the employer has paid men without making any deductions, because he was not legally entitled to make deductions. But the Bill, when passed, will be retrospective to the 1st August, and the employer will be held responsible as from the 1st August even though the employees then working have been paid off and have departed. Why make the measure retrospective unless the object is to catch the employer?

The HONORARY MINISTER: Sir Charles Nathan has already indicated how the Bill would operate. Clause 5 says that the tax shall be and remain a charge upon the salary or wages of such taxpayer as and when the same becomes payable after the commencement of this Act. The only money liable for the payment of this tax would be money received by the taxpayer after the passing of the measure.

Hon. J. Nicholson: No; after the date from which it becomes operative.

The HONORARY MINISTER: Consequently, if an employer has been employing certain individuals who have left his employment before the commencement date, and if he does not owe those employees any money, and therefore has not to pay them any money, he is not liable in respect of the tax; but the employees are liable.

Hon. J. Nicholson: No.

The HONORARY MINISTER: That is the position. In the event of the employee being employed continuously both before and after the coming into operation of the Act, then, when the employer pays the wages due he is liable to see that the tax is collected for the previous two months, in addition to the amount payable for the current week or period. If the employee has left the service of the employer, the latter has no responsibility for tax in respect of the so-called retrospective period.

Hon. G. W. Miles: Is the next employer liable?

The HONORARY MINISTER: No. Only the employee is liable. The Chief Secretary's explanation is, in my opinion, perfectly clear and correct.

Hon. E. H. GRAY: I hope that the clause, if defeated, will be defeated for other reasons than those advanced by some hon. members to-day. Clause 5 is so clear that it should convince even a school boy of what is the exact position. If there is no money to be paid to the employee, the man having gone away, no tax is collectable under the Bill. A few workers change their names, just as some employers use devious methods, to escape taxation.

Hon. J. J. Holmes: Why is the Bill made retrospective?

Hon. E. H. GRAY: To secure the tax. In the majority of cases the tax will be paid.

Hon. H. SEDDON: I think the Chief Secretary would be well advised to get an opinion from the Crown Law Department on this clause before we proceed further with it. It is open to two interpretations. On knotty points the Commissioner of Taxation has previously referred to the Crown Law Department for rulings. That might be done in this case. Notwithstanding the Chief Secretary's assurance, the Crown Law Department may rule that the tax is collectable.

The CHIEF SECRETARY: I shall be only too pleased to accept Mr. Seddon's ad-

vise and consult the Crown Law Department.

Hon. J. NICHOLSON: When the Chief Secretary invites the opinion of the Crown Law Department, he might be good enough to make the views of this Chamber quite clear. According to the contentions of the majority of members who have spoken, the clause will date back to the retrospective operation if we make the measure retrospective. Under Section 9 of the existing Act there may be a liability to pay the tax, and the Commissioner of Taxation may come down on the employer with a demand accordingly.

Hon. J. J. HOLMES: I do not know that the opinion of the Crown Law Department would get us much farther. The question is not how the Bill is to be interpreted, but whether this Chamber will agree to retrospective legislation. Let us get on with the Bill, which has already been hung up too long.

Hon. L. B. BOLTON: The opinion expressed by the Chief Secretary is certainly not shared by one of Perth's leading counsel, for after a careful study of the Bill he suggested to me the very amendment I intended to move, the deletion of Clause 5, in order to safeguard the position as I see it, though not as explained by the Chief Secretary, whose contention I regard as entirely wrong.

The CHIEF SECRETARY: I move—

That the further consideration of Clause 1 be postponed.

Motion put and passed: the clause postponed.

Clause 2—Operation of this Act:

The CHAIRMAN: This clause also will have to be postponed.

On motion by the Chief Secretary, the clause postponed.

Clause 3—Amendment of Section 4:

Hon. C. F. BAXTER: I move an amendment—

That paragraph (a) be struck out.

The paragraph reads—

By deleting the words "twenty-one" in paragraph (b) and inserting in lieu thereof the word "forty."

Under the present Act there is an exemption up to £1 per week. The Bill proposes

to exempt up to £2 per week. I fail to see why young people should be exempt.

Hon. J. J. HOLMES: They have the most votes.

Hon. C. F. BAXTER: That is so. These young people enjoy all the free services of the State. The plea is put up that we must protect those on sustenance. But there are other ways of protecting those people, such as not requiring them to pay 25s. each for their union tickets. As to these young people earning up to £2 per week, why should they be free from all taxation except hospital tax? We are bringing them up in the lap of luxury, breeding a race of spendthrifts who think of nothing but pleasure. Why should they not pay tax? Why should we assist them on their mad career of pleasure?

The CHAIRMAN: Mr. R. G. Moore has on the Notice Paper an amendment which must take priority over that moved by Mr. Baxter: for whether Mr. Moore's amendment be accepted or rejected, we cannot proceed with Mr. Baxter's amendment until the next Committee. Perhaps Mr. Moore does not intend to move his amendment?

Hon. R. G. MOORE: Yes indeed I do. I move an amendment—

That in paragraph (a), "forty" be deleted and "thirty" substituted in lieu.

I do not think a man or a woman on £1 a week can pay much in taxation, but I hold that those on 30s. a week should pay something. My amendment ought to be acceptable to the Government, for 30s. a week is a reasonable sum.

The CHIEF SECRETARY: Mr. Moore is to be commended for having submitted this amendment, although I intend to oppose it. It is well thought out, but it is against the policy of the Government, and so I cannot support it.

Hon. J. J. HOLMES: If we vote for the retention of "forty," there will be nothing to prevent us from dealing with Mr. Baxter's amendment at this sitting?

The CHAIRMAN: Yes, only on recommendation can Mr. Baxter's amendment be dealt with.

Hon. C. F. BAXTER: I will withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. E. H. GRAY: Mr. Baxter's idea of young people earning £1 a week and

living in extravagance does not appeal to me. There are hundreds of young men and women whose earnings of £1 or £2 a week are taken into account when their unemployed fathers apply for sustenance, and so the amendment would be doubly taxing them. Moreover, every boy and girl earning £1 a week and living at home has to contribute to the support of that home. Nobody can suggest that young people earning £1 in the metropolitan area are overpaid or living lives of extravagance, for they cannot keep themselves on that amount.

Hon. J. J. HOLMES: But they all have to pay 6d. a week into the union.

Hon. E. H. GRAY: That is not true.

Hon. J. M. MACFARLANE: I will support Mr. Moore's amendment, so long as I can fully consider that of Mr. Baxter at a later stage. An emergency tax should be on the shoulders of every adult in the State. We should breathe into the young people a sense of responsibility to the State. In exempting them from taxation we are not treating them rightly.

Hon. J. NICHOLSON: If the Committee reject Mr. Moore's amendment, will not Mr. Baxter's amendment then be open for consideration?

The CHAIRMAN: No; under Standing Order 131, whether Mr. Moore's amendment be agreed to or disagreed with, Mr. Baxter's amendment can be taken only on recommendation.

Hon. J. J. HOLMES: Would it not simplify the position if Mr. Moore were to withdraw his amendment while we proceed with that of Mr. Baxter? There would then be nothing to prevent Mr. Moore from bringing down his amendment to-morrow.

Hon. G. W. MILES: If Mr. R. G. Moore's amendment were first taken and "forty" struck out and the majority disagreed with "thirty," the paragraph could then be deleted.

The CHAIRMAN: It has always been our procedure not to go back.

Hon. J. J. HOLMES: Would not my suggestion overcome the difficulty?

The CHAIRMAN: Certainly.

Hon. R. G. MOORE: If I withdraw my amendment to-day, shall I be able to re-introduce it to-morrow?

The CHAIRMAN: If the amendment be withdrawn, and the Committee proceed to deal with Mr. Baxter's amendment, whether

that amendment be agreed to or not, when the Bill is finally reported, Mr. Moore may move for its recommitment.

Hon. R. G. MOORE: In the circumstances I ask leave to withdraw my amendment, but I wanted to make sure that I would not forfeit my right to move it later.

The CHAIRMAN: The hon. member will not forfeit any right provided the House approves of the Bill being recommitment.

Amendment, by leave, withdrawn.

Hon. C. F. BAXTER: I move an amendment—

That paragraph (a) be struck out.

The CHIEF SECRETARY: The amendment proposes to reduce the exemption and make it the same as in the legislation of last year. The stand I take on behalf of the Government is simple. At the election, the Government who introduced the legislation last session were overwhelmingly defeated; and the financial emergency legislation was one of the main issues before the country. On every platform the legislation of last year was denounced. I do not intend to discuss the merits or demerits of the question—they were discussed last year—and I ask members to reject the amendment.

Hon. Sir EDWARD WITTENOOM: I presume that a number of electors opposed the present Government; there must have been a substantial minority, and I do not think this House is bound to accede to the wishes of any Government merely because of its majority. If that were so, only one House would be required. The present Government may have been returned on wrong premises. In the circumstances, if necessary, it is our duty to protect the minority.

Hon. G. FRASER: I oppose the amendment. The amount of 40s. is little enough as an exemption. Most members seem to take the view that single men and single women have no responsibilities. In my province there is not a home that is not affected by unemployment, and the young people earning £1 or £2 a week do realise their responsibilities. Mr. Gray has mentioned that the earnings of the young people are taken into consideration by the Child Welfare Department when granting assistance, and I know that such earnings are being used to maintain many homes and are keeping the families off the dole.

Hon. R. G. MOORE: There is an exemption for those contributing to the support of dependants.

Hon. G. FRASER: Yes, but it is not sufficient to leave that matter to the discretion of the Commissioner.

The CHAIRMAN: Order! The question before the Chair is the amendment.

Hon. G. FRASER: If the amount is reduced to 21s. the people I have mentioned who do realise their responsibilities will have to pay the tax.

Hon. Sir CHARLES NATHAN: I oppose the amendment because the mover suggests making the exemption lower than I think is desirable, but I do so with the full intention of supporting the amendment that Mr. R. G. Moore intends to move later. I consider his amendment a reasonable compromise. Everyone in receipt of reasonable wages should, consistent with his responsibilities, be called upon to contribute to the tax.

Hon. H. J. YELLAND: The amendment brings us back to the proposal of last year and Sir Charles Nathan then supported the measure. When a man enjoys the rights of citizenship, he should contribute something for the privilege, and that is practically all that is proposed.

Hon. E. H. Gray: There are thousands who do not.

Hon. H. J. YELLAND: And thousands more who would not if the hon. member had his way.

Hon. J. J. HOLMES: This is emergency legislation to provide work for the unemployed. The policy of the Government who will handle the money, preached in season and out of season, is preference to unionists. No person can participate in the relief afforded by the money unless he first joins a union. That has been stated definitely and distinctly. There is no objection to penalising the poor unfortunate people who may work only one week in the year, penalising them to the extent of 6d. a week for every week of the year, but to ask them to pay 4½d. tax for the weeks they are employed, we are told, is monstrous. I do not propose to take members too seriously on this point.

Hon. G. FRASER: We cannot take Mr. Holmes seriously. At any rate, he is wrong in his conclusions. A worker would not pay anything like 6d. to his union in such circumstances, even if he were compelled to

pay anything. Most of the persons concerned would be termed juniors.

Hon. E. H. Harris: Under sixteen? A person can join a union if he is 16 years old.

Hon. G. FRASER: I understood a junior was a person under 21.

Hon. E. H. Harris: A person can go up for a selection ballot at the age of 16.

Hon. G. FRASER: Anyway, 6d. a week would be an extreme charge.

The Honorary Minister: No matter how often you give the facts, they are generally misrepresented.

Hon. G. FRASER: A junior would not pay more than 6d. a month while he was at work. When a person is out of work very few unions, except those that are on the annual ticket, would charge anything to the member.

Hon. G. W. Miles: The Government say a man cannot get a job unless he is a member of a union.

The CHAIRMAN: I hope members will not go too wide of the mark in dealing with the question of preference to unionists.

Hon. G. FRASER: The particular kind of work, in which preference is to be given to unionists, is that which is being provided out of loan moneys, where the Bill does not apply.

Hon. A. Thomson: Then why do you want this tax?

Hon. G. FRASER: That money is required to find food for the people who are not working.

Hon. E. H. Harris: The £385,000?

Hon. G. FRASER: I understand that 14,000 people must be provided for. A certain amount of work will be provided by the Government out of Loan Funds, but the remainder of the people must be cared for by other means, and this is one of the methods by which the necessary finance will be raised. The amount in question will only be sufficient for the rationing of the people concerned.

Hon. J. M. MACFARLANE: We are told it is our duty to accept the Bill. It seems clear to me that single men who have votes would certainly vote for the Government which said to them, "You will not be required to pay this tax." A majority constituted of people like that cannot be said to be a true reflex of the opinions of taxpayers.

The CHAIRMAN: I hope members will confine their remarks to discussing whether a worker in receipt of 40s. a week or less is in a position to pay the tax.

Hon. J. M. MACFARLANE: Under last year's tax single people had to make their contributions. There was no noticeable hardship imposed upon them, and none would be imposed this year if the same tax were re-enacted. They would certainly derive some satisfaction from knowing that they were contributing to the general funds of the State. The Government seem to think they are in possession of the Treasury bench because of the imposition of the emergency tax of 4½d. last year. I am sure many other reasons than that could be found for the change. No person earning £1 a week would experience any hardship in giving up 4d. for the benefit of the State. Indeed, many of those in receipt of low wages supplement their incomes in other directions.

Hon. E. H. Gray: Not 2 per cent. of them.

Hon. J. M. MACFARLANE: When, as a married man, I was an employee, my wife and I lived on 6s. a day. We managed, without undergoing any inconvenience, to save enough for me to start in business, and I have not been an employee since. I worked hard and did not confine my activities to 48 hours a week. Those people who want to be true citizens in the proper sense of the term must do likewise and be prepared to work. I support the idea of imposing a small tax on the man who earns a guinea a week, because I feel it is right that he should contribute something towards the State.

Hon. H. SEDDON: I have always advocated that every citizen who is earning a wage should bear his proportion of the cost of conducting the affairs of State. A reference to the table of Government expenditure shows that the value of free services given to the people runs into about 1½ millions, and if this is averaged, it works out at about 1s. per week per head of the population. I am inclined to think that if we begin taxing an income of 21s. a week, we can very well consider an amendment to the taxation measure, thus providing that only a small amount shall be deducted from those on the lower grade. The principle of requiring every person who is earning money to contribute towards the value of his citizenship is one that we should always adopt. Mr. Gray referred to a regulation imposed by the department dealing with the relief

of taxation in the case of single men who are supporting dependants. The Minister in charge has power to amend the regulation, and arrange that the contributions of such single men may be revised in accordance with their peculiar responsibilities.

Hon. E. H. Gray: Do you advocate that?

Hon. H. SEDDON: I advocate that the Minister should be able to revise the regulations. If we accept Mr. Baxter's amendment, the amount of money that will be available to the Government will be increased. The Chief Secretary said that the Government required the money to assist them in financing the affairs of State. He did not raise the point that it was intended to be used for the unemployed, but said it would affect ordinary Government expenditure if it were not forthcoming. The Government expenditure last year on unemployment relief was £310,000. We may accept it that this is purely a taxation measure to enable the Government to do their financing.

Hon. T. Moore: To assist in balancing the Budget.

Hon. H. SEDDON: The Chief Secretary said it was necessary to balance the Budget.

Hon. G. Fraser: This money would relieve expenditure from Consolidated Revenue.

Hon. H. SEDDON: It will help the Government to raise the money they require. At any rate, Mr. Baxter's amendment would yield a greater amount of revenue than the clause as it stands would yield, and I therefore intend to support it. Every citizen should pay something towards the free services he enjoys.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	8
Majority for	..	..	..	..	9

AYES.

Hon. C. F. Baxter	Hon. H. V. Piesse
Hon. L. B. Bolton	Hon. E. Rose
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. V. Hamersley	Hon. A. Thomson
Hon. E. H. Harris	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. G. W. Miles
Hon. J. Nicholson	(Teller.)

NOES.

Hon. J. M. Drew	Hon. R. G. Moore
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. Sir C. Nathan
Hon. W. H. Kitson	Hon. J. T. Franklin
	(Teller.)

Amendment thus passed.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. F. BAXTER: I move an amendment—

That paragraph (b) be struck out.

The principle involved is the same as that dealt with before the tea adjournment.

The CHAIRMAN: Mr. R. G. Moore has also an amendment, but I understand he does not intend to move it at this stage, but will deal with it on recommitment.

Hon. R. G. Moore: That is so.

The CHIEF SECRETARY: I object to the amendment on the same grounds that I have already stated in connection with paragraph (a).

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	8

Majority for 8

AYES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. E. H. H. Hall	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. E. Rose
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. A. Thomson
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. C. H. Wittenoom
	(Teller.)

NOES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. J. T. Franklin	Hon. R. G. Moore
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. Sir C. Nathan
	(Teller.)

Amendment thus passed.

Hon. C. F. BAXTER: I move an amendment—

That in paragraph (c) in line 2 of proposed new paragraph (d), "forty" be struck out and the words "twenty-one" inserted in lieu.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in lines 5 and 6 of proposed new paragraph (d), "one hundred and four" be struck out, and the words "fifty-two" inserted in lieu.

Amendment put and passed.

Hon. R. G. MOORE: I have an amendment on the notice paper relating to proposed new paragraph (d).

The CHAIRMAN: I am sorry I overlooked the hon. member's amendment. We have proceeded beyond the part of the paragraph that he desires to amend. He will have an opportunity to deal with the matter on recommitment.

Clause, as further amended, put and passed.

Clause 4—Amendment of Section 9:

Hon. C. F. BAXTER: Paragraph (a) seeks to amend the Act by making provision for the fraction of a pound that will be taxable as a pound. The Bill seeks to bring the emergency taxation legislation into line with the income tax provisions, but the hospital tax will still remain on the 15s. basis, whereas the emergency and income taxes will be on the 10s. basis. If the amendment be agreed to, it will mean the employment of an array of accountants by the taxpayers to enable them to determine the basis on which their taxation payments shall be made. It will be a costly affair for them. I hope the Minister will find a way out of the difficulty.

The CHIEF SECRETARY: I agree that the position referred to by the hon. member might be likely to create a difficulty and I referred the matter to the Commissioner of Taxation. He, too, considered that it would be advisable to amend the Hospital Tax Act as suggested by Mr. Baxter, so as to remove what seemed a glaring anomaly. It is his intention to draft an amendment to submit to his Minister.

Amendment put and passed.

Hon. J. J. HOLMES: I move an amendment—

That paragraph (c) be struck out.

We should not make any exemptions that have not existed in the past. In submitting the amendment to strike out the paragraph I am treating the present Government just as I would treat any other Government.

The CHIEF SECRETARY: I can only repeat what I have already said, that we have a mandate to introduce this legislation; we were returned to submit it and we propose to adhere to it.

Hon. C. F. BAXTER: In this instance I find myself in agreement with the Government. Whilst I am prepared to tax single persons I am not prepared to increase the load on the married men, especially those earning £3 10s. weekly or less. They have a sufficiently heavy burden to carry as it is.

The CHAIRMAN: I draw Mr. Holmes's attention to the fact that his amendment to strike out the paragraph is in direct contradiction to the amendment already agreed to. He should have moved an amendment to paragraph (b).

Hon. J. J. Holmes: The same privilege as has been extended to Mr. Moore should also be extended to me.

The CHAIRMAN: It is open to the hon. member to recommit the clause at the next sitting.

Hon. J. J. Holmes: I will withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. R. G. MOORE: There is an amendment on the Notice Paper standing in my name to add a paragraph to this clause, but in view of the explanation that has been made to me by the Chief Secretary, I shall not proceed with it. I should, however, like to read the clause for the information of the House.

The CHAIRMAN: If the hon. member desires to have a permanent record of the amendment he intended to submit, he had better move it.

Hon. R. G. MOORE: Very well. I move an amendment—

That the following paragraph, to stand as paragraph (d), be added to the clause:—

(d) By adding a subsection as follows:—

(7.) If it shall be made to appear to the Commissioner at or after the end of any financial year that any person has paid tax, by means of deductions or otherwise, in respect of salary or wages earned during that year, a total sum exceeding the amount of tax which he would have been called upon to pay in respect of such salary or wages, if the same had been income, and financial emergency tax had been assessed thereon as provided by this Act, then the Commissioner shall repay to such person the amount of the excess so paid by him as aforesaid.

My object was to protect the person who might in the short period of a few months earn as much as any other person might earn in the whole year, and for having earned a large sum in a short space of time he would be called upon to pay at the higher rate of tax.

The CHIEF SECRETARY: I draw the hon. member's attention to the fact that the principal Act is still in existence. The Taxation Act expired on the 30th June, but the Assessment Act passed last year is still

in operation. Under Section 9, Sub-section 6, it is set out—

If during the period between the date of the commencement of this Act and the 30th June, 1933, any person shall pay a tax under this section in respect of his salary or wages, and at the expiration of such period he proves to the satisfaction of the Commissioner that the amount of the salary or wages together with any other income received by him during such period is such that the average monthly proportion thereof for the period multiplied by 12 would be less than £52 in the case of a taxpayer other than a person who is entitled to exemption under paragraph (d) of Section 4 of this Act, or less than £104 in the case of a person who is entitled to exemption under paragraph (d) of Section 4, and if after the 30th June, 1933, during any period of 12 months ending on the 30th June in any year, any person shall pay tax under this section in respect of his salary or wages, and at the expiration of such period of 12 months he proves to the satisfaction of the Commissioner that the amount of salary or wages, together with any other income received by him during such period is less than £52 in the aggregate . . . then any such person may apply for and the Commissioner shall make a refund of the amount of the tax so paid.

I discussed this matter with the Commissioner of Taxation and I pointed out that a skilful tradesman might earn £8 or £9 a week for, say, 30 weeks in the year, and be idle for the rest of the time. He would be obliged to pay the high rate, possibly the maximum rate, during the time of his employment. I pointed out that in my opinion there should be some conditions by which it would be possible to grade a case such as that. Then the Commissioner drew my attention to that section of the Assessment Act giving a person power to make a claim at the expiration of the 12 months. The Commissioner said that already he had made provision by regulation based on that section to meet such an event.

Hon. R. G. MOORE: I was aware of the position as explained by the Chief Secretary but it does not cover the cases I have in mind. I am dealing with the person whose income earned over a short period is taxable at, say, 9d. in the pound, whereas had the amount he had earned been spread over a full 12 months his tax might not have amounted to more than 4d., 5d., or 6d. That is the man I desire to protect.

Hon. Sir CHARLES NATHAN: Mr. R. G. Moore's amendment is specifically intended to apply to a man who, having paid 6d. or 7d. or 8d. in the pound, is found on

the final adjustment to have been chargeable at 4d. or 5d. In the absence of further explanation from the Chief Secretary, I consider Mr. Moore's amendment should be carried.

The CHIEF SECRETARY: I shall quote the exact words of the Commissioner of Taxation—

The worker will pay at a rate of tax applicable to the amount of each weekly or fortnightly payment, and if at the end of each financial year he can prove to the satisfaction of the Commissioner of Taxation that he has paid tax at a higher rate than that which should have been levied on his net income, or if he has paid tax and is exempt from taxation on account of his salary or wage or income being within the exemption, he will receive a refund of the excess of tax paid or the total amount of tax paid where he can prove that he is not taxable.

Therefore there can be no injustice in that direction. The Commissioner is having claims for refunds almost every week, and is granting refunds every week, and has full authority to grant them under Section 9, Subsection 6.

Hon. Sir CHARLES NATHAN: The reading of the report has cleared up the position. It refers to specific sums.

Hon. R. G. MOORE: The Chief Secretary's explanation is not satisfactory to me. The Commissioner of Taxation could not have had claims for refund in respect of payment of higher taxes than should have been paid.

The CHIEF SECRETARY: A man might be exempt from taxation on the basis of the amount collected from him during the year. The Commissioner of Taxation told me that such a man would be entitled to refund under Section 10 of the original Act.

Hon. R. G. MOORE: I am far from satisfied with the explanation given. The amendment should be adopted.

Hon. J. Nicholson: The latter part of Subsection 6 of Section 9 of the Act deals with the point raised by Mr. R. G. Moore.

Hon. R. G. MOORE: I am dealing with persons who do not come within the words "any such person" used in that subsection, and are entitled to refund of excess taxation.

Hon. V. HAMERSLEY: Mr. R. G. Moore is quite right. The only persons who can get exemption are persons under the £52 or under the £104. There is no provision whatever for refunds to persons who have been charged unduly high rates.

Hon. H. J. YELLAND: Mr. Moore's amendment would take effect only in the event of our adopting a graduated scale of taxation.

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

Clause 5—Financial emergency tax not paid or deducted to be a charge on future salary or wages:

Hon. C. F. BAXTER: This clause is connected with postponed Clause 1, and should also be postponed.

The CHIEF SECRETARY: Having been asked to obtain legal advice on one point, I promised to do so. I do not know whether the Committee still wish me to consult the Crown Law Department.

Hon. J. J. HOLMES: Whatever the opinion of the Crown Law Department may be, it will not affect the principle involved.

The CHIEF SECRETARY: In that case it seems waste of time to consult the Crown Solicitor. I move—

That further consideration of this clause be postponed until after the consideration of Clause 2.

Motion put and passed; the clause postponed.

Postponed Clause 1—Short title:

The CHAIRMAN: An amendment has been moved as follows:—"That the words 'and shall come into operation on a date to be fixed by proclamation' be added at the end of the clause."

Hon. H. SEDDON: How does that reconcile with Section 1 in the parent Act?

The CHAIRMAN: If the amendment be agreed to, it will amend Section 1 in the parent Act.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	6
					—
Majority for	..	..	..	..	13
					—

AYES.

Hon. C. F. Baxter
Hon. L. B. Bolton
Hon. J. T. Franklio
Hon. E. H. H. Hall
Hon. V. Hamersley
Hon. J. J. Holmes
Hon. J. M. Macfarlane
Hon. W. J. Mann
Hon. G. W. Miles
Hon. R. G. Moore

Hon. J. Nicholson
Hon. H. V. Plesse
Hon. E. Rose
Hon. H. Seddon
Hon. A. Thomson
Hon. Sir E. Wittenoom
Hon. C. H. Wittenoom
Hon. H. J. Yelland
Hon. E. H. Harris
(Teller.)

NOES.

Hon. J. M. Drew
Hon. E. H. Gray
Hon. W. H. Kitson
Hon. T. Moore
Hon. Sir C. Nathan
Hon. G. Fraser
(Teller.)

Amendment thus passed.

Hon. J. J. HOLMES: Perhaps I might move as a further amendment to add the words "not later than the 1st of October."

Hon. C. F. BAXTER: The Act may not be assented to by then.

Hon. J. J. HOLMES: And of course complications may arise meanwhile. After all, we must give them 12 months, no matter from what date the operation of the Act may start.

Clause, as amended, put and passed.

Postponed Clause 2—Operation of this Act:

Clause put and negatived.

Postponed Clause 5—Financial emergency tax not paid or deducted to be a charge on future salary or wages:

Clause put and negatived.

New clause:

Hon. L. B. BOLTON: I move—

That a new clause be inserted to stand as Clause 5, as follows:—

5. Section ten of the principal Act is amended by the addition thereto of the following subsections:—

(3.) Persons paying salary or wages to any other person shall be responsible only for the payment of financial emergency tax calculated at such rate per pound as would be applicable if the salary or wages so paid were the only salary or wages received by such other person.

(4.) Persons paying salary or wages to any other person otherwise than at a certain rate per day, week, or other period shall be responsible only for the payment of financial emergency tax in respect of such salary or wages as if such salary or wages were subject to the lowest rate fixed by Parliament.

There is very little to add to what I said on the second reading. The proposed new clause provides that in respect of a casual worker the employer is responsible only for the amount of tax on the wages such casual worker may have earned. Subclause 4 is really a safeguard for commission agents. Frequently an agent is put to considerable expense in earning his money, and this safeguard is provided for him.

The CHIEF SECRETARY: I have had an interview with the Commissioner of Tax-

ation in regard to this proposed new clause and he says as follows:—

Mr. Bolton's new clause amending Section 10 of the principal Act is open to objection. Take the proposed subsection (3) of Section 10. It is redundant as the taxing Bill gives the rates applicable to the salary or wages paid. Besides that, the amendment has no bearing on Section 10 of the principal Act, which merely gives the right to the taxpayer or the employer of any taxpayer to object, on legal grounds, to pay or deduct tax at the source, and it also gives the power to the Commissioner, in response to the objection, to assess the salary or wages on the net income. If Mr. Bolton's amendment were necessary, it should be made to Section 9 of the principal Act which deals with the payment and collection of the tax on salary or wages.

With regard to the proposed subsection (4) to be added to Section 10 of the principal Act: If Mr. Bolton's amendment were desirable, it should also be made to Section 9 of the Act which deals with salary and wages, and which casts an obligation on the employer to collect the tax at the appropriate rate. Section 10, which Mr. Bolton proposes to amend, merely enables the tax to be assessed instead of being paid at the source. Apart from that, there is a serious objection to the proposed amendment. Under Section 9, there is an obligation on the employer to collect the tax at the appropriate rate. Insurance companies and other companies often pay a fixed amount plus a commission on business secured for them; for instance, a retainer, say of £3 or £4 a week. But, under Mr. Bolton's amendment, the aggregate amount of income could not be taken into consideration for the purpose of fixing the rate. The aggregate amount per week might be such as would call for a tax of fivepence, sixpence, or more. But no matter what the aggregate amount per week the taxpayer was drawing from his employer, Mr. Bolton makes the tax subject to the lowest rate, viz., 4d. in the £.

I am informed by the Commissioner of Taxation that a person employed by a company on commission is sometimes paid a fixed rate of so many pounds a week, and in addition is allowed to do business on commission. Under the amendment he would be taxed at the rate of 4d. in the pound on the commission earned, but the fixed salary he was getting would not be taken into account. That is the effect of the amendment. In the first place the amendment should be made to Section 9 of the Act—the sections it is proposed to amend are foreign to the amendment—and in the second place an anomaly is created in that the agent may be drawing from the same employer £3 or £4 a week in salary, and in addition receiving large sums in the form of commission, notwithstanding which the rate could only be fixed on the

basis of the amount he received in commission.

Hon. Sir CHARLES NATHAN: Both the Chief Secretary and the Commissioner of Taxation have unintentionally misled the Committee. The proposed new clause would not relieve anyone from paying the rate of tax appropriate to his income. It would merely relieve the man making the payment of the responsibility for seeing that more than the lowest rate of tax was paid. The agent would have the obligation of paying the full amount, and the responsibility of paying the balance would rest on him when his annual salary was determined.

Hon. J. J. HOLMES: I understand that the amendment has not been submitted haphazardly, but that it is fortified by the best legal opinion in the city. I might employ a man for £2 a week for three months in the year and deduct the tax accordingly. Someone else might employ him for the rest of the year for £5 or £6 a week. At the end of the year his average earnings might be £4 a week, and the department could come back on the original employer and say that he had not deducted enough. The amendment would clarify the position.

Hon. J. M. MACFARLANE: Apparently the Chief Secretary has not grasped the intention of the amendment. Where a man's earnings are unknown, the deduction cannot be made until the end of the year. No one disputes that deductions should be made from the retainer or any fixed amount paid to an employee.

The CHIEF SECRETARY: I have pointed out that there is no need for the proposed new subsection 3. Provision is already made in the Act and its insertion would create confusion. Regarding the proposed new subsection 4, commission is included in the definition of salary and wages. If a man has a retainer of £5 a week and earns £3 a week commission, his salary is £8 a week, and yet Mr. Bolton would have him taxed at the rate of 4d. in the pound.

Hon. L. B. BOLTON: No.

Hon. T. MOORE: That is how it reads.

The CHIEF SECRETARY: That is my reading of it.

Hon. L. B. BOLTON: If the Minister reads the proposed new subsection 4 he will see that it does not apply to a man on a regular salary. I wish to protect a commission agent who may sell certain commodities at a certain fee, and who may have to in-

our expense of half the commission to sell them. The proposed new subsection 3 would protect the employer of casual labour similarly. The employer should be responsible for payment of the tax only on the amount paid for the work done for him. The amendments have been suggested by eminent counsel for the protection of the industrial community. I am quite willing to have them attached to Section 9 if the Chief Secretary considers it preferable.

THE CHIEF SECRETARY: A commission agent engaged in commission business is expected to furnish a return to the commissioner, and he could then get an exemption of the amount indicated by Mr. Bolton.

Hon. J. J. HOLMES: The proposed new subsection 3 is worthy of discussion.

The Chief Secretary: It is already in the Act.

Hon. J. J. HOLMES: If I employed a man for three weeks at £2 a week and during the rest of the year he earned a good income, his average would show that on the sliding scale I should have deducted 9d. instead of 4d. in the pound, and the Commissioner of Taxation could come back on me.

The Chief Secretary: You could only deduct on the earnings for the week or fortnight.

Hon. J. J. HOLMES: I am advised that unless the amendment is agreed to, the employer would be at the mercy of the Taxation Department when the final figures were made up.

Hon. J. NICHOLSON: Subsection 2 of Section 10 provides for the deduction of expenses in earning salary or income, but such deduction is at the discretion of the commissioner, and is not mandatory. That, however, would not relieve the employer in an instance like that mentioned by Mr. Holmes. The object of the proposed new subsection is to make the intention clear to the taxpayer who otherwise would be unable to decide whether he should deduct tax on the basis of the lowest, the middle, or the highest rate. It would clarify a position which is very obscure. It is only fair to the Commissioner and the taxpayers that it should be made as clear as possible. The commission agent must put in a return showing all his earnings. The Commissioner then has the opportunity to assess him for the difference between what the deduction actually was and that it ought to have been.

Hon. H. SEDDON: Under existing conditions the commission agent can claim an exemption certificate, and when he submits that to his principals they are relieved from the necessity of collecting the amount due under the Act. The agent himself must then make a return to the department for the whole of the commissions he has received during the year. Of course, the object of the Government is to ensure that adequate returns shall be made to the department through the employers, but when exemption certificates are issued to commission agents the other course I have outlined can be followed. A regulation has been framed by the Commissioner to meet these particular cases, and it does not seem to me there is any need for the proposed new subsections.

Hon. E. H. HARRIS: Take the case of a man who works for 13 weeks at £3 a week. He earns £39 and pays no tax. Later on he works for somebody else for 39 weeks at £4 10s. a week and earns £175 10s. On the basis of a tax at 4d. in the pound, he would pay £2 18s. 4d. At the end of the period there is a tax due on £214, and the amount becomes £3 11s. 4d., or 13s. short of requirements. Surely the former employer is not called upon to make good that 13s., but the taxpayer himself must pay it. I should like that position cleared up. We are told that thousands of men are working for the Government and paying no tax. If one of them secured a good position during the year, he himself would have to pay the tax on his larger income.

Hon. H. V. PIESSE: I was under the impression that commission agents could not treat their commissions as income. The Commissioner told me that so long as a man furnishes an income tax return he can get an exemption.

Hon. L. B. BOLTON: My desire is to protect the employer from responsibility for the payment of the emergency tax on anything except the money he pays to his employee for the time he engages his services. A commission agent who receives a regular salary is not affected by this amendment; only the man who may sell on commission, and who may have to spend half his income in the purchase of the commodities he sells in order to gain his living.

Hon. SIR EDWARD WITTENOOM: I had some work done by a single man and

paid him £3 for the week. I take it I would have to deduct so much from his wages according to the scale laid down for an income of £3 a week. If later on that man secured another job, I could not be held responsible for the payment of the tax on that additional income.

The CHAIRMAN: The point has been raised by the Chief Secretary that the proposed subsections should be amendments to Section 9 and not Section 10. In view of what has already occurred, no amendment can be moved now to insert these proposed subsections in Section 9, but the Bill could be recommitted tomorrow for that purpose.

Hon. T. MOORE: Proposed subsection 3 is quite unnecessary. It would be impossible for an employer to be held responsible for a tax on anything but the wages he himself paid out. He could not be held responsible for what happened prior to his engaging a man, or after that man had left his services. If proposed subsection 4 is carried, single men will pay on the lowest possible rate fixed by Parliament. The Committee will, therefore, be doing a good turn to the man they desire should not escape taxation. The commission agent should pay a tax, just as anyone else should. If at the end of the year he has been overtaxed, he can secure a refund, but there is nothing in the Bill to say that a man shall pay more taxation once he has been taxed at a lower rate.

Hon. H. J. YELLAND: Mr. T. Moore's contention would be all right if the man who received the wages was responsible, but that is not the position. It is the person who pays the salary or wages who is to be responsible. Therefore we are not dealing with the man who receives the wages, but the man who pays and has to collect the tax at the source. That man is responsible only for the lowest rate of tax applicable to the amount of wages he pays.

Hon. T. MOORE: We are dealing with taxation at the source, and unless an obligation is placed upon the employer, he will not do what has been suggested. We merely say that the employer shall tax at the lowest possible rate.

Hon. G. W. MILES: I hope the Chief Secretary will take another point into consideration with reference to commission agents. An agent may work for half a dozen different firms or persons. He may earn

£3 a week from one firm, yet his aggregate salary may be £16 or more a week. In order to protect the revenue, I think a commission agent should be exempt from taxation at the source and should be treated as an ordinary income taxpayer. He should be required to submit a return of his income at the end of the year and be taxed accordingly. Then again a commission agent has to incur certain expenses in order to earn his income, and he should be allowed to deduct those expenses just as a carrier is allowed to deduct 50 per cent. of his income in order to allow for the expense incurred in earning his income.

The CHIEF SECRETARY: Where a commission agent is carrying on business in a small way, the lowest rate of tax will be enforced. If subsequently he can show that he has to spend a certain proportion of his funds in order to earn his income, he will be allowed to make a deduction. Bearing in mind the definition of salary and wages, the amendment is most dangerous. It will practically exempt a commission agent from paying any taxation on his salary, although it may be £20 a week.

Hon. L. B. Bolton: But it will not apply to such a man.

The CHIEF SECRETARY: In fixing the rate of tax, the salary of £20 need not be taken into consideration at all.

Hon. L. B. Bolton: If you read my amendment, you will see that it is perfectly clear that it does not apply to him at all.

The CHIEF SECRETARY: The view I have expressed is that held by the Commissioner of Taxation, and the more I read the hon. member's amendment, the more I am convinced it is so.

Hon. J. NICHOLSON: I realise the difficulty of the Chief Secretary in understanding the amendment. I am in favour of the proposed new subsection 3, but I would like some additional information regarding subsection 4. The latter does not relate to salaries at all, but to commission.

Hon. L. B. Bolton: That is so, to commission only, not to salary or wages.

Hon. J. NICHOLSON: I am doubtful about the application of the provision for the lowest rate fixed by Parliament. I presume it means that the individual concerned will be liable for the lowest rate fixed by Parliament, leaving it for the Taxation Department to determine at the end of the year, when the commission agent lodged his

return, what amount of tax should be payable in all.

Hon. H. Seddon: But what if the agent did not lodge a return?

Hon. J. NICHOLSON: The Commissioner of Taxation has power to deal with that position.

Hon. L. B. BOLTON: I want to make it perfectly clear that subsection 4 does not apply to anyone regularly in receipt of salary or wages, but applies only to commission. It will be of more advantage than otherwise to the Commissioner of Taxation.

The Chief Secretary: He does not think so.

Hon. L. B. BOLTON: It will give the employer the right to fix the tax at the lowest rate. It would be difficult to trace small amounts earned by commission agents if they worked for a dozen firms. Notwithstanding the repeated assertions by the Chief Secretary, my amendment is not intended to deal with anyone earning a fixed salary or wage. I am willing to withdraw subsection 4 of my amendment in order that further consideration may be given to it.

Hon. G. W. MILES: I would like the Chief Secretary to consider the position of directors. Some are taxed at the source. Directors are also ordinary taxpayers, and I know of one director who wished to include his directors fees in his taxation return, but the Commissioner told him to buy the necessary stamps in order to cover the extra taxation. Why should that be? I do not think directors should be taxed at the source.

The Chief Secretary: They would be taxed at the lowest rate of 4d. in the pound.

Hon. G. W. MILES: And then the position would be adjusted when they put in their returns.

The Chief Secretary: Yes.

The CHAIRMAN: I think Mr. Bolton's wiser course would be to withdraw his proposed new clause altogether, so as to make the further inquiries he desires. He can then move the amendment again on recommendation.

Hon. L. B. Bolton: I will adopt that course.

Proposed new clause, by leave, withdrawn.

Title—agreed to.

Bill reported with amendments.

BILL—YUNA-DARTMOOR RAILWAY.

Second Reading.

HON. H. J. YELLAND (East) [9.15]: I support the second reading of the Bill. I understand that the Railway Advisory Board has reported favourably upon the project. Consequently, it would ill-become anyone with very little knowledge of the locality to oppose the advice of such an authority. During the debate we have been told that there is a prospect of railway traffic being replaced by motor transport. From my experience I do not believe that motor vehicles will be able to cope with the heavy service that would be necessary in connection with the removal of the wheat harvest. Whilst it might be possible to do this over a short distance with lighter vehicles, the moment you put heavy vehicles upon the roads that are made in the country to-day, it will be found they will not stand up to the work. If our outback agricultural areas are to be opened up successfully, that will have to be done with the assistance of railway communication. The motor traffic on the roads must be confined to the lighter class of merchandise. We are aware that a good deal of wool is carried by motor conveyance and that seems to be the heaviest class of primary produce that we can expect to be carried in that way. We have motor traffic in most of the wheat areas but those vehicles do not touch the wheat itself, nor do they undertake to carry superphosphates. Both those commodities are too heavy and in respect of both we must fall back on the railways. The Dartmoor country is essentially wheat-producing and I notice that the railway will go within a few miles of the Murchison River.

Hon. J. J. Holmes: Where they have had a drought for five years.

Hon. H. J. YELLAND: The Murchison district has been looked upon as a grazing proposition and for that purpose I suppose it stands paramount in its ability to carry an enormous number of stock. The Advisory Board recommend that there is a possibility of growing wheat there successfully, and if we can open up the country for wheat-growing it is our duty to do so. Mr. T. Moore claimed that the construction of this railway would provide work for many who are out of employment. I would remind the hon. member that there are other railways that have been authorised during the past 10 years. They are very much nearer to

the seaboard and their construction would conform with his desire to provide work for the unemployed. I would remind him that the Yarramony-Eastward line was authorised in the dying session of the 1923 Parliament. Then later came the authorisation for the Brookton-Dale line which should later on be continued through to Armadale. If it is necessary to build railways to provide work for the unemployed, why not make a start on those that have been approved even as far back as 10 years? Why build new railways that possibly will not give as much assistance to the Railway Department as others that have been authorised and which will open up equally good land? The construction of the Brookton-Dale line, approved in 1923, was for the purpose of connecting up the Great Southern railway with the South-Western line, at Armadale. This would relieve to a considerable extent the traffic on the main line between Northam and Fremantle and would also obviate having to pass through the bottle-neck to Perth. There would be a saving also of 41 miles of freight on every train that came from the Great Southern, and that 41 miles of haulage is a fairly big item on every train-load of wheat that goes through. It was suggested by the then Engineer-in-Chief, Mr. Stileman, that it was essential this connection should be made. I have taken the opportunity of having a plan prepared to show just what Mr. Stileman's idea was in connection with that railway, and with your permission, Mr. President, I should like to lay it on the Table of the House so that members may see to what I am referring. I believe a similar map was prepared 10 years ago and displayed in another place though not in this Chamber.

The PRESIDENT: I would remind the hon. member that we are not discussing that railway now, and while there may be no objection to an incidental mention of that line, the hon. member's references to it are outside the scope of the Bill before the House.

Hon. H. J. YELLAND: I desired to make these remarks because it was suggested that unemployed men should be put on the work of railway construction, and it was my desire to prove that there were other railways that had been authorised which had a prior to claim to construction.

Hon. J. J. Holmes: Do you think that by supporting this railway you are hastening the construction of the other railways?

Hon. H. J. YELLAND: No; we are out to open up the whole of the country in order to increase development, but I want to know why we should not develop the areas that are closer in preference to those that are farther afield. There is ample scope for development closer at hand.

Hon. J. J. Holmes: You are supporting the railway?

Hon. H. J. YELLAND: Yes, to the extent of opening up new country. It is more important that we should co-ordinate our railway system and endeavour to reduce the rates on the commodities that we export. I support the second reading and although I should like to have said a great deal more on the subject of railway construction nearer home, I shall content myself by pointing out that whilst it is our duty to stand by the development of the country by railway construction, it is also the duty of the Government to see that the railways already approved are built.

HON. SIR EDWARD WITTENOOM (North) [9.26]: I happen to be familiar with a good deal of the country it is proposed to serve by the suggested railway. My object in speaking is to express the hope that the suggestion made in another place will be adopted, that is, that the proceeds of all land leased or sold be placed in a fund the object of which will be, eventually, the redemption of the cost of the railway. That is only reasonable, bearing in mind our present financial position. I take it that the construction of the railway must be justified, or else two Ministers would not be in favour of it, the two Ministers being the Minister for Railways in another place and the Chief Secretary in this House. Knowing the state of affairs and who the advocates of the railway are, I suppose its construction must be justified. The Treasurer, too, must be in favour of it, otherwise he would not acquiesce in finding the money for the work. The only point I can see is that the Commissioner is a little inconsistent in that he himself has not offered any objection to the new line. The other day he announced that he intended to close the Port Hedland-Marble Bar railway on the ground that it was not a paying proposition. I understand the proposed new railway is

not expected to pay for some time to come. It, therefore, savours a little of inconsistency that the Commissioner should not have objected to the construction of this new line. If he has objected, apparently he has been over-ruled by the Ministers who are interested in it. One of the greatest justifications for the line seems to be that, as so much money has been spent on the harbour at Geraldton, it is just as well to put as much work as possible in its way. If the line is built I hope the work will be done by contract, so that it may be carried out at the cheapest possible rate.

Hon. H. J. Yelland: You are not likely to get that.

Hon. J. J. Holmes: Why not? We can provide for that in the Bill.

Hon. Sir EDWARD WITTENOOM: I hope it will be carried out by contract. I am certain that a number of people who are out of work would be able to secure employment from the contractor whoever he might happen to be. I will withhold any statement as to how my vote will be given until I have heard a little more about the measure.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 9.33 p.m.

Legislative Assembly.

Tuesday, 5th September, 1933.

	PAGE
Obituary: The Clerk Assistant	691
Questions: Education, repairs to buildings	691
Sandalwood, distillation, etc.	692
Unemployed, Collie: 1, Sustenance workers; 2, Sustenance and relief applications	692
Water Supply, Collie Weir workers	692
Wheat carting, subsidy	692
Railway construction, Hyden Rock	692
University salaries	693
Bills: Tenants, Purchasers and Mortgagees' Relief Act Amendment, 1a.	693
Police Act Amendment, 2a., Com.	693
Southern Cross Southwards Railway, Ministerial statement, 2a.	691
Metropolitan Whole Milk Act Amendment, 2a.	712

OBITUARY—THE CLERK ASSISTANT.

The PREMIER: I am sure that every member of the House feels regret that, since last we met, the Clerk Assistant of the House, Mr. Norman Wilkinson, has passed away. To the older members of the Chamber Mr. Wilkinson was a very familiar figure, having joined the staff as a small boy about 14 years of age some 22 years ago. By intelligence and attention to his duties and his efficiency generally he gradually raised himself from the small beginning of sessional messenger to the position of Clerk Assistant of the House. I offer this expression of sympathy to the bereaved family of the late Mr. Wilkinson. We all deeply regret that Mr. Wilkinson's genial nature and kindly temperament will not be with us any longer.

Mr. LATHAM: I desire to associate myself with the remarks of the Premier. All of us who had the privilege of knowing Mr. Wilkinson for a number of years were aware of his kindly disposition and his anxiety to do all in his power to assist members of this Chamber. The passing of a young man like that is especially to be regretted. The late Mr. Wilkinson served the House well over a long period, during which he offered himself to the nation for war service. It was on account of that service he suffered the bad health which he experienced after his return. I desire to express the deepest sympathy with the late Mr. Wilkinson's widow and children.

The SPEAKER: I wish to endorse what the Premier and the Leader of the Opposition have said. For some 20 years I have been personally acquainted with Mr. Wilkinson, not only within this House but outside it. Just as he was of a kindly nature in this Chamber, so he showed himself genial to everyone who met him outside. Unfortunately he is another of the late war victims. Not only has this House lost a bright young officer, but I personally have lost a valued friend.

QUESTION—EDUCATION, REPAIRS TO BUILDINGS.

Mr. TONKIN asked the Minister for Works: What amounts have been expended annually during the last six years on repairs to teachers' quarters and Government schools?

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