

# Legislative Council,

Wednesday, 23rd August, 1933.

	Page
Questions: Financial emergency taxation:—Estimated receipts at 4½d. in the £; Protection of benefits; Deductions by Government departments; Deductions by mining companies	493
Return: Ministerial travelling allowances	493
Bills: Road Districts Act Amendment (No. 2), 1h.	499
Financial Emergency Tax Assessment Act Amendment, 2r.	499
Road Districts Act Amendment (No. 1), Com.	508
Papers: Land settlement west of Cranbrook	509

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

## QUESTIONS (4) — FINANCIAL EMERGENCY TAXATION.

### *Estimated Receipts at 4½d. in the £.*

Hon. E. H. HARRIS asked the Chief Secretary: What amount of money would be raised in each of the following classifications of income as provided for in Clause 2, subparagraphs (i), (ii), (iii), (iv), (v), (vi), (vii), and (viii) of paragraphs (a) and (b), respectively, of the Financial Emergency Tax Bill of 1933, at the rate of 4½d. in the £?

The CHIEF SECRETARY replied: The information on which the Commissioner of Taxation bases his estimates is prepared from the returns submitted by taxpayers. These are not tabulated in a form to distinguish between salaries and wages on the one hand, and income from other sources on the other. It is therefore regretted that it is not possible to give the desired information under subclauses (a) and (b) as requested by Mr. Harris.

### *Protection of Benefits.*

Hon. C. B. WILLIAMS asked the Chief Secretary: What provision has been made, if any, to protect those in receipt of benefits under the—(a) Workers' Compensation Act; (b) Mine Workers' Relief Act; (c) Miners' Phthisis Act, from the incidence of the proposed financial emergency tax?

The CHIEF SECRETARY replied: No specific provision is made for exemption, but the tax is not levied on receipts from (a) and (b). If the Bill becomes law, con-

sideration will also be given to the persons affected by (c).

### *Deductions by Government Departments.*

Hon. C. B. WILLIAMS asked the Chief Secretary: Regarding the Financial Emergency Tax Bills: 1, Are certain Government Departments already deducting the tax from their employees? 2, If so, which Departments, and on whose authority?

The CHIEF SECRETARY replied: In a few cases some tax was deducted owing to a misapprehension, and without authority. The money is held in suspense, and is being refunded on the next pay.

### *Deductions by Mining Companies.*

Hon. C. B. WILLIAMS asked the Chief Secretary: Regarding the Financial Emergency Tax Bills: 1, Are the Government aware that certain mining companies in Kalgoolie are deducting the tax on the scale proposed in the Bill now before the House? 2, If so, will the Government take necessary steps for a prompt refunding of the money deducted?

The CHIEF SECRETARY replied: If this is being done it is without the knowledge and certainly without the concurrence of the Government.

## RETURN—MINISTERIAL TRAVELLING ALLOWANCES.

Debate resumed from the 16th August on the following motion by Hon. E. H. H. Hall—

That a return be laid on the Table of the House showing,—1, The total amount of travelling allowances drawn by the Ministers of the Crown of this State during the twelve months ended 30th June, 1928, 1929, 1931, and 1932, respectively. 2, How many visits to the Loan Council were made by the Hon. the Premier during the above-mentioned respective periods.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [4.37]: As I advised Mr. Hall in answer to his question on this subject, it would be practically impossible to ascertain the desired information with any degree of accuracy. To secure it would involve an examination of the accounts, for the periods required, of every government department. When a Minister makes an official visit to the country, his expenses are

debited to the department he is representing. When, as frequently happens, he visits more than one centre on the business of different departments, the cost may be distributed between those departments. When a Minister submits a voucher containing travelling expenses, he quite often adds to it out-of-pocket expenses, which he may have incurred, such as hire of motor cars. Although these are not designated as travelling expenses, no dissection is made of the voucher at the time, the total sum only being entered in the books. Consequently, to obtain this information, it would be necessary to conduct a detailed examination of every voucher for expenses submitted by any Minister in any Department. Such a task would naturally involve a very large portion of the time of skilled officers. As the annual estimates and the loan estimates are now in course of preparation, and, as information is also being sought by the committee who are preparing the case for submission to the Commonwealth Grants Commission, the Treasury staff are particularly busy at the present time, and the Government would not be justified in either delaying important work of this nature, or employing extra assistance to calculate the information desired by Mr. Hall.

Mr. Hall is a gentleman with a mission—I might almost say, with a mandate. When he stood for legislative honours in 1928, the first plank in his platform was the reform of Parliament. He told the electors what he conceived Parliament should be, and what he would try to make it. And it may be assumed that he was sent here to scour and scrub the Ship of State from stem to stern. The situation that has developed calls to my mind, a story of ancient Greece. In the far back ages, that historic country was ruled by a King who appears to have been a fairly large pastoralist as well. He always kept 3,000 oxen, in a small enclosure, near the City of Athens, presumably awaiting a rise in prices that would make it profitable for him to rush the animals on the local market at the opportune time. The enterprising monarch, however, had no regard for the laws of sanitation. The yard in which he packed his 3,000 cattle had not been cleaned out for 30 years. It had become a plague spot, and the people revolted against it. Then, with a threat of a grave penalty in the event of failure, the King commanded the leader of the revolt, Hercules, to remove the garbage, alone and unassisted, in

a single day. Hercules accomplished his task. He diverted the course of two rivers, and caused them to sweep the seething mass of corruption into the sea. Without a suggestion of disparagement, Mr. Hall may be likened to Hercules, perhaps in a small way. He has come here, commanded by Fate, to wash away those features of our political life that present an objectionable picture to his imagination. But, instead of a single day, he has been given a whole parliamentary term in which to achieve his objective. Results are expected, and, if they are not forthcoming—if Mr. Hall is not so resourceful or fortunate as Hercules—he may follow in the wake of the many illustrious would-be reformers who have gone before. Although he has not had recourse to rivers, he has let loose, intermittently, streams of eloquence on the object of his execration. Furthermore, he is doing his work alone and unassisted.

Mr. Hall is nothing if not candid. There is no going behind the door to say what he has to say. In the first speech he delivered in this House, he told members what he thought of them, not in their private but in their corporate capacity. Just a few samples from his lecture:—

The apathy of the public is directly attributable in a good many instances to members of Parliament. The sooner members took an interest in their parliamentary duties, the sooner would they dispel that idea.

We should convey to the general tax-payer that we are attempting to set about the country's business in a business-like manner.

Parliament was still being conducted as it was 100 years ago.

When the House was sitting members should be in attendance to transact the public business.

A "Hansard" record of Mr. Hall's maiden effort, even if beautifully engrossed and neatly framed, would not be a nice heirloom for a member of this House to leave to his children. It must be admitted that Mr. Hall, in obedience to his principles, is no respecter of persons. A gentleman, who was a member of the Council, found it necessary to leave for England while the House was not in session. He was a man who had, in various capacities rendered great and gratuitous public service. As he was unable to arrive back in good time, while the House was sitting, leave of absence had to be obtained for him. The motion to secure the leave was stoutly objected to by Mr. Hall, in the first instance, but in the end he very generously offered a compromise—that the absentee

should refund his parliamentary salary or refrain from drawing it during his absence.

In his speech on this motion, a Minister was subjected to Mr. Hall's cleansing process. We were told that the Minister left Perth recently, on a Thursday, at 5 p.m., to visit his farm, and was away from his office all day on Friday, half a day on Saturday, and all day on Monday. Mr. Hall is rather unfortunate in his dates as on that particular trip, the Minister in question was fulfilling a mission delegated to him by the Cabinet. In any case, it seems to me Mr. Hall is rather too exacting. The Minister's farm is the Minister's home, and it surely could be allowed that he should exercise the privilege of visiting his home now and again.

Mr. Hall, however, would go even farther than that. He would not only compel the Minister to work in his office during all business hours, but he would force him to work overtime, and on Sundays also. If I may dare to suggest it, I would say that if the Minister is expected to do Sunday work, Mr. Hall might be conciliatory enough to permit him an hour off in the morning so that he might fulfil his religious obligations.

The hon. member said—

The Minister also travelled over the Midland Company's line at a cost of £3 10s. 4d., and he could have travelled over the Government line and saved the money to the taxpayer.

So that there may be no misunderstanding, may I say that the Minister is entitled to travel over the Midland line whenever it suits his convenience to do so, and that there has never been any restriction on Ministers requiring the use of that railway. I dislike repeating it, but it has been stated to me, by one who should know, that Mr. Hall, on the day after making his speech on this motion, and on numerous other occasions, could have set a fine example of his practical regard for the taxpayer by taking the Government train leaving Perth at 8 p.m. on Thursdays, instead of the Midland train, which leaves Perth three hours earlier, giving Mr. Hall only sufficient time to have his attendances duly recorded. In a weak moment, I pointed out to my rude informant that Mr. Hall's time was very valuable, that he often had important private business to attend to in Geraldton. Unfortunately my argument was immediately pulverised by the retort that Mr. Hall was debarred from formulating such a plea, inasmuch as he himself

had definitely ruled that no member of Parliament should take advantage of his free pass on the grounds of private business, much less involve the taxpayer in a cash payment of £3 10s. 4d. a trip to a private company to cover his fare.

Hon. Sir Edward Wittenoom: Would attending a show be private business?

The CHIEF SECRETARY: No. Whether the Minister drew travelling expenses while visiting his farm is causing Mr. Hall considerable concern. I should prefer him to wait upon the Minister and personally make his request. Knowing the Minister as I do, I would not regard it as a pleasant duty to undertake to put to him a question which might be construed to imply that his principles were guided by the instincts that govern the conduct of the *spieler* or the *pickpocket* or both.

Mr. Hall is kind enough to apologise for my use of the Ministerial car, though he alludes to the fact that one of the Ministers in the late Government on one occasion used a motor car instead. I thank him sincerely for his tender concern for me. Except in one instance, on the outward journey, I have never used a Ministerial car in Mr. Hall's electorate without inviting the members for the province and the district to accompany me on visits to portions of their constituencies, and, on every occasion, I have had the pleasure of the company of Mr. Hall from the time we left Perth until we returned, and Mr. Hall has never, at any time, been so ungracious as to leave me and put up at one of the local hotels.

Mr. Hall is evidently no psychologist. He was surprised when he got off the train last week, on his way to Parliament House, that a Perth business man had remarked, "Well, Mr. Hall, amongst the dead-heads again." Instead of being surprised, Mr. Hall should have been gratified to have discovered concrete evidence that the seeds he has been sowing have generated, and that even beyond the confines of the Central province, the people have profited by his propaganda, and have had their eyes opened wider than they were ever opened before. The only sad part of the business is that, for the time being, owing to his companionship, the apostle of reform has to incur some share of the odium which attaches to the Parliamentary system.

Selfishness has no place in Mr. Hall's intellectual outfit. He would limit the use of the gold railway passes, and, in the name of

the average taxpayer, he lays it down emphatically that members of Parliament should utilise them only between their homes and Parliament House. One can admire his eagerness for self-sacrifice. However, we are not all so highly favoured by the goddess of Fortune as to be able to follow in his footsteps. Country members especially must have haunting visions of what would become of them, under such an innovation, with the incessant demands from the average taxpayer that his representatives should make lengthy railway journeys, so that he (the average taxpayer) should know what they are doing on his behalf. We all venture to hope, almost against hope, that Mr. Hall will not hasten the impecuniosity of some of his fellow members, and that he will mercifully review this phase of the policy he has evolved in a fine spirit of patriotism for the purification of our parliamentary institutions.

In view of the fact that the nature of the task involves the chasing of vouchers, extending over four years, in every department, the necessity for examining every voucher and discriminating between travelling allowance and payments by the Minister, say for motor car hire on Government business—such payments being sometimes made at the request of the owner of the car to avoid delay in settlement through the official channel, and in view of the fact that the officers required to make such a search are engaged on the Estimates and in the preparation of the case for the Disabilities Commission, I ask members not to support the motion.

**HON. SIR CHARLES NATHAN** (Metropolitan-Suburban) [4.57]: After the Chief Secretary's remarks, which may be considered an ample reply to the motion, members might well be content simply to vote against the motion. Had the true motive been incorporated in the questions previously asked, one might have rested content with that. As I read the questions in the first place, I pondered as to the reason for the inquiry. It seemed to me—now I see it was in my ignorance—that the questions must have been asked for some specific purpose, and in my innocence I thought they probably had something to do with secession. Maybe, I thought, the hon. member wants to find out just how much money has been spent by Ministers in useless trips at the State's expense to attend Loan Council meet-

ings. On further consideration, it seemed that that could not be so, because, all said and done, the secession referendum had been taken and there could be no reason for asking the questions. But, as the hon. member, in amplifying his request for a return, expanded it to personal reflections upon a Minister of the Crown in another place, one could see immediately exactly what his intention was.

**Hon. G. W. Miles:** What was his intention?

**Hon. Sir CHARLES NATHAN:** I could express it in many words, but if I put it tersely, I might be called to order. I desire to dissociate myself entirely from attacks of this nature. In a House where the privileges of members are so strictly preserved that one member is not permitted, under the guise of privilege, to assail the character of another, it is not fair that a member can rise in his place and make all sorts of charges and innuendoes against men, whose character and the positions they occupy should at least entitle them to some consideration. I have no brief for the Minister for Lands. I have had certain associations with him when I served in another capacity and I can say without hesitation that no Minister of the Crown was ever more active, more earnest or more hard working in fulfilling the duties allotted to him. When I hear a member of this House under the guise of a motion such as we are considering, scaring that Minister's character and imputing to him motives which are unfair, I cannot let the opportunity pass without voicing my disapproval and I believe, the disapproval of the majority of members of this House. Needless to say I shall vote against the motion.

**HON. T. MOORE** (Central) [5.3]: I desire to offer a few comments on the motion, although I would have preferred not to deal with the matter. In the first place, Mr. Hall in submitting the motion, said he had been asked by a branch of the Wheatgrowers' Union to ask the questions. He will admit, I think that it was the Miling branch of the Wheatgrowers' Union that made the request. As a matter of fact, they wrote to him on the 15th June, not of this year, but of last year, and requested him to make these inquiries. They asked him to inquire what were the individual expenses of the then Ministers for the previous three years.

There is no denying that fact. It will be recalled that at that time the farmers of this country, as they are now, were having a pretty bad time, and feeling was running rather high between the Primary Producers' Association and the Wheatgrowers' Union, and possibly those connected with the Wheatgrowers' Union who had some axe to grind wanted to find out if it was possible to lay a charge against Ministers for collecting travelling expenses excessively. That is my idea of what really was happening at the time. Mr. Hall refrained from asking the questions until the 15th December, just before the House rose. It was not until the end that he thought fit to ask those questions. We might draw the inference that he asked them at that late stage in the hope that they would not be answered before the House rose. He deemed it his duty to hold the letter from the Wheatgrowers' Union for a period of six months before he asked the question. The House rose soon after the subject was mentioned here, and of course the questions were never answered. I have no doubt that the Minister had no desire to answer them, and I do not blame him. I do not believe that we are ever going to do much good by questioning the travelling expenses of Ministers. Whatever expenditure is incurred in this direction must go before the Auditor General and we understand that there is a set allowance for a Minister when he travels. Of course if we took the individual expenses of the Ministers it might appear to the man outside that one Minister was drawing too much as compared with others. Say the Minister for Works, or any other Minister, was travelling extensively, naturally he would be drawing more than perhaps any of the others who were not moving about the country so much. Mr. Hall might have gone further and asked for a return showing the travelling expenses collected by the public servants. They too, like Ministers, as they are entitled to do, draw travelling allowances. The point is, however, that it would be thought outside that Ministers did a lot of travelling because their expenses would seem to be high and possibly then it would be said, "So and so is on a pretty good wicket." It is always admitted, when a member or Minister goes out of the city, that he has to spend a fair amount of money. Then if a Minister takes what he is entitled to receive and no more, we should have no fault to find with him.

But I do not want it to be thought that we are questioning what any Minister has done in that regard. I take it the Auditor General will soon let us know whether a Minister or a public servant has drawn more than he should have done. Let us try to analyse what was in Mr. Hall's mind. He did not ask what the Wheatgrowers' Union requested him to ask; he did not ask what the Ministers in the Mitchell Government drew. He asked the question in his own way because he said he wanted to be fair! He said it would not be fair to take the years 1928-29 and to leave out 1930 in which there was an election, so he selected 1931-32 to get what he said would be a correct comparison between the two Governments, and thereby possibly try to find out whether the Ministers of one Government had spent more than the Ministers of another Government. I hope no other hon. member will ever get down to that level and never try to show that one set of Ministers was better or worse than any other. I will never stand for that sort of thing, because in this State there has never been any talk of anything corrupt, underhand, immoral or even indecent ever having been done by anybody. But if we start to throw out these hints it will go abroad that Ministers have been drawing big sums of money and possibly that they go travelling on that account. As one who lives in a country district, I want to see Ministers travelling through the country as much as possible. We have recently had a Minister of the Crown in the Province I represent and I want two more to go there. The people in the country have the same right as the people in the cities who are always at the doors of Ministers. It is known that when a Minister visits a district he can size up a situation much better than by attempting to do so in his office in Perth. So that if we follow out Mr. Hall's reasoning the idea would be that a Minister should remain in the city where people living there could always approach him, whilst those in the country would never have the opportunity of interviewing him.

Hon. A. Thomson: The city people get pretty well everything now.

Hon. T. MOORE: I wish to stress another phase of the question. The years 1928 and 1929 were the years of our peak expenditure, and Ministers travelled extensively. Everybody knows that. The State had the money and it was being spent from here to

the North-West. It was said that Ministers were always travelling. I say good luck to them because when we can induce Ministers to visit the country we can be assured of getting something done. Therefore, it would not be a fair comparison to take the two peak years and the Ministry in power at the time, having money to spend, and compare those years with the two following years when there was no money at all to spend. The comparison would be most unfair, though possibly it would suit Mr. Hall. If he had any desire to be fair, why did he not go back a period of years?

Hon. E. H. H. Hall: Move an amendment to make it any year you like and I will agree to it.

Hon. T. MOORE: I have never found fault with Ministers for travelling throughout the country; indeed my complaint has been that they do not travel sufficiently. Other members have consistently asked Ministers to travel and not one has ever found fault with the expenses that have been drawn. When a question such as that submitted by Mr. Hall is asked, one naturally expects to be given reasons, and not to be told that the matter is submitted merely because somebody outside has asked for the information. Does the hon. member suspect any particular Minister? What he did do, as Sir Chas. Nathan has pointed out, was to refer to a Minister who stands high in the estimation of this country, and higher than ever Mr. Hall is likely to stand. That Minister's character is unassailed. When he was Minister for Lands previously he had one of the most difficult tasks that could have been allotted to anyone, that of administering group settlement at the time when reconstruction was going on. He worked on that job on week days, Saturdays and Sundays, and to the extent that he broke down in the process and had to go away to recover his health. That Minister has been held up by Mr. Hall as one who might be drawing his travelling expenses from the State whilst proceeding to his home! Mr. Hall certainly has a vivid imagination if he can draw that conclusion. The inference is that that is the reason why he wants carried out all the work that his motion will involve. He requires to know whether the Minister drew his travelling expenses proceeding to and returning from his farm. What he really wants is a set of city Ministers so that they may not have far to travel when proceeding to their homes. The country Minister, according to the hon.

member, must remain in his office all the time. I know that not many members would agree to such a suggestion. However, no case has been put up except that. The hon. member said he had not much to say, and then after rambling about a bit he finally decided to put in this case. If he had premeditated this, it was all the worse. I know members will not stand for it, preferring to stand for fair dealing, and I am sure that when they hear a man of undoubted character being assailed they certainly will not stand for his assailant. The hon. member deprecated the use of the gold pass except when a member was travelling between his home and Parliament. Has the hon. member himself always carried out that rule? I feel positive he has done nothing of the kind. He said the Minister should be like Caesar's wife, above suspicion. I venture to say that in this country to-day, and for years past, we have had as Ministers men of splendid reputation, men we ought to be proud of. Perhaps the reputation of the man who brought forward these charges does not stand so high. In the past things have been said about Ministers in Australia. For instance, some very hard things were said about a man named Lang, and at one time it was said in the Parliament of New South Wales that Lang as a moneylender had charged 10 per cent. to clients, while at the same time he was preaching all over the place that it was necessary to cut down interest of 5 per cent. or 6 per cent.

Member: What has this to do with us?

Hon. T. MOORE: I will show you. That is what has happened in another State. People said that Lang was doing that.

Hon. J. Nicholson: Is he like Caesar's wife?

Hon. T. MOORE: I have no brief for Lang, but it was proved that they had the wrong man, that it was another man named Lang, not in Parliament at all, who had been lending money at high rates. However, I do know that in this State we have a man who has travelled about preaching to the farmers that it was impossible for a farmer to pay 6 or 7 per cent. for money with the price of wheat so low. At the same time that man had in his solicitor's office in his home town a mortgage signed by an unfortunate farmer for a big lump of money at 12½ per cent. Does Mr. Hall know anything about that? He is the man to whom I am referring, and he cannot deny my state-

ment. He goes about the country preaching to the farmers, and at the same time he has one of our older farmers in his hands, charging him 12½ per cent. interest, and even using his Parliamentary pass to go up and see the farm he has under mortgage. I know that, for I was alongside him there. I have known all this for a long time; it has been going on for some years, but I have remained silent about it. However, when this same man publicly imputes motives to a Minister whom we respect, I realise that this canard might well get abroad, but when the people of the country know the character of the man who made the assertion, of course, no harm will have been done. It is unpleasant for me to have to say these things, but knowing the case as I do, I ask what will the people think of the democracy that sends in to this House a man of that character? What can they say about it, except they say, "If that is the sort of man they have in Parliament, we may yet have to set up a Mussolini with his Fascists." Again, this charge made by the hon. member is splendid propaganda for the Communists, who do not believe in Parliament; and once we belittle Parliament by finding fault with Ministers, the Communists will gain ground, and say, "There you are; that is what your Parliament is doing." I say it is not fair to impute motives, unless the accuser can bring forward a definite charge, as I have done, and prove it up to the hilt; unless he can do that, he has no right to make his assertion. I informed Mr. Hall that I would have some harsh things to say. On the grounds I have advanced, and those previously put up, I hope members will show their displeasure at having such imputations made by any member, and particularly by a member who brings such charges against a man who has worked so hard and done so much for the State as has the Minister referred to by Mr. Hall a few evenings ago.

#### *Personal Explanation.*

Hon. E. H. H. Hall: In view of the remarks made by the last speaker, will you, Mr. President, allow me to offer a short personal explanation?

The President: Yes, the hon. member may proceed, but I hope his remarks will be brief, and confined to a personal explanation, for he will have opportunity later to reply to the debate.

Hon. E. H. H. Hall: Mr. Moore said I had charged a farmer, who happens to be a neighbour of his, 12½ per cent. interest, and he challenged me to deny that statement.

Hon. T. Moore: I said you had a mortgage signed by him.

Hon. E. H. H. Hall: Yes, charging him 12½ per cent. interest, and you challenged me to deny the statement. The statement is perfectly correct. I came to the assistance of that man at his own request and lent him money when he was friendless; when Mr. Moore, his neighbour on one side, refused to lend him money, and his wealthy friend Mr. Troy, his neighbour on the other side, also refused to lend him money, and when every bank in Geraldton turned him down, I came to his assistance. I charged him 12½ per cent. because the Bank of New South Wales, which lent me the money, charged me 8 per cent., and here is the letter from the bank to prove my statement. I am prepared to lay the letter on the Table of the House. Thus I was making 4½ per cent. in going to that man's assistance. Finally I concluded arrangements with him last year, when I made a reduction of £300 in order to get my money back, and he is on his farm to-day.

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

#### **BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).**

Received from the Assembly and read a first time.

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

##### *Second Reading.*

Debate resumed from the previous day.

HON. J. J. HOLMES (North) [5.25]: Before I express my views on the Bill I should like to clear up what appears to me to be a misunderstanding as to the Bill under discussion. Some members have indicated their intention of proposing amendments which do not fit in to this Bill, although they may fit in to the tax Bill. All that this Bill proposes to do is to amend the assessment Act with the object of exempting certain lower-paid sections of the community. I may be pardoned for saying that in my opinion this is a try-out upon this House,

to see how far the House will go in point of exemptions. The amendment referred to raises the exemptions from 21s. per week for single men to 40s. per week, and from £52 per year to £104 per year for those having dependants. The other amendment contained in the Bill provides that any sum paid exceeding 10s. shall be calculated as another pound, whereas in the existing Act such a sum has to exceed 15s. before being calculated as a pound. It is true there is in the Bill a new clause which is really a machinery clause; but if the Bill went out, the loss of that clause would not matter much, because they appear to have had sufficient machinery in the 1932 Act under which to make all necessary collections. If the Bill be amended as I will suggest, or if it is thrown out as might be suggested, then the Government will have to amend the tax Bill, to bring it into line with the provisions of the existing assessment Act, which is still in existence, only the tax Act having expired. So if we do throw out this Bill—it is not a money Bill, and its loss is not likely to cause a dispute between this and another place—we shall be putting ourselves back under the assessment Act, and putting the Government in the position of having to bring down another tax Bill in conformity with the expressed views of this House. We need not anticipate any trouble with another place. Judging from the questions which have been asked by supporters of the present Government there, and judging from what we can read between the lines, the present Ministry have quite enough to do to keep their people in another place in order, without going out of their way to quarrel with this House. The Premier, at least on one occasion when he was forced to do something he did not want to do, said publicly, "Thank God, we have got the Legislative Council." I have no doubt before we have finished with this measure, he will, at the first opportunity he gets to offer up a prayer, once more say, "Thank God we have got the Legislative Council." I say at the onset I am entirely opposed to any increased taxation. It is not by increased taxation, but by economy that we can hope to get this country back where it ought to be. I am prepared to grant the Government under this Bill the same taxation, in the same manner, as this House granted to the Mitchell Government 12 months ago. I respect the Chief Secretary, and I think he respects me. I am

not giving anything away when I tell the House that he said, "So long as I get the same deal from the Legislative Council as the other Government got, I shall have nothing to complain of." Here and now I am prepared to give this Government the same taxation on the same basis as we gave the Mitchell Government 12 months ago. What does the Bill with its exemptions set out to do? It sets out to relieve all the lower-paid members of the community from any taxation under this measure. This is the same section of the community that has evaded income tax when those who comprise it have begun to work, if some of them have ever worked. They have never paid income tax and are never likely to do so. This is the section we find in attendance at the poll whenever there is an election for another place. This is the section of the community which turns out in full force to put into office a Government that will promise the most and carry out the most extravagant form of administration, knowing full well that they will have no responsibility as to payment, and that it is the other fellow who will pay. Before we can bring these people back to sanity, they must understand what was taught in my generation, that the man who pays the piper shall have some say in calling the tune. Under the legislation of this country we represent the people that have paid, and will continue to pay, the piper. So far as I am concerned we shall continue to have some say in calling the tune. The question is, are these people to be exempt by this measure in the manner set out, when it is a Bill to relieve unemployment. The money is being raised solely for that purpose. Surely it is not too much to ask, when the general taxpayer is called upon to provide the money, that the people who are to receive it shall pay their quota. That quota, under the legislation passed last year, amounted to 4½d. in the pound. If they worked one week or two weeks, and so on, they paid 4½d. in the pound. I can hardly find words to express the term which has been applied to such a tax in another place, except to say that it is regarded by some members there as almost an abomination in the eyes of the people that we should collect 4½d. per week from those who for the weeks when they are employed receive a certain wage. No objection is raised to the policy of the Government in other respects. In the Press, on the public platform, and elsewhere, the Government have made it



clear that no one can get a day's employment unless he first becomes a member of the union. This means an expenditure not of 4½d. per week but 6d. per week for every week in the year, whether the workers are employed or not.

Hon. E. H. Gray: That is not right.

The Honorary Minister: It is incorrect.

Hon. J. J. HOLMES: The Honorary Minister will have an opportunity to correct me later. I understand that it costs about 25s. per annum to join a union. He can correct me if that is wrong.

The Honorary Minister: It has been corrected often enough.

Hon. J. J. HOLMES: One can always tell when anything hurts. While certain members look upon it as a scandalous thing to take 4½d. in the pound for every pound a man earns, they in turn can take 25s. per annum from him at the rate of 6d. per week, when he may only work one or two weeks during the whole period. A man cannot get work unless he is a member of a union. It appears to me that if he can pay 6d. per week for every week in the year to his union, he may reasonably be asked, for the privilege of citizenship, to pay 4½d. in the pound for every week that he is employed in the development of the country. I also understand there are thousands of unionists who have got into arrears with their union payments because of the depression.

Hon. E. H. Gray: Because of the taxation.

Hon. J. J. HOLMES: I also understand these men will have to pay up their arrears in order to carry on their jobs.

Hon. E. H. Gray: Not necessarily.

Hon. J. J. HOLMES: This means that the money extracted from the thrifty people of the country, taken from their pockets, will be transferred to union funds to fight the very persons who are providing the money. This is a section of the community which is responsible for some of the irresponsible administration we have in the country. They have paid nothing, but they attend the poll regularly on election day to support those who will promise them the most. These are the people who will receive the benefits of this legislation. Some of them, unfortunately, are unemployed through no fault of their own. There are thousands of thrifty deserving people in that situation. There is, however, a large number of persons who never have and never will work. They have never

paid taxation but are always available to vote for the individual or party who will promise the most in the most extravagant manner. Who is there that can pay this tax? I have travelled from one end of the country to the other, and I know what is going on in the arena of primary production. The only people who can pay are the wages and salaried men. Very few outside of them have any income from which to pay. The wages and salaried men, as provided in the measure of last year, are the only people that are in a safe position to pay, or who can pay their quota towards helping the country out of its difficulties. I propose later to show where we are actually drifting. Mr. Gray recognises the position of the wages and salaried men, because when moving the motion for the adoption of the Address-in-reply, he said, amongst other things, "Everyone on salary or wages should see the necessity for coming to the assistance of the large number of unemployed." For once the hon. member and I are on common ground. Everyone in receipt of a salary or wages should help to provide money for the unemployed, assist in easing their lot, and help to get us out of our difficulties. Whilst we go on as we are doing, we are only tinkering with the situation. We are drifting every day, and are likely to continue to drift. I was hoping that dire necessity would have brought about a solid attempt to reconstruct the position not only in this State but in the Commonwealth, but it would appear we have not yet gone far enough, and that the shoe is not pinching sufficiently. We are only tinkering with the problems ahead of us, instead of facing them as we should have done when the Big Four were here. If we had faced our difficulties then we should not be in our present difficult position. So long as we postpone the evil day, so will it become more difficult to bring this country back into normal condition. So far as I can see, there are three positions facing Western Australia. One of these is secession. That is a difficult problem. The Premier said that, whatever the decision of the majority of the people was, he would see that it was given effect to. I do not see much evidence of the fulfilment of that promise.

The Honorary Minister: You have not given him very much time.

Hon. J. J. HOLMES: I admit it is a difficult problem.

Hon. J. Cornell: I think it was the Minister for Works who said that.

Hon. J. J. HOLMES: Perhaps they both said it. When the Premier said it, I thought he honestly meant it. It is time somebody woke up to see what is going to be done, because unless we get control of the Customs I fail to see that this country will ever make much progress, Western Australia being a primary producing country penalised by a tariff seven days a week and 365 days in the year. Now to get on to the next objective, if it is an objective—unification. If we continue as we are going, we shall have either unification or bankruptcy. For my part I do not know which is worse—unification or bankruptcy. The whole of Western Australia being controlled from Canberra is too dreadful a prospect for me to contemplate. However, we know that the Labour Party's objective is unification. I can see it plainly written on the wall that the pull from the East is to get us right into the Federal net, so that there will be no hope of our ever getting out. With that aspect I shall deal later. No one knows better the position facing us than does the present Premier, and I honestly believe there is no one who has a greater desire to do the right thing. But we have evidence every day that when the Premier tries to do the right thing, he is checkmated by irresponsible members of Parliament, who are almost on the same plane as irresponsible electors who turn up on election day to secure Government extravagance, especially as they will not be called upon to bear any part of the cost. The position has to be faced. This afternoon I shall try to prepare the Western Australian public for the worst. My motto is, "Hope for the best and prepare for the worst." Mr. Hall has been cut to pieces this afternoon, and I shall probably be cut to pieces when the Leader of the House replies. However, I have had so many lashes that a few more will not matter. In order to anticipate the attack upon me, I wish to make an incidental reference to a dinner given in a certain Western Australian town within the last few months, at which the Leader of the House was a guest and I also was a guest. At that dinner when one of the men from the province from which Mr. Hall comes, one of those live men, made an attack upon Parliament, Mr. Drew was good enough to stand up and defend me, saying that if this country had listened to me for the last 15 years

Western Australia would not have been in the mess it actually was in. I make that reference because I anticipate Mr. Drew will say something uncomplimentary about me. Western Australia needs reconstruction, and by reconstruction I mean beginning at the top and following right down to the bottom. There is no other way out. Hon. members would do well to recognise that half a loaf is better than no bread, because otherwise there will presently be no money to pay either Ministers or members. Before Western Australia federated, it had four Ministers at £1,000 a year and a Premier at £1,200 a year. Federation meant parting with the Customs, posts and telegraphs, the army and the navy—Western Australia had both an army and a navy prior to Federation. Having parted with all those big departments, Western Australia now has eight Ministers. I omit the Honorary Minister, because I understand his position is honorary. Until the financial emergency reduction, seven of those Ministers were receiving £1,500 a year and the Premier £1,700. That is where I would begin, continuing with members of Parliament and going down the scale of the service; for it is as sure as sunrise to-morrow that we must get down to bedrock. The reductions will not make any real difference, because the same amount of money will be in circulation though it will be spread better. We must get right down to bedrock and show Western Australia and the world that we mean to set our own house in order, doing as thousands of people on the land and elsewhere have done, cutting our coat according to our cloth. Yesterday Sir Edward Wittenoom referred to doing away with the State trading concerns, which we are told take up so much of the time of Ministers. Why the Nationalist Government, pledged to do away with the State trading concerns, did not do so, I do not know. One can understand the Labour Government not abolishing those concerns, seeing that State trading is a plank of the Labour platform. Therefore it is the Nationalist Government I wish to blame. When there is an allotment of salaries and wages on a fair and equitable basis, then we shall get everybody employed and industries carried on at a profit. In the process of reconstruction this truth will have to be kept in the forefront: that industries can only pay what they can carry. So far the policy has been to fix the wages to be paid by primary and other industries not

on the basis of what they are able to pay, but on the cost of living. This country has set up, on borrowed money, a standard of living which cannot be maintained; and the sooner we get rid of the current notion on that subject the better. I say at once that I would not like anybody belonging to me, or anybody else, to get back to the position of fifty years ago; but there is a happy medium. We should all live in comfort, instead of some living in affluence while others do not know where to get the next meal. We have a hungry Taxation Department waiting like a vulture to snatch anything and everything from every taxpayer, no matter what his position may be. Fortunately for Western Australia the Mitchell Government relieved the primary producer of the State land tax; but if ever there was an iniquitous tax imposed by any Australian Government, it is the Federal land tax. Although the profit and loss account shows a huge loss, the Federal Government come in at the end of the year and impose a land tax; and one has to get an advance from one's banker to pay that tax, or else sell something that is capable of being sold, to meet the demand. That taxation is preventing business expansion. People will not put their money into businesses because they do not know how much is to be taken away from them by way of taxation. I do not think I exaggerate when I say that tomorrow I could go around the city of Perth and get £250,000 for investment if only people could be satisfied that they would get something like a return. But they are putting the money into the banks at  $2\frac{1}{2}$  per cent. interest as a safer proposition than embarking it in industries which are required to pay rates of wages that they cannot pay. Taxation is preventing primary production. In my opinion, taxation means stagnation. I believe Mr. Collier honestly believes that taxation is stagnation, because when he came into power last time he took off  $33\frac{1}{3}$  per cent. In fact, he then said that taxation meant stagnation. What does this Bill mean? It means that £400,000, the amount anticipated, is to be taken out of what might be profitable employment and put into totally unprofitable employment, such as sucking shells and sand from the bottom of the river, work which will never get Western Australia anywhere but will forever increase the country's interest bill. When I get on to the interest bill presently, I think hon. members will be astounded. On the

question of taxation I wish to quote what Mr. Drew said when he piloted measures referring to the Financial Agreement through the House in 1928. The trump card of that agreement, the bait that caught the Premier of this State particularly, was the reference to inscribed stock. Western Australia had to pay 10s. per cent. into the sinking fund on its inscribed stock. The Financial Agreement provided that all the Australian States, including Western Australia, should pay 5s. per cent. sinking fund on existing stock and that the Commonwealth should pay 2s. 6d., making 7s. 6d. per cent. in all. The State was to pay 5s. only, as against 10s. per cent. Some of us raised the point at the time that it was a breach of contract with the people overseas who had lent us money in respect of which we had agreed to pay the 10s. Some of us claimed it was dishonest to cut that amount down to 7s. 6d. per cent. The answer we received was that the people who lent the money now had Commonwealth security instead of State security and that those who were not satisfied to hold stock carrying 7s. 6d. per cent. instead of 10s. per cent. sinking fund, could demand their money and receive it. That explanation, of course, got over that particular difficulty. The contention was that everything in the garden was to be lovely once the Financial Agreement was endorsed. At that time the Minister said—

There should be such an improvement in conditions as to make additional taxation unnecessary.

The Chief Secretary: I was under the impression that it would have been so.

Hon. J. J. HOLMES: The Chief Secretary is capable of making comparisons. I ask him to compare that statement with his utterance when he introduced the Bill before the House now. On that occasion he urged the necessity for taxation, whereas formerly he said it was not likely that in future there would be any necessity for additional taxation. Let the Minister compare his two statements and see how they fit in. The most serious phase of all—I have no hesitation in saying that it alarms me—is the position that has been created under the Financial Agreement. I have already explained its provisions regarding the sinking fund to be provided in respect of existing debts, but there was another provision relating to new debts. On the latter, the Commonwealth was to pay 5s. per cent. and the States an ad-

ditional 5s. per cent. and there was a further provision that on money borrowed for deficit purposes a four per cent. sinking fund was to be provided.

Hon. C. F. Baxter: At least four per cent.

Hon. J. J. HOLMES: Yes. When I tell members that not one of the States has paid in anything above the 5s. per cent., they will realise it is time someone woke up. Especially is that so when we remember that since 1927—I have the figures up to 1931 only—the total deficits of the States have amounted to £26,750,000. On that amount, only 5s. per cent. has been paid instead of £4 per cent. as the Governments told the bondholders would be paid.

Hon. J. Cornell: The deficits have been funded. There are Treasury bonds.

Hon. J. J. HOLMES: I shall show how the Governments got around the provision in the Financial Agreement. The hon. member talks about Treasury bonds! I understand that one of the Associated Banks alone has advanced £10,000,000 to the Commonwealth Government. Is that not a loan? If it is not, what is it? What does the Financial Agreement say respecting such a matter? We were told that what prompted the framing of that agreement was to secure something that would keep the Governments of the States in their places. On the other hand, the Commonwealth Government have never enforced that particular provision. Why? It is because the Commonwealth Government know that failure to enforce payment represents one step further towards unification, which suits the Commonwealth Government and, I think, the Commonwealth Bank too. Paragraph (d) of the section in the Financial Agreement relating to sinking funds reads as follows:—

In respect of any loan raised after 30th June, 1927, by a State or by the Commonwealth for and on behalf of a State to meet a revenue deficit accruing after that date, no sinking fund contribution shall be payable by the Commonwealth, but that State shall pay from revenue a sinking fund contribution at a rate of not less than four per centum per annum on the amount of that loan.

In my opinion, the way the Governments have got around that provision is certainly dishonest. The Commonwealth Government want to get us tangled up—there is no doubt on that point—and the bigger States want to get us tangled up too. The agreement says, "In respect of any loan raised after the 30th June, 1927," and the contention has

been that no loan has been raised for deficit purposes. In that event, where did they get the money with which to finance the States deficits to the extent of £26,750,000. The Commonwealth Government did not steal it. Money borrowed from one person by another or lent by one Government to another, represents a loan. It is said that the position will be rectified when we float a loan for deficit purposes. Let us see what will happen when we float a loan of such a nature. According to the Commonwealth Year Book, the total deficit of the States to the 30th June, 1931, was £26,750,000, of which £14,750,000 was accumulated in 1931. I have no hesitation in saying that for the years ended in June 1932 and 1933, the States deficits must have been something between £50,000,000 and £60,000,000.

Hon. J. Cornell: There was £93,000,000 of unfunded debt.

Hon. J. J. HOLMES: I do not know anything about the unfunded debt. The figures from which I have quoted relate to the deficits of the various States. From these it appears that the deficits to the 30th June last must have been in the vicinity of between £50,000,000 and £60,000,000. Although the Financial Agreement provided that a sinking fund of four per cent. per annum should be paid on account of the deficits, only 5s. per cent. has been set aside for that purpose. The crisis will dawn when we have to go on the money market to borrow £60,000,000 or £90,000,000 as Mr. Cornell suggests—I still adhere to my figure of £60,000,000 for deficit purposes—for who will subscribe to a loan of such proportions that is raised for deficit purposes. It would be monstrous to suggest that anyone would be prepared to lend money for such a purpose. I am going back to my point about "half a loaf being better than no bread." In my opinion, it is better to deal with the situation before it is too late. I do not know that I need stress that particular phase any further beyond saying that, in view of what has been going on, I fail to see how Western Australia or any other State can accomplish secession. From my point of view, and I make this statement accepting the full responsibility for it, instead of talking about secession, people should be more concerned about the bankruptcy phase with a view to ascertaining whether the position cannot be rectified before it is too late. According to my calculations, Western Aus-

tralia should have paid at least £250,000 into the sinking fund on the four per cent. basis to the 30th June, 1933. We have not done so, but on the other hand we have secured more money, more than even we expected. In fact, we got all we asked for. In my opinion, the Commonwealth Government are prepared to provide all the money that we want and they make no conditions at all. They realise that the more money they advance to the State, the more difficult will it be for us to secede, despite the favourable vote of two-thirds of the people.

Hon. A. Thomson: The Federal people are giving the money to keep the State quiet.

Hon. J. J. HOLMES: When the last Commonwealth loan was floated on the Australian market, I said that if I had any money I would not invest it in the loan and that I would influence any of my friends to prevent them from doing so. We have had our credit stopped at the other end of the world and we cannot borrow any more money there. We will never face the music until the people of Australia say, "Unless you reconstruct Governments and bring expenditure down to normal, we will not lend any more money." When that stage is reached, the position will be straightened out.

Hon. J. Cornell: In that event the people will lose what they have got.

Hon. J. J. HOLMES: That may be so, but if Western Australia, or any other State, repudiates just indebtedness, it will take several generations before the fact will be forgotten. According to my calculations, £250,000 of revenue should have gone into the sinking fund up to the 30th June, 1933. On the same basis, we should provide in this year's Estimates for a payment of £180,000, which is the quota at four per cent. on £4,500,000 that we borrowed to finance the deficit. So far as I can judge, we have borrowed £17,000,000 since the Financial Agreement was entered into, £12,500,000 being borrowed for public works and £4,500,000 for the purpose of financing deficits. We have paid only 5s. per cent towards the four per cent. sinking fund so far, and if we were to commence the payments this year, it would mean an amount of £180,000 for the year ended the 30th June next. As a matter of fact, we do not propose to do it. Notwithstanding that not a single State has made any provision regarding the sinking fund, as I have already pointed out, we have

Mr. Bruce in London endeavouring to secure a reduction in interest charges. That is what will save Australia, not taxation. The financiers in London know their business and no doubt they will ask Mr. Bruce about the Financial Agreement and the sinking fund of four per cent. that should have been provided on an amount of between £50,000,000 and £60,000,000 borrowed for deficit purposes. They will point out that if Australia had carried out her promise, this country would have been regarded as a first-class security.

Hon. A. M. Clydesdale: Other countries have had to do the same thing.

Hon. J. J. HOLMES: The hon. member will be able to tell us all about the sinking fund provisions in other countries.

Hon. A. M. Clydesdale: I shall not.

Hon. J. J. HOLMES: I am endeavouring to deal with the actions of various Governments with reference to their responsibilities under the Financial Agreement.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. J. J. HOLMES: I was dealing with the point that this State, with deficits totalling £4,500,000 at 4 per cent., should make provision from revenue this year of £180,000 for sinking fund, and so far as I can learn we are paying only 5s. per cent., which amounts to £10,000 or £12,000 for the year. I was pointing out also the difficulty that the Commonwealth Minister, Mr. Bruce, is faced with in London in trying to secure a reduction of interest and the conversion of loans. Because we have not carried out our obligations under the Financial Agreement, the people who have loaned money to Western Australia would not regard our security as 18 carat. Unless we take steps to remove that feeling, we can never get back to cheap money. We know from our own experience that the lender looks at the security, and that holds good all over the world. Once a borrower begins to tamper with a security or run away from his obligations, the security is depreciated in the eyes of the lender, and that is the wrong time to ask for a reduction of interest. The solution of our difficulty is reduced expenditure and not increased taxation. Before I finish I propose to show that a  $\frac{1}{2}$  per cent. reduction in our interest bill would be equal to £400,000 per annum or more than the Government propose to raise under this taxation. There is this difference that the money raised under this

taxation would come out of the pockets of the people of this State, whereas a reduction of  $\frac{1}{2}$  per cent. interest, representing the same aggregate sum, would be a reduction of payments at the other end. I have not included exchange, which would bring the amount to £500,000 if we had to pay £400,000 interest in London. Consequently  $\frac{1}{2}$  per cent. reduction in interest would more than equal the amount to be raised under this Bill with the difference I have mentioned that the reduction of interest would come out of the revenue of people overseas and the amount raised by taxation would be extracted from the people of this State. The Commonwealth Government, under the Financial Agreement, took over our net indebtedness, in round figures, of £61,000,000. According to the "Year Book," the average rate of interest is £4 15s. 7d. per cent., but there has been some reduction. To simplify the calculation and keep to round figures, I will take the interest rate as  $4\frac{1}{2}$  per cent., which means a charge upon revenue of £2,750,000 per annum. To that must be added 5s. per cent. sinking fund, amounting to £152,500. Since the signing of the Financial Agreement, we have borrowed £17,000,000, which, at  $4\frac{1}{2}$  per cent., means a charge of £765,000 per annum. On £12,500,000 of the £17,000,000, 5s. per cent. is payable as sinking fund, which is equal to £30,000. The other £4,500,000 making up the £17,000,000 has been borrowed to finance deficits, and I take that at 4 per cent. which, under the Financial Agreement, must be paid into sinking fund. That means £180,000, making a total of £3,000,000 chargeable to the revenue of the State this year for the debt already incurred if we complied with the Financial Agreement. On top of that we are still borrowing and spending. That £3,000,000 should be charged against revenue for the year ended 30th June, 1933, and the 4 per cent. should have been charged last year, but it was not paid. In order that the public may understand the position, I point out that the sinking fund of 4 per cent. which should have been paid by this State and was not paid, amounted to £500,000, and that is the liability that is being dodged every day of the week.

Hon. J. Nicholson: Because it is not a loan.

Hon. J. J. HOLMES: It is money borrowed to finance the deficit.

The Chief Secretary: A temporary advance.

Hon. J. J. HOLMES: But it was borrowed; it was not stolen. We have heard some hard things about Parliamentarians this afternoon, but no one would accuse the Commonwealth or any other Government of stealing money. It must have been obtained somewhere, and it was borrowed. Five years ago the revenue of the State was £10,000,000; now it is approximately £8,000,000. We have dropped £2,000,000 of revenue annually, but the ever-increasing interest and sinking fund charges continue to grow like a snowball. Any man who stops to think for one moment realises, as I realise and as I want the country to realise, that when that sort of thing happens, the end cannot be far distant.

Hon. J. M. Macfarlane: Build some more railways.

Hon. J. J. HOLMES: I shall have something to say about that proposal later. Another thing to be remembered is that, while the charges against revenue have been growing so rapidly, the value of primary production, excluding gold, fell from £32,000,000 in 1929 to £25,000,000 in 1932. Those are the latest figures available. But still the expenditure goes on. What will happen this year if we do not get rain in the next few days, I do not know.

Hon. A. M. Clydesdale: It is raining now; you must have brought it.

Hon. J. J. HOLMES: Then I shall have accomplished something, though I do not know whether the rain will do much good. I am not running the Universe; I am led to believe that somebody else is, but I know that nothing would bring the country up with a round turn, start people thinking, and hit everyone hard like a bad season would do in this State where we are dependent on primary products for our living. Conditions are going to be bad enough, but if a poor season results, it may be that a merciful Providence is putting us in order since we have not had sense enough to order our affairs as we should have done.

Hon. J. Cornell: It would be a harsh way of doing it.

Hon. J. J. HOLMES: Yes, but harsh action is necessary to meet harsh ills. Before we pass the Bill we should be given some information about other taxes. Some years ago the Collier Government, with a flourish of trumpets, reduced the income tax by 33 and  $\frac{1}{3}$  per cent. Everybody

thought that was satisfactory; most people overlooked the fact that the reduction was made for the one year only and had to be re-enacted annually thereafter. Then the Mitchell Government, less generous, came along, and cut 13 1/3rd per cent. off the reduction. Before we pass this measure for additional taxation, we ought to be told what reduction in the general income tax the Collier Government propose to make this year. We know that Mr. Collier, in dealing with the financial emergency legislation, on the hustings said this, "The financial emergency legislation requires drastic amendment." That is a very definite statement, and we know that the public servants, for whom I have the greatest respect, are sitting on Mr. Collier's doorstep asking for this drastic amendment to be brought about. They interpreted that statement to mean that the financial emergency reductions would be restored. Surely we are now entitled to ask whether the additional tax it is proposed to levy is going to be added to the reductions that have already been made. That is the information we are entitled to have.

The Chief Secretary: Are you serious?

Hon. J. J. HOLMES: Of course I am serious. There should be a declaration as to what the Government propose to do regarding the reductions that were made. That is not an unreasonable request. On the subject of a reduction in taxation, I saw recently a cartoon in one of the publications. It showed a camel on its haunches laden with packages almost reaching the sky and "taxation" written over all the packages. The Prime Minister was standing by the poor old camel, broken down under the load. The Prime Minister remarks, "Every package in its place; every rope is pulled tightly, but he will not move." The camel represents the Commonwealth and the driver says, "Take off half the load and we will soon get along," meaning thereby a reduction of taxation by half, and that the infliction of so much taxation was keeping the camel down. Somebody raised the question of railways. I do not propose to labour that just now because there will be another opportunity later on. I should merely like to say that in a country like ours we have more railways built than should have been constructed, and many railways authorised and money borrowed for their construction, which money, as far as I can understand, has been used for some

other purpose. Mr. Bruce will have to explain that in London. This kind of thing will not get us out of our difficulties. It is the proper utilisation of the land close to the railways already constructed that will increase production and assist to make the railways pay. There is this also to be remembered: No matter what the world's markets will come to, we can produce wheat as cheaply as it can be produced in any other part of the world. The man that grows his wheat alongside the railway line, as against the man who has to cart it 15 miles, has an advantage of 3d. per bushel. Yet we have hundreds of thousands of acres of land adjacent to our existing railways, some of which is still in the hands of the Crown, and some sold under conditional purchase, but the conditional purchase, so far as I can understand, has never been carried out. The land is being held for speculative purposes. The holders of conditional purchase areas should be compelled to bring the land into productivity, and then there would not be any necessity for the construction of more railways. On the question of borrowing and spending for unemployment, I do not think I could produce better authority than the president of the British Board of Trade who told the Economic Conference quite recently that England had spent a hundred million on public works for unemployment, and he added, "Never again." That is not the way to get out of our difficulties—by borrowing money for unemployment. Taxation should be eased so that private enterprise may produce the wealth that will be beneficial to the country. We must encourage production, and taxation will not do that. We must reconstruct the government of this country; never mind what the other States are doing; it is our job to put this country right if we can. The reconstruction I suggest means reconstructing from the top, that is to say, Parliament should set the example and follow it right down. It does not necessarily mean reduction in expenditure in the way of salaries, wages, etc., but a proper distribution of the amount, and in that way eliminate the unemployed.

The Honorary Minister: What is a proper distribution?

Hon. J. J. HOLMES: Does the hon. member want me to keep on all night.

The Honorary Minister: You should tell the House.

Hon. J. J. HOLMES: Take something off the top and put it on the bottom. That is the answer. As for the Bill before us, the man with five or six dependants earning £183 a year will pay the same rate as the man with one dependant, earning £233. I am just quoting one instance. The whole thing is inequitable. The only equitable course to follow is to treat the present Government as we treated the Mitchell Government when they introduced their emergency legislation. There has been no support from the Labour Party in this House, not one of the Labour members has opened his mouth in support of the Bill. True, Mr. Williams, who is associated with that party, has spoken, but he has not been as moderate as I have been in connection with the Bill. To do Mr. Williams justice, he made some very good points last night, particularly on the subject of interest payments, and with his remarks I entirely agree. My idea regarding reduction of interest is to prove to the Empire that we are worthy of support, and therefore worthy of consideration in the form of reduced rates of interest. I do not blame any particular Government for the present position of affairs. Each and all are equally responsible. We have an extravagant community that has always wanted money borrowed and spent. If at election time one party promised the heavens above, the other party would promise the earth and the waters beneath. Unless we reconstruct, the time is not far distant when we shall have to face either unification or bankruptcy. I do not know which is the worst. I am sorry to have detained the House so long but much as I dislike standing here and talking in this manner, I felt I had a duty to perform. I have tried not to exaggerate the position. If I have erred, I have not done so wilfully; I have tried to keep as near as possible to the mark. There is a final point I should like to make and that is that the Chief Secretary, when introducing the Bill, referred to the taxation levied in the different States, and he said that every time the Premier went to the Loan Council he had to meet the statements that the taxation per head in the other States was much higher than that of Western Australia. Do not the Government realise that the Eastern States are the wholesalers and that we are the retailers? Do not the Government realise that some of the big concerns over there were making

as much as three-quarters of a million or a million a year profit? Do not they realise that the branches in this State are only pups of the big companies? Do not they realise that the secondary industries of the Eastern States are protected by a hard tariff that permits of the payment of high rates of wages? Do not they realise that when we come to a division on a per capita basis that they must stand out head and shoulders above us? We are the retailers, and if we work it out on a wholesale and retail basis it will be found that we are higher taxed here in comparison to what they are taxed over there. Our principal industries in this State apart from gold are the primary industries, wool and wheat in particular, and the position that those industries have had to face during the past three years is not such that any Government should impose additional taxation on that section of the community. Holding those views, I cannot do other than vote against the Bill. If, after consideration in another place, they choose to put up another measure on the lines of the legislation that expired on the 30th June last, it will have my wholehearted support, but for one year only, from the date of its commencement. While on that point, I should like to say I will not be a party to retrospective legislation; that if we take this legislation from the 1st September and carry it on till the 31st August of next year, it will have 12 clear months, and the Government will be given an opportunity, when Parliament meets in July, to ask for an extension of the legislation with, I hope, a reduction, so that we can by that means get back to something like normal. As the Bill stands, I cannot give it my support.

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

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

*In Committee.*

Resumed from the 16th August.

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

The CHAIRMAN: Progress was reported on proposed new Clause 12 as follows:—

Section 161 of the principal Act is amended by adding a proviso, as follows:—Provided further, that this section shall not apply to



footpaths made of, or paved with gravel only, nor shall it apply to the kerbing of any footpath in any street or road in such townsite or area where such kerbing is, in the opinion of the Board, necessary for the proper making of such street or road, unless the Board by resolution otherwise orders.

I directed the attention of Mr. Thomson, the mover, to the purport of this proposed new clause, as against the subject matter of the Bill. The object of the Bill is to correct anomalies in the drafting of the parent Act, whereas the proposed new clause is a direct amendment of the parent Act, and so does not come within the scope of the Bill. I said that, to allow such amendments as this, would throw open the Bill to the amending of all the sections of the parent Act. I leave it to the good sense of the Committee to say whether they will agree to re-open the whole of the parent Act to amendments.

The HONORARY MINISTER: This amendment may or may not be desirable, but there is no time in which to obtain the views of the various road boards. The majority of the amendments made last year were made at the request of the Road Board Association. It was with a view to the ultimate consolidation of the Act that the Bill was brought down. In those circumstances I will oppose the new clause.

New clause put and negatived.

Postponed new clause to stand as Clause 10 as follows:—

10. Section seventy of the principal Act is amended by deleting from subsection (2) all the words after the words "such declaration shall be made" (inserted by the Act No. 35 of 1932, section twelve (b)), and inserting in lieu thereof the words "on the nomination day, but in the case of an annual election the person then declared to be elected shall not take office until after the day appointed for the annual or extraordinary election."

The HONORARY MINISTER: I have looked into this proposed new clause since the Committee last sat, and the view I now take is that the new clause will simplify matters, provided Mr. Baxter, the mover, will agree to a slight alteration. I do not see any real reason why the proposed new clause should not be agreed to with the amendment I require, which I move as follows:—

That after "Act," in line 1, the words "as amended by Section 12 of Act No. 35 of 1932" be inserted, and that in lines 4 and 5 the words "(inserted by the Act No. 35 of 1932, section twelve (b))" be deleted.

Hon. C. F. BAXTER: The Minister's amendment is quite acceptable to me. The new clause in its original form was received from the Road Boards' Association, but I have investigated the Minister's amendment and I am sure it will be acceptable.

Amendment put and passed.

The HONORARY MINISTER: I move a further amendment—

That the words "or extraordinary," occurring in line 9 of the new clause, be struck out.

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

New clause:

The HONORARY MINISTER: I move—

That a new clause be inserted, to stand as Clause 14, as follows:—Subsection (3) of section three hundred and twenty of the principal Act, as amended by section sixty-six of the Act No. 35 of 1932 is amended by inserting the word "in" after the word "published," in the fourth and fifth lines of the said subsection.

This amendment is necessary to make the section of the Act read correctly.

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

## PAPERS—LAND SETTLEMENT, WEST OF CRANBROOK.

Debate resumed from the previous day on the following motion by Hon. A. Thomson:

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

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [8.20]: I moved the adjournment of the debate on this motion to ascertain whether there would be any objection departmentally to the production of these papers. I find there is no objection, and today I have laid the papers in question upon the Table of the House.

Question put and passed.

*House adjourned at 8.21 p.m.*