

Legislative Council,

Tuesday, 27th November, 1934.

	Page
Assent to Bill—	1553
Royal Prerogative of Pardon Select Committee, Report presented	1553
Papers: Agricultural Bank, officers' dismissal recommendation	1553
Bills: Builders' Registration, 1st.	1553
Mine Workers' Relief Act Amendment, 2nd.	1553
Financial Emergency Act Amendment, 2nd.	1554
Financial Emergency Tax, 2nd. Com.	1556
Loan, £3,038,000, 2nd.	1557
Financial Emergency Tax Assessment Act Amendment, 2nd. Com.	1571

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bill:—

1. Forrest Avenue Closure.
2. Industries Assistance Act Continuance.
3. Sandalwood Act Amendment.

ROYAL PREROGATIVE OF PARDON SELECT COMMITTEE.

Report Presented.

Hon. H. Seddon brought up the report of the select committee.

Report received and read.

On motion by Hon. H. Seddon, ordered: That the report, accompanying documents and evidence be printed.

BILL—BUILDERS' REGISTRATION.

Received from the Assembly and, on motion by Hon. L. B. Bolton, read a first time.

PAPERS—AGRICULTURAL BANK.

Officers' Dismissal Recommendation.

HON. E. H. H. HALL (Central) [4.43]: I move—

That all files and papers concerning the two officers of the Agricultural Bank, whose dismissal was recommended by the Royal Commission on the Agricultural Bank, be laid on the table of the House.

Not anticipating any objection to the request, I content myself with formally moving the motion.

On motion by the Chief Secretary, debate adjourned.

BILL—MINE WORKERS' RELIEF ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.45] in moving the second reading said: The purpose of the Bill is to make certain necessary amendments to eight sections of the Mine Workers' Relief Act. The proposed amendment to Section 13 of the Act is due to the fact that Regulation 6b of the Mines Regulation Act, 1906, provides that before any person can be employed in a mine, he must obtain a certificate from the Kalgoorlie laboratory setting forth that he is free from tuberculosis, silicosis, and other mining diseases specified in that regulation. In the event of a miner living so far distant from Kalgoorlie that compliance with this regulation would impose upon him unreasonable delay and expense, provision is made to enable him to obtain a provisional certificate from the nearest medical practitioner, which will permit of his employment on a mine, pending his examination by the laboratory. A further provision is made that if a person employed on a provisional certificate is subsequently examined by the laboratory doctor and is found to be suffering from any of the diseases specified in Regulation 6b, and in the doctor's opinion was suffering from the disease when he obtained the provisional certificate, he shall be served with a notice under Regulation 6e of the Mines Regulation Act, 1906, requiring him to cease work at the mine.

It was considered by the department that a person was not entitled to compensation or to the benefits of the Mine Workers' Relief Act unless he were employed at a mine on a valid certificate of the Kalgoorlie laboratory, and also was examined and notified or prohibited under, and in accordance with, the provisions of that Act. The Crown Law Department, however, have given a ruling to the effect that a person employed on a provisional certificate, and subsequently required to cease work under Regulation 6e of the Mines Regulation Act,

1906, on the ground that he was suffering from tuberculosis when he obtained the provisional certificate, is a mine worker within the meaning of the Mine Workers' Relief Act, because he was employed in a mine after the commencement of the Act, and is, therefore, entitled to be prohibited under Section 13 and is entitled to the benefits of the Act. That is the position now. The proposed amendment is therefore necessary to exclude such persons from the right to the benefits of the Act. Provision is made whereby contributions paid by persons affected by this amendment shall be repaid to them in full. Mine workers who were lawfully employed on a mine on a valid certificate of the laboratory within the 12 months immediately preceding the date of the provisional certificate, will have their rights protected under this amendment.

The proposed amendment to Section 48 is required to enable the Mine Workers' Relief Board, in cases of extreme hardship, to grant an allowance not exceeding £1 per week in respect of the wife of a mine worker whose compensation under the Workers' Compensation Act is less than £3 10s. a week. As Section 48 stands at present, the board can grant allowances only in case of extreme hardship, if the worker's half wages, together with an allowance of 7s. 6d. per week for each child under 16 years of age, would exceed the maximum of £3 10s. per week allowed under the Workers' Compensation Act. The same reasons apply to the proposed amendments to Sections 49 and 53.

Section 50 of the Act provides that any mine worker who has been notified that he is suffering from silicosis in the early stage, and has ceased underground work as a consequence, may register his name with the department in the prescribed manner, and that if at any future time he develops silicosis advanced or tuberculosis he shall be entitled to the benefits of the Act. As the Act stands at present, however, there is no provision made for cancelling the registration if a man returns to underground work after he has registered his name. Hence the necessity for this amendment. The proposed amendments of Section 67 are necessary to enable men who may have been employed in the mines for many years, but who may desire to go prospecting, to apply to the board for per-

mission to contribute to the Fund as prospectors. Section 57 at present empowers the board to grant such permission only to persons who are personally engaged in prospecting, or who have been prospecting for a period of, or periods aggregating, five years. A small consequential amendment is necessary to Subsection (c), the "second proviso" now becoming the "third proviso." I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Elliott, debate adjourned.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the 21st November.

HON. V. HAMERSLEY (East) [4.55]: I wish to endorse many of the remarks which have been made by members of this Chamber during the last few years on the subject of financial emergency legislation. This legislation, when first brought into existence in accordance with the arrangement between the States and the Commonwealth, was regarded as necessary to the stability of Australia. It was considered essential that every member of the community should join in the common sacrifice. Accordingly, the Parliaments of the various States, in conjunction with the Federal Legislature, adopted measures of this kind. The result was the applause of the world. Because the depression was world-wide, there was general approbation of Australia's attitude, which was taken as a guide by other countries in adopting measures of a similar character. We feel that we were justified in doing what we did. This legislation brought in its train the goodwill of other countries, and more especially that of our bondholders, for at that time our bonds stood at rather a low level. The mere fact of the introduction of the emergency legislation undoubtedly redeemed us in the eyes of those who thought that Australia was going along too rashly. In fact, it changed the opinion of the world in that respect. As a result, our bondholders readily acquiesced in our request that we should obtain our money from them at a

lower rate of interest. The reason for this was that everybody entered into the common sacrifice. Unfortunately we had hardly got started on that road when the Commonwealth Parliament broke the bond. Thus it is not very remarkable that the State followed the Commonwealth lead. Last year such a breakaway occurred, much against the wishes of many members of this Chamber. The present Bill proposes a further breakaway, or I may say a further division of spoils among supporters of the Government. I regret this exceedingly because I am unable to see that Western Australia has turned the corner. The price of wheat is at a low ebb, and the price of wool shows no tendency to rise. The pearling industry may be described as knocked out, and the timber industry is in a poor condition, with no outstanding chances of improvement. Gold, of course, is the one redeeming feature. Had it not been for that, there would have been little hope for us. Yet the Government proceed with a wholesale borrowing policy, which produces a false kind of prosperity, a prosperity which has misled many previous Governments, and in fact Australia as a whole, in times gone by. This wholesale borrowing makes many members of the community believe that everything is right and that the country is well able to carry on. However, they overlook the fact that we are getting further and further into debt, and that it is only the expenditure of borrowed moneys that keeps the pot boiling for the time being. We extract more and more money from the community with every year that goes by, and so make it more and more difficult for the country to be pulled out of its difficulties. While the Government are asking for more taxation, we have this Bill proposing a distribution of moneys that the State cannot afford to pay away. We are continuing to break the compact into which we entered. We should continue on the track of the emergency legislation until the community realises that Australia is not out of its troubles, that Western Australia has not turned the corner, and that we cannot afford to disregard the need for keeping a tight rein on State finance. The onslaughts being made by way of taxation on various sections of the community break their spirit and prevent them from carrying on the development of the country's resources. Relying on borrowed money will lull us into a sense

of false security. I am opposed to the Bill because we are not keeping faith with those who entered into the agreement to improve the financial condition of Australia. Each year we seem to be breaking away from that contract and hastening the doom which seems to be lying ahead of us. I oppose the Bill.

HON. G. W. MILES (North) [3.2]: My view of the position is that we are in a cleft stick. I intend to vote for the second reading of the Bill, not because I believe in the Government's proposal to restore some of the money, but because I hope that in Committee we shall amend the Bill to bring it into line with the Act under which we are now working. If we turn down the Bill, it will mean that the Government will have to find a couple of hundred thousand pounds to restore all the cuts that were made, whereas the Bill itself provides that the Government's proposal is that £90,000 will be returned. I have no objection to the Government raising additional money by taxation, if it is used for the purpose of reducing their deficit. They have gone on borrowing, and the £90,000 it is proposed to return to civil servants and members of Parliament will come out of loan money. The Loan Council appears to be willing to let us go on borrowing, and in that way we are putting a millstone around our neck. All this undoubtedly will lead to unification.

Hon. A. Thomson: Repudiation.

Hon. G. W. MILES: Yes, and unification must follow. Nothing else can result if we are to continue on the path we are now treading. We are borrowing at the rate of £8 per head—that is, since the depression began to be felt—more than any of the other States. I am aware that the Minister will say, "How are we going to absorb the unemployed unless we do borrow?" Borrowing is all right if the money raised is spent on reproductive works. Incidentally, I congratulate the Government on their foresight in undertaking a work such as the sewerage of the metropolitan area and looking many years ahead. It is all right to borrow if we spend the money in the right direction, or if we are attempting to balance the Budget. Unfortunately, we are not getting any nearer balancing the Budget.

Hon. T. Moore: Neither is any other Government.

Hon. J. W. MILES: That is no reason why we should not try to square our finances. If we do not make a desperate effort in that direction, there will be nothing but ruination ahead of us. We are between the devil and the deep sea. If we do not let the Bill go through, it will mean that the Government will have to find a couple of hundred thousand pounds to restore all the cuts. Therefore I am voting for the second reading, in the hope that during the Committee stage we shall succeed in bringing the Bill into line with that of last year.

Hon. H. SEDDON: I move—

That the debate be adjourned.

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

Ayes	..	..	..	..	14
Noes	..	..	..	..	7

Majority for 7

AYES.

Hon. E. H. Angelo
Hon. C. F. Baxter
Hon. L. B. Bolton
Hon. C. G. Elliott
Hon. V. Hammersley
Hon. R. G. Moore
Hon. J. Nicholson

Hon. H. S. W. Parker
Hon. H. V. Piesse
Hon. H. Seddon
Hon. A. Thomson
Hon. H. Tuckey
Hon. C. H. Wittenoom
Hon. W. J. Mann
(Teller.)

NOES.

Hon. L. Craig
Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray

Hon. E. H. Hall
Hon. W. H. Kitson
Hon. T. Moore
(Teller.)

PAIR.

AYE.
Hon. J. J. Holmes

NO.
Hon. C. B. Williams

Motion (adjournment) thus passed.

BILL—FINANCIAL EMERGENCY TAX.

Second Reading.

Debate resumed from the 21st November.

THE HONORARY MINISTER (Hon. W. H. Kitson—West—in reply) [5.12]: I have very little to say in reply. As members are aware, the Bill fixes the rate of the tax, the only alteration being that the exemption has been increased from £3 10s. to £3 12s. per week. I notice that members propose to move a considerable number of amendments, and before we reach the Committee stage I desire to state that the Government cannot see their way to accept any alteration whatever. We look on this Bill as part and parcel of our policy, and while some members may feel that an injustice is being done to a particular section of the

community, as compared with other sections represented by other members, the Government regret very much that it is not possible to meet the wishes of all. When in Committee, I shall have something to say on the amendments that may be moved. In the meantime, I repeat that the Government are not prepared to accept any of them.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1, 2—agreed to.

Clause 3—Saving provision:

The HONORARY MINISTER: It has been pointed out to me that an error has been made in the printing of this clause, and that the year 1935 at the end should read "1934." The Act which this Bill seeks to amend operates only until the end of 1934, and not until the end of 1935. It will therefore be necessary for the Committee to request the Legislative Assembly to effect the necessary alteration.

Hon. A. Thomson: Would that amendment mean that the tax would finish at the end of December next?

Hon. R. G. Moore: If this amendment is made, will the Act cease to operate at the end of 1934?

Hon. H. S. W. Parker: I am in accord with the suggestion of the Honorary Minister that the clause should be amended. It hardly seems necessary to insert the clause at all.

The HONORARY MINISTER: In the circumstances, I think we had better postpone further consideration of this clause, and I move—

That further consideration of this clause be postponed.

Motion put and passed.

Clause 4—Imposition of financial emergency tax:

Hon. C. F. BAXTER: I have on the Notice Paper several amendments dealing with this Bill. It seems to me, however, that we should first deal with the assessment Bill, and I suggest that the Honorary Minister might report progress meanwhile.

The HONORARY MINISTER: I appreciate the difficulty in which the hon. member finds himself, and will agree to progress being reported.

Progress reported.

BILL—LOAN, £3,938,000.

Second Reading.

Debate resumed from the 22nd November.

HON. A. THOMSON (South-East) [5.23]: I am inclined to agree with members who have stated that this State is borrowing too much money, and that we are piling up too large an indebtedness. If we continue to borrow as lavishly and freely as we have done recently, I am afraid many taxpayers will find themselves in a serious predicament. Loan money that can be borrowed safely should be regulated by the amount of national wealth that can be produced. In the mining industry we have one bright star from which the Government are expecting to collect £80,000. They are very fortunate, inasmuch as they have received additional sums of money from the Commonwealth by way of special grants to enable them to provide employment for the workless. By their emergency legislation they estimate they will receive £550,000, and by the conversion of recent loans in London there will be an additional saving in interest of between £70,000 and £80,000. Whilst Parliament allegedly controls the finances of the country, actually the control is vested in members of the Cabinet. Ministers, to the best of their ability, develop the country along the lines they consider to be in accordance with their policy. Money is being earned by various Government activities and is going into revenue, while at the same time other moneys are being borrowed and the burden upon the taxpayer is increased. Last year an expenditure of £40,000 was authorised for the construction of a jetty at Esperance. No provision is made for this on the Loan Estimates of this year, so I assume the work has been completed. The position in that district, as disclosed by the report of the Agricultural Bank, is far from satisfactory from the point of view of Government expenditure there. According to statements appearing on page 101 of the report, there has been spent on the construction of the railway £575,000, upon which the Commis-

sioner of Railways is expected to pay interest and working expenses. In the district itself £1,436,928 has been expended. I do not object to the development of that area, but would like to point out the position confronting us. According to the Royal Commissioners who recently inquired into the affairs of the Bank, this district is not suitable for wheatgrowing. Notwithstanding that statement, the Government have spent £40,000 on the construction of a jetty at Esperance. There are other harbours that would not require the expenditure of so much money, and we should consider what policy should be adopted in future. We should ask whether it is wise to spend a large sum of money upon the construction of a harbour that is possibly unsuitable—I do not condemn the Esperance area or the Esperance jetty, but merely deal with the position from the standpoint of economics—and whether it would not be better to construct a railway to the nearest natural port, where the traffic could be handled quite easily. Turning now to the Fremantle Harbour Trust, I am prepared to admit that that institution is a sort of “King Charles’s head” with me. In season and out of season, I have referred to the activities of the commissioners, and I draw members’ attention to the latest annual report of the Trust. Therein they will find that the surplus earned by the Trust during the financial year ended the 30th June, 1934, was disposed of as follows:—

	£
Interest	119,010
Sinking fund	10,580
Renewals fund	2,000
Consolidated revenue ..	87,261
Capital expenditure ..	1,900

On one hand we find the Fremantle Harbour Trust being availed of as a taxing machine, from which, after meeting the whole of the commitments, £87,261 has been paid into Consolidated Revenue. At the same time a perusal of the Loan schedule shows that this year we are providing £70,000, last year we made available £100,000 for Fremantle Harbour Trust work, and, in 1932-33, £166,000. It is suggested that Parliament should have some say in the expenditure of public funds. It is unfortunate that a private member cannot introduce a Bill that will mean increased expenditure. I hope that some day a Government will assume power who will agree to the appointment of a public works

committee. I know the Chief Secretary was strongly in favour of such a step when the matter was discussed at one stage. Recently a Royal Commission submitted a report relating to the affairs of the Agricultural Bank. If a similar inquiry, or even one by a select committee, were conducted regarding other Government activities, I am sure much good would result. The Education Department is long overdue for a serious scrutiny; if it were undertaken, possibly appreciable savings could be effected in that department. The Loan Estimates contain provision for the expenditure of nearly £300,000 on additions and improvements to railways already open. The Transport Board indulged in scathing criticism of the construction of the railway from Denmark to Nornalup, and drew particular attention to the abnormal cost of the line from Pemberton to Northcliffe. The Legislative Council was responsible for the lines being constructed so that there were two dead-ends, whereas the original scheme was that the line should be built right through.

Hon. G. W. Miles: That would have meant further loss.

Hon. A. THOMSON: I think there would have been better returns and increased traffic if the two dead-ends had been linked up.

Hon. G. W. Miles: It is a pity that Parliament agreed to the construction of those two lines.

Hon. A. THOMSON: Yes, under present conditions. Those railways will never pay until they are linked up, in which event a heavy timber traffic would be available over the line to Albany, taking advantage of the natural downward grade. The grade in the opposite direction is difficult, and Parliament was told at the time that the construction of the line would be costly. Had there been a public works committee in existence the members of that body would have considered the project, and might have reported that neither section should be constructed or even that the line should be built right through. I sympathise with the Commissioner of Railways in the difficult task that confronts him, but we may have an opportunity later on to discuss that phase. Referring now to water supply and sewerage matters, we find from the First Schedule to the Bill that £650,000 is pro-

vided for sewerage and drainage for Perth and Fremantle, £435,000 for the metropolitan water supply, and £100,000 for water supplies in the agricultural districts, the latter including drainage and irrigation. I do not propose to set myself up against the engineers, but under the heading of water supply and sewerage alone the people are to be committed to an expenditure of £1,563,000. I agree it is necessary to look ahead, and no doubt the Government are acting quite properly in providing additional storage capacity at the Canning dam in order to supplement the water supply for the metropolitan area. As regards sewerage operations, I have always contended that instead of wasting a very valuable effluent, it should be made use of. It has been alleged that the sewage farm at Werribee, which has been in existence for many years and only during the last few years has become sewage-sick, has been unsuccessful, but I consider the State would be well advised if, even at this stage, consideration were given to that system. The Werribee Farm has been profitable to date, and its present condition is due to the heavy black soil.

Hon. H. Seddon: The nature of the soil makes all the difference.

Hon. A. THOMSON: Of course it does. In Western Australia we were definitely assured by engineers that we would be able to drink the effluent from the filter beds at Burswood, and that the effluent would not in any way affect the river.

Hon. T. Moore: Engineers have made many mistakes.

Hon. A. THOMSON: Nevertheless, it has been urged that the effluent from the filter beds has been decidedly detrimental to the river.

Hon. H. Seddon: Would you support a proposal that the engineers should justify their reports?

Hon. A. THOMSON: What would it matter if we did so? The engineers concerned have gone, and Perth and the suburbs adjoining the river have to pay the penalty for the incorrectness of the views of those engineers. The sewerage scheme propounded by the Government provides for the effluent being discharged into the ocean.

Hon. C. F. Baxter: And ruining the sea-shore.

Hon. A. THOMSON: What guarantee is there that our beautiful beaches will not suffer the same fate as the river?

Hon. C. F. Baxter: Many engineers say it will ruin the foreshore.

Hon. A. THOMSON: I am inclined to think it will, unless the effluent is carried out a great distance. It will become a nuisance in time. Let us consider the position from the sewage farm point of view. In Western Australia we are differently situated from the Eastern States. At present cattle from the North and elsewhere are shipped down the coast and held in quarantine. They have to become acclimatised and the trip down knocks all the condition off the beasts. There is no place where they can be held adequately for fattening up. That means a great loss to the growers. Even at this late hour, it is well worth consideration by the Government as to whether it would not be better to provide for a sewage farm in the sandy areas adjacent to the metropolitan area. It is difficult for a layman to advance his opinion against that of experts, but we do know that engineers have made mistakes in the past. There are old residents at Bunbury who consider the present harbour should not have been constructed where it is, but should have been laid out inside the estuary. Despite that, they are still pouring money into the harbour and having to dredge a very large area.

Hon. H. Tuckey: Not under the present scheme.

Hon. A. THOMSON: I hope that is so. The older residents of the districts strongly opposed the construction of the harbour where it is.

Hon. H. Tuckey: That was on account of vested interests.

Hon. A. THOMSON: That may have been so. Had we been able to scrutinise that scheme, we might have put up so strong an argument against those vested interests that the harbour would have gone where it was wanted.

Hon. G. W. Miles: Where should it have gone?

Hon. A. THOMSON: The older residents say it should have been in the estuary. Here is another blunder made by our engineers: In 1911 Mr. Ramsbotham submitted a scheme for the extension of the deep-water jetty at Albany. A few of us, all laymen, took strong exception to it and

organised a deputation to the then Minister for Works, Mr. Johnson. We drew attention to the fact that it was not necessary to spend £60,000 in the construction of a T extension from the existing jetty; that if sheath piling were erected and the sand pumped in behind it, a considerable area of land would be reclaimed, the value of which would more than recoup the Government for the expenditure incurred. We also pointed out that no provision was being made for the storage of wheat or for shed accommodation for the export of lambs and other primary products. In rather sneering manner we were told it was like our impertinence to set up our opinions against those of an engineer. But later on the Commonwealth Government asked Sir George Buchanan to make a report on the various harbours of the Commonwealth. That gentleman went to Albany and there laid down for the future development of that harbour the very scheme we had suggested in 1911. This House, of course, is not in a position to reduce the proposed loan expenditure. Nevertheless I take strong exception to the financial methods adopted in the administration of Western Australia.

Hon. G. W. Miles: But cannot we curtail this proposed expenditure?

Hon. A. THOMSON: We could, but it would not be of much benefit, for the Government have already started on the sewerage scheme, and men are being employed.

Hon. V. Hamersley: Where is it going?

Hon. G. W. Miles: We could cut out this £70,000 for the Fremantle harbour.

Hon. A. THOMSON: If the hon. member will move that, I will support him. But what we want is a Royal Commission to inquire into the general financial administration of the State, and indeed of the Commonwealth as well. It would be found that if we could adopt business methods it would be much more satisfactory.

Hon. C. F. Baxter: You might wish to control it.

Hon. A. THOMSON: I have raised these points in the light of the adage, "Cast your bread upon the waters and it will return to you after many days." I hope to see brought into being some day a public works committee that will carefully scrutinise all the large amount of money being expended. I am a country member, and this matter is rather for metropolitan members. It be-

hoves those members to give careful consideration to this scheme. If a sewage farm were established, it would be a source of considerable revenue to Western Australia. Above all, I want to see that steps are taken to ensure that if the present scheme is persisted in, our beautiful sea beaches shall not be destroyed. In my opinion they are second to none in the world, and so I should be loth to see them destroyed in the way our river has been destroyed by sewerage effluent. I realise the difficult task of the Government in finding work for the unemployed. Sewerage and water supply, of course, will return interest and sinking fund, but what the burden will be on the taxpayer is another matter. There is a sum of £145,000 provided for the purchase of land and for forest regeneration. I hope the Minister will be able to give us some information as to how and where that money is to be expended. The planting of pines is a wise provision, particularly in view of the fact that sooner or later we shall be compelled to use the white cases for our export fruit.

Several members: Why?

Hon. A. THOMSON: There used to be a considerable sum each year derived from the sandalwood industry and earmarked for forest regeneration, but that has now gone into revenue. That might well have been earmarked for the planting of pines. These pine plantations are very important, as we see when we realise the enormous amount of money involved in the plantations in New Zealand. There are parts of our State where pines could be grown just as well as in New Zealand.

Hon. G. W. Miles: And what about wattles?

Hon. A. THOMSON: I have dealt with that question on previous occasions. The Forests Department planted a considerable area of mallet bark, but unfortunately Germany, who was once our best customer, is no longer on the market for mallet bark. I remember that, years ago, ship after ship used to come into Albany and take away enormous quantities of mallet bark. I agree also that we should give consideration to the planting of wattles. Just now it appears to be the intention of all Governments as far as possible to spend loan money in a way that will give some return. I hope the present Government will be a little more fortunate in regard to a number of items

in the Loan Bill than their predecessors were. I will support the second reading.

HON. E. H. H. HALL (Central) [5.56]: I realise that the House cannot do much with Bills of this sort, but I should like to support the valuable suggestion made by various members that we should have a public works committee to advise the Government on all projected works. I do not say it should be a parliamentary committee; rather would I see an independent inquiry by some persons having the necessary qualifications to advise the Government. For instance, when we had a Royal Commission to inquire into the Collie coal industry, the Government of the day did not appoint members of Parliament, or even any authority within the State, but went to Victoria and appointed a gentleman with a very extensive knowledge of the industry. It is generally admitted that his report was accepted by those who know anything of the industry as being a very valuable one.

Hon. C. B. Williams: The Collie coal people did not like it.

Hon. E. H. H. HALL: The millions of pounds that have been spent in public works might have been spent to better advantage had there been some businesslike inquiry into the projects to begin with. I have been disappointed at the failure of successive Governments to provide sufficient money for the erection of homes for the people. This is a very acute question on the goldfields. Members of the Central Province represent the Murchison goldfields. When I was at Wiluna recently the people there were suffering severely for want of suitable house accommodation. On my return I asked a question in the House about the privilege being given to people of small means purchasing a block of land. My suggestion was turned down but I am glad to see that action is now being taken to prevent people from holding townsite blocks for speculative purposes. The people of the goldfields are not the only ones who are suffering from a shortage of housing accommodation. At Geraldton, the chief town of the Central Province, the shortage is acute. There is a great scarcity of suitable houses; in fact, it is difficult to get a house of any sort. By mentioning this matter, I may be laying myself open to the challenge that the shortage of houses provides a splendid opportunity for private capital to

secure profitable investment. There may be something in that retort, but side by side with the care of the sick and the provision of educational facilities, it should be a function of Government to ensure that the people have decent houses to live in. It is easy to be wise after the event, but clearly the Workers' Homes Act provides for too expensive a dwelling. In Geraldton people for whom I am sure it was never intended to cater are occupying workers' homes. The average worker does not earn sufficient to enable him to undertake the responsibility of purchasing a worker's home.

Hon. H. Seddon: The homes being built were not within the reach of workers.

Hon. E. H. H. HALL: They were workers' homes. The hon. member would take strong exception to a suggestion that he was not a worker. It is generally recognised that the building industry provides work for many people. Governments have been at their wits end to find works on which they could spend their money and keep it within the State. It is safe to say that in the building of homes, practically the whole of the expenditure would be kept within the State. Only a few years ago we had to send away for galvanised roofing iron. That difficulty has been overcome, for houses may now be roofed with tiles manufactured in the State. The timber industry, of which we hear so much, is able to supply the timber necessary for house building. Yet £25,000 is all that is provided on the loan schedule for workers' homes. My experience is that the board are always short of money. If one inquires at the office, one is told that houses are being built as quickly as possible, but that insufficient money is made available to meet all demands. I called there the other day on behalf of a couple of men in Geraldton, and was told that the board had 200 applications for homes and were building about 50 a year. I am sure the Chief Secretary is as anxious as I am that money should be provided for this purpose. The trouble is that Governments have not provided the money, and I should like to know whether we are to continue in this way. We could follow the lead of the Old Country. The Prince of Wales recently, in a very straight talk, spoke of the need for providing decent homes for the people. The Government would be well

advised to consider the matter and ascertain whether small homes of two or three rooms, with plenty of verandah space, could not be provided, not only in the metropolitan area but throughout the State. If this suggestion were adopted, employment would be provided for many people, the money would be kept within the State, and the comfort of the people would be greatly increased. I wish to support the protest made by Mr. Thomson against the sewerage proposals. The hon. member said he was afraid of what might happen if the ocean outfall were adopted. I understand that in Sydney there has been no difficulty on that score. The fact that sewage farms in the East have become sewage sick may be accounted for by the class of soil. People in this State who know something about the subject contend that the sandy nature of our soil would make a sewage farm a different proposition here, and that the trouble experienced in Victoria would not occur. As Mr. Thomson pointed out, experts are liable to make mistakes. To err is human, and humans will continue to make mistakes, but the Government, before committing the country to such huge expenditure, should make exhaustive inquiry to ensure that full value is obtained for the expenditure. Money is hard to get and mistakes are easy to make, and no undertaking of the kind should be embarked upon without the fullest inquiry.

HON. R. G. MOORE (North-East) [6.7]: There are a few matters that I should like to mention. The question of sewerage more particularly concerns metropolitan members.

Hon. L. B. Bolton: It concerns all of us.

Hon. R. G. MOORE: In a sense, it does. The hon. member reminds me of a discussion I heard in Kalgoorlie on the question of electric light. One speaker said that nobody in the hall knew more about electric light than he did, and what he knew was nothing. I do not intend to express any opinion on the sewerage proposals, because I do not profess to know anything about the subject. There has been a good deal of discussion regarding the diverting of expenditure from one direction to another. I do not know that there is very much harm in that. In my opinion, any revenue received should be devoted to the purposes for which

it is most needed. An analogy might be found in our own homes. A man hands over his earnings to his wife.

Hon. L. B. Bolton: Does he?

Hon. R. G. MOORE: Well, she gets them. He might stipulate that so much is intended for the butcher, so much for the baker and so much for the milkman, but later he might find that a little more has been paid to one and a little less to another. What does that matter so long as the meals are ready when the man goes home?

Hon. J. Nicholson: Do you not think it would be worth while to inquire whether the bills had been paid?

Hon. R. G. MOORE: Perhaps so, but that might not make much difference, either. One man, on rising in the morning, found his wife in tears. When asked the cause of her trouble, she replied, "I have received an account for £17 from the butcher and I have not the money to pay it." The husband replied, "Is it not the butcher who should be crying?"

Hon. L. B. Bolton: Did that occur in Kalgoorlie?

Hon. R. G. MOORE: No, in the metropolitan area. On the goldfields the butchers refuse to grant credit. On Saturday I was in the Norseman district, where quite a lot of money is being spent by private enterprise. Three companies are spending at the rate of £3,000 a fortnight on prospecting and mining, but a great difficulty is the shortage of water. On the road to Norseman there is a vast belt of auriferous country and quite a number of men are being employed on promising shows. One company have already spent £100,000 on prospecting and development, and nobody would do that without a strong belief that profit would result. If the district develops as is expected, the Government would be justified in extending the pipe line to Norseman. Large pipes would not be necessary. Probably a 6-inch pipe from the main line would be capable of supplying the whole district.

Hon. L. B. Bolton: What is the distance?

Hon. R. G. MOORE: About 108 miles from Coolgardie. The 6-inch pipe could be reduced to serve smaller shows. One show is employing 32 men and a larger number will probably be engaged in the near future. The reports are exceptionally good. All the way from Coolgardie to Norseman gold has been found and is still being found. With gold at its present price, it is not necessary

to find such rich ore as in the past. What will pay handsomely now could not have been profitably worked a few years ago. Therefore I suggest that the Government give attention to the provision of water supplies in that district. Gold mining employs a considerable amount of labour and it is an industry that gives speedy returns.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. R. G. MOORE: Before the tea adjournment I was speaking about the possibilities of the district between Norseman and Coolgardie, with a view to calling the attention of Cabinet to the advisableness of extending the water scheme there in the near future, provided the district turns out as we hope it will. In my opinion, it is a district where money could well be spent if the field develops as it shows at present every indication of doing. As regards the Workers' Homes Board, and the extension of the operations of that body to the goldfields—a matter Mr. Hall mentioned—that has been a burning question among the goldfields people for some time. The conference of local bodies on the fields approached the Workers' Homes Board with a view to that end, but up to date the effort has not been successful. We know that the board are free from political control, which is a good thing; but at the same time the goldfields people consider they have an excellent case for the suggested extension. We realise that in the past there has been a sense of insecurity, of want of permanency, with regard to the goldfields; but to a great extent that is the case no longer. On the goldfields there are hundreds of people who have made permanent homes there, and have no intention of remaining there for a short period and then removing to more congenial surroundings. They intend to remain there for all time. I quoted some time ago figures referring to the expenditure on homes in the goldfields districts during the last few years. Since then I have communicated with the Town Clerk of Kalgoorlie and obtained more up-to-date figures. I find that during the last four years in Kalgoorlie alone something like 400 homes have been erected—some of them small places costing about £90, others costing up to £1,400. It is estimated that an average of at least £100,000 has been expended in the municipality of Kalgoorlie alone during the

last four years by private enterprise on the erection of homes. That figure does not include either Boulder City or the road board district. It is safe to assume that, in addition, an equal amount has been spent in those two areas. If it is good enough for private enterprise to spend at the rate of a couple of hundred thousand pounds on the fields over that number of years, it seems reasonable to suggest that the Government could spend a small amount, say, £10,000, for the erection of workers' homes on the goldfields. I know that the board are not anxious to accept that responsibility; for some reason best known to themselves, they do not think it a good move. However, that opinion is not the result of experience. The board have never attempted to extend their operations to the goldfields, so that there is nothing in the way of experience to decide whether it is a good risk or otherwise. Seeing that the Kalgoorlie field, at any rate, has been in existence for about 40 years, it is obvious that had the board's operations been extended to that quarter 30 or 40 years ago, there would have been ample opportunity to pay for those homes many years ago. Now that the goldfields have a fresh lease of life and that an enormous amount of capital is coming there, the Government might well set apart a certain amount for workers' homes on the fields, taking the responsibility themselves and letting the board merely administer the funds. I believe there would be no difficulty in securing a local committee on the goldfields to help the board in the matter of selection of clients and supervision of operations.

Hon. G. W. Miles: Would your proposal apply only to Kalgoorlie, or also to Norseman, Broad Arrow, and other centres there?

Hon. R. G. MOORE: I speak particularly of what are known as the Eastern Goldfields, and more especially of the Kalgoorlie and Boulder districts. If Mr. Miles has a similar proposal with regard to Broad Arrow or any other field, I am quite prepared to give him a favourable hearing.

Hon. G. W. Miles: You could not have one without the other.

Hon. R. G. MOORE: I do not know what we could have. I do not profess to know exactly what could or could not be done. What I suggest would, I believe, be an

excellent move. I am confident that the board would get their money back in a reasonable time, because the homes would not be as expensive as homes in the metropolitan and other areas, and the terms of repayment would therefore not be so long. Thus the risk would not be nearly so great. I commend the suggestion to the earnest consideration of the Government. I have no doubt that in the near future they will be asked directly by the conference of local bodies on the goldfields to act in this direction, so that goldfields workers may have the opportunity of obtaining homes on easy conditions like workers in other districts. Repayment would probably be completed within a period of ten years. Certainly it is a good proposition to-day.

Hon. G. W. Miles: But the proposition might not look so good to-morrow.

Hon. R. G. MOORE: It would be a far better proposition to put money into such a scheme, which would mean the immediate establishment of an asset returning interest and, within a reasonable time, capital, than to put money into various schemes which will never be reproductive but are simply intended to keep men in work so that they may not starve. The scheme I suggest would, in my opinion, amply and speedily repay the Government.

HON. W. J. MANN (South-West) [7.42]: I have a few comments to offer on the Bill, because I realise that a serious position has arisen with regard to State finance and that it is time Parliament did some serious thinking. So far as I can see, if we continue to borrow as we have been doing during the past few years, it will not be long before we shall have to tax the people to such an extent that there will be a justifiable outcry, or else we shall have to go cap in hand to the Commonwealth begging for further assistance. From returns furnished to members I notice that for last year the total revenue of the State, revenue actually received, was £8,481,000, and that the actual expenditure for interest was £3,253,000. How long can we expect such a state of affairs to continue? We know it is essential at a period like this to get some additional funds, but I am rather surprised at the magnitude of the amount stated in the Loan Bill. It seems to me that during the past year the Government have

received fairly large additions to what was in the past regarded as normal revenue. Something like £500,000 is expected from financial emergency taxation. There has been a saving of about £45,000 in administration. It is proposed to save about £80,000 by relegating the cost of sustenance of dusted miners to the gold profits tax. In addition, the Government are budgeting for a £845,000 deficit. The position to me appears extremely serious. It does not take much logic to arrive at the conclusion that we are fast drifting into a position when, if we carry on as we have been going, we shall have to approach the Commonwealth and ask them to take us over and administer the affairs of Western Australia, because we shall not be able to raise sufficient taxation to pay interest and keep up the affairs of the State. That may seem a gloomy view, but it is no use closing our eyes to the position. I presume that a portion of the loan will be for repayments, but that does not alter the position of the ever-increasing interest which is simply adding to the burden, and I do not know that it is not retarding in some degree the progress of the State. I know the reply will be that if we do not borrow money for developmental purposes, we shall not proceed very far, but I am afraid that a lot of this huge debt of ours has been borrowed in the past under the heading "developmental purposes." That has very largely proved a myth. A great deal of the money has been very badly spent.

Hon. T. Moore: Particularly in the South-West.

Hon. W. J. MANN: A lot of money has been badly spent in other places as well.

Hon. T. Moore: But wasted in the South-West.

Hon. W. J. MANN: The hon. member has lived in the South-West and knows all about it. It is true that money has been wasted there, but not there alone.

Hon. J. Cornell: A good deal more was wasted at the Peel Estate than in the South-West.

Hon. W. J. MANN: There has been a good deal spent on works in respect of which we can now say that it was a pity it was ever spent on such undertakings. I trust that borrowing in the future will be curtailed. The position is so serious now that we have reached the stage where it is

costing us 40 per cent. of our revenue to pay the interest bill. Surely that calls for a protest.

Hon. G. W. Miles: Cannot we reduce by a few pounds the total it is proposed to borrow?

Hon. W. J. MANN: If the hon. member wishes to move in that direction, probably he will get some support.

Hon. R. G. Moore: What alternative do you suggest?

Hon. W. J. MANN: I suggest we should do what a business man would do when he finds that his overdraft has become so big that the bank threatens to close down on him. He will then cut his coat according to his cloth. Although we are not exactly in that position we cannot lose sight of the fact that the sword of Damocles is hanging over us. We used to boast about our ability to pay, but we cannot boast quite so glibly to-day. We have assets, but with assets we must also have markets and prices. We can have considerable assets, but if we cannot get prices for our goods we are in an unhappy position. I feel it is my duty to add my protest to that of other members against continued excessive borrowing and to warn the Government that in the future they must endeavour to keep it down as much as possible. There are one or two matters in the schedule of the Bill to which I wish to refer. I notice there is an amount of £300,000 to provide for additions and improvements to open railways. I hope the Government will take into consideration the necessity for providing speedier means of transport over our railways.

Hon. G. W. Miles: What about Cave House? Would not the rebuilding of that be reproductive?

Hon. W. J. MANN: Yes, that is an important matter, but I am drawing attention to the need for speeding up our railway service. The traffic has become almost infinitesimal. Main line trains carry comparatively few passengers. On the other hand we see motor cars skimming over the roads conveying most of the people that in the past were accustomed to travel by rail. The point I wish to emphasise is that if the railways desire to retain what business is left to them, and perhaps get back a little of that which they have lost, they must meet the conveniences of the people to a

greater extent. For instance it takes nine hours for me to come to Perth from my home by rail, whereas in a car I can do the trip comfortably in 4½ hours. The position is even worse in some other directions. One can travel from Flinders Bay to Perth in six hours, and it takes a train 12 or 13 hours to do the trip. I do not want it to be inferred that I am against steam traffic, because the province I represent is vitally interested in coal; but I would like to emphasise the need for providing small feeder coaches to run on the rails to connect with the main system. These coaches could be provided to run on the spur lines, and to connect with the main lines. I believe the Commissioner of Railways and his officers have recognised the fact that one of the solutions of the difficulty is the securing of a number of small coaches which could be run expeditiously and cheaply on the spur lines.

Hon. T. Moore: That would mean more borrowed money.

Hon. W. J. MANN: There is an amount of £300,000 included in the schedule, and some of that could be expended in the direction I suggest. Another question that interests me is that of providing abattoirs, cold-storage and freezing works at Bunbury. At the present time fruitgrowers are compelled to have their products hauled to Perth in vans that are not altogether suitable. If there were cool storage facilities at Bunbury the fruitgrowers would benefit considerably. There would be avoided long haulage and great expense, whilst at the same time it would be possible for the fruit to arrive at the southern port of shipment in a better condition. There is also included in the schedule an amount of £145,000 for pine planting. I have seen many pine plantations in various countries, and in some of those countries the plantations were thoroughly justifiable.

Hon. T. Moore: They have been highly successful in South Australia.

Hon. W. J. MANN: Not very extensive, unless an extension has been made within the last three or four years. There was a small plantation at Mt. Gambier.

Hon. C. F. Baxter: Where the land is good.

Hon. W. J. MANN: Yes, and that is essential to successful pine cultivation. I have not yet seen any pine cultivation

worthy of the name on poor land. The plantation at Ludlow in the south-west of this State has been a colossal failure. The pines were planted there on land that was useless for anything.

Hon. E. H. Gray: What about Apple cross?

Hon. W. J. MANN: Pine plantation is justifiable up to a point, but I would rather see the efforts of the Forests Department redoubled in the direction of the re-growth of hard woods, the woods that are of great value. Is it from those that the bulk of our revenue will come. Again I enter my protest against the ever-increasing borrowings which will only mean adding to our already very high interest bill.

HON. V. HAMERSLEY (East) [7.55]: I notice there is a considerable amount provided for sewerage purposes. I am very pleased to see that there is a move in the direction of removing that terrible blunder perpetrated many years ago—I refer to the septic tanks at Burswood. When the project was originally mooted, I was one of those who protested against it, in spite of the fact that it was claimed by those who were supposed to know, that it would be a success. I predicted that it would be a nuisance, and that it would ruin the beauty of Perth and Perth water. I well remember the days when it was possible to look down from the heights of Mt. Eliza and see the beautiful white beaches and the clear water of the river. If one went boating there was no trouble in pulling up an anchor from the water, which was then clean. Since the installation of the septic tanks, however, the whole complexion of the place has been changed. The carrying of the sewage across the river to the tanks at Burswood has proved to be one of the most dreadful things ever carried out by the authorities in Perth.

Hon. H. Seddon: Something beside the complexion has changed.

Hon. V. HAMERSLEY: Yes, such as the odour, etc. I am glad to note the intention of the Government to remove the septic tanks. Nothing is before us to show how this million pounds odd is to be spent. I presume it will be the forerunner of further millions. I understand that the sewage is to be taken out to sea, though I do not know where, at what point, and how far out it is to be taken. I am opposed to dealing with the sewage in that way. There are many

areas upon which it could suitably be taken, and useful holding grounds for stock from the North created. We have no good holding grounds for stock, where the animals could be depastured. As things are, cattle have to be fed on hay, whereas they should be given succulent feed such as they get on the sewage farms in the Eastern States. It was thought years ago that sewage farms would be established here, but that was never done, and the sewage was taken across the river to Burswood. If the intention is to take the sewage to the west coast that will only be a repetition of the madness which brought about the creation of the septic tank system. I am afraid that everything sent out to sea will come right back on to the beaches. Take some of our rivers along the coast, the Moore River as an example. The sand is constantly building up at the mouth of the river, and it goes on building up until the river rises considerably above the sea level. The bank is then washed several miles out to sea. The sand comes in again, and the bank is built up once more. The same thing applies all along the western coast. Although we are told that algae will not grow in salt water, there is plenty of evidence that it will grow in Perth water. For the greater part of the year the Swan River is salt. Right up to the Swan districts it is salt for a great part of the year, but the algae grows there just the same. During the summer the Swan River is more salty around Perth than it is higher up, but the algae is more prevalent near Perth than it is in the upper reaches.

Hon. E. H. Gray: You do not find it at South Fremantle.

Hon. V. HAMERSLEY: Once the sewerage scheme reaches there, people will find plenty of trouble.

Hon. E. H. Gray: It is there already.

Hon. J. Cornell: There will be more room for it in the Indian Ocean.

Hon. V. HAMERSLEY: It would be all right if we had tides along this part of the coast, but there are insufficient tides to carry things away. Everything returns to the coast. Just as no notice was taken of those who objected to the Burswood scheme, so will there be disappointment if the coastal scheme is inaugurated. We have no information before us to show where this money is to be spent. We do not know to what we shall be committing ourselves after the expenditure of the first million. I hope

the Government will pause before definitely deciding upon the scheme. I have been told by people who have seen similar works in other parts of the world that the algae has grown considerably to the detriment of the immediate surroundings. We must take notice of the opinion of those who have seen similar works in other parts of the world, and profit by their advice. Although we have heard recently that the areas in the Eastern States which have been used as sewage farms have become overcharged with fertility, and are not now returning the profits they formerly returned, if similar farms were established here and the same trouble arose we have a large enough area of country to keep on pushing out so that none of the land used could ever suffer from too much richness. It would be well that this scheme should not be embarked upon until we have further information with regard to it. A good deal of the money that has been invested in so-called reproductive works has only put an additional burden upon the backs of those who have to find increased rates upon their properties. Many people are not able to pay the rates already imposed. The Government are inclined to scrap one system and then try another, and to do this they borrow money and it is often squandered. I suppose this work will be carried out on the day labour system.

Hon. C. B. Williams: The poor old unionists again.

Hon. V. HAMERSLEY: And that it will cost three times as much as it should. There is always this good old method of passing on the cost to those who hold property and homes, and who have already been put to a great deal of expense because of sewerage systems, additional water supplies and so forth. In the aggregate private individuals will be called upon to spend much more than the preliminary million that is asked for here. We are entitled to know more about the project before we authorise this loan. During the last five years this country has been committed to a total loan expenditure of 16 millions, and there is not a great deal to show for it. Another £4,000,000 is now being asked for. This means a further big interest bill added to those which already exist. We are entitled to know more about the source of the revenue that will be called upon to meet the interest on this loan. We were called to account some time ago for borrowing money

to pay interest on a previous loan. It seems to me that we shall soon be up against a similar proposition. I admit that loans are raised to-day at a reduced rate of interest, but if Governments go on borrowing more and more money the rate of interest will rise again. The struggle for existence on the part of everyone will then be harder than ever, and it will be still more difficult to help the Government to find the interest that is required. It seems easy enough to raise money and to spend it, but we ought to see that we get a fair return for it. I support the Bill in the hope that it will assist in tiding the country over a bad time, though I do feel that more information should be given with regard to the expenditure of the million pounds on the new sewerage works.

HON. E. H. ANGELO (North) [8.12]: I regret that the indebtedness of the State is gradually mounting up. It is a pity that a curtailment in this direction was not made whilst the conditions were good. At one time the borrowing could easily have been reduced. It seems necessary, however, that we should pass this Bill. It will mean the hitching over of many men from sustenance to useful work. If we do not borrow this money, and do not proceed with these big sewerage schemes and other works that are set out in the schedule, tens of thousands of men will come back on the dole. Every member agrees that it is deplorable to see men on the dole. It brings them down and affects their character. I have known many people who were accustomed to doing an honest day's work for many years, but to-day they will not work because they can get the dole.

Hon. E. H. Gray: There are not many like that.

Hon. E. H. ANGELO: This Bill will assist in cutting that out. I hope the Government will be able to find work for every man, but I want them through their officers to see that we get a good day's work for a good day's pay. That is the solution of many troubles. If a man will pull his load and will give a good day's work for a day's pay, we will have but little to be afraid of if the works contained in the schedule are carried out. I trust the Government will see that we get full value for the money borrowed. There are one or two things about which I should like an explanation.

The sum of £90,000 is set down under the heading of "Departmental." It should be possible for this money to be divided up amongst the various works.

Hon. H. Seddon: It is re-allocated each year.

Hon. E. H. ANGELO: So long as that is done, very well. Each work should be debited up with the cost of administration as well as the cost of actual wages and material. I also notice there is an item relating to the development of agriculture. When replying, the Chief Secretary might fully explain how that money is to be used.

Hon. C. F. Baxter: That is for growing bananas.

Hon. E. H. ANGELO: I am quite sure we have not had any money for that purpose in the past. We can grow bananas there without the necessity for the expenditure of Government funds.

Hon. J. Cornell: That matter was explained in the Legislative Assembly.

Hon. E. H. ANGELO: Is it not just as well that we should have some information in this Chamber?

Hon. J. Cornell: These matters are never explained in this Chamber.

Hon. E. H. ANGELO: Then I am asking the Chief Secretary to supply the information on this occasion. Another item relates to pine planting, £145,000. Why cannot that type of undertaking be left to private enterprise? In New Zealand that condition obtains.

Hon. W. J. Mann: To some extent, with the aid of Australian money.

Hon. E. H. ANGELO: If New Zealand can obtain Australian money to enable private enterprise there to go in for pine planting, why cannot it be done in this State? The other day a friend of mine who held about £100 worth of bonds in a New Zealand pine undertaking sold out at a profit of 70 per cent.

Hon. C. F. Baxter: He was lucky.

Hon. A. M. Clydesdale: One in a thousand.

Hon. E. H. ANGELO: Those shares were in a New Zealand undertaking controlled by private enterprise.

Hon. W. J. Mann: They say there is one born every minute.

Hon. E. H. ANGELO: I have it on the authority of an independent man that these

undertakings in New Zealand have proved very profitable.

Hon. J. Cornell: Is it not a fact that the authorities are making inquiries regarding these companies?

Hon. E. H. Gray: There are many dud companies there.

Hon. E. H. ANGELO: Probably there are, but there are many companies that are carrying on at a profit.

Hon. J. Cornell: A lot of the companies have gone broke.

Hon. A. M. Clydesdale: There are a lot of the New Zealand pine forest shares available if you desire to buy them.

Hon. E. H. ANGELO: I can vouch for the gentleman's statement that he made a profit of 70 per cent. on the disposal of his shares.

Hon. C. F. Baxter: At any rate, there is one wise man in the West!

Hon. E. H. ANGELO: He sold because he wanted the money at the time.

The Honorary Minister: That is probably why they are introducing special legislation in the Eastern States.

Hon. E. H. ANGELO: Why cannot we provide special facilities for private companies to undertake this work? Let them have the land that is necessary.

Hon. C. F. Baxter: That has already been done. A company secured a large tract of country.

Hon. E. H. ANGELO: Because there has been one failure, that does not say there will be more failures.

The Honorary Minister: Let private enterprise put up a proposition.

Hon. E. H. ANGELO: I lost £3,000 some 20 years ago in an attempt to grow bananas at Carnarvon. I shall not lose this time, and that shows that very often the second experiment proves successful. However, I honestly think that this is an activity that could be left by the State to private enterprise. If the Government have to borrow money that, we are told, must be spent on reproductive works, why should they spend money in this direction?

Hon. C. F. Baxter: Let someone provide the capital, and the Government will make the land available.

Hon. E. H. ANGELO: Anyhow, I think that is a suggestion to which serious attention should be given. Something has been said about the provision of money for the

erection of workers' homes on the goldfields. One member complained that the Workers' Homes Board would not agree to that course, and he said the Government should advance £10,000 for that purpose.

Hon. J. Cornell: Are there any workers' homes in Carnarvon?

Hon. E. H. ANGELO: There is only one in the whole of the North-West, and I am sure the stability of the North is far more sound than that of the goldfields, because it is built on a solid foundation. We must not deceive ourselves. The present prosperity of the goldfields is due solely to the abnormal price of gold.

Hon. R. G. Moore: And we know that the stability of the goldfields has lasted for the past 40 years.

Hon. E. H. ANGELO: It is not so many years ago when houses were pulled down on the goldfields and re-erected elsewhere.

Hon. R. G. Moore: But they were paid for.

Hon. E. H. ANGELO: I was in Kalgoorlie three or four years ago and I am not exaggerating when I say that every third shop in the main street was empty.

Hon. J. Cornell: You could say that of Subiaco two years ago.

Hon. E. H. ANGELO: Mr. R. G. Moore appealed to the Government to provide £10,000 to enable workers' homes to be erected on the goldfields. I was in Kalgoorlie within the last 12 months and the Mayor told the visitors, who were with me, that the Kalgoorlie Municipal Council was probably the most financial in the State.

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

Hon. E. H. ANGELO: Then what is to prevent the Kalgoorlie Municipal Council embarking on a little workers' homes scheme of their own?

Hon. J. Cornell: Only the Municipal Corporations Act!

Hon. E. H. ANGELO: Then let goldfields members introduce a small amending Bill.

Hon. J. Cornell: That would be for the Government to do.

The PRESIDENT: Order!

Hon. E. H. ANGELO: Here we have a municipal council in the most financial position of all in the State at the centre of the most prosperous industry we have, and they beg the Government for £10,000 to enable workers' homes to be erected there. They should be ashamed of themselves. If a

small amending Bill be introduced, I shall vote for it. It should be a payable undertaking.

Hon. R. G. Moore: Why don't members of the Perth City Council erect workers' homes here?

Hon. E. H. ANGELO: And I contend that would be really private enterprise, because the municipal council represent the ratepayers of the city.

Hon. J. Nicholson: Does the Municipal Corporations Act authorise such a course?

Hon. E. H. ANGELO: But we could introduce a short amending Bill.

Hon. C. F. Baxter: Parliament would be very foolish to agree to such a Bill.

Hon. E. H. ANGELO: I do not see why that is so. Another item in the schedule relates to roads to act as feeders to the railways. I hope the false policy of constructing roads parallel to the railways has been ended for all time, and that any future road construction will be such as will open up the country and enable produce to be conveyed to the railways. Recently I motored to Wyalcatchem and when we reached the town we were asked which road we had used. On being told we had proceeded along the road south of the line, the Wyalcatchem resident said we should have taken the main road on the north side of the line. That meant that within a quarter of a mile there were two splendid roads running parallel to the railway. The money spent on those roads could have opened up a large area of country and would have enabled produce to be conveyed to the railways, which would certainly have been much better than making provision for traffic in opposition to the State utility. I trust the Chief Secretary will also explain another item which reads:—"Short-term advances to meet expenditure pending the receipt of revenue. £750,000." I ask the Chief Secretary fully to explain that item, because already two or three members have told me they do not understand it.

Hon. H. Seddon: Sir James Mitchell explained it.

Hon. E. H. ANGELO: I would prefer the Chief Secretary to deal with it and tell us what it means, how the money will be recouped, and how it represents expenditure that will earn income.

Hon. G. W. Miles: It is a reserve fund for them to play with.

Hon. H. Seddon: According to Sir James Mitchell, no assets exist in respect of that expenditure.

Hon. E. H. ANGELO: The Chief Secretary said he would give members any information they wanted, and I ask him fully to explain this particular item.

Hon. G. W. Miles: This is to finance the deficit.

Hon. E. H. ANGELO: In the meantime, I shall support the second reading of the Bill.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [8.27]: While listening to the debate, I could not help thinking how easy it is to criticise, and how difficult to propose satisfactory alternatives. Almost everyone who has spoken seemed to assume that the Government did not know how serious the financial position was. They stressed the fact that the State was drifting every year, and asserted that the Government were increasing loan expenditure every year to such an extent that the interest bill perforce was increasing very rapidly. But not one member has been able to submit a satisfactory alternative.

Hon. C. B. Williams: But they want the Government to reduce taxation.

The HONORARY MINISTER: Not one member put forward a suggestion, except Mr. Baxter.

Hon. C. F. Baxter: And that was merely a small one.

The HONORARY MINISTER: That is so. Mr. Baxter suggested it would be advisable for the Government to spend loan funds in such a way that the exports of the country would be increased so that money might be brought into the State. When he was asked for a suggestion as to how it could be done, he replied that he had one or two proposals to advance, but the only suggestion he made was that we should proceed with the rebuilding of Caves House.

Hon. C. F. Baxter: I said at the time that it was very difficult.

The HONORARY MINISTER: That work would cost less than £20,000, and he claimed we would get a return of 10 per cent.

Hon. J. Cornell: If you could double the gold output, you would get a greater return.

The HONORARY MINISTER: That is so.

Hon. G. W. Miles: What about handing Caves House over to the chairman of the Parks and Gardens Board?

Hon. E. H. Gray: He would secure a return of 10 per cent.

The HONORARY MINISTER: I agree that that would be reproductive. While members are so keen to assume that the Government are borrowing money without thought of the future, they themselves are absolutely barren of ideas. Every member can suggest alternatives for the spending of the money the Government propose to raise. They claim that this or that scheme is not all that we conceive it to be, and that we should be extraordinarily careful before we embark upon it. References have been made to the sewerage scheme, about which there has been so much criticism. I have the idea that some members when speaking on that project felt that the amount to be raised is going to be found by the whole of the people. As a matter of fact, eventually the whole of the money will be found by the people of the metropolitan area. The scheme has this advantage, that it will be reproductive. The existing sewerage scheme in the metropolitan area provides interest and sinking fund; indeed, the responsible Act makes it mandatory that from year to year we shall receive in the form of rates sufficient to cover interest and sinking fund. So while some members may be afraid that this amount, which is going to be spent over three years in the metropolitan area, might be spent more advantageously elsewhere, they have not suggested any other way in which we could spend the same amount of money and provide for the same number of men, employment which would be reproductive. I think I could challenge any member to mention any other scheme that would be as satisfactory as the sewerage scheme, from the point of view of providing employment and at the same time returning interest and sinking fund.

Hon. J. Cornell: Regrading the railways would be reproductive.

The HONORARY MINISTER: We are spending a considerable sum, which ought to have been spent years ago, in the reggrading of railways with the object of reducing the cost of running. We propose to carry on that work. When I hear country members saying the great proportion of this loan expenditure is to be spent in the metropolitan area, I wonder whether they really mean it.

Either one of two things is happening: either they do not know what is in the loan schedule, or they are deliberately misrepresenting the position. As a matter of fact, if we take out the sewerage scheme from the loan programme, we find that 80 per cent. of the money to be expended is to be spent outside the metropolitan area. And that has been the position during the last three or four years: the greater percentage of loan moneys spent by this Government have been spent in country districts, not in the metropolitan area. So when members try to impress on the Government that we should be exceedingly careful to see that loan moneys shall be spent on reproductive works, it is up to them to provide an alternative to the programme we put forward. Mr. Hamersley threw doubt on the efficiency of the sewerage scheme, suggesting that if we have an ocean outfall at South Fremantle we shall be spoiling our beaches; that if we had a higher tide than we have it might be all right, but that in the present circumstances, according to something he has heard from somebody, it is going to be absolutely dangerous. The hon. member did not state his authority; he merely said "they" informed him of something that has occurred somewhere else. Let me tell the hon. member that neither this Government nor any other Government would be likely to embark on such a scheme without definitely satisfying themselves in regard to that scheme in all its details.

Hon. V. Hamersley: That is what they told us when they put the Burswood filter beds over us.

The HONORARY MINISTER: We are going to do away with the Burswood filter beds. Listening to members, one would imagine that the sewage would be going into the sea in untreated form. This scheme provides for an outfall at South Fremantle.

Hon. G. W. Miles: Eventually, but not at present.

The HONORARY MINISTER: It is all to be completed in about three years. Then we have an outfall on the coast for the sewage from Subiaco. But all this sewage is treated before it reaches the coast, and I understand from the experts there is no danger whatever. I suggest there is no other scheme that would be more satisfactory in view of our present position. I honestly believe the people of the metropolitan area will agree that the Government are doing

the right thing in initiating the sewerage scheme at this time.

Hon. G. W. Miles: Have you any information about sewage farms?

The HONORARY MINISTER: Yes, a lot of information about sewage farms elsewhere, but I do not propose to give that information. If the hon. member wants it, he can have it privately. Generally speaking, the information the Government have is that sewage farms have resulted in loss.

Hon. L. Craig: And will incur greater losses still.

The HONORARY MINISTER: That is so. One member suggested we should cut our coat according to our cloth. I should like to ask him just where he would have us start to cut. He can make suggestions as to alternative works to be carried out with the money to be raised, but he made no suggestion as to what we should do if we did not raise the money here provided for.

Hon. W. J. Mann: You are in the Cabinet to make suggestions.

The HONORARY MINISTER: And we believe we are doing a useful job. In this regard I say to the critics of the Government that if they think there is some alternative that would better serve the interests of the State, by all means let them make those suggestions. The position is difficult enough, and in view of the fact that it is necessary for the Government to make provision for the employment of thousands of men, naturally we have to take into consideration those works which will provide for the employment of men; in other words, where the greater proportion of the money to be spent is to be spent in wages rather than in material. If members will examine this loan programme from that point of view, they will find that the Government are doing as well as, if not better than, would be possible under any other scheme. I rose only to point out that members were prone to criticise the Government without any regard to what the alternative should be. When we think of the number of men who have been provided with relief work for the last 12 or 18 months, and remember that that work is gradually coming to an end and there is necessity to find new works for the employment of thousands of men; then if members are at all serious in their criticism they must agree that this proposal of the Government is in the best interests of the State. I know that although our proposals are being criti-

cised, the Bill will be agreed to. I also know that whilst some members have asked for the fullest information on the various items in the schedule, they just want to know the facts of the case; they are not asking for information with the idea of unduly criticising any proposal, and I am sure the Chief Secretary will be only too pleased to supply all the information he can. This Government are fully aware of the financial position we are in.

Hon. G. W. Miles: That is why you are giving back a large sum to members of Parliament.

The HONORARY MINISTER: We realise that we are still passing through a very serious period, that we are not entirely out of the wood, that the position is not as bright as we should like to see it, and that it is essential that this money should be raised for the purposes set out in the schedule. Otherwise, the Bill would not have been brought down.

On motion by Hon. J. Nicholson, debate adjourned.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

HON. C. F. BAXTER (East) [8.42]: This Bill and the Financial Emergency Tax Bill are so interwoven that it is not possible to address oneself to the one without connecting up with the other. I purposely refrained from speaking on the tax Bill, preferring to leave my remarks until we reached this assessment measure. Although the Bill is enacted yearly, it is fast becoming one of our permanent pieces of legislation. This was brought in as a temporary measure by the Mitchell Government, having been forced on them by the Loan Council, for a tax on the basis of $4\frac{1}{2}$ d. all round. Previous to the tea adjournment, I was astonished to find that a challenge had again been given this session by the Minister in charge of the Bill—of course directed by the Government—that this House could not amend the tax Bill. This, of course, refers to the assessment measure as well. It is interesting to note what is going to be the value of this House if this system is to continue and

probably extend. I say to the members of this Chamber it is advisable that when new taxation is placed on the statute-book, this House should retain control over it. More especially does that apply to a tax of a new nature. This Bill is one where we should retain control. As a matter of fact, the Government have not yet sought to make it a permanent measure. When the Mitchell Government placed the original measure before Parliament, it was subjected to the strongest and most bitter opposition of any measure that I handled on behalf of that Government. That was the experience in both Houses. Eventually it was passed, but not before every possible obstruction had been placed in the way by those who were then in opposition and who now occupy the Treasury benches. One would have thought after their strong and bitter opposition at the time and their assurance that that legislation would not be continued if they were returned to power—

Hon. W. J. Mann: Did they submit any alternative scheme?

Hon. C. F. BAXTER: Their alternative was—

Hon. E. H. Gray: You would not listen to it.

Hon. C. F. BAXTER: Their alternative was to throw the whole responsibility of finding the money on one section of the community which was already carrying practically the whole of the taxation.

Hon. J. Cornell: The alternative was to exempt the basic wage earner in the metropolitan area and tax the basic wage earner on the goldfields.

Hon. C. F. BAXTER: That is the position under this Bill. Strong language was used in condemnation of the Bill introduced by the Mitchell Government. It was said of that Bill, "The vicious principle of the end justifying the means is strongly exemplified in this measure." Another statement was, "The Bill is in effect a confession of incompetent administration by the Mitchell Government."

Hon. C. B. Williams: Who said that?

Hon. C. F. BAXTER: A representative of the present Government. Yet the Government have seen fit to double the tax.

Hon. C. B. Williams: Has the chap who made those statements apologised yet?

Hon. C. F. BAXTER: Within 12 months of those strong statements hav-

ing been made, a measure was submitted to Parliament not to continue the flat-rate tax of $4\frac{1}{2}$ d. in the pound of salary, which had been characterised as vicious, presumably because introduced by another Government, but to increase the tax from 4d. to 9d. in the pound. Apparently what was an iniquity when done by the Mitchell Government was a virtue when done by those who now occupy the Treasury benches. Notwithstanding their previous opposition to legislation of this kind, they doubled the rate of tax.

Hon. G. Fraser: Their opposition was to taxing a man getting a couple of pounds a week.

Hon. C. F. BAXTER: No, their opposition was directed to the Bill as a whole. I admit that members who support the present Government afterwards moved amendments. I could quote many more of the expressions used in condemnation of the original Bill. The introduction of the original legislation was forced upon the Mitchell Government by the Loan Council. They were told they had to reduce the deficit by £400,000, though it was expected that only £200,000 would be raised by the emergency tax. Notwithstanding that, the deficit limit in that year was exceeded by only £100,000. When the present Government took office, the finances of the State had begun to improve. Revenue from various sources was increasing, and though the Mitchell Government received loan moneys in 1932-33 totalling £1,955,000, in the following year the present Government were granted £2,670,000. This tax was imposed as a temporary measure. We were determined that it would not be re-enacted, though it is difficult to say what substitute could have been found for it. The present Government, however, received £750,000 by way of loan funds more than the Mitchell Government received, and yet they saw fit to increase the tax, and told this Chamber that they must have the whole amount or nothing. It is time this House made a stand and let the Government know that we shall have something to say on that score.

Hon. J. Cornell: Give them nothing.

Hon. C. F. BAXTER: Give them nothing. I cannot believe the Government would be so foolish as to attempt to maintain such an attitude, notwithstanding their threat. If they do stand to it, this House should insist on its rights.

Hon. C. B. Williams: Nothing like a scrap.

Hon. E. H. Gray: Has been there a caucus meeting?

Hon. C. F. BAXTER: When the Bill of last year was before us we were told that the amount it would produce was £385,000. I could not reconcile the figures, and I stated when I proposed my amendments for a tax ranging from 2d. to 7d. that the proceeds of the tax ranging from 4d. to 9d. in the pound would be something like £500,000. I was told that I was a fool; my estimate was ridiculed.

The Honorary Minister: Who told you that?

Hon. C. F. BAXTER: Not the Honorary Minister; I give him that much credit. It was somebody higher placed than the Honorary Minister. I was told that the tax would not produce more than £385,000.

Hon. J. Nicholson: In fact you were regarded as an optimist.

Hon. C. F. BAXTER: I was not over-optimistic, as the results showed, because the Government will receive £500,000.

The Honorary Minister: Not £500,000.

Hon. C. F. BAXTER: Yes, that is what the tax will yield. As a matter of equity I was prepared to assist the Government to raise the amount they required, but I desired that the balance should be left in the hands of private enterprise. Money in the hands of private enterprise is far more useful than in the hands of the Government. Every pound taken from private enterprise to swell the revenue of the Government is a pound less to carry on the industries of the State. When speaking on the Loan Bill I mentioned the indebtedness of the State. That is bad enough, but we are fast reaching the position when all will become civil servants. We have an enormous number of civil servants employed as such, and to that number must be added the men employed on day labour. Then a large number of men will presently be employed on sewerage work, unless the Government intend to carry out the work by contract. Perhaps the Honorary Minister can tell us whether that work will be done by contract.

Hon. E. H. Gray: You did not do it by contract.

Hon. C. F. BAXTER: We were able to let contracts at that time. I can understand Mr. Gray's interjecting because the sewerage work will help his dis-

trict a good deal. We should take a serious view of the Government's threat and realise that this House is part and parcel of the legislature of the State. If we are going to allow this House to be ruled by the Government perhaps it would be better to adopt the system of a single Chamber, but I do not think that the political leaders of the Labour Party honestly approve of that. As members of the Council we should act according to our judgment, and no Government should be able to influence us with threats of any kind. If anyone wants me to fight, the best way is to threaten me, and the same applies to the average man. Few men will sit down under a threat.

Hon. J. Cornell: If the voting here were on strict party lines, the Government would never get any measure through.

Hon. C. F. BAXTER: I am not one to be bluffed by the threats of the Government. Members should vote according to their conscience.

Hon. J. Nicholson: I think the decisions of this House from time to time show that members do vote according to their conscience.

The Honorary Minister: Sometimes.

Hon. C. F. BAXTER: One may accept that rejoinder from the Honorary Minister because he does not think as do a majority of the members of this House. The majority must prevail, and the Minister, being in the minority, would be quite wrong in his assumptions. The amendments proposed by the Bill are designed to exempt the basic wage earner from contributing anything under this measure. The particular class who will be exempted contribute practically nothing at all to the taxation of the State though they enjoy all the privileges of citizens of the State. This emergency tax was not imposed for the relief of unemployment. It was imposed at the behest of the Loan Council in order to reduce the deficit.

Hon. G. W. Miles: And it was brought in a year too late.

Hon. C. F. BAXTER: I do not agree with that. It is a pernicious sort of tax and I consider it a pity that it was ever introduced. However, it is apparently with us to stay.

Hon. J. Cornell: Like a poor relation, it is hard to get rid of.

Hon. C. F. BAXTER: That applies to any tax. That is why I wish to impres-

on the House, as I did when the Gold Mining Profits Tax Bill was under discussion, not to lose control of taxation measures. The House lost control of the other measure, and it has become a permanent statute. There are various reasons why we should not lose control of taxation measures. The main reason is to ensure sound administration of the finances. If the Bill is agreed to in its present form, those people on the basic wage will be exempt from making any contribution.

Hon. H. Seddon: Except those on the goldfields.

Hon. C. F. BAXTER: That is a differentiation which should not be made. Basic wage workers in the metropolitan area will not pay.

Hon. E. H. Gray: They cannot afford to pay.

Hon. C. F. BAXTER: They could easily afford to pay this small amount.

Hon. J. Cornell: They are paying it now.

Hon. C. F. BAXTER: If it comes to a question of affording it, I do not know of any section who can afford to pay it. It is a hard tax to impose upon anybody. That is why I wish to amend it and reduce it, though at the same time giving the Government plenty of money. They will have close on four million pounds of loan money this year as well as increased revenue from public utilities, compared with what was received in previous years. Those are the reasons for my amendments. The basic wage earner is entitled to contribute to this tax equally with any other section of the community. Every section of the community has had and is having a very bad time. In point of fact, the persons in the best position, not only here or only in Australia, but throughout the world, are persons on salaries and wages. They are in a happy position as compared with others in the community who have seen assets built up during a lifetime disappearing fast. Private enterprise, in co-operation with the Government, has done good service. Government expenditure yields no great benefit, but private enterprise has increased employment vastly.

Hon. E. H. Gray: That is due to confidence in the Government.

Hon. C. F. BAXTER: Oh, confidence in the Government! It is easy to satisfy the

political conscience of Mr. Gray. I do hope the House will agree to my amendments in the Bill, thus ensuring that each section of the community, down to the section on £3 10s. per week, shall contribute to this tax, which unfortunately is necessary. I hope also that this is the last session of Parliament which will be called upon to impose the tax, and that the end of 1935 will see the end of this tax, which members of the party now in power have previously described as vicious in principle.

HON. L. B. BOLTON (Metropolitan) [9.2]: I oppose the second reading of the Bill. If the second reading is carried, I shall support the amendments foreshadowed by Mr. Baxter. My main reason for opposing the measure is that I am against the increased exemption that is proposed. I believe that by voting against the Bill I shall assist the Government. Under the Financial Emergency Tax Bill the Government propose increases which will probably amount to about £90,000. It is likely that I shall support that measure when it comes before the Chamber. By defeating the present Bill we shall help the Government to save many thousands of pounds, possibly as much as £60,000. I wish especially to defeat the increase of the exemption from £3 10s. to £3 12s.

THE HONORARY MINISTER (Hon. W. H. Kitson—West—in reply) [9.3]: I do not think I am called upon to say very much in reply, but I certainly cannot let Mr. Baxter's remarks pass without some comment. The hon. member has admitted that when the supporters of the present Government were in Opposition, they described the Mitchell measure as being a vicious method of taxation. That is perfectly true; that language was used. However, it was not used in regard to a measure such as the one before us, but was used in connection with a taxing measure which provided for the taxation of the people on a flat rate, with very few exemptions indeed. We did not say, as the hon. member suggests we said, that if we were returned to power we would not re-enact the financial emergency legislation; but we did say that we would not re-enact it in the same form. There is a world of difference between that and the statement of the hon. member.

Hon. C. F. Baxter: I heard it definitely stated.

The HONORARY MINISTER: It was said from every platform throughout the country that we would not re-enact the financial emergency legislation in the same form as it then existed. We went further and said that we would endeavour, as far as it was humanly possible for us to do so, to exempt those who were earning the basic wage or less. All we have endeavoured to do is to give effect to our promise made on that occasion.

Hon. J. Cornell: You are only half doing it. Why do you not exempt the goldfields?

The HONORARY MINISTER: We have gone as far as it is practicable for us to go. It is not often that Governments find themselves in the position of turning down proposals which will mean increased revenue. It is quite possible that Mr. Baxter's amendments might lead to an increase in the amount of money to be received from the tax. I do not know just how many men would be affected by those amendments. I do not think anybody can say definitely, but from such information as I can secure it appears that thousands would be affected, including men receiving less than the basic wage to-day, receiving between £3 10s. and the basic wage. We have never at any time, at any rate to my knowledge, said that we would not re-enact the financial emergency legislation; but we did, as I have said, give certain undertakings with regard to the type or incidence of the taxation that we would enact. One of the first things the Government did in connection with financial emergency legislation was to alter the incidence of the flat rate of 4½d. in the pound to a graduated tax ranging from 4d. to 9d. Some members may hold different views from the Government regarding the higher rates of taxation to be imposed on higher incomes, but we considered that the graduated tax we put forward was fair and equitable. We provided an exemption for married men up to £3 10s. per week. We did that because £3 10s. covered the men at that time on the basic wage, with the exception of men on the basic wage in the goldfields areas. Most of the goldfields members have criticised the Bill—not all from the same point of view, but from two points of view. One is that we should exempt the basic-wage earner on

the goldfields. The other is that we should not exempt the basic-wage earner in the metropolitan area, but that all basic-wage earners should be taxed. I think that is a fair statement of the two points of view. Mr. Seddon has been consistent for years in his advocacy that every person, no matter how small his income, should pay some taxation. We have said we propose to exempt those who are earning the basic wage or less. As a result we have introduced legislation which has been on the statute-book for at least 12 months, and we come before this Chamber now and say that we are adopting the same principle this year as we adopted last year, but that as the basic wage has been increased to £3 11s. per week we are providing an exemption of £3 12s. For the information of goldfields members I may say that we have explored the position from every point of view with the idea of giving relief to basic-wage earners on the goldfields. Unfortunately, however, we find that we are up against a Constitutional problem.

Hon. J. Cornell: What is that?

The HONORARY MINISTER: The Constitutional trouble is that we cannot differentiate between districts in a taxing measure.

Hon. J. Cornell: You can start at £4 2s. per week.

The HONORARY MINISTER: Of course we can, but just imagine what that would mean. If we start at £4 2s. per week, it means that we shall exempt a much larger number of people in the metropolitan area, that the amount of revenue received from the tax will be reduced heavily, and that the goldfields people will not be any better off than they are to-day as compared with workers in the metropolitan area. That would be the exact position. If we agree to an exemption of £4 2s. per week—which is the basic wage on the fields—it will mean that every worker in the metropolitan area receiving a wage over the basic wage, between £3 11s. and £4 2s., will be exempt from the tax. We say we cannot afford to do that.

Hon. J. Cornell: You exempt the married man because of his low purchasing ability.

The HONORARY MINISTER: That is not the reason. I tell the hon. member that we have explored the position with a view to giving relief, if possible, to basic-wage

earners on the goldfields, who after all are not a very large number.

Hon. J. Cornell: Where? On the goldfields?

The HONORARY MINISTER: Yes. They are not a very large number. The same difficulty applies there as in the metropolitan area. It is not possible to state the number even approximately, but comparatively speaking it is small. If we could find ways and means of doing what Mr. Cornell has advocated I assure the hon. member we would do it. But unfortunately we find that it cannot be done, and because of that fact we have had to say that in view of all the circumstances the exemption on this occasion must be £3 12s.

Hon. J. Cornell: Could not you put more on the big chap?

The HONORARY MINISTER: We might be able to do that but I do not know that the House would be prepared to agree to it.

Hon. J. Cornell: Try it.

The HONORARY MINISTER: Mr. Baxter adopted the same argument that Mr. Seddon so consistently put forward, namely, that everybody should pay. The amount of money we estimate to receive from this tax has been taken into account in the framing of the Budget. When the hon. member speaks about threats that have been issued, I assure him that I made no statements in the form of threats; I simply set out the policy of the Government.

Hon. C. F. Baxter: I was not speaking of you, but of the Government.

The HONORARY MINISTER: The hon. member can call it what he likes; I simply stated the position of the Government and, being in charge of the measure, I cannot accept the amendment which has been suggested, and it is just as well for me to tell members where we stand.

Hon. J. Cornell: That is not to say you will not accept it later on.

The HONORARY MINISTER: I shall not accept it later on. Mr. Baxter also complained about the bitter opposition we extended to his Bill. Members in this House will agree that our opposition was particularly centred on the incidence of the tax. We agreed it was necessary that there should be increased taxation to meet the position the Government had to face.

Hon. C. F. Baxter: Your speeches do not read that way.

The HONORARY MINISTER: I suggest the hon. member should read them again.

Hon. C. F. Baxter: There is no need to read them again, I can remember them.

The HONORARY MINISTER: Then we have another point of view. It has been expressed by one member, who commenced his remarks by saying that the Bill provided an interesting example of the way in which the policy has had the effect of demoralising the sense of civic responsibility in the community.

Hon. H. Seddon: That is right.

The HONORARY MINISTER: It sounds very well.

Hon. H. Seddon: It is quite right, too.

The HONORARY MINISTER: In addition, he described it as class legislation and had quite a lot to say about it.

Hon. J. Nicholson: And he said it very well.

The HONORARY MINISTER: That is not a fair charge to level against the people of this State. I cannot agree with the hon. member, and I shall have to make the same reply to him that I made to other members, that when the Government make a promise with regard to legislation, and particularly with regard to taxation measures, we endeavour to put the promise into effect. We have done so in the past and we are doing so on this occasion.

Hon. J. Cornell: Promises in the abstract.

The HONORARY MINISTER: Our promises have been those we have been able to put into operation, and we intend to put them into operation again provided this House is agreeable. Mr. Seddon, in support of his argument, talked about the incomes of the people of the State, and he said it was difficult to arrive at the total amount of income of the people as a whole. He added that he had endeavoured, by virtue of certain returns furnished by the Commissioner of Taxation, to arrive at what would be the approximate amount. I suggest to the hon. member that the way in which he endeavoured to arrive at the approximate income of the people was quite wrong. He took the hospital tax receipts from the Commissioner's returns and he added, "If you take the amount which appears there and multiply it by 80, that will give you a fair indication." I would like

to ask the hon. member why he multiplied it by 80. If all the hon. member's figures are as reliable as those which he quoted on that occasion, we should all soon be astray.

Hon. H. Seddon: Will you tell me where they were wrong?

The HONORARY MINISTER: I think there are more than eighty *l**2**d*. in the pound. Thus the hon. member was speaking without his book.

Hon. H. Seddon: Yes, you are quite correct. I made a mistake all right.

The HONORARY MINISTER: The hon. member should have multiplied the figures not by 80 but by 160. I am merely drawing attention to the fact that if it is possible for him to make a mistake in that way, it should be reasonable for us to doubt his other figures. I have already indicated that we are desirous of increasing the exemption from £3 10*s*. to £3 12*s*. per week, and that the other amendments in the Bill will have the effect merely of tightening up the Act whereby the people who are entitled to pay more than they have been paying will be called upon to do so. That is all I have to say. I understand that there is likely to be strong opposition to certain features in the Bill, but I hope the House will not reject it.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 6:

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

That paragraph (a) be struck out.

The basic wage was under £3 10*s*. when the Act was amended last session. It is now intended to increase the ratio to £3 12*s*., so that all those under the basic wage will be exempt from paying any tax. Every section of the community should contribute, and I consider that the Act should remain as it is at the present time, on the £3 10*s*. basis.

The CHAIRMAN: Mr. R. G. Moore has an amendment on the Notice Paper which should be considered before that of Mr. Baxter, since he proposes to delete para-

graphs (a) and (b) and substitute another in the place of (d). If Mr. Baxter's amendment is carried, the clause will be meaningless.

Hon. C. F. Baxter: For the time being I will withdraw my amendment.

Amendment, by leave, withdrawn.

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

That paragraphs (a) and (b) be struck out and the following inserted in lieu:—'by deleting the whole of paragraph (d) and substituting the following:—

'(d) in respect of salary and/or wages and/or income in an amount or amounts which does not or do not in the aggregate exceed the fixed rate of the basic wage in the particular district where such persons reside, and who prove to the satisfaction of the Commissioner that they are regularly maintaining or contributing to the maintenance of one or more members of their family who is or are resident and domiciled in Western Australia.'

Mr. Baxter's amendment merely provides for the retention of the provisions of the Act as they now stand. My object is to ensure that all persons who are maintaining dependants domiciled in Western Australia and who have not earned more than the basic wage shall be exempt from the tax, and shall also be exempt from any fluctuations in the basic wage. This will only affect permanent residents in the districts outside the metropolitan area in which they are dwelling. If any of those people have not earned the basic wage and have paid the tax as they have collected their earnings, they ought to be able to get a refund at the end of the year.

The CHAIRMAN: The hon. member's amendment does not allow of rebates being made at the end of the year. The effect of it would be to defeat the object of the Government, and to provide no starting point at which the tax would be imposed. Mr. Baxter's amendment, on the other hand, would leave the present starting point as it is, but would defeat the object of the Government to increase the exemption to £3 12*s*.

Hon. R. G. MOORE: What I really wanted was to leave the clause as it was, but to add a provision to the effect that any person who could prove to the satisfaction of the commissioner that he had not earned the basic wage in any district in which he was working should not pay the tax. That which appears on the Notice Paper, however, is the result of the interpretation placed

upon my amendment by the Parliamentary Draftsman.

The CHAIRMAN: Then the hon. member is not achieving the object he had in view. If he desires to secure a further exemption, he should move an amendment to the clause.

Hon. R. G. MOORE: That was my object, but, in the circumstances, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Hon. C. F. BAXTER: I do not propose further to discuss the clause, which I oppose. I have already indicated why it should be deleted.

Hon. E. H. ANGELO: I desire to explain why I shall vote against the clause. The Honorary Minister told us definitely that the Government would not afford to exempt goldfields workers who are in receipt of the basic wage. That means that the Government exempt workers in the metropolitan area who receive the basic wage fixed for that part of the State, but do not accord the basic wage workers on the goldfields the same treatment. I think that differential treatment is wrong. Seeing that the Government propose something that is unjust and inequitable, it would be doing them a kindness to vote against the clause. If we do not adopt that course, I am afraid that there will be such a howl from the workers on the goldfields that the members who now represent constituencies in that part of the State will not be returned.

Hon. J. NICHOLSON: You want to save their seats for them?

Hon. E. H. ANGELO: Yes. I was a member of the Legislative Assembly when the financial emergency tax was first introduced, and the view held by the majority of the members of that Chamber, and by some who sat on the Opposition side of the House, was that everyone should contribute a little towards the cost of administering the State during the time of stress. When we reach normal conditions, the emergency tax will be dropped, and the ordinary income tax arrangements will again prevail.

Hon. C. B. WILLIAMS: I protest against the clause. It will not affect the workers in the mining industry because they do not receive the basic wage. I am not so much concerned about them as I am about

the Government, because of the uproar that will result from the exemption of workers who are living in much better circumstances and surroundings than the men on the goldfields and in isolated places.

Hon. G. FRASER: I support the clause. All it means is that the Government ask members to agree to do what they did 12 months ago, and exempt the worker who receives the basic wage.

Hon. C. B. WILLIAMS: In one part of the State only.

Hon. G. FRASER: That was agreed to last year, and members are asked to endorse their earlier decision.

The HONORARY MINISTER: In view of the statements made by Mr. Angelo, I must repeat what I said before. The Government would like to exempt workers on the goldfields who are not earning more than the goldfields basic wage, but we are advised by our legal authorities that, owing to a Constitutional difficulty, we cannot do so.

Hon. E. H. Angelo: Then amend the law.

The HONORARY MINISTER: We cannot do so unless we are prepared to exempt everyone who receives wages up to that amount.

Hon. E. H. Angelo: We should not do something for one section and not for the other.

The HONORARY MINISTER: It is useless talking like that. If we exempted the goldfields workers, it would mean that every man in the metropolitan area who earns up to £4 2s. a week, which is 11s. more than the metropolitan basic wage, would also be exempt. The men in the metropolitan area in that position would, compared with the number of workers on the goldfields who are in receipt of the basic wage there, bear a proportion of probably 100 to one.

Hon. J. NICHOLSON: You are in a very difficult position.

The HONORARY MINISTER: We are. The Government gave a promise that they are endeavouring to honour. If we accepted Mr. Baxter's proposal it would mean increased revenue by thousands of pounds. The Government realise the position but have not been able to find a way out of the Constitutional difficulty.

Hon. R. G. MOORE: I will move to re-commit the Bill to-morrow, because I think I can provide a way out the difficulty.

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

Ayes	..	..	..	..	7
Noes	..	..	..	..	13

Majority against 6

AYES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. R. G. Moore
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	

NOES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Piessie
Hon. L. Craig	Hon. H. Seddon
Hon. C. G. Elliott	Hon. C. H. Wittenoom
Hon. V. Hamersley	Hon. H. Tuckey
Hon. W. J. Mann	

PAIR:

Aye.	No.
Hon. C. B. Williams	Hon. J. J. Holmes

Clause thus negatived.

Clause 3—Amendment of Section 9:

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

That paragraph (a) be struck out.

This is consequential on the striking out of Clause 2.

Hon. J. NICHOLSON: I suggest to Mr. Baxter that he strikes out also "as follows" at the end of line 3 of the clause.

The CHAIRMAN: If Mr. Baxter's amendment be carried, the correction proposed by Mr. Nicholson will have to be made by the clerk.

Amendment put and passed.

Hon. R. G. MOORE: I have an amendment to move, but I understand the Bill is to be recommitted to-morrow.

Clause, as amended, agreed to.

Clause 4—agreed to.

Title:

The HONORARY MINISTER: I move an amendment—

That the words "four and" be deleted from the Title.

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

Bill reported with amendments, and an amendment to the Title.

House adjourned at 10.13 p.m.

Legislative Assembly,

Tuesday, 27th November, 1934.

Question: Judiciary, appeals and retiring ages	PAGE
Bills: Builders' Registration, 3A. ...	1579
Agricultural Bank, Com. ...	1579

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

QUESTION—JUDICIARY.

Appeals and Retiring Ages.

Mr. HAWKE asked the Minister for Justice: 1, How many cases were decided on appeal from the Supreme Court of Western Australia by the High Court of Australia during its recent visit to this State? 2, What were the results of the various appeals? 3, Is there a retiring age for stipendiary magistrates in this State? 4, What are the respective ages of the stipendiary magistrates in this State? 5, Is there a retiring age for judges in this State? 6, Is there a retiring age for judges in the other States? 7, What are the respective ages of the present occupants of the Supreme Court Bench in this State?

The MINISTER FOR JUSTICE replied: 1, Five. 2, In four of the cases the decisions of the Supreme Court were reversed. In one case, which was a motion for leave to appeal, the motion was dismissed. 3, Yes, 70 years. 4, One 66 years; one 64; one 63; one 62; two 59; one 57; one 50; one 45; one 38. 5, No, but the President of the Arbitration Court, who holds office under similar conditions to the judges, retires at 70 years. 6, Yes, New South Wales, 70 years; Queensland, 70 years. 7, Two 69 years; one 54 years.

BILL—BUILDERS' REGISTRATION.

Read a third time and transmitted to the Council.

BILL—AGRICULTURAL BANK.

In Committee.

Resumed from the 22nd November. Mr. Sleeman in the Chair: the Minister for Lands in charge of the Bill.