

paragraph (4) in a form which will render practicable the supplying of the information I desire.

Amendment put and passed.

Question, as amended, agreed to.

House adjourned at 9.17 p.m.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT.

Third Reading—Amendment (Six months) Negatived.

THE MINISTER FOR RAILWAYS
(Hon. J. Scaddan—Maylands) [4.37]: I move—

That the Bill be now read a third time.

HON. A. McCALLUM (South Fremantle) [4.38]: I move an amendment—

That the word "now" be struck out, and "this day six months" inserted in lieu.

From the time the Bill was brought into the Chamber we have not had either from the Premier or from the Minister now in charge of the Bill any attempt to justify the tax. The people in the country have not been consulted, nor has there been any mandate to the Government to impose new taxation. Such an iniquitous proposition as this Bill contains is objectionable in every feature, and Parliament should have full justification for accepting it. But the Minister has been content to sit quiet and say not a word, merely throwing the responsibility on the absent Treasurer. The Minister has remarked that if the Treasurer were here he might agree to an amendment, but because the Treasurer is away he, the Minister in charge, cannot agree to any amendments. I do not know whether that is to be taken as an admission that this is a one-man Bill. Are we to understand that the imposition of this tax is being made merely at the whim of the Premier and does not represent the decision of Cabinet, that the Minister disowns responsibility for it, declines to accept either on his own behalf or that of Cabinet any responsibility for the extraordinary imposition contained in the Bill? We know that is not the case, that not only has there been full approval by Cabinet, but that Cabinet took the Bill to caucus, where there was a lively debate, and that it was only after a compromise had been arranged at the caucus meeting that the Bill was approved. So the responsibility for the Bill cannot be put on to the absent Premier, but belongs first of all to Cabinet and then to every member sitting on the Government side, because they all decided before the Bill came into the Chamber that it was to have their support. The public

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

QUESTION—UNEMPLOYMENT.

Assistance for Single Men.

Mr. MARSHALL asked the Minister for Mines: 1. Is it a fact the Government have instructed the Unemployment Relief Board that, for the time being, no further assistance in the way of sustenance will be granted to single men? 2. Is he aware that such instructions have considerably hampered and affected single men who have been following up the occupation of prospecting for gold? 3. As no seasonal work is available to those who have been following up prospecting, and receiving sustenance (thereby making it possible for them to secure employment), will he reconsider the position with a view to reinstating sustenance to those who in the past have been following up prospecting, in order that they may continue their search for gold?

The MINISTER FOR MINES replied: 1. No. The instructions apply only to new cases. 2. No. 3. Answered by No. 1.

are entitled to hear some justification for the Bill. Why is it that all the principles observed in taxation in every other part of the British Dominions are departed from in this Bill; why is the ability or capacity of a person to contribute to the revenue of the country not to count, not to be regarded in any way at all? We are to have a flat level of taxation and irrespective of the obligations of the individual it is to be imposed on each citizen. When the Bill went to the caucus meeting it proposed no exemptions at all, and it was only by the decision of caucus that the exemptions of £1 for a single man and £2 for a married man were agreed to. Whatever case was put up to caucus, this House knows nothing of it. We do not get any information as to what justified members opposite in supporting this proposition. The people are entitled to know all that. It is not only degrading to the House, but it is also undermining responsible government when a measure of such importance is thrown on the Table of the House, wheeled in like a barrow load of bricks and tipped out, and we are left to do the sorting and examining of them without any justification from the other side. There has never been a taxation Bill brought to any Parliament with so little information given in support of it as we have had in this instance. It is the responsibility of every member of the House to give reasons for supporting the Bill. No doubt members opposite hope that the least said, the sooner will it all be forgotten. Lots of things can be done without anything being said, in the hope that they will go unnoticed. But this class of taxation cannot escape notice, for it will be brought up every pay day to every man and woman working for wages or salaries from one end of the country to another. We made a perfectly reasonable and most liberal offer to the Government, but the views of those on this side are not to count, because the numbers are on the other side of the House. Yet if we were simply to get up and express opposition without attempting to put forward any alternative, we should be denounced as purely destructive critics. On the other hand, if we put forward an alternative proposal that would be endorsed by 95 per cent. of the people, no attempt is made to answer it, no attempt to debate or argue it in any way, but our offer is brushed aside, and we are told we

are asking for something that no Government could accept, because they have their own proposition. If that is the attitude of the Government, that their proposition is to be the proposition, and that the views of the Opposition are not to count, it is only telling the Opposition there is no other role for them but to continue to be exclusively destructive critics. There is no other field open to them. Whether destructive or constructive in our criticism, it does not matter. The caucus of the party opposite has met and has decided without hearing our views, without the people being aware of the proposal or being allowed to express their opinions, that the Bill must be passed and that we are only wasting time if we attempt to remodel it or do anything in the interests of the people we represent. If that is the level to which the party behind the Government have sunk, and if that is the standard to which we have to conform in future, one need not be surprised that there is such an undermining of the respect and confidence entertained by the people for Parliament. Under the measure everybody will be compelled to contribute, and no argument has been advanced why they should contribute. When we proposed an alternative to which the majority of people would agree, it was brushed aside and not answered. With the Leader of the Opposition, I say that the more we consider the proposal, the greater is our disgust with the measure. It is a miserable paltry thing to tax a man receiving £1 per week, or to tax a man receiving £2 a week, no matter what family obligations he has, at the same rate as a man on £5,000 a year is to be taxed. Members opposite talk about equity and justice and no attempt is made to justify the tax. Members on the Government side remain dumb. I protest at this final stage against the passing of the Bill. I am not deluded into any belief that we are likely to influence a vote amongst members opposite. We know how they respond to the crack of the whip. During the whole time the Government have been in office, there has not been a member who has voted hostilely to the Government on a party question. Although members have expressed opposition to proposals, the screw has been put on them and they have not dared to vote against the Government. They have either found an excuse to go to the country, or have remained in the corridors when the vote was

taken, or have voted contrary to the views they have expressed. Once the party whip has been cracked, no member on the Government side dared vote against the proposal.

Mr. Marshall: They are not even allowed to vote freely on a motion moved by a private member.

Hon. A. McCALLUM: Although I realise that at this stage we are not likely to secure any alteration, that has nothing to do with our responsibility to awaken the public to what is being done and lodge our protest against this iniquitous tax. The proposal is to tax the poor to the same extent as the rich; to protect the rich at the expense of the poor; to impose on the man receiving £5,000 a year no greater rate in the pound than the sustenance man who has not had a full week's work for the better part of three years, and who has all the responsibilities of rearing a family. The tax is to be imposed upon ill-clad people who have had to sell their few sticks of furniture. In my electorate such people are camping in the bush. They are living in tents on endowment and municipal reserves and subsisting on rations. For every pound those men earn, they will be required to contribute tax at the same rate as a man receiving £5,000 a year. Judges, the Commissioner of Railways, the highest paid civil servants, and the big commercial men will contribute no more in the pound than will the man who has been forced to live under the conditions to which I have referred, a level so low that I never dreamt Australians would be reduced to it. Yesterday morning there came to my home a man who had been offered work for the Government in the country. He declined to go and leave his wife, and he asked me to view the conditions under which he was living. His wife and three little children were living in a tent in the bush beyond the tram terminus. He had been threatened that his sustenance would be stopped unless he accepted work in the country. He was to go that afternoon and leave his wife and children camped in the bush. That man has gone away in order to receive £1 a week over sustenance. He will be drawing £2 15s. a week, and he will have to contribute 1s. per week tax, the same rate as will be paid by a judge of the Supreme Court, the higher civil servants and the big commercial men. That is justice and equity in a democratic country!

Nothing too hard can be said of the proposition. To argue that we should let the Bill pass because the numbers are against us is the height of absurdity. It is an attempt to deprive members on this side of the House of their rights and responsibilities.

The Minister for Lands: We have not attempted to do that.

Hon. A. McCALLUM: We want to hear from the Minister and from members supporting him a case in support of the tax.

Hon. P. Collier: Those who have supported the Government say that.

Mr. Hegney: A leading article in this morning's paper says so.

Hon. A. McCALLUM: What we say is criticised without our remarks being published. That, however, does not trouble me. The people will soon wake up when they have to pay. I am concerned about this money being extracted from people who are below the breadline. Many are a long way below the standard that the court fixed as the minimum upon which it was possible for an individual to live in reasonable comfort. The Government propose to collect the tax of 6d. in the pound from men and women every pay day. The 6d. to be taken from the man who gets only £1 a week or the 1s. to be taken from the man who gets only £2 a week is something very valuable to those people. It means nothing to the man on £1,000 a year. His standard of living will not suffer; he will not have to go without anything; maybe he will bank a little less, but his standard will not be affected one iota. The man who does the toil, incurs the hardship and lives under the conditions I have described, will feel it, and he and his family will have to go short of something in order to pay the tax. I protest against the Bill being passed.

MR. MARSHALL (Murchison) [4.56]: When speaking on the second reading I omitted to point out that, while the Bill had been introduced in the guise of a financial emergency measure—financial emergency legislation was supposed to be intended to save the financial position—it was argued that unemployment relief was so expensive to the Treasury that further taxation of this kind was necessary. If it was necessary in order to assist the unemployed, I should like to point out the position in my electorate, which applies practically throughout the

goldfields. We on the goldfields have not received any relief from the Government for the unemployed in those centres. The unemployed on the goldfields have been maintained by the goldfields community—by prospectors and miners and no doubt by the business people. Those people are to continue to maintain the unemployed, and to pay hospital tax, though goldfields workers have supported medical funds since the inception of the goldfields, and now are to contribute at the rate of 4½d. in the pound and get no return for it. The position of the goldfields people has been consistently ignored by the Government. I have attempted to get money for goldfields road boards to do necessary work and to employ men under the Government scheme of part-time work, but my attempts have failed. Now the Government have the audacity to say that those people shall pay an additional 4½d. in the pound to relieve the Treasury. The goldfields community have already relieved the Government of the burden of maintaining hundreds of unemployed. I have attempted at different times and in many ways to secure assistance for the goldfields. No matter what arguments we advance with respect to getting financial relief for the people in need of it, we are always refused. We have tried to get financial assistance for prospectors. The Minister for Mines told me that sustenance for prospectors was not cut out, but I say it is cut out. I have two letters from men in the Meekatharra district to prove my statement. The local officers have been instructed by the Government not to issue sustenance to single men.

The Minister for Lands: Those are new cases.

Mr. MARSHALL: I am talking about those who have had it.

The Minister for Lands: They must have misread the instructions.

Mr. MARSHALL: The officers in this centre have been instructed not to issue any more sustenance. I am not talking about new men. Only yesterday I spoke to members of the Unemployment Relief Board, and learned that these are the instructions that have been issued to the police in the district. The men I speak of will now have to fall back upon the mercies of the community, as has always been the case in the past. At Wiluna the community has maintained a

population of about 100 unemployed. The miners have taxed themselves 1s. a week for hospital maintenance, and now they are to suffer this further imposition at the hands of the Government. This is a tax paid by the unemployed for the unemployed. Those on the goldfields who will be compelled to pay the tax are only working part time and doing casual work. People who are not in permanent employment cannot be said to have any security of employment. Most of the money involved in this tax will be raised from that particular section of the people. The Premier himself admitted that if he were to increase the higher rates of taxation he would not get what he proposes to get under this Bill. He has confessed that he intended to get the bulk of the money from men who are employed on part-time, receiving 25s. a week in the case of single men and £2 9s. as a limit for married men irrespective of any obligations they may have. When we suggest taxing those who can afford to pay further taxation, we are listened to in silence by members opposite, but not an argument is advanced to show why this should not be so. According to last year's report of the Commissioner of Taxation, many of our citizens enjoy particularly large incomes, ranging from £1,500 to £5,000 a year. It would not hurt them to give up a little more of their incomes, and thus relieve the unfortunate individuals who are on the lowest rung of the ladder. Members opposite do not make any attempt to show where that argument is wrong, but are just as determined to see that such a step is not taken. We on this side of the House are entitled to defend those who are on the bottom rung of the industrial ladder, and who are finding it so difficult merely to exist. No one can argue that a married man with three or four children can possibly live on £2 9s. a week. He can only eke out an existence, by starving himself, his wife and his children. What kind of a nation shall we have in a little while if that sort of thing continues? Children, whose constitutions should be built up by good food, are being neglected. In addition to all the troubles they have been enduring they are now to be deprived of some of the very little they have. It is cruel in the extreme, more particularly when we know

that other forms of taxation could be introduced and ought to be introduced. It is wrong that the Government should persist in levying this tax, and I am surprised they should be persevering with the measure when there is another alternative they can adopt. If they would adopt that alternative, the suffering consequent upon the sacrifice would not be nearly so great as in the case under review. I have always opposed every measure in this Chamber that imposed taxation on a flat rate. Even when I was sitting behind the Labour Government I opposed such a thing. I opposed the Hospital Bill because it embodied provision for a flat rate of taxation, despite the concessions that were to be given in the way of hospital treatment. I opposed the Bill that was brought down before it, and the Bill that came after it. I always will oppose such forms of taxation. No other nation has thought fit to tax a paltry pittance of £1 a week at the same rate as in the case of a person drawing £10,000 a year. The bulk of the people who will contribute this tax will have to make their sacrifice not in hard cash, but by going hungry. The Government are taking from such people the bare necessities of life. I take this last opportunity of speaking against the measure and supporting the amendment that has been moved. We know that the day of reckoning will come, but meanwhile people will be called upon to suffer to a greater extent than ever. It is our duty to oppose this Bill. Cruel as was the Financial Emergency Act, it is not as damnable cruel as this one is. The Government propose to tax people on what they receive by way of board and lodging, and to force them to pay up in hard cash. I have never seen anything so cruel as the action of the Government in reaching down to the most impoverished section of the community for a tax of this kind. A higher rate of tax imposed upon the higher incomes would inflict no hardship upon those who would be called upon to pay. The taxpayer would merely tell his wife that he could not bank as much this year as he had done last year. What about the wife of the other unfortunate man who would have to be told that her children must subsist on less bread and meat? I feel very bitter about this question. The

picture is a pathetic one. I am amazed to think that members opposite, who profess to have some of the milk of human kindness in their composition, should support such a Bill. If we had not offered some solution for the difficulty in which the Government find themselves, I would not so greatly object to their silence. There is another way to raise the money without penalising to any great extent those who would have to contribute. If that alternative did not exist, one could not feel so bitter about the passage of this Bill. In so far as the measure is inhuman in character and will be most inhuman in its effects I wish to register my intention to oppose it.

Amendment put and a division taken with the following result:

Ayes	..	..	..	16
Noes	..	..	..	22

Majority against .. 6

AYES.

Mr. Coverley
Mr. Hegney
Miss Holman
Mr. Johnson
Mr. Lamond
Mr. Marshall
Mr. McCallum
Mr. Millington

Mr. Panton
Mr. Sleeman
Mr. F. C. L. Smith
Mr. Troy
Mr. Wansbrough
Mr. Willcock
Mr. Withers
Mr. Wilson

(Teller.)

NOES.

Mr. Angelo
Mr. Barnard
Mr. Brown
Mr. Church
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Griffiths
Mr. Keenan
Mr. Latham
Mr. Lindsay

Mr. J. I. Mann
Mr. McLarty
Mr. Parker
Mr. Patrick
Mr. Richardson
Mr. Sampson
Mr. Scaddan
Mr. J. M. Smith
Mr. Thorn
Mr. Wells
Mr. North

(Teller.)

PAIRS.

AYES.
Mr. Cunningham
Mr. Munsie
Mr. Kenneally
Mr. Collier

NOES.
Mr. H. W. Mann
Mr. J. H. Smith
Mr. Piesse
Sir James Mitchell

Amendment thus negatived.

MR. SLEEMAN (Fremantle) [5.13]: This Bill should not be allowed to pass the third reading stage without a final protest. The House should realise what it is doing. Throughout Australia the same sort of thing is going on. Not only is that so in Australia, but it seems to be extending to other parts of the world. I do not know what is going to happen. Surely the Government can see the way we are heading. An unemployed

army is marching on London; an army of farmers is marching on Washington; and I do not know what kind of army will be marching on Perth if the Government continue to treat the unemployed and those on sustenance in the way they are doing. Just fancy a man earning a couple of pounds a week working for bare sustenance, say a man with a wife and one child, receiving 21s. and having to go away to the country to earn £2 1s., out of which weekly amount, according to the Government, he is to be taxed on £2. I cannot understand either National or cross-bench supporters of the Ministry upholding such a form of taxation. Men while partly starved and badly clothed are to have the last penny extracted from them, which means that the family will have to go without something more. To such a man a shilling represents a considerable amount. I shall never cease to protest against men so circumstanced being taxed. Let taxation be raised from the people who can best afford to pay, instead of the bottom dog being tackled, as usual. The Government will say that the number of large incomes is so small that too large a tax would have to be imposed on them in order to obtain the amount required; but I maintain that such taxation is far preferable to taxation of extreme poverty. I hope the House will not carry the third reading.

Question put and passed.

Bill read a third time, and transmitted to the Council.

BILL—FINANCIAL EMERGENCY TAX.

Second Reading.

Debate resumed from the 13th October.

HON. P. COLLIER (Boulder) [5.19]: This is the taxing Bill which follows the measure we have been debating during the past few sittings. It imposes the rate of tax. I shall oppose the Bill, not because I believe extra taxation to be unnecessary, but because of the basis laid down in the measure with which we have just dealt. The tax of 4½d. in the pound is to be levied on the foundation of the assessment Bill. Without traversing ground already covered during the debate on the other measure, I desire to register my opposition to this Bill. I repeat that our income tax is so

low compared with that of any other State of the Commonwealth that there can be no justification whatever for imposing a tax of 4½d. in the pound on the man in receipt of £1 or £2 a week, as the case may be. The figures I quoted a few evenings ago with regard to our income tax will bear repeating. I then said that the amount paid under our income tax on a chargeable income of £1,000 a year was £33 18s. 4d., which amount included the hospital tax of 1½d. in the pound. By way of income tax, therefore, a person with a chargeable income of £1,000 a year in Western Australia pays £27 13s. 4d. In order that such a person may escape additional burdens, may be freer from taxation of this kind than any other Australian taxpayer, he will pay under this Bill 4½d. in the pound, and the man with an income of £1 or £2 per week will pay at the rate of 4½d. also. I cannot understand what is behind the proposal. Nothing so unjust, so unreasonable, has ever been advanced in this Chamber. That is evidenced by the fact that not one solitary member on the Ministerial side has had the courage to rise in his place and support the Bill. Government supporters know the Bill to be iniquitous. We are accustomed to loyal supporters of Governments, whether National or Labour; but occasionally one finds a member standing up to proclaim the faith that is in him. But not on this occasion! Silent! Dumb! The support of this Bill is a cowardly support, a support by votes from men who have not the courage to stand up and say why they support the measure. Not a member opposite has had the courage to say why he supports the Bill. I repeat, it is a support by silent vote. If it could be shown that incomes in Western Australia were over-taxed as compared with incomes in other States, or that they were taxed up to the same level as incomes in the East, I would say, "Very well, there is a justification for the Government to introduce a Bill of this kind, because all the possibilities of the avenues of taxation are exhausted." The Government could say, "As a last resource our people being taxed up to the limit under income tax legislation, we are sorry to have to impose this tax." The Government have been apologising. They are very sorry; the business is regrettable, but it must be done as the financial position of the State calls

for it. That would be a good and sufficient defence if other sources of taxation had been exhausted or drawn upon in the same degree as in the Eastern States. But such an apology makes no appeal, is of no account, when we know that our income taxation is below that of any other Australian State. There again comes in the question whether a country is expected to support a tax of this kind without having heard the

measure criticised or analysed in any way whatever. I have no doubt, however, that any number of explanations will be made in a few months' time—misleading, dishonest and untruthful explanations. They are already being made by the Parliamentary committee, as it is called, of the Country Party. As I remarked earlier in the session, members of this Chamber issue weekly bulletins for publication in the country newspapers. As regards the personnel of the committee I have said nothing. I criticised one of their statements, and not one of their members has stood up here to justify it. Not one of them is man enough to stand up in this House and say what he publishes in rotten rags in the country. Let him justify it here. This subterfuge, this business of publishing things in 30 or 40 country newspapers every week, is absolutely misleading. One newspaper is supposed to be managed by a committee of the Country Party members of this House, but not one of those members has been man enough to stand up here and say even one of the things published in the weekly bulletin. It is a low-down, dirty thing for members of this House to publish broadcast lying statements and misrepresentations of this party, without having the courage to stand up and say them here. It is the attitude of the assassin with a dagger in his hand. Let them say what they feel in regard to this party. I do not know who the members in question are, but I have only the utmost contempt for any member of this House who will write statements misrepresenting this party and then sit here like a craven coward having nothing to say. For that kind of man I have nothing but contempt. I shall not delay the House by going over the ground I have already covered. I imagine that those who voted for the assessment Bill had in mind the rate of tax that was to be levied under the Bill before us now. By their vote to tax men in receipt of £1 and £2 a week they knew they were

agreeing to impose that tax at a rate of $4\frac{1}{2}$ d. in the pound. As I have indicated previously the tax really amounts to 6d. in the pound when we remember the hospitals tax of $1\frac{1}{2}$ d. in the pound. I shall vote against the Bill because I regard it as wretched and most iniquitous. Neither by any Minister—the Government supporters are, of course, silent—nor by the Government's apologists in the Press has there been the slightest attempt to answer the case submitted by the Opposition against the emergency tax. I repeat that I will vote to help the Government to secure the £300,000 necessary this year, but that money will have to be obtained by a different means. They could get £100,000 easily by an alteration to the income tax.

The Minister for Lands: We would have to increase the rates considerably.

Hon. P. COLLIER: No.

Hon. J. C. Willcock: You could impose the 15 per cent. super tax, as well as increase the rates.

The Minister for Lands: That would not give us what we require.

Hon. J. C. Willcock: Yes, it would.

Hon. P. COLLIER: When I spoke last week and referred to 4s. in the pound as the maximum, I forgot to mention that a super tax of 15s. per cent. had been imposed. That super tax was cut out and the income tax reduced by $33\frac{1}{3}$ d. per cent., but the present Government have curtailed the rebate by 13 per cent. How can any Government persist in their desire to leave our income tax the lowest in Australia by 100 per cent., and, at the same time, levy this wretched tax on men in receipt of £1 and £2 a week? This is the most pettifogging, wretched taxation measure I have ever heard of. I do not wish to pose in this respect, for I suppose every member had to face trials and troubles in his younger days and has had to live upon a small income. I have had to do it. For the life of me I cannot understand the mentality of any member of this House who would vote to impose a tax, however small it may be, on a married man with a family, who is in receipt of £2 a week, and still be content to leave alone those in receipt of larger salaries, such as £1,000 a year, on which only £27 a year will be paid in taxation. Surely such a member can never have been through the mill.

Hon. J. C. Willcock: If he had to now, it would do him good.

Hon. P. COLLIER: The majority of members of this House have been through the mill.

Mr. Marshall: Some of them have forgotten the fact.

Hon. P. COLLIER: Some have not. I make no criticism of hon. members when I mention that some of them are in the fortunate position of having had comfortable circumstances bequeathed to them by their fathers. Others have had to work and battle hard to win their way to success. How can any man with a spark of justice in his make-up agree to impose a tax on a married man in receipt of £2 a week, while more fortunately placed people are let off more easily? How can they do it? Surely their consciences trouble them. I do not believe for one moment there is a man in this House who has given a satisfying vote in support of the Bill so far. I believe every member has a conscience, and I am sure it troubles him at night. This is the kind of tax that makes Bolsheviks, that produces revolutions. This is the kind of thing that leads to disturbances such as have taken place all over the world. We have read in the cables of men marching on London, and on Belfast. They are not red raggers who live in Belfast. They are not De Valerites; they are good citizens who live in the North of Ireland, and yet they marched on Belfast.

Mr. Hegney: They were hungry.

Hon. P. COLLIER: As the cables indicated, a prominent feature of those demonstrations was the large number of women that participated. Women do not participate in revolutionary action; they are, by nature, careful and conservative. Thus when we read of large numbers of women joining in such demonstrations, it indicates their desperate plight. It shows that they realise the position of their breadwinners and their children. I would say to those who support the present system of Government throughout the world to-day that they are digging their own graves by the introduction of taxation proposals such as that now before us. There is a limit to what men and women, who are down and out, will bear. Men who have not a shilling in the world are to be taxed. History tells us that when the mighty masses rise, nothing

can stand in their way. It is all very well to shelter ourselves behind the military forces, but if the masses profoundly believe that a great injustice has been done them, all the military in the world will not stop them. They will march onwards to changed conditions. If I were a member of the Nationalist Party and supported their policy and aim, I would not support a Bill like that before us. I would realise that the members of the party were digging their own graves. I am not speaking politically. I care not a jot regarding the political effect of the Bill, and I hope no one will accuse me of having opposed the financial emergency taxation proposals for the purpose of gaining political support. I have not done so. I have been fair, and have opposed the legislation honestly and legitimately. I do not care what the result may be politically, and so I say that if I were a supporter of the Government, I would not consent to the bringing in of such legislation. It is the very thing that will lead to the overthrow of society as we know it to-day. Starving men are to be taxed. I hope I shall not be accused of sob stuff when I speak of those men. It is all very well for those who have enough to eat and live in comfortable homes, to talk about sob stuff. There is no sob stuff about it. There would be a mighty lot of sob stuff on the part of any one of us if at the end of a week's work he returned to his home with £2 with which to pay rent and to feed his wife and five or six children, to a home bereft of furniture that had been pawned or sold, with insufficient clothing and with an empty cupboard.

The Minister for Lands: A man with five or six children would get more than £2 a week.

Hon. P. COLLIER: But you take the tax from such a married man, irrespective of how many children he may have.

The Minister for Lands: But the man would certainly get more than £2.

Hon. P. COLLIER: Many of them do not.

Mr. Marshall: What about the men on part-time work?

Hon. P. COLLIER: This applies to everyone.

Mr. Hegney: It is the people with four or five or nine children who are taxed the most.

Hon. P. COLLIER: Of course. I lose patience with members who sit back in their seats with smug complacency, because this does not affect them. They are not concerned about it. No doubt they will go into the country areas in a few months' time and side-track this question; like the parliamentary committee of the Country Party, they will lie about it. Although those Country Party members are issuing their poisonous statements weekly in the country Press, not one of them has the courage to identify himself with those views by defending them on the floor of the House. It would be interesting to you, Mr. Speaker, and to me to know who the members of that parliamentary committee are.

Mr. Panton: Let us have a select committee to find out.

Hon. P. COLLIER: That is a good suggestion. I will move accordingly next week. I could understand the attitude of those men if they would justify their opinions here where we could combat them.

Mr. Doney: Perhaps that is why—

Hon. P. COLLIER: Perhaps I am now getting on the track of the information I desire.

Mr. Doney: Perhaps if the Bill permitted questions, such as you are putting forward, to be discussed, you would get an answer that would surprise you.

Hon. P. COLLIER: Would I?

Mr. Doney: I reckon you would.

Hon. P. COLLIER: The hon. member is remarkably silent. He has never given an answer to my questions.

Mr. Doney: You are quite right.

Hon. P. COLLIER: Let the hon. member answer the questions now.

Mr. Doney: What makes the Leader of the Opposition think I am the person who is able to give him the answers he requires?

Hon. P. COLLIER: I do not know. I spoke in answer to the hon. member's interjection.

Mr. Doney: I admit that.

Hon. P. COLLIER: The hon. member was so pressing.

Mr. Marshall: Can he justify his vote on this or the Assessment Bill?

Hon. P. COLLIER: I merely answered an interjection. Has not the member for Williams-Narrogin anything to say in reply?

Mr. Doney: If the Leader of the Opposition desired to draw me, very good. He has drawn me. Now I ask him to carry on. Will he tell me what he objects to in the statements that have been published?

Hon. P. COLLIER: I am glad the hon. member is prepared to assist me.

Mr. Doney: I am glad, too.

Mr. SPEAKER: Order!

Hon. P. COLLIER: During the course of a speech earlier in the session I mentioned this matter, and the hon. member now asks what points I object to. That is a fair question. In the speech I made earlier in the session, I quoted the remarks from the publication and said that they were misleading and untrue.

Mr. Doney: How many extracts did you read?

Hon. P. COLLIER: I read the extract that I considered justified my making the attack. The hon. member had the opportunity of speaking after me—I was the first speaker in that debate—and if I misrepresented the article in any way, if I cut anything out from its context which would have made it appear unfair, the hon. member had the opportunity to answer me.

Mr. Doney: Why should I answer you?

Mr. SPEAKER: I remind the Leader of the Opposition that this has nothing to do with the Bill, and I ask the member for Williams-Narrogin to preserve order.

Hon. P. COLLIER: I was merely referring to the parliamentary committee of the Country Party. I did not mention the hon. member but he interjected and said that I was trying to draw him out.

Mr. Doney: And you know very well to what I referred.

Hon. P. COLLIER: I do not.

Mr. Doney: Oh yes, you do.

Mr. SPEAKER: Order! There is a motion before the House; let us stick to that.

Hon. P. COLLIER: I hope I have not digressed. My last desire would be to digress from the subject of the debate and I bow, Mr. Speaker, to your request to confine my remarks solely to the Bill. I have said all I want to say except that it is my intention to vote against the second reading. The Bill is based on wrong principles and it is entirely unjust, unfair and iniquitous in its incidence from beginning to end.

THE MINISTER FOR LANDS (Hon. C. G. Latham—York) [5.49]: The arguments that were submitted to the House on the Bill that has just been disposed of can be applied to this Bill also.

Mr. Marshall: Are you replying, because others want to speak.

Mr. SPEAKER: Is the Minister speaking as Minister for Lands?

The MINISTER FOR LANDS: Yes. The Premier moved the second reading of the Bill and I am not replying to the debate. If hon. members wish that I should not speak at this stage—

Mr. Marshall: I thought you were replying.

The MINISTER FOR LANDS: I hope the position now is perfectly clear. The arguments submitted to the House on the previous Bill can also be applied to the taxing measure. It is not as easy as the Leader of the Opposition would have the House to believe to raise this amount of money in the time at our disposal. May I quote a few figures from the report of the Commissioner of Taxation for the year ended the 30th June, 1931? It is the last report that we have before us. On page 7 there is set out a list of the incomes for that year. Between £101 and £200 the total is 6,924; from £201 to £300, 16,263; from £301 to £500, 13,479; from £701 to £1,000, 1,389; from £1,001 to £1,500, the total drops to 739; from £1,501 to £5,000 the figure is 615, and over £5,000 it is 39. Even in that year there were very few people earning a rate of taxable income that would enable us to raise this money. Since then, I regret to say, there has been a tremendous falling off in incomes, especially in the higher incomes. Perhaps the only people who are still maintaining their higher incomes are those engaged in mining. I can assure the House, though I don't think members require any assurance, that a large number of those who are engaged in the principal industries of the State are not earning any money.

Hon. J. C. Willecock: Then they will not pay any tax.

The MINISTER FOR LANDS: They have not any income to tax. For instance, we cannot expect to get much from the producers of wool.

Hon. J. C. Willecock: The Premier said that he expected to get £180,000, even with all that information at his command.

The MINISTER FOR LANDS: Let us see what we would have to do to raise the

£300,000 in the eight months if we adopted the suggestion of members opposite. First of all, I want the House to remember that there are so very few people to-day who are earning the higher rate of income, and who are not already heavily taxed. We must remember also that the Federal Government have seized every possible avenue from which to raise taxation.

Hon. P. Collier: I have said that I would not stand for the present exemptions. At the present time no married man earning £5 a week or under pays income tax.

The MINISTER FOR LANDS: Even so, it would not be possible to raise very much without a heavy tax. I have already pointed out that it is a question of getting this money in quickly. It has to be obtained monthly, and it all has to be collected not later than the end of June. The Leader of the Opposition knows enough about the people to be aware that it would not be possible to raise what is required on the lines he proposes. The member for Geraldton likewise must know that we are continually receiving applications from people who ask for an extension of time in which to pay their taxes.

Hon. P. Collier: That is mostly from the men with big incomes and who have a considerable amount to pay, not from those with small incomes.

The MINISTER FOR LANDS: Yes, from those in receipt of small incomes. The hon. member knows the conditions that exist in the State just as well as any other member, and he also knows that the number we can tax is very limited. After all, if we go on taxing people as the hon. member suggests, that will not provide employment.

Hon. P. Collier: I do not suggest that you will get the money by increasing the income tax and allowing the present exemptions and deductions to stand.

The MINISTER FOR LANDS: The tax would have to be increased tremendously; the deductions would have to be altered, and I am not sure that there is not justification for an alteration of some of the deductions to-day. There are those in the State who claim a deduction of £60 for a child.

Hon. P. Collier: My amendment would have dealt with that.

The MINISTER FOR LANDS: Even then that would not give us the amount of money that we want. Most of the industries in this State to-day, except gold mining, are being conducted at a loss, and so there would be little chance of raising

additional taxation from those engaged in them. The money we hope to raise by the means proposed is necessary to satisfy the people from whom we are borrowing. The Leader of the Opposition knows that. Last year we borrowed a million and a half to enable us to pay our way, and for that we had no additional security to offer to the people who lent it to us; and we were told, just as the other States were told, that it would not be possible to continually find money under those conditions, that we should have to endeavour to raise more from our own people. For the limited time that this Bill, we hope, will operate, no very great hardship will be inflicted. It must be remembered that Western Australia is doing more for its people who are out of work than is any other State in Australia. We have now reached the stage when it will not be possible to raise any more money to assist those out of work, and this will be the means to enable us to find employment. It is the desire of the Premier and the Government to render help to those who are on lower wages. I do not propose to reply to the Leader of the Opposition in respect to his annoyance at the publication of certain matter by the Country Party because I know this is not the proper time to do so. Still, a good deal of what has appeared can be explained. As I pointed out before, one word could have been left out.

Hon. P. Collier: They accused me of stealing.

The MINISTER FOR LANDS: No, they did not.

Hon. P. Collier: Stealing trust funds!

The MINISTER FOR LANDS: The words used were that the trust funds had been robbed.

Hon. P. Collier: No.

The MINISTER FOR LANDS: Robbing trust funds.

Hon. P. Collier: What is the difference?

The MINISTER FOR LANDS: It was not personal.

Hon. P. Collier: Oh, of course it was not personal!

The MINISTER FOR LANDS: I admit it was an ill-chosen word, but I do not propose to enlarge upon that, for I think we might well keep the two subjects separate. It is no pleasure for me to have to justify this tax. Were it not for the

difficult financial position of the State the Bill would not have been brought down.

Hon. P. Collier: Even for the sake of political propaganda, it is unthinkable that a member of the House should accuse an ex-Premier of stealing money.

The MINISTER FOR LANDS: I do not want the hon. member to pursue that. At all events, it did not imply that the hon. member had stolen any money.

Hon. P. Collier: Of course it did.

The MINISTER FOR LANDS: But it could not imply any such thing. To revert to the Bill: Would the Government on the eve of an election propose a tax of this sort if there were no very real necessity for it? Of course not. Naturally, all of us on both sides of the House try to please our electors by rendering the best possible service, but I am sure this tax will not be regarded by the people as a palatable gift. On the contrary, it will be a very painful extraction, but it has to be done.

Hon. P. Collier: There is such a question as, who are finding the substance for the party's fund? Those people will not be taxed under this.

The MINISTER FOR LANDS: I can assure the hon. member I do not know any of those people who may be subscribing to the party's funds.

Hon. P. Collier: If any were considered at all it would be those receiving £1,000 a year or more and who contribute to the party's funds. Under the Bill they will not be fully taxed.

The MINISTER FOR LANDS: That sort of thing has no influence with me. The hon. member knows how we get our money: it is paid by our members at £1 per head.

Hon. M. F. Troy: That is not so.

The MINISTER FOR LANDS: I say definitely that it is.

Hon. P. Collier: What about the Consultative Council?

The MINISTER FOR LANDS: They have nothing to do with us. Personally I have never had a penny piece to help me in my elections.

Mr. SPEAKER: Order! There is nothing of that in the Bill.

The MINISTER FOR LANDS: The Bill has nothing to do with contributions to party funds. It represents a cruel necessity to raise money to satisfy those people who

are finding the difference between our revenue and our expenditure for the year.

Hon. P. Collier: But there will be contributions to the National political fund by those in receipt of £1,000 a year.

The MINISTER FOR LANDS: I know the Leader of the Opposition would not charge the Premier with that.

Hon. P. Collier: I am not saying so, but money will come from there all the same.

The MINISTER FOR LANDS: I have to support the Bill, no matter how distasteful it may be, because we are compelled to find money with which to reduce our deficit.

HON. M. F. TROY (Mt. Magnet)

[6.4]: This is unquestionably a party Bill, for those who are contributing to party funds will not pay any extra tax under the Bill, or at all events will not pay anything but the absolute minimum. Neither will the farmers pay any tax under it, for they have no income, and so the people on the lowest rung of the ladder, the poorly paid wage-earners will have to find the greater part of the tax. As to the Minister's statement that the Government do not have people on £1,000 a year contributing to the party funds, I say it is not correct. I know the Government are collecting funds from those on £1,000 a year. A meeting was held recently with a view to raising funds for the purpose of assisting Government supporters to fight elections. The chairman of that meeting was a man on £1,000 a year, and he explained to the meeting that he had had correspondence from the executive representing Ministerial interests. So, as I say, political party funds are canvassed in this country.

HON. J. C. WILLCOCK (Geraldton)

[6.5]: We have had considerable discussion on the Assessment Bill which has just passed the House, and now we come to the taxing measure itself. The proposed tax could be made ever so much more equitable. I do not see why we should not be able to put up reasonable alternatives and have them accepted by the Government. The Minister for Lands says he must have this tax immediately, and as against the proposal to increase the income tax, he says many taxpayers go to the Commissioner with a request for time in which to make their payments. If it is impossible for those people who have assets and have had large in-

comes and still have some incomes, to pay their tax, how much more is it impossible for those on the bread line who have no resources whatever from which to pay taxation? The Government say they must have this money, and of course the people will have to pay; but why not bring in legislation which will enable them to pay it during the remaining eight months of the year? The wage earners will have to pay their tax from week to week, but those in receipt of income from property will not have to pay until the end of the year. Why should we not say to them all that they must pay their taxation in instalments, beginning forthwith? That is the way taxation has to be paid in Britain.

The Minister for Lands: But England is industrial, whereas we are a country of primary production.

Hon. J. C. WILLCOCK: The Premier says he will get £180,000 from income taxation this year. Well why not get it month by month during the next eight months? That is the procedure in Britain, and it has proved quite satisfactory. The only awkward feature about introducing it here would be in the first year, when people would have to pay on the assessments of the previous year and pay their instalments of the current year's tax. It would come hard in the first year perhaps, but after that it would involve no hardship whatever. When the Minister was quoting the income tax returns I noticed that for an income of £200 the tax was about 15s. 8d. Under the Bill, a man on £200 would have to pay £3 15s., or about five times as much as he pays in income tax. In the other States almost invariably there is a system of graduated taxation, even in this special emergency legislation. I hope that when in Committee the Government will give consideration to amendments that may be moved with a view to basing the tax on a graduated scale, instead of a flat rate. Under the hospital tax one is assessed on the last six months of the previous year and has to pay on that. Income taxpayers will be paying this tax at the same time, and so it is idle to say the money cannot be collected. Not only do we expect to get it in, but we know that we can get it in. I previously asked the Premier to let the Land and Income Tax Bill stand over until we had discussed this tax, in case any amendments should be made in this measure. There

was no urgency about passing the Land and Income Tax Bill, because it makes no difference whether it be passed now or delayed until the end of the session.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. C. WILLCOCK: I was dealing with the possibility of adopting under this measure the principle observed in the income tax Act, namely, that of graduation, which applies to almost every tax of the kind in Australia. I do not know whether Ministers have definitely made up their minds not to concede any alteration. Everyone will give members credit for trying to do their best for all the people, and if we set out with that idea in mind, it should not be beyond the capacity of the House to frame the measure in such a way as to make it fairer in its incidence and more satisfactory to practically all the people who will have to pay the tax. I do not suppose anyone likes to have additional taxation imposed upon him at any time, but when we have to impose extra burdens to carry on the State, we should adopt the principle of graduation, which is considered just and reasonable by other States and by the Commonwealth. That would be preferable to asking the poorer classes to accept the unjust burden proposed to be placed on them. Apparently the Government are not satisfied with the Bill. The Minister admitted that the sponsoring of the assessment Bill was an unpleasant duty. Though it is an unpleasant duty, the measure can be made just, and can be framed to deal more equitably with the people to be taxed. I cannot see why the Government should not accept an alteration. It is claimed that they cannot alter the income tax because the Bill has already been passed by this House, but the system of graduation could be introduced into this measure. If they maintain that, owing to the existing stress, a person receiving £1 per week must contribute his quota, it will not prevent the acceptance of the principle of graduation, because the rate of tax could be altered according to the amount of income received. Though a member may feel himself bound to support the measure, he could still agree that some graduation was desirable. Why alter the principle that has been observed for so many years? Why not introduce the system of graduation under this measure? There has

never been any disagreement over the principle of graduation in any State where it has been applied. No one has ever seriously proposed a flat rate.

The Attorney General: It is in operation in every State of Australia but Western Australia.

Hon. J. C. WILLCOCK: What!

The Attorney General: An ungraduated tax such as this is in operation in every other State of Australia.

Hon. J. C. WILLCOCK: If the Minister looks up the particulars, he will find there are graduations in other States, even in the financial emergency taxes.

The Attorney General: Where are they?

Hon. J. C. WILLCOCK: The Leader of the Opposition quoted them.

Mr. Panton: In Victoria, anyhow.

Hon. J. C. WILLCOCK: In Victoria and South Australia.

The Minister for Works: A tax is imposed on £2 and upwards in South Australia.

Hon. J. C. WILLCOCK: There are graduations.

The Minister for Works: There are no graduations after £2.

Hon. J. C. WILLCOCK: The tax in South Australia is an income tax and it starts off at a low scale.

The Minister for Works: It is a flat rate.

Hon. J. C. WILLCOCK: If the Minister adheres to that statement, I shall have to produce figures to show the position. In Victoria, salary or wages amounting to £1 and under £2 pays at the rate of 1d.; up to £3, it pays 1d. in every 5s.; and for £4 to £6, it pays 1d. in every 4s. Consequently a salary of £3 10s. would be taxable at the rate of 1s. 2d.

The Minister for Works: What about South Australia?

The Minister for Lands: Is it not one penny on every additional 5s. in Victoria?

Hon. J. C. WILLCOCK: Yes. From what I can gather, South Australia has an income tax and no special tax.

The Minister for Works: That is correct.

Hon. J. C. WILLCOCK: And has recognised the principle of graduation. Instead of having the ordinary graduated taxation, a start is made at 1s., instead of at 2d., and the graduations still apply. Does the Minister suggest that the South

Australian Parliament wiped out income taxation?

The Minister for Lands: No, it imposed an additional 1s. in the pound.

Hon. J. C. WILLCOCK: But the graduations are maintained.

The Minister for Works: It is a flat rate.

Hon. J. C. WILLCOCK: For each £10 of income, the rate is increased, although there is an additional imposition of 1s. in the pound. In this State on an income of £100 the taxpayer pays a rate of 2d. If we added another 1s., the rate here would be for the first additional pound, 1s. 2.007d., for the second pound 1s. 2.014d., for the third 1s. 2.021d., for the fourth 1s. 2.028d. and so on. The people would be more satisfied and the Government would get the revenue they desire if they retained the principle of graduation. The point to be borne in mind is that the tax should bear more lightly on small incomes and more heavily on large incomes. If the Government provided for 1d. tax on the first £2 per week, 2d. on £3, 3d. on £4, 4d. on £5, and 5d. on £6, anyone receiving £7 per week or over could pay 6d. in the pound on the lot. I think such a graduation would yield the Government the revenue they require. The Government might well have adopted the suggestion made, namely to alter the incidence of the income tax by abolishing the special rebate. We are not entitled to consider imposing fresh taxation while we are still allowing a rebate of 20 per cent. on income tax. Some years ago the Commonwealth Government paid the State an additional grant, and the Government decided to return some of the money to the people in the interests of industry, because of the relatively high taxation then operating in this State. That was only because the Government had more money than was required. At this stage the Government have not sufficient money, and there is no need to give taxpayers the 20 per cent. rebate on income taxation. When we were confronted with special difficulties some years ago, a supertax of 15 per cent. was imposed. People paid it, and everyone was satisfied. Why cannot a supertax be imposed now? If the income tax were altered in that way, it would produce another £100,000, and with the graduations I suggest, this tax

would yield £200,000 to £220,000. Such a tax would not be fair if the State were in a better financial position, but it would be fair in the circumstances now prevailing. Though the Government have indicated by their attitude to the assessment Bill that they wish to tax people in receipt of low incomes, they can still accept a graduation of the tax. I intend in Committee to move an amendment in that direction. It would be possible to show how much a tax on that basis would yield. The Government will be just as well off, and those who can afford to pay will do so. The argument has been advanced that farmers, pastoralists and others are not in a position to pay taxation. Those who have no income will not be affected by any taxation, no matter what it amounts to. There is no point in the argument that people are badly off and cannot afford to pay taxes; only those who have an income will be asked to pay anything out of it. Will the Government give us some idea whether they will agree to some graduated form of tax? If so, we may be able to put forward some suggestions that will be satisfactory to them. No doubt the Minister is anxious to shorten the debate. That being so, he could give some indication as to the extent to which he is prepared to accept a graduated form of tax. By that means he would get his money all the sooner, and the people of the State would be more satisfied than they are. There is widespread opposition to this form of taxation. I have always expressed my disapproval of special taxation at any time. Particularly am I opposed to it at this time, irrespective of the necessity of the Government. If the Minister will say that he will accept a form of graduated tax, we can probably frame something that will be suitable and will enable him to get the Bill through more quickly. The country would then be more satisfied with the efforts of Parliament to make this an equitable measure instead of one to which such evident and widespread hostility is now being shown.

HON. N. KEENAN (Nedlands) [7.47]: I had not intended to intervene in this debate, because on the second reading of another measure I expressed my views on the unfortunate necessity for supporting a Bill of this kind. In view of the fact that the Bill has been debated at some length I feel it necessary, to make my position clear, to

offer a few remarks. There can be no question as to the attitude I have always adopted towards the Premiers' Plan. I have never had any admiration for it. It consisted simply of cutting down expenditure to the bone, and below the bone, and shifting up taxation to an unlimited extent, almost beyond the capacity of the people to bear it. By taxation which strained the resources of the people to the utmost to bear, it was proposed that our expenditure and our revenue should balance and that we should thus achieve salvation. I have never believed that we would find any degree of salvation in that particular plan. Although that has been my personal belief, the whole of Australia accepted the Plan, and not merely Australia represented by one political party, but Australia represented by every political party, from Mr. Scullin, the ex-Prime Minister, to the present Premier of Queensland.

Hon. P. Collier: No.

Hon. N. KEENAN: It is no use the Leader of the Opposition saying that.

Hon. P. Collier: The present Premier of Queensland has not adopted the Plan as it was originally adopted by the Premiers.

Hon. N. KEENAN: I am sorry if I am mistaken, but my belief is that the Premier of Queensland did adopt the Plan. At any rate I have no desire to embark upon a controversy as to my personal opinion against the personal opinion of someone else. Parties of all shades of political thought in the Eastern States, whether they were of the Country Party or the U.A.P., or the various shades of the Labour Party, agreed to support a policy to which I personally find no reason to attribute the virtues it is supposed to possess. Inasmuch as that is the policy which Australia has accepted, as being something that is likely to bring us out of our present troubles and lead to the achievement of our salvation, the measures which have from time to time been debated and passed are all consequential. From my point of view they are all going to lead us nowhere in the end. It is not easy to set up one's personal opinion against the absolutely united opinion of the Parliaments of Australia. That being the case, at the present moment only two courses are open to us. One is that we should comply with the requirements, not the suggestions, of this Plan, which the separate Governments of the separate States, all of which are sup-

posed to be sovereign States, are told to carry out in obedience to the Plan. This requirement is that we have to bring down our expenditure by a certain figure.

Hon. P. Collier: Of course they were told to do this, but as sovereign States they were told to do it by sovereign States and not by the Commonwealth.

Hon. N. KEENAN: That makes very little difference.

Hon. P. Collier: It does make a difference.

Hon. N. KEENAN: I do not see a very great difference between being told by one bully or to being told by two bullies.

Hon. P. Collier: But what if the bullies have a common interest, such as the States have?

Hon. N. KEENAN: Unfortunately that is an assumption. A common interest does not exist if we examine the position, but that is foreign to the subject matter of the debate. I admit the Leader of the Opposition would like me to indulge in foreign matter as he himself did, —

Hon. P. Collier: Not a bit.

Hon. N. KEENAN: —but I do not think I would be justified in doing so, as I feel certain I would not receive the same grace at the hands of Mr. Speaker as perhaps the hon. member would. I will, therefore, return to the matter we are entitled to discuss. There are only two courses open to us in consequence of the position that we occupy. The position is that the States, in pursuance of this Plan, have received orders which they are obliged to carry out. In consequence of the receipt of those orders we have to reduce our expenditure, or raise by taxation a certain sum named by our masters. That sum is roughly £300,000.

Hon. M. F. Troy: We have no objection to the tax, but we object to the manner in which it is applied. This is taxation upon people who are least able to bear it.

Hon. N. KEENAN: I will deal with that in a moment. My objection goes further than the hon. member's. I begin at the beginning of the chapter, and he only comes in at the end. The point I make is this: We are ordered either to reduce our expenditure by a certain amount and so conform to the Plan, this almighty Plan, or we know what to expect. We know that supplies will be cut off if we do not carry out orders. We

are no longer masters of our own destiny. We are mere serfs carrying out the orders of another party sitting in another place and issuing these orders to us.

Hon. P. Collier: Which other party?

Hon. N. KEENAN: The body may be called the Loan Council or given various other titles, but we know it as a conglomerate of the Eastern States.

Hon. P. Collier: It is the other States.

Hon. N. KEENAN: The word "other" is only a misapplication. We do not exist.

Hon. P. Collier: We exist just as much as the other States do.

Hon. N. KEENAN: What we are told to do is to reduce our expenditure, to balance our Budget, by raising £300,000. We can do that either by reducing our expenditure or imposing new taxation. We can do it by reducing the amount that we allow, and which we are all more or less proud to allow, by way of sustenance in excess of that allowed by the Eastern States, or we can raise additional money by taxation. Is there any choice? If there was any choice, I would be the first to protest against our acceptance of dictation at the hands of another body, our acceptance of an order to do what we are told to do. There is, however, no alternative. It would be a very grievous thing to do, to cut down the sustenance that we give. I suppose I may say without exaggeration that our sustenance is at least 1s. in excess of the sustenance given in the Eastern States. If, instead of taking that 1s. off, we take off only 4½d., although that is something one does not want to do at the dictation of other people, it would be preferable to taking off the 1s. That is the position as it appears to me. There is one point in what has been said in opposition to the measure that I have a great deal of sympathy with. I believe that if it were possible to do so the amount should have been raised by means of a tax on a sliding scale. The matter that has been brought forward by the member for Geraldton (Hon. J. C. Willcock) appeals to me in a large measure. I am placed in the position, however, of having to accept the assurance of the Treasurer that he could not raise the money except in this way.

Hon. P. Collier: That is nonsense. The hon. member knows it.

[The Deputy Speaker took the Chair.]

Hon. N. KEENAN: It is of no use to refer to figures found in the report of the Commissioner of Taxation. Let me tell the House why that is so. In the first place he refers to what has transpired during the year ended in the period in which his report was made. All taxation is based on the year previous to the assessment. In effect the figures that are found in the last report of the Commissioner are practically three years old. All taxation is at least a year behind the year it is actually imposed. Are we ignorant of the change that has taken place in the monetary position of people during that period?

Hon. J. C. Willcock: Nineteen thirty-one was the year in which we got our lowest price for wheat.

Hon. N. KEENAN: During the last three years the great majority of people have lived on capital.

Hon. J. C. Willcock: Another bad year was in 1930-31.

Hon. N. KEENAN: It does not matter about that. The previous years were bad ones too. The great majority of the people of the State have been living on capital.

Hon. P. Collier: The previous years were not bad years.

Hon. N. KEENAN: How many years does the Leader of the Opposition put down as bad years?

Hon. P. Collier: The year 1929 was a good year.

Hon. N. KEENAN: And now we are in 1932, three years later on.

Hon. P. Collier: The hon. member said that previous to 1930 the years were bad ones.

Hon. N. KEENAN: The year 1930 was a bad one. That was the year when the crash took place and the boom collapsed.

Hon. P. Collier: Prices during 1930 were good.

Hon. N. KEENAN: For portion of the year. There was then a terrific collapse, as the hon. member knows because he was unfortunate enough to hold on until the end of that year.

Hon. P. Collier: Yes.

The Minister for Railways: During the 1929 harvest was when the collapse took place.

Hon. N. KEENAN: There is no greater mistake than to imagine that we are living on our earnings, that it is not capital we are living on. Of course it is capital. The man who pays me for my services is paying me out of capital. It is true that I do not live directly on capital—at least, I hope I do not—but still I am living on capital all the same, because when I am engaged in my professional capacity I am being paid by some person who has to get that money out of his capital. So it may truly be said that almost everyone in the State for the last two or three years has been living on capital.

Hon. P. Collier: Is there anything sacred about capital?

Hon. N. KEENAN: Nothing in the world sacred about capital, except that it is not open to taxation. Taxation is based on income, not on capital. And so I am obliged and everyone who thinks will be obliged, to accept the assurance of the Treasurer that he cannot raise this money except by the means proposed. If he adopted the second course which I have pointed out, of raising the money instead of reducing sustenance—and he could not raise the money by taxation of the incomes which are said to be capable of yielding it—

Hon. P. Collier: Nobody suggested that he should.

Hon. N. KEENAN: I know that hon. member suggested that the various present exemptions should be removed.

Hon. P. Collier: Some of them.

Hon. N. KEENAN: To some extent, I confess, I find myself in accord with those views. But when one is in the position, as I am, of holding very strongly antagonistic views to the whole of the Premiers' Plan, and when I have to say to those who are presenting it—

Hon. P. Collier: This is not an essential part of the Premiers' Plan.

Hon. N. KEENAN: If it is not part of the Premiers' Plan, what is it?

Hon. P. Collier: The Premiers' Plan did not lay down how taxation was to be levied.

Hon. N. KEENAN: The Leader of the Opposition will at least admit that the claim of spending so much, and so much only, in this year is part of the Premiers' Plan.

Hon. P. Collier: We agree with that. You have not touched the real point. You are engaged in special pleading now.

Hon. N. KEENAN: I do not think the hon. member is just in saying that. I do not want to attempt to indulge in special pleading.

Hon. P. Collier: You are doing so.

Hon. N. KEENAN: Then I am doing it against my own wish.

Hon. P. Collier: What you are arguing is not the real point at all.

Hon. N. KEENAN: At any rate, I want to make it clear that the only reason why any member—I hope I am not speaking only for myself, but for other members on this side of the Chamber—is voting for the Bill is that the Treasurer is not able to give any assurance that he can comply with the orders he has to comply with, from another authority, unless he gets this Bill.

Hon. P. Collier: What nonsense! What rubbish!

The DEPUTY SPEAKER: Order!

Hon. N. KEENAN: It is only rubbish if one puts oneself up as a person capable of contradicting the Treasurer, or refusing to accept what the Treasurer tells us are the facts from his point of view.

Hon. P. Collier: The hon. member does not argue against or answer my alternative.

Hon. N. KEENAN: The hon. member's alternative has not been worked out in arithmetic. The Treasurer works out his proposition in arithmetic.

Hon. P. Collier: Where is the working out?

Hon. N. KEENAN: He has put it before the House.

Hon. P. Collier: It has never been explained.

Hon. N. KEENAN: The amendment of the Leader of the Opposition may produce anything or nothing.

Hon. P. Collier: Have you examined it?

Hon. N. KEENAN: How could I? Has the hon. member himself examined it?

Hon. P. Collier: I have.

Hon. N. KEENAN: Will he tell the House what amount it will produce?

Hon. P. Collier: Yes. It will produce £100,000 a year. Start on that.

Hon. N. KEENAN: And the amount to be found is £300,000.

Hon. P. Collier: And then the balance will be got from this tax.

Hon. N. KEENAN: I do not wish even for a moment to impugn the hon. member's arithmetic. It may be that he is correct.

For my part, although I am absolutely and entirely respectful to the Leader of the Opposition, I am obliged to accept the arithmetic of the Treasurer, who is responsible.

Hon. P. Collier: But there has not been any arithmetic from the Treasurer.

Hon. N. KEENAN: There has been.

Hon. P. Collier: Not on the alternative proposal.

Hon. N. KEENAN: Has not the Treasurer stated that he has worked out with his officers the result of the present proposal?

Hon. P. Collier: He has not.

Hon. N. KEENAN: It would be absurd to suppose that he has not.

Hon. P. Collier: It is not unusual for—

Hon. N. KEENAN: Has not the Treasurer definitely stated that as the result of this Bill he will raise a certain sum of money?

Hon. P. Collier: Yes.

Hon. N. KEENAN: Is not that arithmetic?

Hon. P. Collier: But not as regards the alternative which I put forward.

Hon. N. KEENAN: The alternative should be worked out, surely, by those who put it forward. The Leader of the Opposition suggests that he arrives at £100,000, and that the balance of the amount required remains to be got by some measure which remains to be framed. But I wish to make clear the position of myself and, I feel sure, of many other members. We are only voting for this measure because we are unfortunately in such a position that we have to accept a course of action which is prescribed.

Hon. P. Collier: What nonsense! Prescribed? Of course not.

Hon. N. KEENAN: We cannot start to finance ourselves.

Hon. P. Collier: Who has prescribed this?

Hon. N. KEENAN: If the hon. member does not know that, he does not know what is happening in Australia.

Hon. P. Collier: Who prescribed it?

Hon. N. KEENAN: The Loan Council.

Hon. P. Collier: Nonsense! The Loan Council had nothing to do with this Bill.

The DEPUTY SPEAKER: Order! I must ask the hon. member to cease interjecting.

Hon. N. KEENAN: It may be that certain misapprehensions exist with regard to the matter, and if so, I am certainly one of those who labour under the misapprehen-

sion. I am under the belief that so long as we remain in our present position, we are obliged to rely on a certain policy.

Hon. P. Collier: We have no choice.

Hon. N. KEENAN: Does the hon. member mean that he is still free to say, "You may go to the deuce"?

Hon. P. Collier: We have an absolutely new system of raising the money. The Loan Council had nothing to do with the method.

Hon. N. KEENAN: But it must be done.

Hon. P. Collier: Get the money, but not by this method.

Hon. N. KEENAN: Not necessarily get the money. We can cut down the expenditure if we like. The order is not to raise the money but to produce a balanced Budget.

Hon. P. Collier: And you produce it this way!

Hon. N. KEENAN: This is as against certain cutting down.

Hon. P. Collier: Not at all!

Hon. N. KEENAN: Of course the alternative remains—to cut down.

Hon. P. Collier: Rubbish!

Mr. Kenneally: Graduation is an alternative.

Hon. N. KEENAN: We have to bring the Budget into a certain form, and into that form we must get it, either by reducing expenditure or—if we do not care for that—by increasing the revenue. The alternative remains, to reduce expenditure. Does the hon. member wish to do that?

Hon. P. Collier: That is too weak altogether.

Hon. N. KEENAN: Surely it is not weak.

Hon. P. Collier: Of course. It is nonsense.

Hon. N. KEENAN: Is it nonsense, when one wants to balance one's Budget and has two alternative means of doing so, to say that one way of arriving at the point of balance is to reduce one's expenditure while not touching one's revenue?

Mr. Kenneally: There is a further alternative—graduation.

Hon. N. KEENAN: If we refuse to dock expenditure and adopt the means of raising taxation, then, I admit, we come to the ground suggested by the member for Geraldton.

Hon. P. Collier: Not at all!

Hon. N. KEENAN: It is so.

Hon. P. Collier: No.

Hon. N. KEENAN: The hon. member might at least listen to me. If he did that,

he would understand what I am saying. If the hon. member does not wish to listen to me, I do not wish to address him any more.

Hon. P. Collier: I never heard the hon. member utter such ridiculous nonsense before.

Hon. N. KEENAN: There is no alternative, if we accept the Treasurer's statements, but to pass the Bill. I admit at once that I should prefer to see the sum raised by a graduated tax; but so long as a Minister of the Crown remains Treasurer, we must either put him out of his job or else accept his statement that he cannot raise the money except by this means. That being so, there is no alternative but to accept the Bill.

Hon. M. F. TROY: This is the "West Australian's" tax, not the Government's. The "West Australian" has for twelve months advocated this way of raising the money.

Hon. P. Collier: The Government are very subservient to the "West Australian."

HON. A. McCALLUM (South Fremantle) [8.12]: There is one thing this side of the House has achieved, though it has taken us all the week to do it. We have at any rate brought the Minister for Lands and the member for Nedlands to their feet. Up to then we had been unable to get any voice from the other side to utter a word or a syllable in support of the measure. All that the Minister for Lands would do was to place the responsibility on the man who is not here. The Minister for Lands offered excuses, no justification. He did not put forward a single argument in support of the Bill, but he made excuses. One would have thought that the man who is taking the Premier's place would be in a position to give the House some solid facts and arguments backing up this absolute revolution in the domain of taxation. But the Minister has not done so. Upon resuming his seat he admitted that he had not done it. But he utters an apology to the effect that the Government are in such a position that they must get money. He offers no excuse for the method by which it is proposed to get that money. The Minister will not claim that he has justified the tax. When resuming his seat he was offering excuses and apologies. I am not unfair, am I, in summing up in that way? The Minister agrees to that.

Mr. Pantton: Silence gives consent.

Hon. A. McCALLUM: I sum up the case made by the member for Nedlands as meaning that this tax is part and parcel of the

Premiers' Plan. That, I think, is the kernel of his argument.

Hon. P. Collier: He said so. It is not correct.

Hon. A. McCALLUM: If he went so far as to say that the Government have to get within another £300,000 of equalising their Budget, we might agree with him and say that that is part and parcel of the financial arrangement. But the justification of this tax and of its incidence is, of course, altogether foreign to the argument.

Hon. P. Collier: That is what the hon. member was trying to justify.

Hon. A. McCALLUM: Yes. The member for Nedlands accused the Leader of the Opposition of dragging in foreign matter. If anything at all is foreign, surely it is foreign to the arguments to say that the Premiers' Plan declares that all Governments throughout the continent must tax the man receiving £1 per week 6d. in the pound.

Hon. M. F. TROY: It is not true.

Hon. P. Collier: It is rubbish.

Hon. A. McCALLUM: Where is there in any proposal submitted by any Government on this continent a demand for a tax of 6d. in the pound as part and parcel of Government policy? That has been the "West Australian's" policy from the start.

Hon. P. Collier: They have examined no alternative at all.

Hon. A. McCALLUM: The Press has urged it and the Government have bowed to the dictates of their supporters.

Hon. M. F. TROY: The "West Australian" has hammered at this for over 12 months.

Hon. A. McCALLUM: And now the Government are obeying the wishes of the Press. We have occupied the floor for over a week driving our points home and now, despite all the arguments we have advanced, the member for Nedlands (Hon. N. Keenan) had practically to admit that he does not understand what we have been driving at. Who on the Opposition side has argued that there is no necessity to provide the £300,000 that the Government desire? Not one of us. All we have argued is that the man in receipt of £1 a week should not be taxed at the same rate as the man receiving £5,000 a year.

Hon. P. Collier: The member for Nedlands kept quite clear of that point.

Hon. N. Keenan: No.

Hon. P. Collier: Of course you did.

Hon. A. McCALLUM: All this talk about foreign matter does not improve the position. The member for Nedlands said that the people of Australia had approved of this proposal. What part of Australia has done so? Would any Government dare to go before the people and ask for the endorsement of this legislation? They would not do so because they know the people would not agree to it. That is the whole kernel of the objection to the two Bills to levy the financial emergency tax. When the member for Nedlands argued that the member for Geraldton had not gone far enough back and had merely started from the end of the matter, I contend that the member for Nedlands himself did not go far back enough. The financial position confronting the Government is controlled largely by decisions arrived at by the Loan Council. A kind of super Parliament has been built up and our Parliament is now in the position of merely having to record decisions arrived at elsewhere. I have voiced my opposition to that on former occasions, and so I say that the member for Nedlands has not gone far enough. If the member for Geraldton came in at the end of the argument, the member for Nedlands merely reached the middle stage. Everyone knows that when the Loan Council meet, they have before them the decision of the banks. The Prime Minister or the Treasurer of the Commonwealth says to them, "The banks say this" or "This is the limit to which the banks will go." In Australia nowadays it is not a matter of the continent being governed by the Commonwealth Parliament and by the State Parliaments. Let us get at the root of the trouble, and we find that Australia is governed by the banks. The financial policy is not in the hands of the representatives of the people but of those controlling the banking institutions of Australia. I think the member for Nedlands will agree with that contention. We have repeated our arguments against this legislation time and again, and apparently the only advance we have made has been to get the Minister for Lands and the member for Nedlands, an ex-Minister and a responsible member of the House, to their feet. I ask the member for Nedlands to consider the position regarding the taxation of income derived from property. Under the Federal Act, the tax ranges up to £163 on an income of £1,000 derived

from property. In New South Wales it is £116, and in Queensland, £146. In Western Australia, the tax on an income of £1,000 derived from property is £90. Surely there is ample room for improvement there. That field should be exploited before we get down to taxing a man in receipt of £1 a week. Before we reached the same basis as the next lowest State in Australia, we would have to increase our tax from £90 to £116 on the property qualification. Is it not reasonable to argue that steps should be taken to exhaust the possibilities in that direction before levying such a tax as that under discussion? Had we reached the maximum tax levied in the Eastern States, the Government would have had some grounds upon which to base their arguments in support of the Bill. Next take the position regarding incomes derived from personal exertion. Our tax under that heading is £33 on an income of £1,000. The next lowest State in that respect is Victoria where the tax is £62, or nearly double that which we levied, while the impost under that heading ranges as high as £122 in Queensland.

The Minister for Lands: The deficit in Queensland was terrific last year, far more than the Government estimated.

Hon. A. McCALLUM: The Queensland deficit was not so great as ours in Western Australia.

The Minister for Lands: You would not expect it to be.

Hon. A. McCALLUM: The Minister is quite right; I would not expect anything else from the present Treasurer.

The Minister for Lands: I would not expect you to be fair sometimes, either.

Hon. A. McCALLUM: Take the most conservative State, Victoria. The tax there is £62 3s. 11d. on £1,000 gained as the result of personal exertion.

The Minister for Lands: You are flattering Mr. Hogan.

Hon. S. W. Munsie: He was not in power.

Hon. A. McCALLUM: Mr. Hogan was Premier only on sufferance. There has never been a Labour Government with a majority in the history of Victoria.

Hon. S. W. Munsie: Of course not.

The Minister for Lands: He was Premier when the deficit was incurred.

The DEPUTY SPEAKER: Order!

Hon. A. McCALLUM: I can quote the position in any other State the Minister may desire. He cannot get away from the fact that the next lowest tax on £1,000 income from personal exertion is nearly twice that which we impose. We say the Government should explore that source of revenue before getting down to taxing a man in receipt of £1 a week. Will the member for Nedlands tell us the relationship between that and the Premiers' Plan.

Hon. N. Keenan: We cannot both talk together.

Hon. A. McCALLUM: The dragging in of the Premiers' Plan is entirely foreign to the point at issue. The case we have put up is still unanswered; it is unanswerable. Why is it that the proposals we submit, which are fair, equitable and full of justice, are not adopted? Hon. members opposite say that they are obliged to impose taxation that is unpopular and is likely to lose them political support in consequence. Let them adopt our proposals, and they will avoid incurring that political odium. There is something more behind it than that. When they speak of political odium, they know that the taxation imposed upon their own political supporters will not be too solid. They know that as the "West Australian" has agitated for this tax for over a year, it means that the men in receipt of large salaries will not be heavily hit, that those men will not support a Labour Government and therefore the Government themselves will not incur their disapproval.

The Attorney General: Do you think we could get into office with their support only?

Hon. A. McCALLUM: You are there by virtue of that fact alone.

The Attorney General: How many of them are in that position?

Hon. A. McCALLUM: It is not the fact that those people have the money; it is the money that they can provide to finance the Government. That is the secret behind the imposition of this tax. I say that bluntly and frankly.

The Minister for Agriculture: You will pay more than most of those people.

Hon. A. McCALLUM: I do not complain about what I shall have to pay; I am advocating that I shall pay more. From what I know of the position of the people in Western Australia, any man who has a home, three meals and a bed, has little right

to complain of taxation. On the other hand, from what I know of the poverty, want, starvation and hunger that exists in our midst, it is a crime and a shame to tax men in receipt of £1 a week. Every time I rise to speak regarding this question, the more disgusted I become. I mentioned the position of the man who has three youngsters. Yesterday morning I went out to see for myself the conditions under which that family was living in the bush. The authorities have threatened to stop his sustenance unless he goes to the country, where he cannot take his wife and family. He is getting 35s. a week now and he will get £2 15s. if he goes to the job. That man will have to pay 1s. 6d. a week under this taxation. If members had seen his home and the conditions under which his wife and children are living, they would realise that there is not a stick of furniture in their home. The little kiddies were running about with hardly any clothing on. Yet that man must pay his tax of 1s. 6d. whereas the man in receipt of £5,000 a year will not pay any more in the pound, and members opposite talk of justice and equity! There is no answer to an argument of that description. To blame the Loan Council and to drag in the domination of the Eastern States is beside the point. The Government will get every assistance possible from Opposition members in any effort to break away from that position. Our complaint is that the Premier will not stand up to the interests in the Eastern States. We have told him that if he does stand up to them when he is in the East, he will have the full support of the Opposition, but he will not do so.

The Attorney General: The Premier stood up to them in his refusal to impose further taxation for three years.

Mr. Marshall: He has awakened now.

Hon. S. W. Munsie: While in office he has submitted at least six additional taxation Bills.

Hon. A. McCALLUM: Since the granting of responsible Government in Australia, no other Government have departed so conspicuously from their pledges to the people as the Mitchell Government.

The Attorney General: That is another question altogether.

Hon. A. McCALLUM: Ministers can talk about Lang and Bruce-Page.

The Minister for Railways: We do not want them.

Hon. A. McCALLUM: The Government are outdoing Lang, and every other Government that has been known since Australia was first governed. That is the position as it occurs to the Opposition. Unfortunately it is clear that in Australia Parliaments are not in control; the country is dominated by the banking institutions. Until such time as Australia takes control of the banking policy, that position will continue. We have handed over our own national bank to private individuals, who have laid down the financial policy instead of that duty being carried out by the nation itself. Private individuals laid down that policy. So long as that continues, so long as the banks have power to dictate to Parliament, the system will continue. But that does not justify the incidence of this tax. There is no authority to tell us we must get 6d. from every man earning £1 a week and that we have to take 1s. from a married man with eight or nine children if he earns £2 per week. This is the only Government that has laid that down, and nobody has told them they have to do it. The member for Nedlands (Hon. N. Keenan) put up the case that the Loan Council, or some foreign body had told them, but he cannot prove that. They have been told to get another £300,000 to balance the Budget, but they can please themselves how they do it. And this is the way the Government have decided to do it, by taxing the poor and letting the rich go practically free. That is what we take exception to. Two members opposite have got to their feet, but they have not attempted to answer the case put up by the Leader of the Opposition. Since we have not the figures, how can we work out by arithmetic what the income will mean? The member for Nedlands says the Taxation Commissioner's report is based on the previous year's income and that we were dealing with last year's report, which is practically two years old, when we put up the suggestion for taxation. The answer to that should come from the Treasurer. worked out in figures supplied to him by the Taxation Department; and he should say to the Leader of the Opposition, "There is what your suggested tax will

bring in, and it is short of what I require." The member for Nedlands will agree that that would be the right thing to do. He has not the figures, nor have the Opposition, but they are at the disposal of the Treasurer, notwithstanding which he has not brought them down to the House. If the Treasurer were to come here and say to us, "There is what your figures mean, it leaves me short," then perhaps further proposals would be made and the gap bridged. When we examine it deeply, we cannot come to any other conclusion than that it is a question of policy, the policy being that no matter how poverty-stricken the individual may be, he has to contribute a few pence towards the revenue of the State. Where is the necessity for saying that if a man on £2 a week is not taxed it will mean the loss of his sustenance? Where does that come into the case? We say sustenance shall not be reduced, that we will not permit it to be reduced, that the Treasurer requires £300,000, and that it must be got from that section of the community best able to pay it. There is no need to bring the sustenance argument into the case at all. The member for Nedlands declared that capital is beyond the reach of taxation, that if you attempt to interfere with capital, it amounts to a capital levy.

Hon. N. Keenan: No, I meant that the income tax does not apply to capital.

Hon. A. McCALLUM: If capital is to be declared sacrosanct, what is the position of those thousands of working men in the State who have had to sell every stick of furniture? That is their capital, the only capital they have. I know numbers of men who have sold their very clothes, which are their capital. They had to dispose of their suits to provide bread and butter for their families. There is no outcry against that. Yet if a man had £10,000 or £20,000 in the bank and an attempt were made to take £20 or £30 of that in taxation, an outcry would go up and we should be told we must not interfere with that at all. The great bulk of the wage-earners still possess clothes and few sticks of furniture, but I do not suppose there is a member on the Government side who could not cite instances of homes and furniture and clothes having to be put under the hammer. They must know of such cases; our experience in that respect cannot be singular. The capi-

tal of those wage-earners has gone, and they have not even blankets with which to cover themselves and their children by night, and now the mere paltry sustenance they get will be taxed under the Bill. There never was a taxing device so repugnant. The more I think of it the more disgusted do I become. There are other resources to draw upon, just as every other State in the Commonwealth has other resources. Our resources may not be so extensive as those of the Eastern States, but they are there still untapped. In this State, taxation on large incomes has been far greater than it is at present. Our Government reduced the income tax by 33 1/3rd per cent., and the present Government have taken off a third of that, which still leaves 20 per cent. that they can have. That might possibly relieve all those potential taxpayers on the minimum of £1 and £2 per week. And on top of that, in times of stress this State had a super tax. Men are not paying it to-day, so there is all that waiting for the Government to gather it in. In this State £33 18s. is paid in income tax on an income of £1,000 derived from personal exertion, while in the highest taxed State of the Commonwealth the amount is £100, and in the next highest £62. All that range of taxation has been left unexplored in this State. The Leader of the Opposition proposed that the exemptions from income tax in this State should be reduced. But the proposal fell on deaf ears, and no consideration was given to it. Every man on the Government side stands pat on the policy that everybody, whether he be earning £1 per week or enjoying £5,000 per year, must be taxed on the same level, there must be no discrimination. Only one authority is responsible for that policy, and that is the Government. No higher authority has told them to adopt such a policy. The responsibility is the Government's and belongs to nobody else. The member for Nedlands will see that he did not go back far enough in his examination. He went back only as far as the Loan Council when he talked of dictation and control, but he has to go beyond that, back to the banks. He said the policy had been laid down under the Premiers' Plan, to which he objects. We give him credit for being the only man on that side who has taken exception to the Premiers' Plan. He has gone out on the public platform and expressed his views on that score and set up an alternative. We give him credit for

that, for being the only man on that side who has submitted an alternative. But still he cannot show that the Premiers' Plan insisted upon this incidence of taxation, the taxing of a man on £1 a week at the same rate as another man on £5,000 per annum. If there be any doubt about our proposal bringing in the necessary money, let the Treasurer submit it to the Commissioner of Taxation and then prove to us that our proposal is not sufficient. Then let this Chamber sit down and examine it; let it not be taken upstairs to a caucus meeting, but give it to this House to be examined and we will do our best to find the £300,000. But no, such a proposal as that does not meet with acceptance, because justice and equity are not required to enter into the decision, which must be subservient to policy, and policy is not open to the public eye, but must be settled behind closed doors upstairs. Then when members come down here they vote silently, lacking the courage to get up and justify their attitude. That is the position as it appears to me, and I regret we have been unable to make any headway beyond getting two Government supporters to their feet, neither of whom attempted to justify the Government's proposal, but merely offered excuses for it.

MR. MILLINGTON (Mt. Hawthorn) [8.44]: We now come to the measure which is the result of the mistake made when we passed the other Bill. Naturally, as we opposed the machinery measure, so do we oppose the fixing of the tax on the unfair basis to which we took exception. This represents the Government's policy of the most equitable manner of collecting tax, and in my opinion the section of the Government responsible for this vicious method of raising the tax is the Country Party. Now we have the full effect of the influence of the Country Party on the Government, and the tax becomes tantamount to a political impost. It is quite true, as the Minister for Lands said, that the tax will not to any great extent affect the country constituent, but it certainly will affect the man on the lowest rung of the ladder. It will actually tax, not the income of the man on £1 or £2 a week, but a debt. Let me explain. It will be quite possible for a farmer to sell £1,000 worth of wheat and not pay the tax, for the simple reason that he would show that, in producing the wheat, he was en-

titled to certain exemptions. It may be asked why he would not pay. The answer is because he would have no income, the reason being that he owes £1,000. The £1,000 is already earmarked. That is equally true of the man who gets £2 a week. A man who receives £2 a week alleged to be income owes that £2. It was spent weeks and months before he earned it, and the Government are merely taxing him on a debt. The money does not belong to him. He has to pay the tax out of the money he owes, and for which creditors have been dunning him every day. He could not remain in his home one week but for the fact that he is going to get £1 at the end of the week. He pays perhaps 5s. off his rent. I do not know whether members opposite would call that taxing capital. We have got past taxing incomes, and now we are going to tax the debts of the unemployed and of the man on £2 a week. Members opposite do not care who pays the taxation, knowing full well that the man on the land is exempt from the tax. Members of the Country Party are quite safe. They can go to the country and tell their constituents, "We protected you." They have put up no defence here, but it will be interesting to hear their defence when they appear before their constituents. They will plead that the money had to be raised. The Treasurer told us it pained him to propose the tax, and the Acting Treasurer says he is pained. It must be very painful for all.

Mr. Kenneally: So much so that they cannot speak.

Mr. MILLINGTON: Despite that they insist upon imposing this tax. If ever a tax was imposed that had a party political flavour, it is this one. It represents the ideas of country members to overcome a national calamity. They admit that they cannot grant exemption to a man receiving £1 a week. They cannot grant exemption to a man in receipt of £2 a week and having a family to maintain. They must have the money, but they know perfectly well they are looking after themselves in the matter of taxation. Country representatives are quite safe. The tax will be fairly popular in the country. Country members will be able to say to their constituents, "We have so adjusted this tax that you have been missed." That is what we object to. I was rather surprised that there was no support for the measure until I heard the defence offered by the member

for Nedlands (Hon. N. Keenan) and now I can understand it. His was a pretty rotten case, and it required a fairly able advocate. The speech of the member for Nedlands was partly a defence of the measure and partly a refusal to accept any responsibility at all for it. He considered it was sufficient to show that the tax was inevitable, and that owing to causes for which the Government were not responsible, the tax in this form had to be imposed. When a man of the capacity of the hon. member, recognised as he is as one of the ablest men in the State, has to resort to such a lame excuse in an attempt to defend the indefensible, I can quite understand members of the Country Party resolving to wait until they get amongst their constituents before offering their defence. What for them would be a very good defence in the country would be a very bad excuse here. Some members talk about our getting together and co-operating for the good of the State during the present time of stress. There will be no co-operation by this side of the House when an iniquitous tax like this is proposed, a tax so unjust that no Minister can defend it, but can only make excuses for it. Ministers maintain that there is no alternative. How it is that during the years of war and during later years there has been an alternative? They want a flat rate. They say there is no alternative, though the alternative was tried over a period of years and produced sufficient revenue to carry on the State and the Commonwealth. This is experimental legislation and a very bad experiment too. It will have the effect mentioned by the Leader of the Opposition. If members think they can satisfy the people that a man receiving £1 per week and a married man on £2 a week can pay the tax, not to relieve unemployment but for revenue purposes—part of the money will go to pay bondholders here and overseas—they are mistaken. The unemployed will commence to make inquiries as to where the money is going. A defence will have to be submitted somewhere and at some time. It may be masterly tactics for members on the Government side to sit tight and depend upon a majority of one to get the Bill through, but the measure will require more justification than has yet been offered. If there is no alternative, why do not members on the Government side stand up and prove the statement? Their special advocate was backed up by junior counsel, the member

for Swan, who attempted to supply him with material for his case, and the member for Nedlands contemptuously thrust it to one side. He knew that the piffle supplied him would be of no use. He said in effect that if he could not make out a case, nobody could. I suppose some of that same piffing stuff is disseminated throughout the country by the member for Swan. It sounds very well in the country when there is nobody present to refute it. Here, however, the advocate who knows something about presenting a case rejected it. He knew that outside of special pleading, dodging strong points and emphasising the plausibility of his case, there was no defence. In fact, he eventually had to fall back upon the Loan Council, and I suppose upon the disastrous position of Australia industrially, economically and financially. Even he had to admit that there was an alternative; and the Government refuse to examine the alternative. Although some members of the Opposition are surprised at that, I am not. I know perfectly well that for years it has been the policy of the two parties constituting the Government to object to a graduated tax. They believe in a flat rate. Their idea of taxation is very little removed from the poll tax. They believe in the next worst form of taxation, and that is a flat rate. Many years ago, when we were about a quarter of a million behind in revenue, it was seriously suggested by a member of the Legislative Council, belonging to one of the parties opposite, that the way out was to tax everybody receiving £1 per week or upwards. He said such a tax would square the finances. Another dear old gentleman suggested a tax of 6d. per lb. on tea—always a flat rate; always something that will hit the ordinary householder equally with the man in receipt of a large income. That is their idea of taxation.

The Attorney General: What about taxation by the tariff?

Mr. MILLINGTON: I am glad the Attorney General mentioned the tariff. It is because of the tariff that the family man is granted exemptions. He already pays, and for that reason we exempt him from direct taxation.

The Attorney General: You take it by means of a flat rate under the tariff.

Mr. MILLINGTON: No man is harder hit than the one on the basic wage who has a large family to support. He is already taxed to the eyes per medium of the tariff. The Government, however, do not think so. They consider he is comparatively well off, and that he is able to pay this tax on a flat rate, notwithstanding the enormous burden that the tariff imposes upon the man with a family. If he is a man with a big family drawing £200 a year, the Government say he can afford to pay the additional £10 straight out. In addition he will have to pay £20 to £30 per medium of the tariff. He has also to pay the sales tax and all the taxes of professional and business men. No allowance is made for the man on wages. Whether he can afford it or not, whether he is earning £2 a week or £4 a week, it is to be taken from him and no exemption is to be allowed. There can be no keeping of two sets of books and no misrepresentation of the income received by such a man. It is to be grabbed at the source. He will have to pay. The big firms in Perth, particularly the big retailers and even the wholesalers for that matter, set down on one side of their ledgers an allowance for rates and taxes, and that amount is included in their selling prices. Thus it is passed on to the man mentioned by the Attorney General. This is the tax that the Government claim is equitable and to which there is no alternative. The Government did not look too far for an alternative. I have often heard the member for Leederville (Mr. Panton) refer to the pernicious influence of the Country Party upon the rather decently disposed Nationalists. Now we realise the full effect of the Country Party policy. We had it demonstrated for the first time in the hospitals tax, under which a flat rate was imposed, and a put up job it was, too. It taxed the man on the lowest scale 1½d. in the pound for hospital treatment to which he is not entitled. I am glad that they have sufficient decency now to say that this is a revenue tax, not a tax to relieve unemployment. Therefore the unemployed are now taxed to pay the big interest bill of the Government. I suppose they will get restive. There are people amongst the unemployed capable of analysing the position. No doubt it will be pointed out pretty plainly to them all. The tax will be grudgingly paid. It will not have the effect of inducing those people to bear their share of the burden with equanimity: the

tax will very rightly be paid with bad grace. I assume no opportunity will be lost on any occasion to point out how inequitable the effect of this tax will be upon the community in general. Despite this, the Government refuse to defend their policy, or to show that any calculations have been made upon the alternatives that have been suggested. Indeed, they say, despite the various suggestions that have been advanced, that there is no alternative. One would think this side of the House had not put up any proposals. All the alternatives should have been examined by the officers of the Treasury and the Statistical Department. They have means of ascertaining exactly what revenue can be derived from the hospital tax or any other tax. From what has been said it appears unlikely that any consideration was given to the possibility of increasing the rate of income tax and reimposing the super tax which was at one time paid, because no calculation has been forthcoming as to the additional revenue that would be derived by that means. The Government say they are going to impose this tax as a last resort. This is their choice. This represents their idea of the best method of collecting revenue. Even now, in spite of a direct question as to whether this is the best method of collecting the £300,000, they are not prepared to say this is the best method.

Mr. KENNELLY: They claim it is the only method.

Mr. MILLINGTON: They will not say it is the best. Neither can they say it is the only method.

Mr. WITHERS: Most members of the Government have gone out of the Chamber in shame.

Mr. MILLINGTON: If the Government desire to act fairly by the people they represent for the time being, let them consider and examine the alternatives that have been put before them, and refer them to the officers of the various departments to furnish a report upon them and show whether what we have said is borne out by the evidence, or that our calculations are fallacious. They can readily show what can be raised by a graduated income tax, which is the policy of Australia. The Government, usually so conservative, have now launched out with a flat rate system, which the party they belong to have been endeavouring to impose for a number of

years. To achieve their object they have waited until the country is in such a state of dire distress that they can offer the lame excuse that this is the only alternative. They have administered the finances of the country in a luckadaisical and "let-it-slide" manner, until they have had to come along in a hurry and say this is the only way to raise the money. If they had watched the drift of the finances, which was obvious to anyone but the Government, they would have seen what was likely to happen. Instead of that they estimated the deficit at so much and finished up with a deficit of double the amount. They hoodwinked themselves, and endeavoured to mislead the public that it was possible to get round on the present rate of taxation. To their charge that we have given them no alternative, I would remind them that in times almost as bad as these, when the Labour Government were in power, we put forward taxation proposals that were rejected by the Legislative Council. Those were times of war, stress and drought. The only alternative put up to the Government's proposals, either by the Opposition in this House or the Opposition in another place, was that there was quite sufficient revenue in the country for all purposes, that all the country needed was a Government capable of administering the finances. The alternative was a change of Government in order to secure better administration. We have not gone to that extent yet. We have, however, put up concrete proposals which are worthy of examination. The Government admit they have not examined the proposals, because they do not know what amount would be collected under them. They went straight out for this particular tax, and their only excuse is that the money can be raised in no other way. This is in conformity with the policy of both parties opposite. If they had their way they would do away with all exemptions. As things become worse, and they will become worse under this taxation, all exemptions will be dispensed with and the parties opposite will come down to a flat rate. With proper regard for those whom they represent there may be a diminishing scale of taxation instead of an increasing scale. There is no doubt where the spoils to the victors will go in the case of the

present Government. Already they have justified the confidence of their supporters by this one Bill.

Mr. Panton called attention to the state of the House.

Bells rung, and a quorum formed.

Mr. MILLINGTON: The Government have had advice that could well be considered. If they neglect to consider it the responsibility is theirs. It must be apparent to them that the only member of this Chamber capable of putting up a case was unable to do so. The member for Nedlands (Hon. N. Keenan) is certainly not lacking in capacity but he found it impossible to put up a case. He found he had taken up one of the most forlorn of hopes, the worst case, I venture to say, that he has ever had to fight in his life. He was unable to defend it. I have solved the problem of the rank and file of the Nationalists and the Country Party. The responsibility is still with the Government. They know they will never be able to say truthfully that alternative proposals were not put up to them, or that this inequitable and pernicious tax is the only way open to them for the raising of the money required to carry on the affairs of the country. It is their policy to tax the debts of the unemployed, to prevent the unemployed from paying their just dues to their creditors. They want to collect the tax from them on the meagre amounts they require with which to pay their debts. If that is their policy, let them carry it out. They have had their warning from this side of the House. I shall vote against the Bill.

MR. KENNEALLY (East Perth) [9.10]: It appears that very little purpose will be served by recapitulating on this Bill the arguments that were used in connection with the previous measure of this kind.

Mr. Millington: The predecessor bore a bad enough character.

Mr. KENNEALLY: All the arguments we advanced should have shifted the Government, and should have induced them to dispense a little of the milk of human kindness which they claim to possess. Apparently, however, it is impossible to get them to show any of that attribute, and it has been found impossible to induce them to give a practical illustration of the fact that

any of the milk of human kindness is likely to flow towards the people whose cause we are espousing.

Mr. Withers: They have passed the lactation period.

Mr. KENNEALLY: It is not too late, however, to analyse the effect of this Bill if it is carried in its present form. The Attorney General objects to the tariff because it is imposed on a flat rate basis. Where, then, is the justification for a Bill which also imposes a tax on a flat rate basis? To overcome the effect of the tariff to some extent, in this and other lands, a system of graduated income tax has been brought into vogue. Whilst this Bill has been under discussion, we have endeavoured to induce the Government to accept that system in its application to this tax. We know that many members of the Country Party also object to the manner in which the tariff is imposed upon the people, and one would think we could get their support for the adoption of a graduated form of tax in the case of this measure. The Government seem to have set their minds upon doing away with all exemptions. If those who framed legislation relating to income tax were correct in their policy, why have the Government set about altering the system? In the case of the hospital tax the first departure from the system was made. We were told in connection with that tax that it was necessary to collect the money at its source. The Bill now before us also proposes to collect the tax at its source. Why the necessity for doing that?

The Minister for Lands: It is cheaper to get it in that way.

Mr. Withers: Get rich quick Wallingfords.

Mr. KENNEALLY: It is cheaper to get it out of the poorer section of the community. One can get at the poorer section of the community very much more cheaply than one can get at the richer section. It does not matter to the Government which way the tax is collected; any way is all right so long as the poorer man is hit. To the man in receipt of two guineas a week sustenance for four children, his wife and himself, the Bill says, "You have to pay 4½d. in the pound taxation, just the same as a man with £1,000 a year." The wonder is not why hon. members opposite do not rise to justify such a proposal: the marvel is that any member opposite should have

attempted to justify it. The endeavour of the Opposition is to exempt from this proposed taxation people who are on sustenance.

Mr. Brown: The man on sustenance will pay only 9d., while the man on £1,000 a year will pay £50.

Mr. Marshall: Remember, you carried your swag once!

The DEPUTY SPEAKER: Order!

Mr. KENNEALLY: The member for Pingelly interrupted that the man on £1,000 would pay £50 under this Bill. If that were the fact, we would be getting nearer to what we want. However, it is not the fact; the man on £1,000 will pay only £18 under the Bill. Let the member for Pingelly follow the advice of the member for Nedlands and apply himself to the study of arithmetic. All through, the Opposition have been trying to make the man on £1,000 a year pay something in the vicinity of £50, instead of £18, under the Bill. In any case, the man on sustenance should not be taxed in order to protect the man on £1,000 a year. No Australian State has yet adopted such a course. No Australian State is asking the sustenance man to protect the reserves mentioned by the member for Gascoyne (Mr. Angelo) recently. In that direction it has remained for the Government of Western Australia to plumb the depths. The argument that this Bill represents the only alternative is particularly weak. The member for Nedlands made a remarkable statement to the effect, "We have been told that we must either reduce expenditure or raise by taxation a certain sum." Either reduction of expenditure, or this measure! The suggestion made by this side of the House represents an alternative to the Bill. We join issue with the Government as to the method of raising the amount required. While admitting that the £300,000 can be raised, we contend that the larger proportion of it should come from those who have. There has been an interjection to the effect that, after all, the men who are to-day supposed to have money are, in fact just as poor as the workers. If the alternative formulated by this side is adopted, and if the contention of the cross-bench members that many rich people have no incomes to-day is accepted, the obvious reply is that if the supposedly rich people alluded to do not receive incomes, they will not pay taxation under the Bill. If an ostensibly wealthy

person has fallen on such bad times that he is not making an income, it matters not to him that the Bill provides for his paying so much more than the man on sustenance: he will not be called upon to pay anything. I was amused with the claim of members opposite that some people are working on capital. Plenty of people are doing so. In Australia there are approximately 400,000 persons working on capital—capital they previously held, capital consisting of furniture, of clothes, of small homes which have disappeared or are disappearing. And yet we are told that capital as such is sacrosanct. Can we subscribe to that view? If we can, let us have a law to prevent the selling up of people's homes. The capital in question is not represented by investments or money deposited, but by a few sticks constituting the home. And still we are told that we must have an overwhelming regard for capital, and must refrain from interfering with capital. Let me inquire of the representative of the Government whether objection is raised to tariff legislation on account of its being on a flat rate basis. If the answer is in the affirmative, I ask further where is the justification of the Western Australian Government for cutting out from income tax legislation the exemption of the married man in respect of the allowance of £62 annually for each child under the age of 16 years. The Government say that while that exemption may apply to ordinary income taxation, it shall not apply to taxation under this measure. Yet the Attorney General talks about tariff legislation being objectionable because of a flat rate basis. The Government go even further and say that while income tax legislation exempts the single man up to £40 in respect of dependants, under this measure he shall be taxed on that £40. There is much talk about the need for subscribing to charitable institutions. Income tax legislation takes cognisance of such subscriptions, and allows their total amount to be exempt from taxation. The Government who appeal to the people to give freely in order to help the needy, say by this Bill, "To the extent that you give, you shall be taxed." Under this Bill, the more freely people give, the more heavily will they be taxed. There is another aspect of this measure which should be brought home to the minds of hon. members opposite, and particularly hon. members on

the cross benches. Lately there has been much talk about the loss of equities in homes. It is true that there is genuine cause for complaint on that score. People had contracted to purchase properties at certain prices, and by reason of the fall in values the amounts of instalments paid have been lost. The owner of such a property could not sell to-day at such prices as would enable him to recover his equity. In many cases it would pay the owner better to let his property go and buy another property.

[The Speaker resumed the Chair.]

Mr. Brown: Where is he to get the money from?

Mr. KENNEALLY: The hon. member interjecting should consult the Government; they know where to get money. They are taxing money out of these poor people. There are other owners in a similar position. In going around the city one finds numerous people who have spent fair amounts of money in purchasing homes on time payment. Probably they started off by making a deposit of £100 or £150, and they paid off small amounts of capital over a number of years. They bought at peak prices, and prices have slumped. In many cases it would pay such purchasers to let the property go, as they can buy more cheaply now.

Mr. Brown: If a man lets his property go, how is he to get money to buy another property? He is bankrupt.

Mr. KENNEALLY: I am glad of that interjection. I will put his argument back on the hon. member. Realising its reasonableness I ask, why tax the man who has not the money to pay? Why make the Bill reach that man? Why not adopt the principle of the income tax and say to such a man that if he does not earn the income, he will not be taxed on it? I suggest to the member for Pingelly (Mr. Brown) that his interjections show that he is following the same line of thought as we are on the Opposition side of the House, and that he should show consideration to the men who are down and out. Let him do that, not merely by way of interjection, but by his vote, thereby refusing to tax a man on sustenance. If we increase the powers we can exercise under the income tax provisions, it will be the man who is in receipt of an income who will pay, and not these who are

on, or below, the breadline. Can the member for Pingelly fault that argument?

Mr. Brown: We could easily do so if we desired.

Hon. J. C. Willcock: The hon. member is not worrying about it at all; he has been asleep.

Mr. KENNEALLY: The Minister for Lands said that no great hardship would be inflicted by the Bill.

Hon. J. C. Willcock: He is a bad judge.

Mr. KENNEALLY: Was the Minister serious? Does he claim that the infliction of a tax on a man in receipt of £1 or £2 a week will not be a hardship? In some instances, the sustenance payment of £2 9s. has to provide for a family of 10 children.

The Minister for Lands: Does not that man receive £3 9s.?

Mr. KENNEALLY: No, not unless he is out working, and the Government have not been able to provide all these people with work yet. There are many in receipt of £2 9s. who will be in the position I have indicated, and they will have to pay this tax.

The Minister for Lands: And you know that Western Australia is paying more in sustenance than any other State in Australia.

Mr. KENNEALLY: If the Minister contends that a man who has ten children and is in receipt of £2 9s. will not suffer any hardship under this legislation, it shows he has not studied the question.

The Minister for Lands: I have the figures here.

Miss Holman: Is that the reason why you are imposing the tax, merely because the sustenance paid here is more than in the Eastern States?

The Minister for Lands: Would you like to see the sustenance payments reduced?

Miss Holman: Certainly not.

Mr. KENNEALLY: What is the tax to be imposed for? It is anticipated that in eight months the Government will secure £300,000 additional revenue. The Premier, when he submitted the legislation to the House, said the object was to make the lot of the unemployed as reasonable as possible. Since then, Ministers have dropped that argument, and when, by means of an amendment setting out that the money should be paid into a trust fund and used to place people in employment, we called their bluff,

we found where they stood. They would not support our amendment. Now we have the fact established that the money is to be used to fill the gap between revenue and expenditure.

The Minister for Lands: You know very well it will make no difference whatever.

Mr. KENNEALLY: Its purpose is to reduce the deficit. The Minister for Lands will have an opportunity to explain this legislation to the people later on, but he will have difficulty in convincing them. They will bear in mind that the Government have taxed people in receipt of sustenance in order to send a large proportion of the money to the bondholders in London and Australia. For that purpose, the Government are reaching out their capacious paw and taking the money from people on the breadline. The Government will find difficulty in justifying their action, and particularly in satisfying those in receipt of sustenance, who will have to pay the tax. If the Minister can claim that no great hardship will be inflicted by the imposition of the tax, it serves to show he does not realise the position of many people in Western Australia. In fact, he cares less.

The Minister for Lands: It is easy for you to say that sort of thing.

Mr. KENNEALLY: I know it.

The Minister for Lands: Very easy indeed, for you.

Mr. KENNEALLY: Yes, because of the Minister's attitude.

The Minister for Lands: I am just as charitable as you are.

Mr. KENNEALLY: If that is so, the Minister has a peculiar way of showing it.

The Minister for Lands: I have never charged you with anything of which I am not sure.

Mr. KENNEALLY: I am merely charging the Minister on the basis of his attitude in this House. Can the Minister justify his statement that this measure will inflict no great hardship on the people?

The Minister for Lands: Yes.

Mr. KENNEALLY: The Minister repeats his assertion, and that justifies my statement.

The Minister for Lands: The position will be a great deal worse if we cannot borrow money to continue providing sustenance for these people, and we cannot do it in this State.

Mr. Marshall: It would not be hard to ask the bondholders to accept a bit less.

Mr. SPEAKER: Order!

Mr. KENNEALLY: Will the position be harder if we cannot borrow the money?

The Minister for Lands: Of course it will.

Mr. KENNEALLY: There is greater difficulty to be anticipated from the idle poor than from the idle rich.

The Minister for Lands: There are no idle rich here.

Mr. KENNEALLY: The Government will be forced to feed the poor. The Minister cannot evade the position by his subtle threat that the position will be worse if we cannot borrow money, because he will be forced to feed the poor.

The Minister for Lands: I have not said we would not do so. I made no threat. You be fair, if you possibly can.

Mr. KENNEALLY: I am. I have merely dealt with the Minister's own statement.

The Minister for Lands: You have not. If you cannot make out a case with the use of better language than you have indulged in, do not attempt to do so.

Mr. KENNEALLY: I would not advise the Minister to repeat his statement too often. If he wishes to withdraw it, let him do so; if not, let him stand up to it.

The Minister for Lands: I will not let you say what is not true.

Mr. KENNEALLY: How can the Minister object to my statement in view of his own repetition?

The Minister for Lands: I will stand up to my statement, but I will not allow you to say what is not true.

Mr. KENNEALLY: The Minister has evidently never known hardship.

The Minister for Lands: It is certain you have not.

Mr. KENNEALLY: The Minister has no knowledge of the conditions under which many people are living, or he could not make such a statement. Why do the Government desire unduly to reach down for taxation to people on the breadline? If that was not their intention, they would have altered the incidence of the income tax. Why do they not allow the man who is buying a home and has lost the equity in it because of depreciated prices, the benefit of the taxation and rates he has

paid, and thereby bring the emergency tax into line with the ordinary income tax? Is there any justification for not doing so? I know many people practically on the breadline who have had to scrape money together to pay for operations for members of their families. What do the Government propose to do with regard to those people? They are to pay taxation on money they have had to pay away not only in rates and taxes but for medical expenses as well. Yet the Minister complains because we object to his statement that no hardship will be inflicted. No other measure dealt with by this House has been responsible for greater hardship than will be experienced as the result of the passage of the Bill now before the House. I do not know that much more need be said. Some Government supporters have indicated that they are not in love with the measure, but when the whip cracks, we know how they will vote. The member for Nedlands (Hon. N. Keenan) contended there was no alternative, but his remarks merely served to indicate the lengths to which some members will go in order to support the Bill. Perhaps it would have suited the Government better had the Opposition opposed the tax and claimed that the additional revenue should not be granted. On the other hand, every Opposition member who has spoken has made it clear that we recognise that additional revenue is necessary. A difference of opinion exists only regarding the method of raising that money. A man on £500 a year ought to consider himself lucky in being able to pay the increased taxation that would be necessary if the suggestion made from this side of the House were put into effect. We have offered support to the Minister to enable him to get the necessary revenue, but to get it under a system prescribing that those who can pay shall pay.

MR. WITHERS (Bunbury) [9.46]: Having listened to the debate I can find no justification whatever for the Bill. Much interest has been evinced in the question of what a man would pay on a graduated tax as against a flat rate. The member for Pingelly (Mr. Brown) declared that a man on a given sum would have to pay £50, but the member for East Perth (Mr. Kenneally)

corrected him, saying it would be only £18. Consider what the Government did 18 months ago when they put a heavy tax on the Public Service and members of Parliament.

Mr. Hegney drew attention to the state of the House.

Bells rung, and a quorum formed.

MR. MARSHALL: On a point of order. I desire to direct your attention, Sir, to Standing Order 41, which reads as follows:—

If any member shall take notice, or if the Chairman of a Committee of the whole House, on notice being taken by any member, shall report to the Speaker that a quorum of members be not present, the Speaker, standing up in his place, shall count the House.

In view of that Standing Order, Sir, I suggest it is improper for the Speaker to count the House while remaining seated.

MR. SPEAKER: The member for Bunbury may proceed.

MR. WITHERS: I was speaking of the method adopted by the Government 18 months ago, when they substantially reduced payments to members of Parliament, the Public Service and others directly under their control. Under the Bill a man receiving £1,000 will have to pay £18 15s., as against what we paid or relinquished when our allowances were reduced by the Government. We were then receiving £600 per annum, but the Government took £120 off that amount. Had the Government introduced this measure before imposing that tax on a few, we might have been far better off to-day. But the Government set a precedent by reducing the whole of the Public Service and members of Parliament under the Financial Emergency Act, and private employers taking the lead reduced the emoluments of their employees, some to an even greater extent. The Government did not get a penny of that reduction, the private employers taking it all. If the Government had imposed this proposed tax prior to those reductions, probably this proposed tax would bring in sufficient revenue to keep the State going. But with public servants and private employees alike so drastically reduced, what prospect is there of getting any substantial amount of taxation from them? When the Government put in that cut 18 months ago, a public servant

on £300 was reduced by over £50, whereas under the Bill an outside man on that salary will have to pay only £5 12s. 6d. And notwithstanding that the Government reduced public servants to the extent they did, those men will now have this tax imposed upon them. That is absolutely unfair. The Government should listen to the alternative put forward by the Leader of the Opposition and take into consideration the adoption of a graduated tax. There has been a great deal of Press support for this proposed tax, and this morning's paper attempted to justify the Government in bringing down the measure. Moreover the "West Australian" declared that the Opposition had been stonewalling these Bills. I know of no stonewalling up to date, for the debate has been genuine opposition to one of the most iniquitous measures ever brought before any Parliament in the Commonwealth.

The Minister for Lands: You know it has been brought down in every State.

Mr. WITHERS: Not in the shape in which it is here. Why have the Government become so desperate in the dying hours of a Parliament? The Government would have done better had they realised their responsibilities when first they took office. At the last elections they declared they would not increase taxation. If they were going to break that promise they might just as well have broken it two years ago as leave it till now. The promise has been broken and the Government are now inflicting taxation upon a number in the community who were never in a worse position for the paying of taxation than they are to-day. It is an iniquitous form of taxation and I am surprised that Country Party members should give their silent acquiescence to the measure, since inevitably it must have a prejudicial effect upon the primary producers, in whose spending power there has been a tremendous reduction during the last two or three years. Wool, wheat, potatoes, milk and all other primary products are down to bedrock prices, and the farmers and growers are feeling the pinch. So, as I say, I cannot understand members representing the primary producers supporting a Bill that will injure their own constituents. I am surprised that those members can sit behind the Government and allow this measure to go through just because the Government have brought it down. I hope that before the

question is put the Government will consider the suggestions advanced by this side of the House. If one were out for political propaganda he could make a lot of capital out of the Bill, but one need not do that, for the measure itself will certainly prejudice the Government introducing it. I will oppose the Bill.

HON. W. D. JOHNSON (Guildford-Midland) [9.56]: Ministers and their supporters are associating this measure with sustenance payments and unemployed relief. The Bill, if it has any association at all with sustenance, means a reduction of sustenance payments. This is not going to assist the unemployed in any way. It is penalising those in receipt of sustenance. If the Government cannot keep the sustenance payments up to standard, why not bring about a reduction in a direct way? But they are misleading the man on sustenance by telling him and his family they will make a certain payment, when as a matter of fact he will not get that payment in full, but less a deduction. Ministers, if they spoke, would point out that while the Bill will reduce sustenance payments in proportion to the tax imposed, still the tax will not be limited, but will extend to other sections of the community. We have repeatedly pointed out that if the Government tax others to relieve unemployment and earmark the fund for that purpose, those that are taxed will pay more cheerfully than if they knew the tax would not serve to increase the payment to those in distress. We have advocated not only that the tax should be a graduated one, but that the amount derived from the tax should be earmarked for the relief of unemployment. We suggest the tax should be directly associated with unemployment. But as I pointed out, it has no connection other than that it reduces the sustenance payments. One would gather that we are poverty-stricken, that we are not capable of providing for the needs of our people. That is not true. We have abundance in this State to provide food and clothing for all our people. As a matter of fact, our trouble is that we have too much. With other parts of the world we are producing beyond the capacity of the public to consume. I know perfectly well that people could do with more, and if they had the money with which to purchase it,

they would buy more. If we have reached a stage when we have to resort to such a method as this tax to overcome the difficulty, we have reached a state of emergency. Only exceptional circumstances would justify such a tax. If we have reached a stage when the tax is justified, why not declare immediately that a state of emergency exists, and let us get away from the payment on a cash basis and re-organise all our relief on a food-and-clothing basis. We are going to sell our wheat below the cost of production. Why not use the wheat? If we cannot feed our people per medium of money, let us use the wheat to do it. In the British market there is a glut of meat. So much meat is stored there that it is difficult to know what to do with it. A huge loss must be incurred over the meat supply of Britain. While Britain is over-supplied with meat, we are selling meat at a loss; the producers are not getting an adequate return for that which they are marketing. When we cannot do all we should like to do on a money basis, why not proclaim a state of emergency and admit that we cannot go on? The member for Nedlands (Hon. N. Keenan) blamed other people for dictating to us to do certain things, and blamed some organisation that controls the money. He says that the Premiers' Plan has been voted upon and that the people have declared in favour of it. No alternative was submitted to the people, and I suggest that if we pass a pernicious measure of this kind, it is likely to breed revolt in the community. It is of no use deluding ourselves that the present condition of affairs will be tolerated indefinitely. We should not fool ourselves in that way. The people who are going to pay the maximum amount of this tax, and pay it every week, will not tolerate a continuance of existing conditions indefinitely. There has been a great deal of complaint against the Premiers' Plan so far as it has gone. I agree with those who hold that this Bill is not associated with the Premiers' Plan, but the member for Nedlands suggests that it is a direct result of the Premiers' Plan. Whether it is part of the Premiers' Plan or not, the people will not tolerate this sort of thing much longer. I suggest to those in authority that, instead of tantalising the people and working them up to such a pitch that they become absolutely callous to what happens, instead of driving them to do and say things that they

would not like to do or say, we should declare that we cannot go on, that we have not the cash to operate on a money basis, but that we could do it on another basis. We as a party do not suggest that that is necessary, but the Government seem to be helpless in the matter of governing and financing the affairs of State. We say that there is money within the State still available for taxation without doing a great injustice to anyone, and that it could be taxed on a basis to provide the £300,000 required by the Government. I venture to say that the £300,000 could be provided on a different basis, and on such an equitable basis that the whole community would recognise the justice of it. I am prepared to admit that that is not the last word as regards what is necessary. Although we say the tax could be collected in another way to produce all that the Government want, and may be used by the Government to meet the anticipated deficiency, still we recognise that, so far as we can judge, it will continue indefinitely. I submit that we are dealing with only estimated figures. It is very hard to judge exactly what Western Australia is capable of returning under our income tax. Last year the Premier under-estimated the revenue from income tax by about £85,000.

The Minister for Lands: No.

Hon. W. D. JOHNSON: I have the figures before me. Again he is budgeting for a decrease of about £80,000 this year as compared with last year. Last year he received considerably more than he budgeted for, and it is reasonable to expect that he will do better this year. I do not know how he made the mistake last year. I looked through his speech in "Hansard" to find what explanation he offered of the under-estimate, and while I could not find that, neither could I find why he anticipated receiving so much less this year than last year. I know that the receipts depend largely upon the price realised for our wool, and whether we get a bonus on wheat. We are justified in assuming that our wool prices this year will compare favourably with last season's prices. We are not likely to reach the peak of last year, but we have had up to date a general average a little better than last year. From a wool point of view we are justified in assuming that we will receive as much as we did 12 months ago. The wheat harvest promises to be greater in volume than was previously supposed. We shall probably get between

eight and ten million bushels more than we got last year, and the total yield will, I think, be nearer 50,000,000 bushels than 40,000,000. If that is so, the Treasurer must have under-estimated his receipts from income tax. At all events, it is clear that at least the money anticipated from income tax will be available for collection this year. The difference of opinion on the part of the representatives of the people in this Chamber is purely as to the method of raising the amount required. It has been argued that the tax is imposed in this way to make for expedition in collection, that time is the essence of the contract.

Mr. Marshall: And there is the security of the collection also.

Hon. W. D. JOHNSON: Yes. Great stress has been laid upon the contention that this is the only way to get the money speedily in order to rectify the budget position. The Government must accept the delay that has led to the drift in the finances. It is an extraordinary thing for an Opposition to do, but they went to the Government months ago and suggested the introduction of taxation for the relief of unemployment. Such a tax would immediately relieve revenue of a big burden. The Government would, therefore, reach the same position by such taxation proposals as they desire to reach by the present proposal. They are culpable in that they have allowed things to drift, and that they have been callous and indifferent. Because of this, they are going to penalise the man who receives only £1 a week. The Government should recognise how unfair it is to try to get money out of such people, and should have been ready to adopt suggestions that would lead to its being raised in another way. The whole thing is unjust. It will breed an attitude that we do not want to encourage. People are not going to endure this sort of thing forever. It will cause a lot of trouble, for which the Government must be held responsible. The alternative has been submitted by members on this side of the House. Although I have been in Parliament many years I have never known of the Opposition to invite the Government to impose taxation, or to go to the trouble of submitting an alternative to some Government policy.

Mr. Withers: It was a most generous course.

Hon. W. D. JOHNSON: It was generous because we are sympathetic. We know what is going on. I do not want to outline in detail what I see regularly in my electorate. We know the privations of the people and that we are not doing sufficient for them. Despite all this, we know there is an absolute sufficiency for all if it is made available. Even last year we were not in as good a position with respect to feeding the people as we are in to-day. All the necessities of life that we produce are being produced in greater abundance at this moment than was the case last year. Seldom in the history of the State has there been a greater sufficiency of food than there is to-day.

The Attorney General: Sufficiency of what?

Hon. W. D. JOHNSON: Of food supplies.

Mr. Sampson: The world is glutted with food supplies.

Hon. W. D. JOHNSON: In Western Australia more than in most places.

Mr. Angelo: But it does not belong to the Government.

Hon. W. D. JOHNSON: No, but the 4½d. from the man on £1 a week and the 9d. from a man on £2 a week are to belong to the Government, because they will be in a position to take it.

The Attorney General: Do you suggest that food is all that is necessary?

Hon. W. D. JOHNSON: I suggest that the Government can relieve the very special circumstances if they declare, as they should have done long ago, that a state of emergency exists, that they cannot face the position and balance the Budget under existing circumstances, that they cannot go on submitting to the dictates of outside authorities, that they cannot administer this State by the direction of the Loan Council, that they cannot go on under a unified system trying to maintain responsible Government.

The Attorney General: You were talking about food.

Hon. W. D. JOHNSON: A state of emergency exists. The Government cannot conduct the affairs of the State as they should be conducted. I do not suggest that anyone else could do better, but I know we are not governing this State, and are not in charge of it. This Parliament cannot manage the affairs of Western Aus-

tralia as the people desire them to be managed. We have to send our representative to Melbourne to find out what we are permitted to do. Why not get away from the practice of under supplying the people from the monetary point of view? Why not say we have an abundance of all that is required?

The Attorney General: Do you suggest that the people are not getting enough food?

Hon. W. D. JOHNSON: They are underfed. The man who receives sustenance is not getting sufficient food because the sustenance is not all going into food. A man has other responsibilities besides food. If he could devote all his payments to food, he would be in a better position than he is in to-day, but he is unable to do that. Even though he used all the money for food, the man with a large family cannot to-day get all that he would wish to give his children. Therefore I urge that since we are short of cash, the proper course is for us to do what we wish to do by means of those commodities of which there is abundance. From the food aspect it can be done with greater sufficiency, less injury, and ampler satisfaction than in any other way. The Government would at least have the consolation of knowing that they had instituted a reform. What is the use of drifting on as we are doing? The Attorney General knows perfectly well that there must be a break, that the present state of affairs cannot continue indefinitely. Why not let us approach the question from a different angle? It is only a matter of organisation.

Mr. Withers: The same as if we were at war.

Hon. W. D. JOHNSON: Yes; the two situations are practically similar. Unquestionably we are in a state of emergency.

The Attorney General: Suppose you stop talking these generalities. What would you propose?

Hon. W. D. JOHNSON: I suggest that the Government go into the question whether food is not available, and whether it cannot be distributed on a basis less exacting from the financial point of view, from the point of view of that money of which the Government are so short; and whether that distribution cannot be effected without injury to those who are

producing more than sufficient. The wheat which this State is producing will be sold at a dead loss to the producers.

Mr. Sampson: On a point of order. Is the hon. member discussing the Bill, or the Government's credit proposals?

Mr. SPEAKER: The hon. member is in order.

Hon. W. D. JOHNSON: I do not wish to pursue that aspect any further. I simply tell the Government that this tax is a dangerous one, and I say it in all earnestness. Men on £2 a week or thereabouts are numerous, and they feel that a grave injustice is being done them. In large numerical strength, men are always a menace when they feel that the other fellow, in affluent circumstances, is dodging his responsibilities. There has already been a great deal of feeling over this matter. The Attorney General knows perfectly well that members on this side, and others who hold Labour views, had to hammer away for quite a long time to make those in authority in Australia take action with regard to interest rates. Even then the Attorney General was not game to do the thing as it should have been done. He knows that when we asked for reform in regard to interest payments, we were ridiculed. We got then the same ridicule as we are getting at present. We were supposed not to be practical. It was said that we were talking about something we did not understand, and proposing something that could not be done. Ultimately the Attorney General had to take legislative action in regard to interest payments. However, he left the banks out of the arrangement. The people mainly responsible for taking interest payments out of all proportion to wages were not included in the restriction. When we advocated reduction of interest rates we were told that it was not practicable. Then it became law. I suggest that we could approach this other question from a different angle, in an absolutely practical way. And it should be done. The Government hung back for a long time in regard to interest, but they could appreciate the probabilities. There was boiling going on, and boiling point would soon have been reached if the Government had not taken action when they did—just in time to prevent the people from showing their resentment in a way we do not want. The same kind of revolt is likely if the Government tax in the way proposed by this Bill,

tax the man on £2 a week at the same rate as the man on £1,000 a year. Let taxation be organised on a different basis. The needs of the people should be supplied equitably and justly. I will conclude by saying what I said when I rose—this is a Bill to reduce sustenance payments, to tax a section of the community in a manner which will enable the Government to reduce sustenance payments. The Government propose to take from the sustenance worker portion of that which he is given now. Then they will say to the other sections of the community, "We are taxing you so as to reduce our Budget figures." Such a course is wrong. The Opposition have pointed out again and again that they wish to help the Government in this matter. The question is only one of methods. We maintain that the Government's method is unfair, unjust and inequitable, and a method which has not been adopted in any other part of the British Empire for general revenue purposes. That being so, it is wrong for us to adopt it.

MR. MARSHALL (Murchison) [10.28]: May I be permitted briefly to enter my protest against the measure. I have always opposed this particular principle of taxation, especially in such a case as the present, because it affects that class which can ill afford to be forced to pay taxes. A flat rate of taxation is wrong in any circumstances. In the present circumstances, and having regard to the nature of the Bill, it is more wrong than ever. I merely enter my protest in order to be consistent. I do not wish to vote without having expressed my views on the subject. Were it not for the vile and vicious system under which we live, the present position could not have arisen. It was the curse of society when it was discovered that millions of money could be furnished when war was declared; and during the years of war we used for the feeding and clothing of our people the same system as provided the armies. In some of our industries, let me point out, horses and dogs are fed and housed better than many human beings. Thousands of men, women and children in this State are to-day not as well fed as dogs. I go to the city practically every day of my life, and see big mongrels having rides in motor cars; and they look well housed,

well fed, well cared-for. Incidentally, in walking around the city one sees children ill-fed, ill-clad and ill-housed. That is the system we have enjoyed for 1,932 years, and this is all it has to offer. The Government are proceeding along lines that history shows will cause the people to revolt. Every form of taxation means a reduction in the standard of living of the worker. How long they will tolerate it, I cannot say. World-wide indications suggest that it will not be for long. All over the world people are commencing in a small way to enter their protest. Once the masses assemble in unified effort, it is goodbye to those who stand in their way. We have never ruled this country and are never likely to do so under the existing system. The banking institutions, including the Commonwealth Bank, dictate to the Commonwealth and State Governments. In fact, they rule the world; they own it; it is mortgaged to them. Due to the rotten system that has prevailed for many centuries past, that is the position we find ourselves in to-day. It is awful to think we are discussing the imposition of further taxation on people who are receiving sustenance, while millions of pounds are being paid away in interest and profits. The member for Pingelly (Mr. Brown) bitterly complained that because a man had an income of £1,000, he would have to pay £50 in taxation. What a terrible tragedy that would be! Would to God that I had £1,000; I would gladly pay £50 in taxation rather than that men in receipt of sustenance should have to pay the impost.

Mr. Brown: The man with £1,000 is the only man. If you did not have that class of man, there would be no money to be provided for those on sustenance.

Mr. MARSHALL: Where did that man get his money? Did he earn it? In ninety-nine cases out of a hundred, some other person earned it for him. He used the energy and brains of others to provide that money. Scores of people do nothing useful in dealing with the complex requirements of society. They merely invest their money and receive their income, without doing anything else for it. But that class is worshipped and protected by Parliaments the world over. It is deemed wrong to interfere with them. For the poor unfortunate wretches on sustenance, anything will do.

Mr. Brown: What about dividing everything up and making a fresh start?

Mr. MARSHALL: I am not arguing along those lines, for the obvious reason that if that were done, the hon. member would get too much.

Mr. Brown: What about dividing your salary among your friends?

Mr. MARSHALL: They can have all that rightly belongs to me, because I am in debt.

The Attorney General: You are not alone in that.

Mr. MARSHALL: I would willingly swap places with the hon. member.

The Attorney General: I do not know that you would.

Mr. MARSHALL: I make the offer in all sincerity from the standpoint of income, although I could not, of course, change places in any other way. When I consider the two emergency tax Bills, I realise that the Government have adopted a most cunning attitude. Although they asserted that the tax was to be imposed solely to assist the unemployed, we find that it will merely relieve the Treasury in accordance with the provisions of the Premiers' Plan. They desire to secure Budget equilibrium, and so they call it a financial emergency tax. For the last two years that phrase has been before us to tickle the ears of the public. It was in that sense that the hospital tax was passed, but hardly had the Bill become law before we realised that the Treasury was to be relieved to an amount corresponding to the taxation to be raised. I am a little tired and suspicious of the Government. Why cannot they be straightforward and tell the public that the Treasury is empty and that the tax is required to assist the financial position?

The Minister for Lands: We have already told you that.

Mr. MARSHALL: I am sick of financial emergency matters. It is all hypocrisy.

Mr. Withers: It is almost thieving.

Mr. MARSHALL: Ministers can sit on the Treasury bench and fill their mouths with sweetmeats.

The Minister for Lands: I would like to fill your mouth with a snowball.

Mr. MARSHALL: The Minister has not the courage to come closer than is necessary to throw one.

The Minister for Railways: You are getting pugnacious.

Mr. MARSHALL: I do not think this is the time for hilarity.

The Minister for Lands: We were merely chewing minties because it is in moments like these—

Mr. MARSHALL: I wish the people could be here to note the attitude of Ministers when such a discussion is taking place in the House. If the Minister for Lands were to discuss it with the people, they would not listen to him for 10 minutes.

The Minister for Lands: They would not stand you for that long.

Mr. MARSHALL: The Minister had better keep out of the picture.

Mr. Kenneally: He said the tax would inflict no great hardship.

Mr. MARSHALL: Of course not, so long as he can sit down under £1,500 a year, plus other income—and chew minties! While he enjoys that position, he can afford to sneer and laugh and jeer at the position of people outside.

The Minister for Lands: You will be able to tell them that you get £600 a year.

Mr. MARSHALL: The Minister is in receipt of an income far in excess of the worth of the services he renders.

The Minister for Lands: And that applies to you.

Mr. MARSHALL: That is all I have to say about the Bill. It gives me a pain every time I discuss it.

MR. SLEEMAN (Fremantle) [10.40]: I do not propose to let the Bill go through without making my protest. The Premier said the longer men were out of work the greater must become their need. Notwithstanding that, he comes along with a taxing measure proposing to tax the sustenance men, yet not proposing to put one extra man in work nor to give him one extra shilling. The Deputy Premier admitted to-night that the purpose of the Bill is simply to reduce the deficit for the current year. To reduce that deficit the Government are prepared to tax people on sustenance. It seems to me there must be something very wrong. We do not find the Premier advocating the holding up of some of the interest payable to bondholders. When moving the second reading he remarked that there was a considerable amount to be paid away in interest each year. Clearly, he is prepared to tax sustenance men in order that he may be able

to pay that interest, although he is not prepared to extend any benefits to those sustenance men. The Deputy Premier said the reason for collecting the tax at the source is because that is the quicker method. He omitted to say it would thus become a dragnet measure, dragging in everybody. He spoke of refunds, but we know that if any refunds at all are made they will be very, very little; because very few of the taxpayers will know of the provision, and those who do will not attempt to put it into practice, for they will be well aware that the trouble involved would be more than the refund was worth. I hope the second reading will not be carried and that some of those on the Government side will realise the inequity of the Bill and oppose it.

MISS HOLMAN (Forrest) [10.42]: I want to oppose the Bill, and I do not want it to be said of me that I sat and gave a silent vote. Our complaint is that too many silent votes are being cast on the other side of the Chamber. The Government are quite willing to let the Bill go through without any defence, depending on their majority to carry the second reading. The only thing that has been advanced from the ministerial benches as an excuse for the Bill is that our people are getting more sustenance that is paid in the other States. One Minister said it was better for those on sustenance to pay this 4½d. tax than to have their sustenance reduced by 1s. I do not admit that our sustenance workers are being treated so much better than those in the Eastern States; at all events they are not getting sufficient to keep body and soul together. The Government are taking a very indifferent view when they show themselves willing to tax sustenance workers 4½d. in the pound and take from those on higher incomes only the same rate of tax. I would sooner pay 2s. in the pound myself than have any one of my constituents who is on sustenance taxed 4½d. in the pound. We have tried to get those men exempted from this tax, but without success. The Government are exercising their majority, and even those Government supporters who have denounced the Bill outside the House will vote with their party. We have in this country part-time men who are not earning as much as they would get if they were on sustenance. Those men have

to pay rent, contribute to their medical fund, support their hospitals, pay the hospital tax and, in short, do as much with their money as if they were working full time. Now, in addition to all that, they will have to pay this 4½d. in the pound. More men are being put off sustenance, and we are told by the department that no more single men will be put on to it, while those men whose jobs cut out will not get sustenance again. The Government are forcing this tax on the people and giving sustenance with one hand while taking it away with the other. The part-time workers will be in very much worse state than they are at present. I do want to place the case for men on part time and on sustenance before the Minister again. I do not want Ministers to go out to the country and say we do not do our job. Also I resent the insinuation that members on this side are talking to the gallery and electioneering in October. If this is electioneering in October, it would be electioneering at any time of the year. Members on this side have tried to do their duty by the people and tried to force the Government to a sense of their proper duty. We have not met with much success. I will oppose the Bill, and if I had more than one vote every vote would be cast in opposition to the measure. I hope that on this occasion we shall be able to defeat the Government.

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

Ayes	..	..	..	..	20
Noes	..	..	..	..	18

Majority for 2

AYES.

Mr. Angelo	Mr. J. I. Mann
Mr. Barnard	Mr. McLarty
Mr. Brown	Mr. Parker
Mr. Church	Mr. Patrick
Mr. Davy	Mr. Richardson
Mr. Doney	Mr. Sampson
Mr. Ferguson	Mr. Scaddan
Mr. Griffiths	Mr. Thorn
Mr. Latham	Mr. Wells
Mr. Lindsay	Mr. North

(Teller.)

NOES.

Mr. Corboy	Mr. Millington
Mr. Coverley	Mr. Pantton
Mr. Hegney	Mr. Sleeman
Miss Holman	Mr. F. C. L. Smith
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson

(Teller.)

PAIRS.

Ayes.	Noes.
Sir James Mitchell	Mr. Collier
Mr. H. W. Mada	Mr. Cunningham
Mr. Piesse	Mr. Nulsen
Mr. J. M. Smith	Mr. Raphael
Mr. Keenan	Mr. Munroe

Question thus passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Minister for Railways (in the absence of the Premier) in charge of the Bill.

Clause 1—agreed to.

Clause 2—Imposition of financial emergency tax:

Hon. J. C. WILLCOCK: I move an amendment—

That in line 1 of paragraph (a) the words "fourpence halfpenny for every pound" be struck out with a view to inserting other words.

For the information of members I propose to insert one penny for every pound the income exceeds £100 up to £200, threepence for £200 to £300, fourpence for £300 to £500, and fivepence for over £500. The object is to provide for a graduated tax. If £100,000 be obtained by abolishing the rebate on income tax and imposing a super tax, my amendment would bring in £200,000 a year, giving the total the Premier desires. In 1928-29 the amount of income tax paid was £343,000. In the following year there is a slight falling-off to £314,000. In 1930-31 came the slump.

The Minister for Lands: There was an increase in the tax.

Hon. J. C. WILLCOCK: That was in 1931-32. The figures I have quoted were under the old rate. The taxable income of the people has dropped from £24,000,000 to £11,000,000, which is about 45 per cent. of what it was.

The Minister for Lands: The higher incomes would be reduced now, and they carried the higher rates of tax.

Hon. J. C. WILLCOCK: The tax proposed by the Government is unfair. A man on a low income would pay five times as much under this tax as he would if the money were raised under the income tax.

I cannot see how anyone can claim that this tax will not inflict injustice and hardship on sections of the community. It will do a distinct injustice to people on low salaries. We should have a graduated tax so that the people generally would be affected to an equitable extent and not an inequitable extent. The Minister for Lands claims that there are no scales of graduation in legislation in the other States. I have looked up the position there. I find that in New South Wales on incomes from £2 to £2 10s. a week the tax is 1s. On incomes over £3 10s. the tax is 1s. in the pound. In Victoria the tax is 1d. in the pound up to £2 a week.

The Minister for Railways: It is £1 10s.

Hon. J. C. WILLCOCK: Up to £3 it is 1d. on every 5s. or 4d. in the pound. From £4 to £6 the tax is 1d. on every 4s., or 5d. in the pound. This system of graduation has therefore been extended to those States.

The Minister for Railways: In Victoria the graduation is on every 5s.

Hon. J. C. WILLCOCK: The taxpayer pays an extra tax on every 5s. in the pound. When he receives over £3 a week he pays 1d. in every 5s., which amounts to 4d. in the pound. From £4 to £6 he pays 1d. on every 4s. or 5d. in the pound. This bears out our contention that in emergency taxation the system of graduation has been adopted in other States. In South Australia there is a graduated income tax, and that has always been the case in this State. It is said that sustenance men will be better off under the tax than if their sustenance were reduced by 1s. It cannot be beyond the capacity of this Committee to evolve means for raising the money required on a graduated scale. If the sustenance is reduced 1s. a week the men will be worse off to the extent of 3s. in the pound. It has been said that this State is more generous in its sustenance than the other States, and that the Government have stood up to their policy over the last two years. Surely they are not going to abandon it now because people say they should have done so two years ago. The Minister for Railways said I was not fair when I stated that if the Premier had been present he might have amended the Bill. I did not wish to infer anything against the Minister when I made that remark. It was unfair to him that the Pre-

nier should have brought down a taxation proposal like this, then gone away, and told his colleagues to be loyal to him and refuse to accept any amendment from this side of the House. If it had been absolutely necessary for him to take this course I should not have had so much to say about it. The Premier, however, could have brought down this Bill long ago had he so desired. On the eve of his departure he moved the second reading, and expected to get it through in an hour or two. He has not treated members fairly nor has he treated his own colleagues fairly. I have had experience of dealing with matters in the absence of the Treasurer. When he has said that certain things must go through, one has always stood more firmly and used the "brutal majority" more readily than one has done when piloting through a Bill of one's own. If the Premier had been suddenly called away, I would not have raised so much objection to the present position. The policy, however, was decided seven or eight weeks before and the whole thing agreed to at a party meeting. Notwithstanding that the Premier allowed other business to come on, dealing with many unimportant matters. This is the most important measure we have had this session. Had it been brought down earlier, no doubt it could have been altered in a way that would have been more satisfactory to the people. The member for Nedlands agrees with members on this side of the House concerning the need for a graduated tax. I am sure every individual member of the Committee would agree to that, in the interests of justice and equity. Because the Premier is away, and because out of a sense of loyalty the Minister for Railways feels he cannot accept any amendment, the Government desire the Bill to go through as it is, notwithstanding that all the money required could be raised in another way. We are not here just to record the decisions of Cabinet, and to deal with them as if they were inviolable. Were that so, we would be wasting our time. I protest against such an attitude. Parliament is not an instrument for recording the decisions of Cabinet, to be accepted by members willy nilly, irrespective of what may be urged against them. The more I turn the Bill over in my mind, the worse do I feel about it. Members who will experience the weight of this taxation are doing all they

can to increase the burden on themselves, so that others, in worse circumstances, may receive some consideration. I do not know whether the Minister is irrevocably wedded to the rate at which the tax shall operate. Reasonable graduation is essential.

The CHAIRMAN: I desire to point out to the mover the bearing of Standing Order 387 on the amendment. If the hon. member will give me an assurance that the carrying of the amendment will not increase the amount of taxation, I am prepared to accept his amendment.

Hon. J. C. WILLCOCK: In order to make the matter quite clear, I am prepared to alter "fivepence" in the amendment to "fourpence halfpenny," which involves a reduction of £10,000.

The MINISTER FOR RAILWAYS: At this stage I do not propose to discuss all the pros and cons of the introduction of this tax. The Treasurer had thought over the question of graduation of the tax, and decided that as the tax was to be merely temporary, operating only until the 30th June next, the method in the Bill represented the simplest way of obtaining the amount he required—practically neither more nor less. I do not know of any other means that would give the Treasurer exactly the amount he desires to obtain.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	19
					—
Majority against	..	..	..	..	2
					—

AYES.

Mr. Corboy	Mr. Pantou
Mr. Coverley	Mr. Sleeman
Mr. Hegney	Mr. F. C. L. Smith
Miss Holman	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Lamond	Mr. Withers
Mr. Marshall	Mr. Wilson
Mr. McCallum	

(Teller.)

NOES.

Mr. Angelo	Mr. J. I. Mann
Mr. Barnard	Mr. McLarty
Mr. Brown	Mr. Parker
Mr. Church	Mr. Patrick
Mr. Davy	Mr. Sampson
Mr. Doney	Mr. Scaddan
Mr. Ferguson	Mr. Thorn
Mr. Griffiths	Mr. Wells
Mr. Latham	Mr. North
Mr. Lindsay	

(Teller.)

PAIRS.

NOES.

AYES.		NOES.
Mr. Collier		Sir James Mitchell
Mr. Cunningham		Mr. H. W. Mann
Mr. Nulsen		Mr. Piesse
Mr. Munsie		Mr. Keenan
Mr. Raphael		Mr. J. M. Smith
Mr. Millington		Mr. J. H. Smith

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

House adjourned at 11.26 p.m.

Legislative Council,

Tuesday, 1st November, 1932.

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

ASSENT TO BILLS.

Message from the Governor received and read, notifying assent to the under-mentioned Bills:—

1. Industries Assistance Act Continuance.
2. Factories and Shops Act Amendment.
3. Fruit Cases Act Amendment.
4. State Trading Concerns Act Amendment.

BULK HANDLING BILL—SELECT COMMITTEE.

Extension of Time.

On motion by Hon. V. Hamersley, the time for bringing up the select committee's report was extended to Tuesday, the 15th November.

QUESTION—RAILWAYS, COAL CONSUMPTION.

Hon. W. J. MANN asked the Chief Secretary: 1, What was the quantity of coal used by the Western Australian Government Railways per year for each of the last five years? 2, Where was such coal obtained? 3, What price was paid per ton for—(a) Colliie coal, (b) coal of other origin?

The CHIEF SECRETARY replied:

(1)—		Tons.	
Year ended June, 1928	Native.	295,102	10,151
" " " 1929	"	304,126	14,824
" " " 1930	"	296,664	9,348
" " " 1931	"	289,549	4,907
" " " 1932	"	234,888	30,974

(2)—	Native.	Imported.
Colliie	13,478	(Great Britain, Balance N.S.W.)

(3)—(a) Colliie coal—		
Average cost per ton on truck at Colliie—	s.	d.
Year ended June, 1928	18	4.9
" " " 1929	18	4.6
" " " 1930	18	4.2
" " " 1931	18	4.4
" " " 1932	16	8.066

(b) Other coal—		
Average cost per ton ex store—	s.	d.
Year ended June, 1928	50	9
" " " 1929	44	6
" " " 1930	44	11
" " " 1931	46	3
" " " 1932	37	2.2

BILL—HEALTH ACT AMENDMENT.

Recommittal.

On motion by Hon. A. Thomson, Bill re-committed for the purpose of further considering Clauses 2, 8, 9, 26, 31, and 38.

In Committee.

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

Clause 2—Amendment of Section 3:

Hon. J. J. HOLMES: Paragraph (a) of this clause substitutes "and" for "or" in a provision imposing certain conditions on lodging houses, thereby extend-