

Legislative Assembly.

Thursday, 14th October, 1937.

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

QUESTION—MINES DEPARTMENT, UNDER SECRETARY.

Mr. MARSHALL asked the Minister for Mines: 1, Has his attention been drawn to the fact that Mr. Calanchini, Under Secretary for Mines, within three days of going on leave, accepted positions on several boards controlling various mining propositions in Western Australia? 2, If so, will he assure the House that official recognition will be taken of the position and action taken under Section 8 of the Mining Act?

The MINISTER FOR MINES replied: 1, Not officially—only by a newspaper paragraph. 2, If the position is as stated, in view of the fact that Mr. Calanchini has virtually given up his office and is on leave prior to retirement, no such assurance can be given.

QUESTION—PERTH MUNICIPAL CONTRACT.

Position of Cr. Jenkinson.

Mr. RAPHAEL asked the Minister for Works: 1, Is he aware that Cr. Jenkinson of the Perth City Council has, by reason of having entered into a contract with the said Council, committed a breach of the Municipal Corporations Act, 1906, and has thereby become disqualified under Section 39, Subsection (1) paragraph (a), of that Act from retaining his seat in the Council? 2, Is he also aware that the paragraph of Section 39 referred to specifies that twenty shareholders are necessary, whereas the company of which Cr. Jenkinson is a member has only eight shareholders? 3, If so,

what action does he intend to take in order that this provision of the Act shall be complied with?

The MINISTER FOR WORKS replied: 1, No. 2, He is aware that paragraph (a) of Subsection 2, Section 39, specifies that twenty shareholders are necessary to a company to ensure exemption from disqualification under Subsection 1. 3, Answered by No. 1. Any councillor proved to be disqualified under the section is guilty of an offence under the Act and may be ousted from office by the Supreme Court.

QUESTION—BULK-HANDLING, BUNBURY TERMINAL.

Hon. C. G. LATHAM asked the Minister for Lands: 1, When did Co-operative Bulk Handling, Limited, first make application for permission to provide bulk facilities in the Bunbury zone? 2, When was approval given? 3, Was a contract entered into for the erection of terminal facilities at Bunbury? If so, who is the contractor and what is the contract price? 4, Why were tenders not invited for this work? 5, Is it a fact that an engineer from the works was sent to the Eastern States? 6, If so, for what purpose, and by whom were his expenses paid? 7, Did he submit a report to the Government? If so, is it intended to lay it on the Table of the House?

The MINISTER FOR LANDS replied: 1, 8th April, 1937. 2, 16th April, 1937. 3, Yes, for portion. Contractors—A. T. Brine and Sons, Ltd. Contract price—£23,600. 4, Owing to the necessity of having facilities in readiness for operation for coming wheat shipping season, and the limited time available for completing the work. 5, Yes. 6, To investigate bulk handling systems in the Eastern States and to consult experts. His expenses were paid by the State. 7, Yes. The report will be laid upon the Table if the House desires it.

QUESTION—LICENSING ACT.

Applications by Members of Parliament.

Mr. MARSHALL: I desire to make an explanation, and also to ask the Premier, as Treasurer, a question without notice. Yesterday I asked him a question and hon. members will see it set out in the Votes and Proceedings, which have been distributed this afternoon. In my opinion, the

answer the Premier gave us was in no way relevant to the subject matter of the query, and I take exception to the evasive way in which, from time to time, questions are answered. Private members apparently are to be treated more or less as nonentities.

Mr. SPEAKER: The hon. member can make an explanation, but not a speech.

Mr. MARSHALL: Very well, but I am afraid that I shall not be able to say, by way of explanation, exactly what I think about the answers that were given to me yesterday. I desire to elicit further information and, therefore, I ask the Premier, without notice, if he will give the House an assurance that the Government will consider the desirability of taking action in the direction indicated in the question I asked yesterday.

The PREMIER: The Government have never had any occasion, seeing that the question has never arisen in any shape or form, to deal with the matter. I cannot speak for the other members of the Government, but the matter has never come before me and therefore when the question was asked I read it literally, and the answer I gave was quite truthful. The Government have no policy on the matter because the matter has never been considered. I gave all the information I possibly could in my answer to the question. No one has brought it forward in any way that would occasion the Government to consider the matter and announce their policy.

Mr. MARSHALL: Again, Mr. Speaker, my question has not been answered. I asked the Treasurer if he will now give us an assurance that the matter will be considered with a view to action being taken.

The PREMIER: If the necessity should arise and representations are made to the Government in a manner that will require the question seriously to be considered and a policy announced, that will be done. The question has not been before the Government in any shape or form, and as it is quite new no policy has been formulated. The Government may consider the matter in the event of its being brought forward, but I should not think it would be done by way of a question.

Mr. Marshall: I shall have something more to say about this before the end of the session.

LEAVE OF ABSENCE.

On motion by Mr. North, leave of absence for three weeks granted to Mr. Brockman. (Sussex) on the ground of ill-health.

BILL—SUPPLY (No. 2), £1,400,000.

Standing Orders Suspension.

THE PREMIER (Hon. J. C. Willecock—Geraldton) [4.37]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.

Question put and passed.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

Committee of Supply.

The House having resolved into Committee of Supply, Mr. Sleeman in the Chair.

The PREMIER: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1938, a sum not exceeding £1,400,000.

The first Bill, which was passed earlier in the session, provided Supply, and those funds having been almost exhausted, a second Supply Bill is necessary, as is customary, to cover expenditure pending the passing of the Revenue Estimates, which have been before members for some time and have been partially considered. In the circumstances, the Appropriation Bill cannot be brought forward for five or six weeks and the Government desire to obtain supplies to enable them to carry on during the interim. The amount required comprises £1,250,000 from the Consolidated Revenue Fund, and £150,000 from the General Loan Fund, making a total of £1,400,000. No. 1 Supply Bill, which was passed earlier in the session, made provision for £2,500,000, of which £1,600,000 was from the Consolidated Revenue Fund, £600,000 from the General Loan Fund, and £300,000 from the Treasurer's Advance. The expenditure for the three months of July, August and September, from the Supply so granted, has been £1,728,353 from Consolidated Revenue, and £335,586 from the General Loan Fund. The

expenditure from the Consolidated Revenue Fund for the same period included £1,040,691 under special Acts—which, of course, is separate from Supply—£783,820 under the heading of Governmental, and £944,533 in respect of public utilities, making a total of £2,769,044. Interest and sinking fund payments included in the expenditure under special Acts amounted to £943,883. Governmental expenditure included £145,936 for exchange on remittances to London, £46,592 on account of drought relief to settlers, and £9,779, which was spent on the destruction of locusts. At this stage I desire to give information to members regarding the progress of the finances for the current financial year. The deficit for the three months ended the 30th September, was £464,618, as compared with £179,000 for the first three months of the financial year 1936-37. The difference is accounted for by reasons that were given due consideration when the Estimates for this year were prepared. Last year there was a carry-over of wheat which brought freight to the railways, whereas this year there has been no carry-over. It is anticipated, however, with a much increased harvest this coming season the earnings of the railways will be considerably more on account of the railage of wheat. Territorial revenue also showed a decrease, due to the remission of land rents arising out of legislation passed by this House, and this will also be affected by another Bill now under consideration. The revenue from the Commonwealth has been lower by £56,000 than that received during the first quarter of the last financial year. This has been due to the fact that for the first three months of last year we received a grant at the rate of £800,000 a year. Last year the grant was reduced to £500,000 and the extra payment we received during the quarter was adjusted during October. Consequently we received practically nothing from the Commonwealth in that month instead of the average monthly payment. Taxation revenue, however, has been £15,000 above that for the first quarter of last year. On the expenditure side, the cost of interest has been £26,000 greater than last year, and the railway expenditure and departmental expenditure have also increased, due to the advance in the basic wage and reclassification of the teachers attached to the Education Department, which always involves heavy expenditure on account of wages and salaries.

Mr. Marshall: What is the total amount being paid in interest and sinking fund per annum?

The PREMIER: I can hardly tell the hon. member offhand. If he wants such a return he has only to ask for it, and if he wants to know the expenditure for last year he will find it in the report of the Auditor General. To revert: Expenditure on drought and the destruction of locusts has also occasioned an increase. Allowance was made for these various factors which were foreseen when the Estimates of Revenue and Expenditure were framed and presented to the House, and it would appear that the estimated deficit of £129,000 will be very near the actual position when we reach the close of the financial year.

Hon. C. G. LATHAM: I am not going to raise any objection to the passing of the Supply Bill. It is the usual thing and, as the Premier has pointed out, we are now about half-way through the consideration of the Estimates. So there can be no objection, but I do hope that the Premier is taking a note of the increased deficit for the year. It is considerably more than was anticipated and it is becoming a serious matter. It is true that in many instances the revenue is down, but on the other hand in some instances it has increased.

The Premier: The Commonwealth grant is certainly down.

Hon. C. G. LATHAM: Yes, that is true. Anyhow I hope that the Premier and his colleagues will watch the expenditure of public funds. I do not like the financial outlook at all, not only in this State, but in other States and countries. The slumps in New York and in the Old Country constitute a very bad indication of the financial future. While we have an opportunity nearly to balance the Budget we ought to take full advantage of it and be prepared for anything that may happen in the future. So, as I say, I hope the Minister will watch the expenditure, for certainly there is no hope of increasing the taxation. I should like to draw the attention of the Premier to the fact that the legislation dealing with the primary industries which he has on the Notice Paper is being left a long way down the list, and to ask him whether there is any object, any motive in that. We have seen resolutions from that side to the effect that there will be no legislation for the farmers unless certain industrial legislation is considered in another place. We on this

side give ready consideration to all Government legislation and do not unnecessarily delay it. So I hope the Government have no intention of holding up legislation that is essential to the primary industries in this State. I should like to be assured by the Premier that it is not the intention of the Government indefinitely to hold up this legislation; I hope he will assure us that we shall be given opportunity to pass it.

The PREMIER: I have no hesitation in giving the Leader of the Opposition an assurance that that legislation will be discussed and, I hope, passed during this session. But in regard to industrial legislation the Government consider they have not had a fair deal from the Council in the past, ostensibly because that Chamber expressed the view that it was introduced too late and so could not be given the consideration it deserved. I want to meet the wishes of the Council in that respect and to see that they have plenty of time in which to consider the reasonable requirements of industrial legislation in this State. So this session we introduced two or three Bills of an industrial character in the Council quite early in the session. It is true that the members of another place have not given much consideration to those Bills. One of those Bills, although in the Council for a couple of months, had only four or five hours of consideration, after which it was referred to a select committee. Another Bill of similar character met with the same fate. The Council cannot say that the Government have not given its members sufficient time in which to consider those Bills; it was the members of the Council themselves who passed the legislation over to select committees. In the past we said that our legislation was not given the consideration that it deserved, whereupon the members of the Council said that they had not had sufficient time for that purpose. However, this session they have had plenty of time, and so I hope that they will take a more favourable attitude towards that legislation than was taken last year. The Government have given every facility for the passing of other legislation which I hope will be for the benefit of the State as a whole. However, I give the Leader of the Opposition an assurance that legislation in the interests of the primary industries will be brought forward and given full consideration in ample time.

Question put and passed.

Resolution reported, and the report adopted.

Committee of Ways and Means.

The House having resolved into Committee of Ways and Means, Mr. Sleeman in the Chair.

The PREMIER: I move—

That towards making good the Supply granted to His Majesty for the services of the year ending the 30th June, 1938, a sum not exceeding £1,250,000 be granted out of Consolidated Revenue, and £150,000 from the General Loan Fund.

Question put and passed.

Resolution reported, and the report adopted.

Bill Introduced, etc.

In accordance with the foregoing resolutions Bill introduced, passed through all stages and transmitted to the Council.

BILL—NURSES REGISTRATION ACT AMENDMENT.

Third Reading.

THE MINISTER FOR HEALTH (Hon. S. W. Munsie—Hannans) [5.0]: I move—That the Bill be now read a third time.

HON. W. D. JOHNSON (Guildford-Midland) [5.1]: It is only right I should draw attention to some figures quoted by the member for Subiaco (Mrs. Cardell-Oliver) concerning the membership of the two associations that are functioning for the general protection and welfare of nurses in Western Australia. I have no desire to discount the work of either association. Both are doing a good service, and both are worthy of encouragement and support. There is talk of boards being established on which representation of the nurses will be considered. I do not know whether that is so. In order that both associations may receive consideration in all matters relating to the general welfare of the nursing profession, the relative merits of the two organisations should not be discounted by inflating the membership of the one and possibly discounting the membership of the other. The member for Subiaco gave figures, I think, showing the membership of the Australian Trained Nurses' Association as being in the vicinity of 1,500. I have here a journal of the Australian Trained Nurses' Asso-

ciation, dated the 20th July, 1937. It contains a report of the thirtieth annual meeting.

Mr. Sampson: On a point of order. Is the hon. member in order in bringing forward a subject concerning which the Bill makes no reference?

Mr. Warner: I should say, certainly not.

Mr. Sampson: This matter is entirely foreign to the measure.

Mr. SPEAKER: The hon. member is quite in order in discussing this matter.

Hon. W. D. JOHNSON: The report states that there had been 98 registrations for the year, and that the membership had reached 900, there being also 13 associate members. It will be seen from the report of the Australian Trained Nurses' Association that the membership is at most 913. The income of the association from general subscriptions shows receipts to the amount of £117. The subscription is 10s. 6d. per annum. If the membership fee is 10s. 6d. per annum, and the association only received £117—

Mrs. Cardell-Oliver: May I make an explanation?

Mr. SPEAKER: The hon. member will have the right to speak later.

Mrs. Cardell-Oliver: The hon. member's remarks are foreign to what I said.

Mr. SPEAKER: The hon. member will have any amount of time in which to reply.

Hon. W. D. JOHNSON: I am speaking to the motion for the adoption of the third reading.

Mr. Marshall: They do not know where they are.

Mr. Cross: They do not know the Standing Orders.

Hon. W. D. JOHNSON: The statement of receipts and expenditure for the term ended 30th June, 1937, shows, under the heading of "general subscriptions," that the sum of £117 was received. As I have said, the annual subscription is 10s. 6d. That would indicate there were very few over 200 financial members, if the income from members' subscriptions can be taken as a guide. I think, however, we can accept the declaration in the annual report that there are 913 members. We need not check the figures, for if we do the 913 cannot be sustained. Let us therefore accept the 913, rather than the 1,500 quoted by the member for Subiaco. The hon. member gave the membership figures of the Western Australian Nurses' Association as 384. That is the financial

membership as at the 31st May, 1937. I also have the annual report of that association. The Western Australian Nurses' Association is registered as an industrial union of nurses, under the Industrial Arbitration Act. As such, it must carry out certain definite instructions concerning membership. It has to see to the purging of the roll, and issue to the registrar certain returns of membership, and other details. Rule 19 of that association, under the heading of "unfinancial members," says that any member in arrear with her contributions for four weeks or more shall be deemed to be unfinancial, and, subject to Rule 8, shall not be eligible to vote. While the financial membership is given as 384, the unfinancial membership is given as 344. The unfinancial membership may include a number of members who are only a week or so in arrear. It can be said, therefore, that the membership is not 384 as compared with the A.T.N.A. membership of 728. This is proved by the fact that the rules provide for the purging of the register of members. Members who are 12 months in arrear in the payment of dues, including levies, shall have their names purged from the roll of membership. When the organisation claims a membership of 728, it will be realised that that can be a more accurate statement of membership than that of the A.T.N.A. We can see, therefore, that one report fixes the membership at 913, and the other report fixes the membership at 728. I do not wish to discount the membership of either organisation, or in any way to discredit the accuracy of their reports. All I want to do is to encourage both associations, by the Parliamentary records giving a true statement of their membership. So far as I am concerned, I wish them both every success.

MRS. CARDELL-OLIVER (Subiaco) [5.10]: I do not know why the member for Guildford-Midland (Hon. W. D. Johnson) brought this matter up. My statement was not as he alleges it to be. I said that the registered membership of the A.T.N.A. was from 1,400 to 1,500, but that the financial membership was 900. He alleges that the financial membership of the Western Australian Nurses' Association and the total membership are different. I do not care two hoots whether the membership is 200 or 1,000. All I desired was to do the best I could for the nurses. I do not care whether they are trainees, nurses, or whether they

have paid their fees or not. So long as they are nurses, and are nursing, I want to do the best I can for them. The only reason why I quoted the A.T.N.A. membership as being between 1,400 and 1,500 was that those were the figures given to me by the secretary of the association. She showed me the books, and I saw that they were registered nurses. The total financial membership was quoted as 900, and not 913, and I accepted the figures. The member for Guildford-Midland was kind enough to tell me he was going to bring up this matter. I immediately telephoned to the secretary of the association and found that my figures were correct. I am glad he told me beforehand of his intention. If there was more comradeship between the two parties in the House, we would have a better understanding of each other. I do not care whether the figure is 900, or any other figure, or whether it is recorded in "Hansard" or not, because no one reads "Hansard." I feel, however, that the hon. member does want to do the best he can for the nurses, as I do. I took the figure of 384 from the third annual report of the Western Australian Nurses' Association, issued on the 31st May, 1937. If the number has suddenly become 600, then I am glad to know we have 600 nurses.

Hon. W. D. Johnson: You only read part of it.

Mrs. CARDELL-OLIVER: It does not matter to me, or to the House, whether there are 300 nurses or 600 nurses. If there are 600 nurses in the Western Australian Nurses' Association, we are glad to know it, and if we have 1,400 or 1,500 registered trained nurses, we are also glad. I would, however, like to say that I did not give the figure as 1,500, but between 1,400 and 1,500, as being the number of registered nurses, and 900 as being the number of financial members.

Question put and passed.

Bill read a third time and transmitted to the Council.

BILL—EMPLOYMENT OF COUNSEL (REGULATION).

Read a third time and transmitted to the Council.

BILL—JUDGES RETIREMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. F. C. L. Smith—Brown Hill-Ivanhoe) [5.14] in moving the second reading said: The pro-

visions of this Bill are similar to legislation that already exists in at least three other States of the Commonwealth with respect to the retiring age for judges. At present we have no provision in this State for a retiring age for judges of the Supreme Court. They hold office under the Supreme Court Act during good behaviour, and are only removable upon an address to both Houses of Parliament. Just what would be the circumstances in which Parliament would act is somewhat difficult to determine. I take it that misuse of the prerogatives of a judge's position would justify Parliament in taking action, if such misuse could be proved. A condition of mental infirmity, arising possibly from age and possibly not appreciated by the judge himself, would justify the Legislature in taking some action. Whatever might actuate Parliament to remove a judge under existing legislation will not be affected by the Bill. The measure provides a retiring age for judges on reaching the age of 70 years. Western Australia already has analogous legislation in regard to stipendiary magistrates, whose retiring age is fixed at 70 years. Again, the Industrial Arbitration Act fixes the retiring age of the President of the Arbitration Court at 70 years. Further, we have the legislation of other States to guide us in this matter. Queensland legislation fixes the retiring age of judges at 70 years. When that legislation was passed it applied not only to future judges but also to judges then on the bench. As regards judges on the bench at the time of its enactment, the Act provides that their pensions shall be as prescribed by legislation previously existing. With regard to future appointments to the bench, however, the Queensland Act abolishes pensions altogether. New South Wales legislation provides for retirement of judges at 70 years, and grants them pensions irrespective of length of service. When a similar Bill to this was before the House last session, I mentioned that legislation of the same nature was being considered by the Victorian Parliament. Since then the Victorian Bill has been passed. Victoria fixes the retiring age at 72 years. Just what the position is in Victoria with regard to pensions I have not been able to ascertain. Pensions there are determined by regulations promulgated under the Act. I am making further inquiries as to that phase. Prior to fixing the retiring age, Victoria had a system of applying an annual

sum of £4,000 to the payment of pensions of retired judges. If the full sum was already being used for that purpose, judges on the bench had to wait until one of the retired judges had passed away before they themselves would become eligible for pensions as the result of retirement. The terms of appointment of Federal judges are fixed by the Commonwealth Constitution, and consequently can be altered only by referendum. It does not seem likely that a referendum will be taken to determine the retiring age of Federal judges. However, as regards a retiring age, whatever age may be determined on an arbitrary basis, there would be some dispute. Some people will oppose the particular age fixed, because they know of cases where physical and mental powers had not been seriously diminished for a number of years beyond the age proposed. Others will oppose the age fixed because they can quote cases in which physical and mental powers were seriously diminished many years before that age. So we have to choose an age which will provide for a rule applying to diminishing mental and physical powers, and not for exceptions to that rule. Generally speaking, even the exceptions quoted prove the age of 70 years to be invariably the age at which there is some decline in mental and physical powers. There is some difference, I am aware, between the age fixed in the Bill and the retiring age applying to public servants: but it has to be remembered that we are statutorily fixing the age under the Bill and that the retiring age for public servants has been determined by administrative action. In connection with the Public Service we must also remember that many of the persons concerned hold positions that call not only upon the mental but also upon the physical powers, whereas in the case of judges of the Supreme Court we are primarily concerned with diminishing mental powers. The authority vested in judges and the work they are called upon to perform are of such importance that we exercise the very greatest care in selection, so that a judge will be able to live up to the high responsibilities of his position. We should be just as careful to see that the qualities demanded upon appointment are maintained throughout the years of service. The Supreme Court Act provides that a judge who has reached the age of 60 years and has 15 years of service shall be entitled

to a pension. That is so under Section 14 of the Supreme Court Act, and Parliament in enacting that section implied that 45 years was a reasonable age at which judges should be appointed. Furthermore there is an implication that 60 years is a reasonable age at which judges should begin to contemplate retirement. The Bill proposes to amend the Supreme Court Act so as to remove the demand of 15 years' service as qualification for a pension. If the Bill passes and if the requirements of the Supreme Court Act with regard to pensions are insisted upon with the retirement age at 70 years it will mean that any appointment made after the age of 55 years has been reached will disqualify the judge for a pension, because obviously it would not be possible for him to serve the necessary 15 years. However, at some future time, in extraordinary circumstances, it might be necessary for a Government to decide to appoint a judge who, because of his age and the necessity for retiring at 70 years, could not possibly serve 15 years. It is not desired to prevent the possibility of such an appointment where circumstances would warrant it. Nevertheless the circumstances that exist will certainly have to be extraordinary for a Government to appoint a judge who is over 55 years of age. It may be pointed out that it is already provided in the Supreme Court Act that on its being made to appear by a medical certificate to the satisfaction of the Governor that a judge is incapable by permanent infirmity of mind or body to perform the duties of his office, he can in such circumstances demand the same pension as he would otherwise have been entitled to. So that the principle of paying the pension for less than 15 years' service is admitted in that particular exemption, and we can regard the age of 70 years as being an age which in most cases, at any rate, justifies a retirement. The tendency in respect to the appointment of judges in recent years has been to appoint judges of a younger age than was formerly the practice. Mr. Justice Evatt of the High Court of Australia was about 38 when he was appointed to that position; Mr. Justice McTiernan was about 45, and the Chief Justice, Sir John Latham, was 57. In New South Wales Judge Roper was appointed at 35, Judge Owen Dixon was about 35, and Mr. Justice Gavin Duffy was about 50.

Mr. Marshall: This is the age of young men.

The MINISTER FOR JUSTICE: I think I am right in saying that the position of a judge calls for a particular aptitude for the position, and that it does not necessarily depend upon the years of experience. I daresay that years of experience naturally help to qualify a judge for the position he holds, but there have been some striking examples in the Commonwealth of Australia of young men who have shown a particular aptitude in their legal career for the position of judge, and that aptitude in many instances has been recognised and they have been appointed to the position. Some of the men whose names I have given as having been very young at the time of their appointment have since justified their appointment. The Bill will not apply to the present judges of the Supreme Court, because it is felt that the terms under which they were appointed and accepted their positions should not be disturbed by retrospective legislation, but the Bill will apply to all future appointments. But an appointment of a puisne judge to the position of Chief Justice will not be regarded as an appointment for the purposes of the Bill. The precaution is taken in the measure that in the event of a judge reaching the age of 70 during the progress of a case he shall be permitted to complete it, and the same provision applies, too, to an acting judge or commissioner reaching 70 years of age in the progress of a case. I move—

That the Bill be now read a second time.

On motion by Mr. North debate adjourned.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Resumed from the 12th October.

HON. C. G. LATHAM (York) [5.36]: The Bill proposes to amend the Assessment Act relating to the financial emergency tax. The Premier, in introducing the Bill, said it was carrying out the policy that had been adopted by the House previously. I am not sure that that is so. I think there is a good deal of disagreement in that respect. Previously we imposed a tax on married men on a figure calculated at 2s. above the basic wage. That is to say, on married men who are income, salary or wage earners. In this

instance it is proposed to introduce the system that was submitted last year, that is, to exempt from the tax those on the basic wage. But as it was pointed out previously, the basic wage is likely to vary every quarter. We on this side of the House have told the Government before of the difficulties that would be encountered by people in the country. Big commercial houses would not be affected so much as the man who employs two or three men in the country, because the man in the country, if there is a variation in the basic wage, would not be aware of what the wage was at the time he made his payments.

Mr. Withers: How many pay the basic wage in the country?

Hon. C. G. LATHAM: A lot of them do; they may not do so at Bunbury but they certainly do where there is an award operating, and the award rate is affected by the rise or fall in the basic wage. The hon. member ought to know that. Surely he does not desire me to tell him that. I am sorry that the Premier has introduced the system that was rejected last year. I admit that he has made provision for a starting point for the tax on income. If the basic wage at the 30th June were taken and multiplied by 52 and that amount were to be taken as the amount to be exempted for all married men I should be prepared to agree. But the Premier does not do that. He differentiates between salaries, wages and income.

The Premier: The basic wage earner would pay on the basic wage of last year under this Act.

Hon. C. G. LATHAM: He pays at the source. As the amount is paid to him he pays the tax. That is the provision under the Act now and it is proposed to continue that provision. But the man who pays a tax on income pays when he gets his assessment. It is proposed that the basic wage at the 30th June of the preceding financial year shall be taken as the starting point, as the basic income, and it will not be subject to the variations which take place.

The Premier: Because he is paying a tax on his income of last year.

Hon. C. G. LATHAM: Well, I suppose it does not matter. But if the Premier had introduced that system for all I might have been prepared to accept it. The Bill will exempt basic wage earners on the goldfields who previously were called upon to pay the tax. I do not know that there is anything

unfair about that. But they are paid on a margin of skill and there are so few that are likely to be paid the basic wage that the goldfields workers are not likely to be affected a great deal. It was for that reason, I believe, that the Government were prepared to accept the amendments forced upon them by another place. I am not going to support the Bill as it stands but would have been prepared to do so had the Premier taken the basic wage as at the 30th June, multiplied it by 52 and then said that that should be the starting point for all.

The Premier: And the basic wage might be altered the week after.

Hon. C. G. LATHAM: The Bill is intended to make this a permanent Act because it is desired to get over the necessity for coming here every session to have the tax discussed.

The Premier: It is to alter the Assessment Act.

Hon. C. G. LATHAM: I am referring to the Assessment Act. The taxing measure of course will have to be brought up every session unless the House agrees to the imposition of the tax for a longer period. These things are not pleasant to discuss because there is always some misunderstanding. We ought to adopt the principle which has been accepted previously, of making the exempted figure 2/- above the basic wage. The Bill also proposes to make the employer as well as the employee liable in respect of the payment of tax by the employee. I argued along those lines the last time, but it was not acceptable to the Government. I think the employer should be responsible. It is the principle embodied in the Hospital Fund Act and the same principle should be followed in respect of this Act. I do not agree to the provision which gives the Government three years during which to prosecute. People sell their businesses and in handing over those businesses quite a number of the books relating to them are either lost or destroyed. Yet an inspector is to be given the right to go to these people and demand to see the books which they kept three years previously. That seems to be an unreasonable period to require a man to keep his books.

The Premier: That is not how it will work out.

Hon. C. G. LATHAM: That is what the inspector can do. I consider that six months is long enough for a man who has gone out

of business to keep his books and produce proof to the inspector that he had complied with the Act. I shall certainly not agree to a period of three years. There is another point to which I wish to direct the Premier's attention. We are taxing men who are earning less than the basic wage.

The Premier: The adoption of your suggestion would have that effect.

Hon. C. G. LATHAM: No, it would not. Provision could be made to guard against it. What happens is that at the end of the period for which men are employed on part-time work, the amount of the tax is deducted. A man with a wife and two children would receive, on part-time work, £2 8s. a week.

The Premier: Nothing would be deducted from that.

Hon. C. G. LATHAM: Until a little while ago a deduction was made. If it is still being made, the Premier should instruct his officers to take into consideration the stand-down period.

The Premier: They do.

Hon. C. G. LATHAM: They did not.

The Premier: I know they do. It has been done on representations made by you and other people.

Hon. C. G. LATHAM: I do not know whether there is any legal objection to allowing for the stand-down time. If there is any legal objection, it could be remedied.

The Premier: There is not.

Hon. C. G. LATHAM: I hope the Premier is certain of what he is saying. He wanted to know from the Minister for Employment whether my statement was correct. I want an assurance from the Premier to that effect and, if necessary, a provision should be inserted in the Bill to make the position clear. We should not penalise a man who is on part-time employment. We should take into consideration the stand-down period and not collect the tax simply because, during part of the time, he has been employed. I admit that there is great difficulty in administering this class of legislation. People in the country experience difficulty. It is all very well for the member for Bunbury to say that they do not do this or that. It is difficult when a man is employed at shearing to find out what amount of tax should be deducted. The rate varies up to 1s. in the pound. Reference has repeatedly been made to me to ascertain exactly what amount of tax should be paid

by men engaged in well sinking and dam sinking, but I have always advised applicants to communicate with the Commissioner of Taxation. He is the man that is responsible.

The Premier: They can make application to have it fixed on income.

Hon. C. G. LATHAM: It is not so easy to get that done. With certain employees there is no difficulty, but with others I cannot imagine the Commissioner of Taxation agreeing to fix the tax on income. He will not do it for well sinkers who are employed infrequently.

The Premier: He would do it for a contractor with a plant or for a shearer with a two-stand plant.

Hon. C. G. LATHAM: I am glad to have that assurance from the Premier, but I inform him that it is difficult to make that arrangement with the Commissioner of Taxation. It is time we gave consideration to amending our taxation measures.

The Premier: I am with you there.

Hon. C. G. LATHAM: Let me direct attention to the Auditor General's report. On page 17 he states—

As implied by the title, the financial emergency tax, when introduced, was intended to provide a measure of assistance towards meeting the emergency that then existed. In view of the general improvement of the last three years, the title is, perhaps, not appropriate to the present, but the need for continuance of the tax or one that will return an equivalent amount is undeniable.

I resent the inclusion of that paragraph in the Auditor General's report. It has nothing to do with him. It is not for him to say whether we should impose taxes or not. That matter rests entirely with the Government and the Parliament. Here we are in the hands of a Treasury official. The Auditor General cannot forget that he came from the Treasury, and that has been the attitude of the Treasury officials all along. The Auditor General had no right to make that comment. It is his duty to inform us whether the money has been properly expended and controlled. Whether the revenue is sufficient for the State's needs is a matter entirely for the Government and Parliament to determine, not the Auditor General. The report further states—

In that regard comparisons with pre-depression years are apt to be misleading unless due consideration is given to the additional burdens which revenue and taxation particularly have been called upon to meet. Not less than

£1,000,000 annually is involved in the cost of exchange, the altered method of taking interest earnings to revenue, and the improvement to loan classifications, all of which had their origin since the year 1929-30.

Although, therefore, the returns from the ordinary avenues of taxation have practically regained the 1929-30 level, which was the peak year to that time, it is obvious that any reduction in the total amount of taxes now being collected can only be effected by a corresponding saving in expenditure, principally social services, or alternatively by reversion to the practice of deferring portion of the real deficit of each year.

There again the Auditor General has made an unnecessary comment. It is not his duty even to direct Parliament in that respect.

The Premier: He does not.

Hon. C. G. LATHAM: Practically he does.

The Premier: He is the officer who gives Parliament his opinion.

Hon. C. G. LATHAM: His function is to see that the money is expended as Parliament authorised it to be expended and that there is no misapplication of funds. If taxes are not collected as Parliament has decreed, he should direct our attention to the fact. If there is any expenditure in directions for which there is no authorisation, it is his duty to inform us, but I rather resent his telling us what we should do about taxation or anything else. If he looks after his side of the work, we can look after ours, so long as he presents his report to Parliament early. I have nothing to say against the Auditor General's report generally. It is an improved document. I think he has set out as clearly and concisely as possible the position as he has found it. For that reason I commend him for his work, but I do not like his telling us what we ought to do. That is not his duty. It is his duty to point out where the Government are going wrong and to see that Ministers and officials do not expend money wrongly. He should be the friend of every private member of Parliament and not the friend of the Government.

The Premier: He could be both.

Hon. C. G. LATHAM: I hope he is not too much the friend of the Government.

The Premier: I hope he is both.

Hon. C. G. LATHAM: I consider there is no necessity for all this taxation. This particular tax is far too heavy. There is no justification for the increase that the Premier made last year. During the current financial year the Premier anticipates collecting no less than £1,000,000 from this source, and so long as we give Governments money to spend,

they will spend it. There is no doubt about that. When we reach the Estimates of the Minister for Health I shall have something to say about instructions that I understand have been issued by the Medical Department regarding the hospital fund. The department have no right to issue instructions on the lines of those that I have been informed by hospital committees have been issued. This tax is collected for the benefit of the people as a whole, and should be made available for expenditure irrespective of whether the persons employed are unionists or not. To insist upon their being unionists is wrong. The other day a man whose tender for ploughing a firebreak along a railway had been accepted was informed by the Railway Department that he was not to proceed with the work unless he gave an undertaking to employ union labour. I resent anything of that kind. It means that the Government are taking money out of the pockets of the taxpayers to build up political funds, which is wrong in principle.

Mr. SPEAKER: I think the hon. member is out of order.

Hon. C. G. LATHAM: Surely this is a tax.

Mr. Marshall: It is not a question of expenditure.

Hon. C. G. LATHAM: The money cannot be expended until it has been collected.

Mr. Marshall: We are only considering the collection of the tax.

Hon. C. G. LATHAM: What are we going to do with it when we have collected it? We have a right to say that this Bill authorises the collection of taxation and that, before we pass it, we want to know how the money is to be expended. Surely I may discuss the manner in which the money is being expended.

Mr. SPEAKER: That can be done on the Estimates.

Hon. C. G. LATHAM: I do not think so.

Mr. SPEAKER: I have told the hon. member what I think.

Hon. C. G. LATHAM: Then, if we differ, we must agree to differ. Taxation provides revenue for the Government that is spent on social services. This money is not earmarked for any special service: it is intended for general service. When the Government can issue instructions such as I have indicated, it shows that they are getting far too much money. If this House will not object to that sort of thing, the

people as a whole will object. I know that there has been a withdrawal of part of the instructions issued, but fancy a man who is to be paid from these funds receiving an instruction of that kind.

The Premier: He would be paid from railway revenue.

Hon. C. G. LATHAM: There is always a deficit in railway revenue and who makes up the deficit?

The Premier interjected.

Hon. C. G. LATHAM: Now we are getting back to the principle of applying this money for a special purpose. The member for East Perth (Mr. Hughes) on one occasion attempted to get the money earmarked for a special purpose and I believe he was ruled out of order. There is no necessity for giving the Government additional revenue. At one time the Loan Council advised us that we were under-taxing our people to the extent of £400,000 a year. Since then we have imposed additional taxation to the extent of $2\frac{1}{2}$ times that amount. I say that this tax is far too high, especially as it permits the Government to do as they are doing. I wish to see some amendments made to the Bill. I wish to get back to the principle we have adopted during the last three or four years. I can see no objection to that principle which has been accepted by Parliament. I refer to the principle of fixing the starting point of this tax for a married man at 2s. above the basic wage.

The Premier: If you do that, in six months' time we might have it 6d. below the basic wage.

Hon. C. G. LATHAM: With the present party in power, that is likely to happen, because of the increase in the cost of living arising from their administration.

The Premier: No.

Hon. C. G. LATHAM: The cost of living rises and the basic wage goes up.

The Premier: No, the cost of living goes up because your farmers are getting better prices.

Hon. C. G. LATHAM: Does the Premier remember the argument when we were on that side of the House, namely that we were forcing down the cost of living? Of course the increase in the basic wage is due to governmental action. However, we shall have to put up with that so long as we have a Labour Government.

The Premier: Your farmers are getting better prices and therefore the cost of living goes up.

Hon. C. G. LATHAM: That is something new.

The Minister for Mines: It is true.

Hon. C. G. LATHAM: Well, it is something I have yet to learn. Prices do vary with the cost of living; there is no doubt about that. As wages go up, so the producer has to increase the price of his commodity.

The Minister for Works: The poultry-raisers too?

Hon. C. G. LATHAM: I do not think eggs were ever so cheap as they are at the present time. They can be bought for 5d. or 6d. a dozen. I do not know, either, that when the basic wage goes down, the price of eggs goes down. It is the administration of the Government that causes the rise and fall in the basic wage. When there is good government, there is cheap living for the people; when there is bad government, prices go up. On the question of policy we should not make the proposed alteration. Every year we seem to be altering this legislation. In this case the people themselves are the tax collectors; the Government do not pay them anything, and now the Government want to make the position more difficult for them. The Government should give them a system that they can understand, and then that system should be adhered to, and not varied every year. I think that £3 15s. was the starting point for a married taxpayer last year.

The Premier: That is the rate now.

Hon. C. G. LATHAM: And he knew it would be £3 15s. all the year. Now it is proposed to alter the figure to £3 15s. 10d., and in a little while it may be £3 17s. Perhaps by the time the fourth quarter arrives, it will be £3 18s. We started with a flat rate of 4½d.; to-day it is 1s.

The Minister for Mines: Those who pay 1s. should not squeal

Hon. C. G. LATHAM: The Minister for Mines has so little to say that he must interject. I know there is necessity for an amendment of this sort but I disagree with the principle now introduced, and I intend to oppose it in Committee.

MR. McDONALD (West Perth) [6.4]: I propose to support the second reading because, however much we may like to reduce taxation, the time has not arrived when that

can be done, on the present basis of expenditure. I said a few weeks ago that I thought it would be useful to have a committee of this House that could review expenditure, not in a critical but in a constructive manner, so that avenues where Government expenditure could be reduced, without interfering materially with the essential services of the State, could be explored, and, where it seemed possible, the outlay of the State reduced in a number of directions. It would perhaps then be possible to give some relief from taxation to the community generally and particularly to those people on whom taxation pressed heavily. We were the last State to introduce this emergency taxation. I think it was commenced by Mr. Lang in New South Wales, with a tax of 1s. in the pound, and the member for Fremantle will recollect that this tax applied to the wages of the working man. It was the example of the legislation of New South Wales that this State ultimately followed. We commenced with an exemption, I think, of £2 in the case of people who had dependants; then we accepted the principle that a man on the basic wage should also be exempt. The House accepted that principle, and for two or three years we have annually fixed a sum which was 2s. or thereabouts in excess of the basic wage. That sum has had to be increased from year to year. Now we have gone back to what is in many respects a better system—by which in the case of the man with dependants the exemption is to cover the basic wage and shall vary with the basic wage. But we have also retained the £195 figures from the last amending Act.

The Premier: That is in respect of last year's income.

Mr. McDONALD: That is so. As I read the Bill, it means that if the basic wage should fall below £3 15s. a week, then the man in receipt of it would still pay no taxation. He would not pay taxation unless his income exceeded £195 a year. To be logical, we should have to do one thing or the other. If the man on the basic wage is to be exempt, the exemption should rise and fall with the rise and fall of the basic wage. It does not affect the worker, because his wages are exactly the same. I support the remarks of the Leader of the Opposition with regard to the penalty. The section in the parent Act that imposes a penalty is very severe. It pro-

vides that any person who commits any breach of the Act or fails or neglects to comply with any of the provisions of the Act is liable, for the first offence, to a penalty of £20 and for a subsequent offence £100. A person may neglect to comply with the provisions of the Act by failing to put a proper stamp on the sheet. It should be sufficient to go back one year to prosecute a man for some neglect, because over that period, as the Leader of the Opposition pointed out, he might be able to submit a defence, but I consider that the limitation should be 12 months. Of course, if there were any fraud, then I would have no objection to the prosecution going back three years. If there should not be fraud, if it were merely neglect or omission, then a 12 months limitation would be fair.

On motion by Mr. Wilson, debate adjourned.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. J. C. Willecock—Geraldton) [6.11]: I move—

That the House at its rising adjourn until Tuesday, the 26th October.

Question put and passed.

House adjourned at 6.12 p.m.

Legislative Council,

Tuesday, 26th October, 1937.

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

QUESTION—GROUP SETTLEMENT, DENMARK.

Hon. A. THOMSON asked the Chief Secretary: 1, What was the total expenditure by the State in establishing settlers in the Denmark area under the Group Settlement Scheme? 2, What was the total expenditure on road construction in the Denmark area? 3, What was the highest number of settlers in the Denmark area placed on holdings under the Group Settlement Scheme? 4, How many settlers are on their holdings at present?

The CHIEF SECRETARY replied: 1, £687,564. 2, Total expenditure to 30th June, 1937, from State funds on construction of roads and bridges in Denmark area:—General Loan Fund—(a) Group settlement (roads) item, £100,682; (b) new roads and bridges item, £9,784; total, £110,466. Sale of Government Property Trust Fund—Roads and bridges item, £20,106; grand total, £130,572. 3, 252. Holdings reduced by linking and rejections to 159. 4, 83.

FACTORIES AND SHOPS ACT AMENDMENT BILL SELECT COMMITTEE.

Extension of Time.

HON. J. NICHOLSON (Metropolitan) [4.37]: I move—

That the time for bringing up the report of the select committee be extended to Tuesday, the 2nd November.

In submitting the motion, and by way of explanation, I should like to remove from the