

Hon. C. G. LATHAM: I move an amendment—

That in line 6 of paragraph (d) "prejudicially" be struck out.

The idea is that the commissioners have power to create new debentures, take back old ones, and issue fresh ones, and vary the conditions. To retain the word "prejudicially" would be rather extreme.

The MINISTER FOR LANDS: When conversion takes place there must be an alteration. If we provide that no contract or engagement shall be affected, there can be no conversion.

Hon. C. G. Latham: I was referring to the altering of the conditions.

The MINISTER FOR LANDS: We desire to ensure that a debenture is not taken for a lesser sum. The amendment would render the paragraph useless if conversion or redemption were intended.

Hon. C. G. LATHAM: I am prepared to accept the Minister's assurance, provided the altering of the conditions only means that a person need not take a debenture at a less value than any held previously.

Amendment put and negatived.

Clause put and passed.

Clauses 24 to 28—agreed to.

Clause 29—Debentures lost or destroyed, etc., new debentures may be issued in lieu:

Hon. C. G. LATHAM: The proviso stipulates that a person receiving the principal money and interest in respect of lost or destroyed debentures shall give security. Does that mean tangible security in the shape of other bonds and for what period?

The Minister for Lands: He would have to indemnify the commissioners.

Hon. C. G. LATHAM: If it is merely a matter of indemnifying them against anyone else making a claim, I have no objection.

The Minister for Lands: It is similar to the provision in the Finance and Development Board Act and conveys all that is necessary.

Hon. C. G. LATHAM: Might not the commissioners demand some form of security such as a cash deposit apart from a note of indemnity?

The Minister for Lands: Generally an indemnity would be accepted.

Hon. C. G. LATHAM: The Minister has not given a very satisfactory answer.

Clause put and passed.

Clause 30—agreed to.

Progress reported.

House adjourned at 1.27 a.m. (Wednesday).

Legislative Council,

Wednesday, 21st November, 1934.

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

QUESTION—UNEMPLOYMENT, FRANKLAND RIVER CAMP.

Hon. A. THOMSON asked the Chief Secretary: 1, How many single men were provided with work and sustenance at Frankland River? 2, How many acres of land have been cleared? 3, How many acres have been put under pasture? 4, How many miles of fencing have been erected? 5, How many posts have been cut and stacked in the bush? 6, How much has been paid for

them? 7, What is proposed to be done with them? 8, What is the total amount of money expended in providing works and clearing for the unemployed in the Frankland River area? 9, How many miles of road were constructed? 10, What is the intention of the Government regarding the care and protection of the assets that have been created?

The CHIEF SECRETARY replied: 1, An average of 470 men were employed. 2, 3,562 acres partly cleared. 3, 633 acres. 4, 21 miles 60 chains, posts only, erected and bored. 5, Not definitely known. 6, Information not available. 7, Will depend on No. 10. 8, £64,505 5s. 9, 38 miles cleared. 10, The matter is at present under consideration.

QUESTION—STATE BATTERY, KALGOORLIE.

Hon. C. G. ELLIOTT asked the Chief Secretary: What was—1, The total purchase price paid by the Government for the State Battery at Kalgoorlie? 2, The purchase price of old ten-head mill and plant—(a) the rent, if any, paid by the Government; (b) the cost of repairs to date; (c) from whom was it purchased? 3, What was the price of the new five-head mill and plant— from whom was it purchased?

The CHIEF SECRETARY replied: 1, £6,500, including £500 for surface rights. 2, Answered by 1—(a) £3,120; (b) £1,348 12s. 2d.; (c) North Kalgurli United G.M., Ltd. 3, £4,795 19s. 9d.—(a) erected by department.

ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMEND- MENT BILL—SELECT COMMITTEE.

Extension of Time.

On motion by Hon. J. Nicholson the time for bringing up the report of the select committee was extended to Wednesday, 28th November.

BILLS (2)—THIRD READING.

- 1, Gold Mining Profits Tax.
 - 2, Land Tax and Income Tax.
- Passed.*

BILL—LOAN, £3,938,000.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.40] in moving the second reading said: The purpose of this Bill is to provide the necessary authority to enable the Government to borrow money for expenditure and services detailed in the first Schedule, and to reappropriate certain other Loan moneys as set out in the second and third Schedules. The total amount asked for is £3,938,000. Of this sum £3,188,000 is required for works, and the balance of £750,000 is required for short term advances to meet expenditure, pending the receipt of revenue. The total amount raised last year was £3,946,000. The gross loan programme approved by the Loan Council for this year is, ordinary Loan £3,000,000 and Power House Extension £150,000, a total of £3,150,000. Last year the ordinary loan approved by the Loan Council was £2,750,000, so that this year there is an increase of £400,000.

The aggregate Australian Loan proposal for the year 1933-34 was £20,930,000, and this year it amounts to £26,360,000—an increase of over 26 per cent. The increase for this State is £400,000, equalling 14½ per cent. increase over last year's, and therefore is well below the general average of the States.

It is generally recognised that all Governments must continue the policy of providing work for their unemployed pending the recovery of industry from the effects of the depression. With this object in view all Governments entered into a more vigorous programme of relief works, and this has undoubtedly been reflected by an improvement in local trade conditions.

As the Commonwealth Government are vitally interested, it should materially assist in combating the evils of unemployment. In a time of economic stress such as we have been and still are experiencing, national works are the only outlet for the employment of man power. Our great problem in this State is to find suitable work for the absorption of men, because works that provide the highest percentage of expenditure in wages are not necessarily the works that should be undertaken at the present time. All proposals for work are closely scrutinised, and those that conform

most closely to all requirements are selected. The result is shown by the provisions which have been made in regard to this year's Loan Estimates. Last year, the ordinary Loan expenditure amounted to £2,664,022, which was allocated as follows:—

	£
Departmental	80,915
Railways and Tramways, etc. ..	319,890
Harbours and Rivers	234,661
Water Supply and Sewerage ..	792,795
Development of Goldfields ..	73,701
Development of Agriculture ..	910,401
Roads, Bridges, Buildings, etc.	251,659
Total	£2,664,022

The allocation for this year is—

	£
Departmental	87,104
Railways and Tramways	471,250
Harbours and Rivers	317,000
Water Supply and Sewerage ..	1,330,500
Development of Goldfields ..	70,000
Development of Agriculture ..	485,000
Roads, Bridges, Buildings, etc.	381,465
Total	£3,142,319

Members will notice that there are some marked differences in the allocations of expenditure for the two years. For instance, the amount provided for water supply and sewerage works has been increased by £538,000. Water supply and sewerage works are urgently required and will pay interest on the capital expenditure. Provision under the heading "Railways and Tramways, etc." shows an increase of £151,000 over last year's figures. The whole of this increase will be required for the proposed extensions to the East Perth Power House. The programme to overtake deferred maintenance and repairs on the railways is being continued. This expenditure is not being made a permanent charge to Loan Account. Recoups from Revenue will be made each year. Last year an amount of £70,000 was repaid to Loan and provision is made on this year's estimates for a recoup of £100,000. Further regrading and deviation works have been put in hand and in each case the expenditure is justified by a reduction in working costs, by eliminating heavy gradients, and by reducing train mileage costs by enabling heavier loads to be hauled. Ballasting is also receiving attention with the object of reducing recurring costs of maintenance and permitting increased speed. Provision has been made

for additional rolling stock, which is urgently required. In addition to belated repairs, the principal works at present in hand are—

Ballasting—Coolgardie-Norseman, Southern Cross-Bullfinch, Waroona-Picton Junction.

Regrading—Kukerin-Dumbleyung section of the Wagin-Lake Grace line.

Water Supply at Williams.

Provision has also been made for a commencement to be made with two new lines—Yuna-Dartmoor, £10,000; and Southern Cross Southwards, £10,000.

Hon. G. W. Miles: Are you going on with those works?

The CHIEF SECRETARY: Yes.

Hon. J. Cornell: How will the Roebourne jetty fare?

The CHIEF SECRETARY: I will mention that jetty later on. In addition, small amounts have been provided to finalise accounts on completed lines, to meet survey expenses, and for the settlement of land resumption claims. In the case of "Harbours and Rivers," an increased provision of approximately £85,000 has been made and applies to two items, namely, Ashburton jetty, £30,000, for the purpose of reconstructing the portion that was destroyed by a cyclone last year; Esperance Jetty, £55,000. This sum is required to enable the work to be completed. A pleasing feature about the work is the fact that it is expected that a considerable saving will be effected on the original estimate.

Hon. J. Cornell: They have carried out a very good job.

The CHIEF SECRETARY: The extension of the breakwater at Bunbury, which was commenced last year, is being continued. Work on the permanent renewal of Victoria Quay was suspended last year in order to attend to urgent reconstruction work on the North Quay. It is anticipated that this work will be completed in April next, and work will be resumed on Victoria Quay. The amount provided for Geraldton will be expended in the completion of the spur extension to the breakwater, and the construction of the new goods shed. It is expected that the dredging to a depth of 28 feet at two berths will be completed during the year. The principal expenditure under the heading "Improvement to Harbours and Rivers" will be in connection with reclamation work at the Causeway and the strengthening of the

existing ferry boat jetties. North-West items include provision for increased jetty and shed accommodation, and also for investigation and preliminary work in connection with the provision of jetty and harbour facilities for the Roebourne district. The item "Water Supply and Sewerage" includes the whole water supply, sewerage, irrigation and drainage requirements of the State.

Hon. G. W. Miles: The Government are doing good work there.

The CHIEF SECRETARY: It is anticipated that the Mungallup water scheme to serve Collie will be completed this year and further works in connection with the Geraldton scheme will be carried out. Provision has also been made for improvements to other supplies and for investigation into new schemes. Improvements have been made to water supplies on stock routes. In some areas there has been a change over from cattle to sheep, with a consequent requirement of additional stock wells at lesser distances apart. The amount provided for sewerage and drainage this year shows an appreciable increase, as sewerage works, at the present time, offer the best channel for the investment of our Loan money.

Hon. G. W. Miles: That is most useful and necessary work.

The CHIEF SECRETARY: And that class of work offers the most productive avenue for the investment of money. Plans for a comprehensive scheme for the sewerage of the thickly populated areas south of the river are nearing completion, and the Government have already made an announcement in regard to this work. The scheme will provide for an ocean outfall, with provision for future expansion of the area to be sewered. The completion of this scheme will permit of the closing down of the Burswood filter beds.

Members: Hear, hear!

The CHIEF SECRETARY: Work in the Cottesloe-Claremont area is being pushed forward. The only drainage work to be carried on will be the Maylands-Inglewood work, the third and final section of which is now being proceeded with. Additional storage reservoirs in connection with the metropolitan water supply have long been required and a commencement has been made on the construction of a new reservoir at Buckland Hill, estimated to cost £50,000. Preparatory work to increase the storage in

King's Park has been commenced and it is estimated that this extension will cost £35,000. Work will be continued on the Canning Dam, where a wall has been erected to a height of 40 feet on each side of a gap, through which the stream passes. As soon as the flow diminishes, the water will be diverted through pipes set in the wall and the central gap will then be blocked in and concrete will be brought to a level across the full width and for this purpose a second shift will be started within the next few weeks.

Hon. G. W. Miles: Will the wall be up before next winter?

The CHIEF SECRETARY: It is not anticipated that storage of water can be made this summer, but with the aid of the second shift, the quantity stored by June, 1935, will be increased from 200 million gallons to 500 million gallons. The work is proceeding very satisfactorily, and costs have been kept well within the estimated figure. Owing to the great increase in water requirements from the Goldfields Water Supply Scheme for mining purposes, the reconditioning of the main conduit has become a matter of urgency and this year it is proposed to lift, repair, line with cement and relay 30 miles of the old locking bar pipes, to replace 11 miles of the old main with wood pipes and a further 9 miles with cement-lined steel pipes. It is expected that the Harvey, Wagerup and Waroona drainage schemes will be completed this year, and money has been provided to proceed with the enlargement of the Drakesbrook and Waroona main drains in conjunction with the construction of irrigation channels. Urgent requirements in agricultural areas generally will be provided wherever possible and boring operations will be carried out in the Balla-Dartmoor and Wandana areas. The provision for the Murchison, Peak Hill and Eastern Goldfields will be expended in the improvement of supplies in those areas, the principal ones requiring attention being the supplies at Norseman and Meekatharra.

In regard to the provision for the development of mining, the prospecting scheme will be the main source of expenditure. There are still 1,000 men on the fields under the scheme. Altogether 3,000 men have been assisted since its inauguration, and of this number, many have been absorbed into the industry, as wages men, and others have struck payable gold and have continued

without further assistance. The increased provision for abattoirs is required to cover the cost of the new machinery now coming forward for emplacement in the additional space provided last year. Portion of the decrease in the Lands Department vote is accounted for by the fact that last year's expenditure included a transfer from an old suspense account, which carried expenditure properly chargeable to the Nornalup land settlement scheme. Reductions in the amount provided for the Agricultural Bank capital and for assistance to settlers reflect the determination of the Government to rehabilitate the finances of the Bank.

Group Settlement expenditure last year included an amount of £71,000 for advances made prior to the year 1932-33. These advances had been held in suspense pending the finalisation of mortgages. The decrease of £10,000 in the Forestry item is accounted for by a transfer last year to Loan Fund from the Loan Suspense Account of expenditure in the year 1932-33. The expenditure from the Treasury item "Assistance to Industries" will be determined as the need arises, but will mainly be represented by a continuation of work in special settlement areas such as Nornalup, Nannup, Napier River and South Busselton where further assistance is necessary to enable the settlers to become self-supporting.

It is not my intention to hurry the passage of the Bill unduly, and I will bring it up periodically so as to give members time to consider it and, if necessary, seek information. I will be pleased if members requiring information will specify their requirements during the debate on the second reading, and so enable me to have ample time to collect data and furnish replies. I move—

That the Bill be now read a second time.

On motion by Mr. C. F. Baxter debate adjourned.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. A. THOMSON (South-East) [5.5]: This is a Bill which most members view with a certain amount of concern. The Chief Secretary said that the purpose was

to make a partial restoration of the salary deductions to servants of the Crown, and that last year a start had been made by granting a certain measure of relief to employees drawing up to £293. That relief was estimated to cost the country £150,000, and a considerable amount of discussion took place regarding the wisdom of that action at the time the measure was before Parliament. The present proposal means the expenditure of an additional £90,000 a year. One wonders whether the Government are justified, in view of the fact that our deficit is estimated to be approximately three-quarters of a million, in making this partial restoration, and whether it can be termed sound finance, to grant increases to those who already have what we might call fairly comfortable incomes. I am not going to say those men in the past received salaries which were commensurate with the duties they performed, or that they were overpaid. I do not suggest for a moment that they were overpaid, but it seems to me that the policy of all Governments in Australia at the present time is to borrow money and spend it merrily, for to-morrow they may no longer be in office. I only wish I could feel that the prosperity some people are speaking about so much, and which may be apparent in the metropolitan area, was a real prosperity, and that the finances of the State justified the proposed expenditure. The action of the Government recalls the Biblical quotation, "To him that hath shall be given; and from him that hath not shall be taken away even that which he hath." The point is that the Bill proposes to give an additional amount to those in receipt of salaries between £300 and £500. Members of Parliament are to be included if the Bill becomes law, and they will receive £58 per annum. Let us consider the position of the wealth-producing section of the State. What assistance or what relief is being granted or extended to them? If I heard correctly a little while ago when the Chief Secretary moved the second reading of the Loan Bill, a considerably reduced amount is to be allocated for the development of agriculture. We find that on the Agricultural Bank books there are 13,824 clients, and we also know that the area sown this year is 500,000 acres less than that sown last year. This means that the Railway Department will lose approxi-

mately £90,000 in railway freight. Not only does that mean an enormous loss to the railways, but it also means a considerable loss in the wealth production of the State. Our wool stores are filled to overflowing and the price of that commodity, as everyone knows, is unpayable. I am just wondering what the Government's policy is to be in respect of the primary producing section of the community. As far as it has been possible to gather, no assistance is to be given to them; no additional money is being provided that they may enjoy a little additional comfort. As a matter of fact, the hardships of the primary producers are being added to. I notice that the secretary of the Transport Board has issued a warning to farmers that they have been breaking the law by conveying their own wool to the wool stores in order to save a few shillings, and that they must not continue to do this. One realises the difficult position of the primary producers. The Loan Bill which we are asked to pass provides for the raising of nearly £4,000,000 which will involve the State in the payment of a considerable amount of interest, and nearly the whole of the total is to be spent in the metropolitan area. To my mind that is a very unbalanced policy. We also find that the Commonwealth Cabinet consisted mainly of city men, and that it was soon realised a mistake had been made. I appreciate what is being done to provide work here for the unemployed and I have no doubt that in the course of time the sewerage undertaking about to be embarked on in the metropolitan area will mean an additional burden on those who are owners of property, though at the same time it will remove the very objectionable feature of discharging sewerage effluent into the river. One of the greatest difficulties that a member of Parliament has to face is that when a work is commenced, that is to say when a Government has committed itself to considerable expenditure—this applies to all Governments—Parliament is in duty bound to carry on that expenditure and to pass the estimates that are submitted. For years I have contended that many blunders in the past might have been prevented if we had had a public works committee composed of members of Parliament to scrutinize the projects it was desired to carry out. But there is our present unfortunate position.

We are facing heavy expenditure to which we are committed, in effect, without having any particular say as regards the work. I am not setting up my personal opinion, nor am I speaking in opposition to the engineers. I do not suggest that their scheme for the metropolitan area is doomed to failure because it will cost too much money. I merely quote it as one of the schemes which commit the country to extremely heavy expenditure without our having any say in the matter. The Chief Secretary, when introducing the corresponding Bill of last year, said it was absolutely necessary for the Government to have the amount of £300,000 which the tax was estimated to bring into the Treasury. He said this was absolutely necessary in order to enable the Government to carry out their undertaking in connection with the Premiers' Plan. Mr. Kitson, when speaking on the assessment Bill last night, said that the Government anticipated receiving £550,000 from the tax. However, we generally find that Treasury officials, when it comes to a question of taxation, under-estimate the yield of a tax. In this case the yield has risen from £300,000 odd to £550,000. From the Administration Act (Estate and Succession Duties) Amendment Bill, thanks to tightening up of the provisions of the parent Act, the Government expect to receive £45,000 additional. From the Gold Mining Profits Tax Bill they expect a yield of £80,000. Thus the three measures I have named are expected to provide the Government with additional taxation to the amount of £875,000. It may be argued that that constitutes a justification for the Government's proposal to restore £90,000 of the emergency cuts. If all the people who have suffered through emergency legislation were to share equally in that restoration, I should feel much happier; indeed, I would support the Bill with a great deal of pleasure. But if the Government are to act as business men are expected to act in similar circumstances, a considerable proportion of the additional taxation which is being imposed should be applied to reducing the accumulated deficit. By that course we should reduce the amount of interest payable each year. It seems, however, that all this Chamber can do is to register a strong protest against the continual borrowing and spending. I realise that the present Government, like their predecessors, have a difficult task imposed on

them in providing work for the unemployed; but certainly the present Government are in a much happier position than the previous Administration were in from the financial aspect. The present Government claim that they must restore part of the emergency cuts when they find themselves in a position to do so. I only wish they could restore prosperity to the whole community of Western Australia as easily as, apparently, they can restore the £90,000 to people who are in secure positions. No one can say that those people are in dire need. They are not nearly so badly off as even the sustenance workers. In connection with the sewerage scheme, a man with a certain number of members in his family will be given six weeks' continuous work, to be followed by a week off. In pre-depression days numerous casual workers were not nearly as well circumstanced as they will be under the method I have described. I am pleased that their position is such. On the other hand, numerous single men are not in a happy position, because naturally and rightly, the Government propose to provide for married men first. In this Bill, however, there is no equality of sacrifice. When emergency legislation was first introduced, we were told that in the interests of the Commonwealth and of the State equality of sacrifice was essential. I only wish that there was equality in restoration of the sacrifices which were made. The Acting Premier, in introducing this measure elsewhere, said he recognised that many people who had invested their money and were looking to the interest from it for their livelihood, now found their livelihood gone. Further, because of their owning a certain amount of property, they are in the unfortunate position of being unable to obtain assistance by way of the old-age pension. I would like to see some effort made to assist those unhappy people. I shall vote for the second reading of the Bill, because a refusal to do so would mean that the financial emergency legislation would go by the board. I trust, however, that in Committee hon. members will see fit to disagree to some provisions of the Bill. I realise that we are justified in making a protest. I give the Government credit for putting into effect proposals they believe to be right, but in my opinion the Government are merely providing relief for one small section. It may be argued, of course, that the whole of the cuts which

were made cannot be restored straight-away. It can be argued that as last year relief was given to people in receipt of approximately £300 per annum, this year the relief should extend a little further. If the farming community were in a position to meet their liabilities, if their financial condition was such as to enable them to pay their way, the Government would be justified in proposing restoration of cuts. A reference to the report of the Commissioner of Taxation shows that the average income tax paid by farmers last year was a little over £4 per head. My special reason for quoting the position of the farming community is that the Agricultural Bank has approximately £14,000,000 tied up in the industry. Many of our farmers are facing a serious position. Any assistance that has been rendered to them in the past has not been by way of increased income or relief from payments. Their land rents have been put up, and they are not in a position to pay those rents. Consequently they are charged interest at the rate of 6 per cent. on arrears. If the Government are desirous of assisting the farming community, there is one way in which they may grant a little relief. Admittedly, the farmers are not paying interest; but still it is being charged up against them. If they require a little sustenance, an advance is made to them and charged against the farms. The new commissioners of the Agricultural Bank, if appointed, will face a difficult task in the rehabilitation of the farming industry and the conditioning of farm liabilities. If the Government are in a position to grant relief to a section who, in view of the times, may be regarded as receiving fairly comfortable incomes, some consideration ought to be extended to that large body of men who, after all, really create the wealth of Western Australia. In all earnestness I say that while I recognise the excellent work done by the Government in providing employment for many men suffering as the result of the depression, I must regard the expenditure of all this money in the metropolitan area as calculated to result in an ill-balanced situation. If there is no work in the country, naturally men come to the city to find employment. As a result, the city will expand, while living entirely on borrowed money. However, I support the second reading. I wish the Government would give an indication of what they propose to do by way of

assistance to other industries. I honestly believe that this £90,000 could be expended in a way which would give a greater return to the State than is likely to result from the provisions of the Bill. Still, I must support the second reading.

HON. R. G. MOORE (North-East) [5.30]: I will support the second reading, not because I like the Bill but because it is an improvement on the existing Act. During the discussion on the Bill a good deal has been said about the Premiers' Plan and the unemployed, and equality of sacrifice, and the primary producer, and about giving extra money to those already in permanent jobs. I wish to deal with a few of these points in relation to the Bill. In my opinion the original Act ought never to have been placed on the statute book at all. Let us examine this so-called equality of sacrifice. If ever there was a Bill introduced that showed a total disregard for the principle of equality of sacrifice and which aimed at sectional legislation, it was the original Financial Emergency Bill. The Financial Emergency Act was a masterpiece of draftsmanship, inasmuch as it was a measure that imposed on certain sections of the community a super tax of from 18 per cent. to 22½ per cent., and yet the word "tax" is not to be found in the Act. Wages and salaries affected by the Act have always been fixed by certain recognised tribunals, and they remain to-day at the figure arrived at by those tribunals. But the Financial Emergency Act imposed a tax on those salaries and wages of from 18 per cent to 22½ per cent. It was not called a tax, but was called a deduction under the Act. If the Act were scrapped, those wages and salaries would be where they were previously, and there would be no fixing of a price or figure to give those people affected by this Bill a rise in salaries or wages. That figure is already fixed, and what this Bill proposes to do is, not to give those people a rise, but simply to reduce the deduction which the Government took away from them; in other words, to reduce the sectional taxation. Now let me refer to equality of sacrifice. The Financial Emergency Act, brought down in accordance with the Premiers' Plan, ostensibly to balance the Budget, reduced certain salaries and wages while other salaries and wages were not interfered with at all. A school teacher on

£5 per week was reduced by 18 per cent., while a solicitor or a bank manager or a business manager or a mine manager, or any person other than an employee of the Government, could earn any sum at all, up to £100 per week, without being subjected to any deduction under the Act. Yet that is what is called equality of sacrifice! It was the most inequitable measure ever introduced in this State. As for the balancing of the Budget, if this country was in such a parlous condition—and I believe it was—as to necessitate special legislation in order to rehabilitate the State, then that obligation should have rested upon every income earner in the State, irrespective of how the money was earned, whether as an employer or employee, or whether employed by the Government or a local authority or a private firm; and in accordance with ability, so they should have been called upon to bear and share the burden, and in accordance with inability they should have been relieved. The people who are subject to a deduction by this legislation are subject also to all other taxation as well. It has been stated by more than one member that the Premiers' Plan was introduced to balance the Budget, and that the financial emergency legislation should be kept on the statute book for that purpose. But, strange to say, those members promptly go on to suggest that the money should be given to the unemployed, adding that the Government have no thought for the men on the starvation line. But if this money is devoted to finding more work for the unemployed, how can it be used to balance the Budget? And since when has the onus of finding money for the unemployed been on Government employees? Anyone would think these men were in charity jobs, instead of being men who have qualified for their jobs and hold their jobs only because those jobs are essential and the employees qualified for them. Now we come to the poor farmer. The passing of the Bill will not increase railway freights for the farmer, neither will it reduce the price of his products, and so we cannot rehabilitate the farmer by throwing out the Bill. Some days ago I noticed in the "West Australian" a letter by Mr. Keenan dealing with the Financial Emergency Bill. Let me quote this extract from it—

When the financial emergency legislation was imposed, most probably all in the com-

munity were called upon to share the sacrifice that had to be made.

I disagree entirely with that statement. Mr. Keenan was not called upon to reduce his substantial fees by 22½ per cent.

Hon. J. Nicholson: There was a reduction made.

Hon. R. G. MOORE: There was no deduction imposed by the Act.

Hon. J. Nicholson: No, it was done by regulation.

Hon. R. G. MOORE: If school teachers and public servants could enjoy the same privileges as members of Parliament, and stay away from duty and engage in other employment in order to augment their salaries, we might have some approximation to equality of sacrifice. What I have said applies to all members of Parliament, who are free to come to the House or to stay away when they like. But civil servants cannot absent themselves from duty in order to take other remunerative work. I think very strongly on this matter, because in my view a wrong attitude has been adopted. The public servants have been subjected to special taxation, although it is not called taxation, and now when it is promised to give them a measure of relief, all sorts of opinions are put up and it is said the money could be better spent; and the poor farmer is brought in all the time. But how can members urge the claims of the poor farmer when, through the Agricultural Bank, some £14,000,000 has been handed to the farmers, an amount which, of course, the Government will never get back. The Government, I understand, are charging them 6 per cent., which perhaps is too high.

Hon. A. M. Clydesdale: But they do not get it.

Hon. R. G. MOORE: Well, why should it be charged? Despite the £14,000,000 they have had the farmers are still holding out their hands. Whatever money is tied up, the farmer has it, and it is because he got it so easily that he is in his present position. Our farmers have been spoon fed from the day they went on the land.

Hon. H. V. Piesse: Why, the farmer made the country!

Hon. R. G. MOORE: I repeat that they have been spoon fed from the start. However, the Bill will not make any difference to the farmer.

Hon. A. Thomson: It would be better if the amount mentioned in the Bill were to be made available in order to give the farmers a reduced rate of interest.

Hon. R. G. MOORE: Well I would support that also. But it seems that no Bill can be brought down here but the poor farmer is referred to. Recently I asked a poor farmer how one of his neighbours was getting on, and he said "Oh, he is worse off than I am, for he has two farms." However, the point is that the Bill does not affect the farmer.

Hon. A. Thomson: I did not say it did.

Hon. R. G. MOORE: Then why did you bring in the poor farmer?

Hon. A. Thomson: Because no assistance is being given to him under the Bill.

Hon. R. G. MOORE: Everything is devised to assist the poor farmer, and then we are asked what has been done for him. I can only say the State has found £14,000,000 with which to develop his farm. I will support the second reading.

HON. H. V. PIESSE (South-East) [5.43]: It seems to me the opinion shared by a majority of those who have spoken to the Bill is that we have passed the depression stage. However, I cannot see that we have gone through that stage, and I feel sure the legislation which is being introduced is worthy of careful consideration and review. In the main we are here to review this legislation and pass it.

Member: Pass it out?

Hon. H. V. PIESSE: No, pass it in. I have noticed amongst the members speaking to the various emergency Bills a great divergence of opinion as to whether they should be carried or rejected. Many of the measures before the House could have been passed long before this because they are worthy of a place on the statute-book to assist those who require the aid offered. Nobody likes to see emergency taxation levied, particularly on wages and salaries. When Mr. R. G. Moore says there has been no equality of sacrifice, I must protest. I am an employer of a large amount of labour in shops, and I also run a considerable number of farms. We have had to reduce the wages of farm managers and men to meet the exigencies of the times. We have had to put our shop employees on part-time work. Factories in this State have had to do the same thing. I believe there has been equality of sacrifice by all classes of busi-

ness people in this State. Although legislation was not introduced to reduce the salaries and wages paid in private business houses, such reductions have been made. I am very proud that we have such a fine body of civil servants in the State. Though there has been a little squeal from one or two branches, the civil servants in the main have accepted the Premiers' Plan, which made a big cut in their salaries, in a good spirit. A man with whom I was speaking to-day told me that the financial emergency reduction had cost him £169 per annum. If a return in part can be made to the civil servants, have not we the action of the Commonwealth Government as a precedent? Why did the Federal Government start to restore the cuts to Federal parliamentarians and Federal civil servants?

Hon. L. B. Bolton: Their finances are more buoyant than ours.

Hon. H. V. PIESSE: I agree that they might have assisted the States to balance their Budgets before undertaking to restore salary cuts. However, the Federal authorities have returned a large proportion of the cuts to their employees, and I feel that the Government of this State are justified, if they have the funds at their disposal, in returning this amount to the civil servants, though I do not agree that parliamentarians should be recouped to the extent of £58 each. Mr. Holmes referred to the farming representatives and said they should be alert to vote out the Bill. He stated definitely that he would vote against it. Thank goodness I represent a community of farmers who do not wish that the other fellow should not get his fair share of whatever is going! Although Mr. R. G. Moore thinks that legislation is always being passed in favour of the farmers, let me point out that trade unions get a fair amount, and that workers receive a fair number of concessions. There is no doubt that the farmers have borne the brunt of the depression. With wheat at 2s. 2d. a bushel, and wool at its present prices, what hope is there for the farmers to balance their budgets? They have no chance of doing so at the moment. The Minister for Lands, in introducing the Agricultural Bank Bill, stated that 11,473 applications had been made for the wheat bonus last year, of which 5,670 were by farmers on the Agricultural Bank, and 5,803 by farmers on the Associated Banks. Those farmers

who applied for the bonus owe money. If they did not, they would be paying income tax and could not have applied for the bonus. When we hear Mr. R. G. Moore continually talking against our poor struggling farmers—

Hon. R. G. Moore: I object to that statement.

The PRESIDENT: To what point does the hon. member object?

Hon. R. G. Moore: The hon. member's statement that I am continually talking about the poor struggling farmers. I have not done anything of the kind.

The PRESIDENT: I am quite sure Mr. Piesse will accept Mr. Moore's statement.

Hon. H. V. PIESSE: Yes. At the same time Mr. Moore has given us quite a lot of information, and has made us feel somewhat more sorry for our position as farmers. Mr. Cornell referred to the civil servants, and said that some people held the view that if they left the service they could not undertake work in ordinary avocations.

Hon. J. Cornell: I said that was a viewpoint of people not in the service.

Hon. H. V. PIESSE: When a man joins the Civil Service he joins under certain conditions. Usually he is trained in various departments, and at the termination of his employment he has pension rights.

Hon. J. Cornell: Civil servants have no pension rights.

Hon. H. V. PIESSE: Then they get a retiring allowance.

Hon. J. Cornell: They have not had pension rights since 1904.

Hon. H. J. Yelland: Anyone who joined the service since 1904 is not entitled to a pension.

Hon. H. V. PIESSE: I am of opinion that civil servants should be protected, and that their rights should be safeguarded. The men in our Civil Service are of a fine type, and they work well for the Government. With all due respect to outside people who complain of them, I have always received satisfaction whenever I have had any inquiries to make at the departments.

Hon. A. Thomson: I think that our civil servants stand out pre-eminently amongst those in Australia.

Hon. H. V. PIESSE: When the Financial Emergency Bill of last session was before us, Mr. Nicholson moved an amendment to the provision relating to the taxation of life assurance companies. To-day

I received a memorandum dealing with the position of life assurance companies.

The Honorary Minister: Does that come under this Bill?

Hon. G. W. Miles: No, the other Bill.

Hon. H. V. PIESSE: I shall vote for the second reading. I hope several of the clauses will be amended. I do not consider that parliamentarians should receive a restoration of £58 a year, and if an opportunity be given to exclude them, I shall vote for it.

HON. J. NICHOLSON (Metropolitan) [5.54]: This Bill is liable to be confused with certain other emergency measures, some of which are before us at present in the form of amending or continuance Bills. As the Chief Secretary remarked, they have been here a long time.

Hon. G. W. Miles: The Honorary Minister said that.

Hon. J. NICHOLSON: The Honorary Minister knows that those measures were held up pending his return. The House was anxious to be aided by his services in considering Bills of such importance.

The Honorary Minister: A very specious explanation!

Hon. J. NICHOLSON: We are glad to see the Honorary Minister back looking so well, and trust that he will be able to give that due consideration to Bills that certainly rank high in importance amongst our legislation. This Bill is apt to be confused with various existing statutes because of the similarity of titles. In order to make the position clear, let me point out that this Bill seeks to amend an existing Act, the original of which was passed in 1931, and which dealt with a reduction of salaries, superannuation and retiring allowances, grants, the variation of contracts of service, and the reduction of interest on mortgages.

Hon. G. W. Miles: Interest on mortgages should have been a separate measure.

Hon. J. NICHOLSON: Yes. I have experienced confusion at times when referring to the various Acts because the titles are so similar. The reductions sought to be effected by the Act of 1931 were designed to secure a common or even sacrifice. Let me quote the preamble to the Act—

Whereas at a conference between Ministers of the Commonwealth and Ministers of the States convened in Melbourne on the twenty-fifth day of May, one thousand nine hundred and thirty-

one, to devise measures for meeting the grave financial emergency existing in Australia and thereby averting disastrous consequences, a Plan was agreed upon for re-establishing the financial stability of the Commonwealth and States and restoring industrial and general prosperity by means involving a common sacrifice, including amongst other things certain reductions in the expenditure of the Commonwealth and State Governments, and the conversion of the internal public debts of the Commonwealth and States on the basis of a reduction of the interest payable: And whereas, for carrying out a part of the Plan, certain legislation by the State of Western Australia is necessary.

Hon. J. Cornell: The hon. member knows that leading secessionists contended that there is nothing in the preamble.

Hon. J. NICHOLSON: We are not dealing with the question of secession at present.

Hon. J. Cornell: You are dealing with the preamble to an Act.

Hon. J. NICHOLSON: While that might have been argued in relation to the preamble to the Commonwealth Constitution Act, I do not think it can be said that no regard should be paid to the preamble of an Act such as the Financial Emergency Act. The purpose of the enactment was made clear by the preamble. It was intended to bring about something in the nature of a common sacrifice. It was intended that everyone should contribute in some form to the rehabilitation of the affairs of the State in the endeavour to restore it from the position into which it had drifted, along with the Commonwealth as a whole, and to build up by this means of common sacrifice healthier and better conditions. Certain good did come from these measures. The question with which we are confronted to-day is that we are asked to believe that we have reached the stage when we are entitled, as regards a section of our community, to set aside provisions which were considered so essential in 1931. I would welcome, as I am sure every member would, a proposal to restore to everyone the deductions that were effected by the Financial Emergency Act and the other emergency measures. We must examine our financial condition and see whether we have, as a State, reached that satisfactory position which justifies the Government in making the exemptions provided in the Bill before us. The first thing we have to do is to see how far our borrowings have gone,

and what progress has been made in balancing our budget. If we examine these details, we will find that instead of balancing our budget we are getting gradually further and further away from that position. Mr. Holmes yesterday pointed out a most important fact in relation to the last three months. In a statement which appeared in certain accounts presented to members within the last day or two I find that during the last three months there has been a deficit of something like £163,000, notwithstanding that during that period there was collected from the Financial Emergency Tax Act a sum in the vicinity of £130,000. We may cast our minds back for a few years to see what our State indebtedness was. Statistics will prove how that has grown year by year. To-day we have had presented to us a loan Bill, to which our endorsement is sought, to authorise a loan of practically £4,000,000. This method of raising loans to the amount of about four millions a year has been employed for many years. The Auditor General's report shows clearly the position of our loan indebtedness. The public debt loan liability to the Commonwealth at the 30th June, 1933, was £83,514,697 lls. After providing for various increases in the form of Commonwealth loan conversions, cash loans, etc., and certain decreases, the net result at the 30th June, 1934, is a loan liability to the Commonwealth of £85,847,801 lls. 9d.

Hon. G. W. Miles: Does that include the deficit of five millions odd?

Hon. J. NICHOLSON: I do not think so. This is a very serious position. Our debt was not so great in 1931 by several millions, when the Act was originally passed. One has to see whether there is any justification for the passing of a Bill like this, which increases the exemptions provided for last year. I admit the fact was brought under our notice last year, and emphasised in the discussions that took place at the time, that many injustices in the case of civil servants had occurred. In some cases, the more highly paid officers were, owing to the deductions made under the Financial Emergency Act, actually receiving less than men under them. It is only right, where these inequalities, which amount to injustices to those concerned, occur there should be an adequate and proper adjustment so as to remove the causes

for complaint. I feel that the financial condition of this State has not so improved as to justify the granting of the exemptions asked for. At the same time I should like to see the exemptions extended as far as the financial circumstances of the State permit. The amount which it is stated will be required to meet the additional expenditure involved under this Bill is in the vicinity of £90,000.

The Honorary Minister: Not for this year.

Hon. J. NICHOLSON: How much is it?

The Honorary Minister: It is £90,000 for the full year.

Hon. A. Thomson: That is splitting straws. It is £45,000 for six months.

Hon. J. NICHOLSON: Then it would be at the rate of £90,000 per annum.

The Honorary Minister: Yes. The present Act is in force until the end of the year.

Hon. J. NICHOLSON: While various forms of relief have been granted to certain persons by the Act that was passed last year, it is now discovered that no relief has been given to other sections of the community which are bearing a burden in common with those who were granted relief then. This year, despite the fact that it is proposed by the Bill to grant further exemptions, or to extend them, no provision has yet been made in any of the emergency measures to relieve those other sections of the community. I refer particularly to those who are affected by the Reduction of Rents Act. Owners of properties were compelled to reduce the rents derivable by them under lease at the date of the original Act, by 22½ per cent. Under the Financial Emergency Act, all mortgagees had imposed upon them a reduction equivalent to 22½ per cent. on the amount receivable by them on their securities.

The Honorary Minister: Not as much as that.

Hon. J. NICHOLSON: Under Section 11 of the Act, they were entitled only to receive a sum equivalent to 77½ per cent., and the difference between 77½ and 100 per cent. is 22½ per cent.

The Honorary Minister: Is there not a limitation?

Hon. G. W. Miles: It shall not fall below 5 per cent.

The Honorary Minister: With that qualification, it makes a big difference.

Hon. J. NICHOLSON: There are in existence mortgages that existed when the Act was passed. I was astonished to see that no proposal was set forth in the Bill to extend the same equal treatment to these mortgagees who had been bearing the burden. If the Government feel they are in a position to grant the exemptions referred to in the Bill, they should also be prepared to extend similar treatment to mortgagees and others who have borne the burden equally with the others. I do not know if the Honorary Minister would be prepared to accept amendments in the various Bills which would attain that purpose. When I spoke on the Rents Reduction Act Amendment Bill, I suggested that the least the Government could do would be to begin making some reduction, say 5 per cent. or 10 per cent. this year, another percentage next year, and gradually 'extinguish the whole burden. I do not intend to discuss the Bill further at this stage and, whilst I support the second reading, I shall have something more to say at the Committee stage.

On motion by Hon. H. S. W. Parker, debate adjourned

Sitting suspended from 6.15 to 7.30 p.m.

PRIVILEGE—STANDING ORDERS IN COURT.

Clerk to Produce.

THE PRESIDENT [7.31]: I desire to bring before the House a matter of some importance. Last Thursday, after the House rose, one of the officers, Mr. Leake, the Clerk Assistant, informed me that he had received notice that it was desired he should give evidence in the Fremantle Police Court in the case between Mr. T. J. Hughes and Mr. A. McCallum. In ordinary circumstances, the consent of the House must be secured before an officer of the House may produce documents of this House or give evidence. However, on consulting "May," I found that the permission of the House, when not sitting, might be given by the President. Therefore, on my own responsibility, after the House rose on Thursday—the notice was not given to Mr. Leake until immediately after the House rose—I

permitted the Clerk Assistant to go to the court and produce the minutes that were required. He pointed out to me that before he could give evidence, it would be necessary for him to get the permission of the House. A little while ago I received the following letter from Sir Walter James, counsel for Mr. McCallum. It is addressed to me and reads as follows:—

Dear Sir,—In connection with the case which is now pending in the Fremantle Police Court between Mr. T. J. Hughes and Mr. Alex. McCallum, it will be necessary to prove the Standing Orders of the Council which were in existence at the time the Electoral Act of 1907 was passed. We would be glad, therefore, if you would permit Mr. Grant, the Clerk of the Legislative Council, to be in attendance to-morrow at 10.30 o'clock at the Arbitration Court, Supreme Court Buildings, Perth, and there produce to the court a copy of the Standing Orders of the Council, certified to by him, which were in existence at the time above-mentioned. Yours faithfully, (sgd.) Walter James.

Having considered the matter, I decided to bring the letter before this Chamber and it is for members to decide whether or not the permission desired shall be granted.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [7.35]: I move—

That permission be granted to the Clerk of the Legislative Council to be in attendance to-morrow at 10.30 o'clock at the Arbitration Court, Supreme Court Buildings, Perth, and there produce to the court a copy of the Standing Orders of the Council, certified to by him, which were in existence at the time the Electoral Act of 1907 was passed.

The PRESIDENT: I may point out that it is not necessary that a motion for leave of this description should receive previous notice.

HON. J. CORNELL (South) [7.36]: I second the motion, contingent upon it indicating all that Mr. Grant can do. He can produce the document asked for but he cannot be interrogated as a witness.

HON. H. SEDDON (North-East) [7.37]: I take it the passing of the motion will formally place this matter in order, insofar as no officer of Parliament is allowed to take part in any proceedings or convey any information regarding parliamentary matters unless by resolution of the House to which he is attached. Personally,

I think that is necessary in order that parliamentary privilege may be maintained. At the same time the House should take no action that would in any way impede the course of justice, or in any way impede action in the law courts. In those circumstances I support the motion.

The PRESIDENT: The motion merely permits an officer of the House to attend the court and produce a copy of the Standing Orders of the Council, certified to by him, as being in existence when the Electoral Act of 1907 was passed. That does not include permission to give evidence.

Question put and passed.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [7.40]: The Bill is intended to give effect to the operations of the tax Bill that has already been before the House and in connection with which the second reading debate has been adjourned until Tuesday next. The Bill provides an interesting example of the way in which political policy has had the effect of demoralising the sense of civic responsibility in the community. The financial emergency tax was introduced in the first place on a flat rate basis. Last year an amendment was agreed to that affected both the financial emergency tax and the assessment. It raised the exemption in the assessment Bill and altered the rate of the tax in the taxing Bill and placed it on a graduated basis. At that time the exemption with regard to married men was fixed at £3 10s. per week. That sum was fixed deliberately by the Government as being above the basic wage ruling at the time. Since then the quarterly determination of the basic wage raised the amount from £3 9s. 6d., as it was then, to £3 11s. 6d. as it is at present. The Government, therefore, propose altering the basis from £3 10s., as it was last time, to £3 12s. this year in order again to place the men on the basic wage beyond the operations of the financial emergency tax. It is unfortunate that, in dealing with legislation, we have these little chisellings, as it were, introduced from time to time, and eventually we frequently find that legislation,

especially that imposing taxation, has been so altered that the greater proportion of the community escape the direct responsibility to pay their quota towards the expense of administering the affairs of the State. For some time past this Chamber has adhered to the principle that every elector should shoulder a portion of the responsibilities attached to citizenship and share in the financial responsibility of running the State. We have also adhered to the principle that they should bear some of the cost incurred in administering the free services that are available to the whole community. Therefore, I regret to find that the Government still persist in their desire to exempt a section of the community, and if we may judge from the remarks of a Minister in another place when introducing the legislation, it is the Government's intention next year to introduce a Bill that will grant considerable additional relief on the basis adopted in the present Bill. It is entirely an undesirable principle to be introduced in our legislation. I go further and say that since Government policy has followed that undesirable trend, the effect has been seen for many years past in Australian history and there has not been disclosed a proper sense of responsibility and recognition by the people that these so-called benefits and privileges have to be paid for, and that it is their responsibility to pay. In the circumstances, I must oppose the Bill. The exemption provided in last year's legislation was quite low enough, and I do not think the burden that will be imposed on the worker will be such as to cause them serious hardship. At the same time, there may be considerable loss of revenue to the Government. It is obvious there must be many persons in receipt of the basic wage. Those people will be relieved of any payment whatever on account of the financial emergency tax. If we take the basis of £3 12s., which is the proposed exemption, and we apply, on that basis, the rate of 4d. in the pound, it is obvious that for every person exempted from the operation of the tax the State will lose about £3 per head per annum. There are thousands of workers concerned—we have had that on the authority of several members—and therefore it is obvious that there will be a considerable loss of revenue to the Government. We have had it suggested time after time that the desire of the Government is to balance the Budget. It is remarkable that

having enunciated that idea we find that their legislation in a certain direction seems to aim at reducing revenue, whereas in other directions they are anxious to increase it. For instance, in the present session, the Government are imposing a tax on gold mining profits which is estimated to bring in £80,000. We find also that the Administration Act Amendment Bill has been introduced to tighten up the existing provisions, and that if passed it will bring in increased revenue. As far as the last named Bill is concerned, let us realise that that will act as so many of our Bills have acted upon those people who have been thrifty enough to accumulate a little wealth. When we have the Government granting exemptions on the one hand, and increasing taxation on the other, one cannot help but come to the conclusion that there is a very large element of class legislation in the Government's policy. I should like to point out that last night we dealt with the Land and Income Tax Bill which went through without discussion. That Bill deals with certain sections of the community, but the exemptions under the Land and Income Tax legislation are so high that a very large section of the community are escaping any contributions under that form of tax. A large number of people have been caught under this legislation which provides for the collection of income at its source. It is a pity that we are departing from that sound principle upon which we can effectively administer the country, where every citizen must contribute some share towards the general revenue. One cannot help being impressed by the nature of the legislation brought forward last year and this year, and the relationship between that legislation and the Premiers' Plan of 1931. It was a plan adopted by every Government in Australia and the balancing of the Budgets was the first requirement of sound finance. We now find Governments are not worrying very much about the size of their deficits. They are quite content to allow them to remain, and at recent Premiers' conferences that question of balancing Budgets has become a matter of secondary consideration, the main consideration apparently being, how much money it was possible to borrow. I shall have more to say on that aspect when speaking on the Loan Bill and the Financial Emergency Bill. I

mention it in passing because it has a considerable bearing on the fact that the Bill we have now before us tends to relax that principle which was laid down of asking the whole of the community to do its share towards accomplishing sound finance which must, after all, be the basis upon which countries can be maintained. As far as the Financial Emergency Tax Bill is concerned, it is interesting to know from the returns of the Treasurer that the amount collected last year was in the vicinity of £412,000. I remember when the Bill was before this House for discussion the figure mentioned as the estimate likely to be received was £300,000. The Bill was in operation for nine months and we find that the estimate was just exactly £100,000 out. We are told that the estimated return under the Bill we are now considering will be £550,000. We shall see how near to accuracy that sum will be, having regard to our experience of last year. I ask members to look up the report of the Commissioner of Taxation and they will get an indication of the national income in Table A on page 8. A reference to that table will show that the amount of revenue collected from the hospital fund contribution has increased steadily from year to year, beginning in 1931, and I think it might be taken as an indication of the way in which the income of the State has increased during that period. It goes further. If we take the table which refers to the amount of the income tax assessment—Table C—also on page 8, members will find that the total income returned under the Land and Income Tax Assessment Act is given for the three years; but owing to the fact that the collections are delayed from year to year, that table cannot be taken as anything like a fair criterion of the national income. In proof of that I refer members to the previous reports of the Commissioner of Taxation. They will find in those reports that from year to year the amounts are steadily altered as the collections are made. So, as I say, the most up to date indicator is the table giving the hospital contribution. In the first column we get the figure £63,590. Multiply that by 80 and it will give the national income upon which the hospital tax has been made. Thus we get a figure in the vicinity of £5,000,000 as representing the income for that year. Take the year 1932. The in-

come was roughly in the vicinity of 10 $\frac{3}{4}$ millions. In 1933 the figure was 11.8 millions and in 1934, the year just closed, the figure was £12,837,000. This is an interesting indication of the progress of our income as far as wages and salaries are concerned, but before we accept that as an indication of prosperity we have to take into consideration the amount of loan expenditure during the years referred to, because that has a material effect on the income as far as wages and salaries are concerned. If we make reductions to the extent of that loan expenditure we find that the true indication of the state of the country will be more clearly revealed, and it will be doubtful whether there is any material or additional prosperity. I use this as an argument because I feel that the Government are taking a retrograde step in raising the exemptions from £3 10s. to £3 12s. I intend to oppose the Bill, and I hope the House will assist me to reject it because then we shall restore the basis of assessment laid down last year which makes the exemptions quite high enough for ordinary purposes, and establish the principle for which this House stands, the principle of contributions by every citizen towards the expense of running the State. I intend to oppose the Bill.

On motion by the Honorary Minister, debate adjourned.

BILL—CONSTITUTION ACTS AMENDMENT ACT, (1931), AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. CORNELL (South) [7.55]: The Bill imports into its provisions almost identically the provisions set out in the Financial Emergency Act except that it does not apply to the salaries drawn by the eight Ministers. When speaking on the Financial Emergency Act Amendment Bill I drew the attention of the House to the extremely anomalous process of reasoning by properly constituted bodies originally fixing salaries and wages, and then Parliament, during a state of emergency, reducing those salaries or wages by a straightout percentage. Then with a change of Government there is an

attempt to restore a portion of the reductions by a method foreign altogether to the process originally adopted. Now it is proposed to apply the same process to the judges of the State. I also point out that the people to whom it is proposed to extend the cost of living increase had their remuneration fixed by statute, and that the scale of payment appears as part of the Constitution Act. Hon. members will find it on page 134 of our Standing Orders. There it is clearly set out the amount of the salary to be paid to the Governor, to the private secretary, and to the Clerk of the Executive Council. At one time the last named office was filled by the Usher of the Black Rod, but the post is now held by the Secretary to the Premier's Department who draws his salary from that position only. The salaries of the judges are also set out in the same schedule. That of the Chief Justice is £2,300 and that of the two others is £2,000. Under the Financial Emergency Act the salary of the Chief Justice was reduced by £517 10s. and that of the other judges by £450 a year. We are now going to say to them in effect, first of all Parliament fixed your salary without any reference, I presume to the basic wage. Then Parliament said, "In a state of emergency we will reduce your salaries by 22 $\frac{1}{2}$ per cent." Now Parliament says, "We will restore to you £54 of the reduction on a process of basic-wage reasoning." That is absurd. Indeed, the whole thing is absurd. The way the reduction was made and the way in which it is being partly restored are equally absurd. The same process of reasoning is applied to judges, as to civil servants with salaries of £500 a year. The private secretary is to get £42 back, and that is about the only decent piece of consistency. The passing of the Bill as it stands means the passing of the Financial Emergency Act Amendment Bill as well. We cannot pass one without the other, because the same principle is involved in both. There may be some justification for not restoring in part the salaries of the judges, but in the case of the other salaries something should be granted. Again, there is the President of the Arbitration Court, Mr. Justice Dwyer, a very old friend of mine. I presume he will get £54 a year if the Bill passes. He has the status of a Supreme

Court judge, and I understand he is paid the same salary as the judges receive. We cannot consistently raise his salary without raising theirs. If we pass the one Bill, we must pass the other.

HON. L. CRAIG (South-West) [8.4]: I did not intend to speak on the Bill, but apparently the measure is similar in principle to the Financial Emergency Act Amendment Bill, and I object to both measures. This particular Bill tends to return to people already on reasonably good salaries an amount which will in effect be paid out of loan money. The Government are budgeting for a deficit of about three-quarters of a million, and at the same time are restoring cuts on wages and salaries, in some cases restoring them to people with salaries already considerable. I object, on principle, to cuts being restored out of loan money while poor farmers—I repeat this to Mr. R. G. Moore—in my own district are being charged by the Government the highest rate of interest ruling in Australia—six per cent. While injustice is being done to the farmers, I shall oppose all these restoration Bills. If the Government can borrow sufficient money to restore salary cuts to people in receipt of decent incomes, surely the Government can afford to reduce the rate of interest in the case of struggling farmers to the normal rate, the rate charged by the Associated Banks. I have endeavoured time after time to get the six per cent. rate reduced. To-day the Government are charging 6 per cent. on land they sold at £20 per acre. That represents £1 per acre per annum interest. If the Government have money to restore salary cuts, surely they can at least reduce the rate of interest to the settlers. I cannot support the proposal in the Bill while settlers on repurchased estates are still paying the same exorbitant rates as they were paying in 1928 and 1929. It is wrong in principle that people practically on the bread line should pay such enormous rates of interest while other people, already comfortably circumstanced, are having salary cuts restored to them. On that ground, and on that ground alone, I oppose the Bill.

On motion by Hon. H. J. Yelland, debate adjourned.

BILL—TENANTS, PURCHASERS AND MORTGAGORS' RELIEF ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th September.

HON. H. SEDDON (North-East) [8.8]: My remarks on the Bill will be brief. As one of the select committee who assisted in the revising of the original measure placed before Parliament, I consider the time has arrived when we may seriously consider whether the operation of the Act shall be extended further. Certainly the time has arrived when the Act might be amended. The people whom it is intended to benefit are not now subject to the same hardships and the same disabilities in regard to meeting their obligations as they were in 1931, when the Act was passed. The figures quoted by the Minister when introducing this Bill are an indication of the extent to which the Act has become practically dormant. I am not certain, but I think only about 17 applications for orders under the Act were made during the year. Obviously, then, little attempt is being made to take advantage of the provisions of the Act. In the circumstances I suggest that the Government should seriously consider the advisableness of revising this legislation, if not abandoning it altogether. Perhaps if we gave them a little beyond the end of the present calendar year, the requirements of the situation would be fully met. It has been suggested that the Act might be extended for a further six months. I commend that suggestion to the Government as worthy of consideration. When the Bill is in Committee the feeling of the House might be tested on that point. In fact the time is ripe for considering the curtailment of all this emergency legislation, especially as the Government are making such generous concessions under the Emergency Act. It appears to me, however, that the concessions operate in one direction, and in one direction only. This seems to me a suitable opportunity for the House to exercise its discretion by extending the Act for a few months longer, rather than for the full period of 12 months stated in the Bill.

HON. G. FRASER (West) [8.12]: I hope the Bill will pass the second reading. Mr. Seddon wants the Act to go by the board, but I do not want it to go by the board

until the whole of the financial emergency legislation does so. I am ready to admit that the act under review, although not as necessary now as when originally passed, remains useful; and I want it extended for at least another 12 months. This time next year perhaps it will not be needed. I am hopeful that by then the whole of the financial emergency legislation will go overboard.

Hon. H. S. W. Parker: Will you wipe out the deficit by then?

Hon. G. FRASER: I do not know that; but I am hopeful that the financial position will have improved sufficiently to put us back to, at any rate, where we were in 1930, when this legislation was first introduced. Western Australia had deficits long before any emergency legislation was enacted. It does seem to me lopsided that some members want this Bill thrown out while other financial emergency legislation remains on the statute-book. Certainly the same advantage has not been taken of it during the last year or two as in 1930-31. So far as many mortgages are concerned, the Act does not apply to-day.

Hon. H. S. W. Parker: Then repeal it.

Hon. G. FRASER: Some of the people who required protection in 1930 require protection to-day. On the other hand, the person who signs a contract to-day signs it outside this legislation.

Hon. H. S. W. Parker: Surely a lot of mortgages now in existence were in existence in 1930!

Hon. G. FRASER: I want to protect those persons still. For that reason I support the second reading. However, as I have said, I hope this will be the last year when any of the financial emergency legislation will be re-enacted.

On motion by the Honorary Minister, debate adjourned.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the previous day.

HON. E. H. ANGELO (North) [8.15]: I was a member of another place when, in 1931, a number of financial emergency Bills were passed. At that time it was decided

that relief should be given to all sections of the community, if possible. The hardship that some mortgagors were suffering was brought before the House, and so the original of this Bill was agreed to. The Act was continued in the following year, and again last year, and now we have this Bill for its further continuance. But I ask myself, is not this also one of the Bills we could dispense with? We have had brought down by the Government within the last few days legislation indicating that they think the depression is lifting and that we are now moving into better times, and therefore a portion of the salary deductions of public servants should be remitted. That conveys to us an intimation that we are in easier times, and therefore we should consider whether we could not do without this Bill. At the same time I would not be in favour of repealing the legislation at the end of next December, for we should give an indication to mortgagors, mortgagees and all affected by the measure, so that they may have some time in which to make their arrangements. Then, say in six months' time, the Act could be repealed or dropped. Therefore, in Committee I will move an amendment the purpose of which will be to terminate the Act on the 30th June, 1935, instead of at the end of the next calendar year. I am impelled to do this since we all realise that money is now much easier to obtain than it was in 1931; the banks seem to be willing to lend money, and the financiers are ready to lend money on house property.

Hon. H. V. Piesse: Not to the same extent as they were five years ago.

Hon. E. H. ANGELO: I do not know that. But why should a mortgagee who is holding a mortgage for an amount far greater than the present value of the property, have to hang on to it and not be able to get his money back for years to come? We have afforded relief within the last few years, and now that money is easier and the rate of interest considerably lower, it is time we indicated that Parliament is not prepared to continue this legislation after the 30th June next. I will support the second reading, hoping to be able to amend the essential clause in Committee.

HON. L. B. BOLTON (Metropolitan) [8.20]: I agree with Mr. Angelo that this is one of the Bills requiring further consideration before renewal. In my view, the time has arrived when the House should take into consideration the question whether it should go on renewing these emergency Bills from year to year. The Bill before us is worthy of consideration, and I will be prepared to support the continuance of the Act until the date suggested by Mr. Angelo, namely the end of next June. I will await the Minister's reply before deciding to vote for the second reading.

On motion by Hon. A. Thomson, debate adjourned.

House adjourned at 8.22 p.m.

Legislative Assembly,

Wednesday, 21st November, 1934.

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

QUESTIONS (2)—RAILWAYS.

Locomotive Section.

Mr. **HAWKE** asked the Minister for Railways: 1, How many additional employees were added to the locomotive section of the Railway Department for the period 1st November to 20th November? 2, How many additional appointments, if any, are

proposed during the remainder of November? 3, What steps are being taken, or are proposed, to increase the effective engine power available for service?

The **MINISTER FOR RAILWAYS** replied: 1, One. 2, Fifteen. 3, Repairs and overhaul of engines are being speeded up, particularly in respect of the more powerful classes, and rebuilding of certain classes is well in hand.

Steam Coach, Perth-Armadale.

Mr. **SAMPSON** asked the Minister for Railways: 1, Is he aware that the steam coach operating between Perth and Armadale is very poorly equipped with light, thus rendering its use at night a menace to the public? 2, Is it possible to arrange for an electric headlight; and could a fog-horn type of whistle be installed?

The **MINISTER FOR RAILWAYS** replied: 1, No. 2, The coach is already fitted with an electric headlight. A fog-horn type whistle could be installed, but the existing whistle is considered sufficient.

BILLS (2)—FIRST READING.

- 1, Factories and Shops Act Amendment.
- 2, State Government Insurance Office.

Introduced by the Minister for Employment.

MOTION—UNION WHEAT POOL OF W.A.

To Inquire by Royal Commission.

HON. C. G. LATHAM (York) [4.37]: I move—

That in the opinion of this House a Royal Commission should be appointed to inquire into and report upon the business, finances, and management of the Union Wheat Pool of W.A., and the system generally adopted in this State for the warehousing of wheat.

It is necessary to point out that about 20 years ago there grew up a new system of marketing primary products, numbers of growers joining together and deciding to do their marketing for themselves. The principal wheat pool of this State is the Western Australian Wheat Pool. Subsequently another pool, known as the Union Wheat Pool of W.A., came into existence.