

Nelson from replying to him, and that I cannot permit him to reply to the hon. member.

The MINISTER FOR FORESTS: Very well; it doesn't matter.

Vote put and passed.

Progress reported.

*House adjourned at 11.3 p.m.*

## Legislative Council,

*Wednesday, 29th October, 1930.*

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

### QUESTION—PUBLIC SERVICE INCREMENTS.

Hon. H. STEWART asked the Minister for Country Water Supplies: What additional sum would be required to pay the annual increments to members of the Public Service, and other additional expenditure, resulting from the amendment of the Public Service Act, as authorised by the last session of Parliament—(a) for the current financial year; (b) for next financial year?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: (a) The only increments payable during the current year are those provided for in the last classification, and promised by the Government. No additional sum will be required as a result of the Public Service Act Amendment Act, 1929. (b) No estimate can be given as a reclassification will be due as from the

1st July, 1931. In regard to other additional expenditure, there may be a small increase on account of the remuneration for acting appointments having been liberalised.

### QUESTION—SOAP FOR RAILWAY USE.

Hon. H. STEWART asked the Minister for Country Water Supplies: 1, Is "Palmolive" soap manufactured in Western Australia? 2, If not, why is it supplied in railway sleeping cars?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, No. 2, The "Palmolive" soap in use on the railways is the balance of stock purchased some time ago. The present railway contract for the supply of soap is with a local firm.

### QUESTION—LAND, UNIMPROVED VALUES.

Hon. H. STEWART asked the Minister for Country Water Supplies: 1, What has been the State Taxation Department's unimproved valuation during the years 1924 to 1929 for (a) land which would carry one sheep to five acres; (b) land which would carry one sheep to 20 acres; (c) land which would yield 10 bushels of wheat per acre; (d) land which would yield 18 bushels of wheat per acre? 2, In fixing the unimproved values according to the above, (a) what was taken as the estimated productive value of one sheep; (b) what was taken as the value per bushel of wheat? 3, What portions of the South-West Division have not yet been revalued.

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1 and 2, The valuation of unimproved land is not based on the productivity of the land, but on the selling value of the land under such reasonable conditions of sale as a bona fide seller would require, assuming the actual improvements (if any) had not been made. This is in accordance with the provisions of Section 2 of the Land and Income Tax Assessment Act, 1907, which are similar to the provisions of the Federal Land Tax Assessment Act. 3, Districts in the South-Western Division not yet revalued under general revaluation scheme by Taxation Department: Albany, Augusta, Chittering, Denmark,

Drakesbrook, Gingin, Marradong, Manjimup, Mullewa, Murray, Nannup, Rockingham, Sussex, West Arthur, Williams, and Wanneroo. Districts in course of revaluation: Capel, Cuballing, Irwin, Plantagenet, Serpentine-Jarrahdale, and Victoria Plains.

Hon. H. STEWART: Would I be in order, Mr. President, in commenting on that answer and drawing attention to—

The PRESIDENT: Certainly not.

### QUESTION—PUBLIC SERVICE, ADDITIONAL EMOLUMENTS.

Hon. A. LOVEKIN: May I ask the Leader of the House a question without notice?

The PRESIDENT: The usual time for asking questions without notice is before the notices on the Notice Paper are dealt with; but I think that on this occasion the Minister can, if he so wishes, answer a question asked by the hon. member without notice.

Hon. A. LOVEKIN: Can the Minister give me any idea as to when he is likely to lay on the Table the return he promised recently with regard to public servants' salaries and additional fees or emoluments?

The MINISTER FOR COUNTRY WATER SUPPLIES: I regret I am unable to let the hon. member have the information. It has not yet reached my hands. I do not know how far preparations for the return have gone.

### BILL—TRAFFIC ACT AMENDMENT.

*In Committee.*

Resumed from the previous day; Hon. J. Cornell in the Chair, the Minister for Country Water Supplies in charge of the Bill.

Clause 13—Amendment of Third Schedule:

The MINISTER FOR COUNTRY WATER SUPPLIES: The reason for this clause will be apparent to hon. members. When the first Traffic Act was framed, very few trailers were in use in Western Australia, and those few trailers did not carry the heavy loads that are carried to-day. At the present time a trailer carries a load almost equal to that of a motor goods wagon. Therefore it is necessary to increase the fees on trailers to figures commensurate

with the wear and tear of the road. For an assumed load of  $\frac{3}{4}$  ton on a 2-wheel trailer the present fee is 35s. and the fee in respect of a 4-wheel trailer is £2 10s. Those two fees are to be increased to £4 for either sort of trailer. The fee on a licensed goods wagon is £5 10s. Up to an assumed load of  $6\frac{1}{2}$  tons the present fee for two wheels is £10, and that for four wheels £20. The fee now proposed is £48. The increase may seem large, but the fee charged on an ordinary motor goods wagon is £65.

Hon. J. J. Holmes: The 30-cwt. trailer is the one most in use.

The MINISTER FOR COUNTRY WATER SUPPLIES: The present fee for that is £2 on two wheels and £4 on four wheels. The amended fee is to be £6. As regards the huge tanks run on two wheels and carrying loads of from 6 to 8 tons, the present small fee is ridiculous. These tanks really have three wheels, but one wheel is raised up and the tank is run on two wheels.

Hon. J. Nicholson: At present, under the Third Schedule, the fee on that trailer would be only £1?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes. I move an amendment—

That at the beginning of each of the items after the word "follows," in Subclause 1 of Clause 13, the words "as from and including the first day of January, 1931," be inserted.

The CHAIRMAN: I again direct the Minister's attention to the manner in which amendments are allowed to appear on the Notice Paper. This amendment must be moved in two parts. The question is that Clause 13 stand as printed, to which the Minister has moved an amendment as follows:—

Subclause 1: Insert the words "as from and including the first day of January, 1931," at the commencement of the second paragraph.

The question now is that the amendment be agreed to.

Amendment put and passed.

The CHAIRMAN: Again the question is that Clause 13 stand as printed, to which the Minister has moved a further amendment as follows:—

In Subclause 1 insert the words "as from and including the first day of January, 1931," at the commencement of the third paragraph, in line 31.

The question now is that the amendment be agreed to.

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

Clause 14—agreed to.

New Clause:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That a new clause be added to stand as Clause 12A as follows:—

Amendment of Second Schedule.

12A. The Second Schedule to the principal Act is amended, as follows:—

(a) by adding to the description of "Trailer" the words "but includes a semi-trailer."

(b) insert after "Trailer," in the column headed "Vehicle," the word "Semi-trailer," and opposite such last-mentioned word, in the column headed "Description," the words following:—"A vehicle drawn by another vehicle, but so constructed and by partial superimposition attached to the vehicle drawing the same in such a manner as to cause a substantial part of the weight of the trailer to be borne by the vehicle drawing the same."

I have already explained this.

New clause put and passed.

New Clause:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That a new clause be added to stand as Clause 12B as follows:—

Amendment of Third Schedule.

12B. Part I. of the Third Schedule to the principal Act is amended, as follows:—

(a) delete the words "For a trailer, 10s. per ton per wheel on the weight of trailer, plus declared maximum load" where the same appear in the item "For a locomotive or traction engine"; and

(b) insert in lieu thereof words and figures, as follows:—"As from and including the first day of January, 1931, for a trailer or semi-trailer:—

£ s. d.

Up to 1 ton 5 cwt., including the weight of the trailer or semi-trailer, plus declared maximum load ..	4	0	0
Exceeding 1 ton 5 cwt., but not exceeding 2 tons ..	6	0	0
Exceeding 2 tons, but not exceeding 3 tons ..	9	10	0
" 3 tons, but not exceeding 4 tons ..	13	10	0
" 4 tons, but not exceeding 5 tons ..	18	0	0

	£	s.	d.
Exceeding 5 tons, but not exceeding 6 tons ..	23	0	0
" 6 tons, but not exceeding 7 tons ..	28	10	0
" 7 tons, but not exceeding 8 tons ..	34	10	0
" 8 tons, but not exceeding 9 tons ..	41	0	0
" 9 tons, but not exceeding 10 tons ..	48	0	0
For every additional ton ..	4	0	0

Hon. J. J. HOLMES: In reply to a question just now the Minister said the fee for a trailer carrying 1½ tons would be £4. My reading of this new clause suggests that the fee will be, not £4, but £6. Again, I should like the Minister to explain what is meant by "semi-trailer."

The MINISTER FOR COUNTRY WATER SUPPLIES: A semi-trailer is a trailer having two wheels. At present the fee for a 1½ ton trailer with two wheels is £2 and with four wheels, £4.

Hon. J. J. HOLMES: As I understand it, the semi-trailer is a trailer having three wheels until loaded. When it is attached to the vehicle drawing it, that vehicle will carry part of the weight. Will the charge be the same for a trailer and for a semi-trailer? I gather that it will be. I understood the object of the amendment was to meet this new class of vehicle coming into force.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment is partly for that purpose and partly to put a reasonable charge on trailers used to-day. The power that draws the load will be classed as a tractor or traction engine.

New clause put and passed.

New clause:

Hon. A. LOVEKIN: I move—

That a new clause be added to stand as Clause 15 as follows:—"15. Notwithstanding anything hereinbefore contained this Act shall not apply to any agriculturist, pastoralist or orchardist who, in his own vehicle, conveys to market any sheep, lambs, poultry, fruit, or perishable commodities which are of his own production, the proceeds from which are solely for his own use and benefit."

From my point of view this is a Bill that might well be introduced into Russia. It establishes the principle that a man may not do what he pleases with his own property. I admit there is some reason for it at the present juncture, inasmuch as we are on

all fairs with the position we were in when a state of war was declared, and at such times we have to do extraordinary things. The principle here is that the right of people to work out their own businesses in their own way is to be checked by the provisions of the Bill. It is on all fairs with what might happen to-day in Russia. The Russian peasant grows his wheat and the commissaire comes along and takes out of it what he thinks fit, giving back to the peasant the balance in order that he may live until he can produce another crop. In this way the farmer here grows his wheat and is compelled to take it to the railway station, where the railway authority—which is the Soviet—almost says, "So much of it must come to us for freight, and you cannot take it any other way. We will give you back the rest of it in order that you may grow another crop." That is the principle of this Bill. Yet to-day we are dependent solely upon the primary producer for the existence and well-being of this country. Whilst we may go a little way towards helping the railways in parlous times, we should also have some consideration for the farmer, and the least we can say to him is, "For your perishable products you shall have the right to use your own means of transport, if you possess any." That is the reason why I am bringing forward this amendment in this way, because the amendment carried at the instance of Mr. Stewart does not go as far as this proposal goes. I do not think Mr. Stewart's amendment goes far enough, nor is it correct enough; and again, I think it will open the door to a good deal of abuse. But this amendment cannot be subject to any abuse, and it may well suit the honest man.

Hon. V. Hamersley: Include in it the word "pigs."

Hon. A. LOVEKIN: I have no objection to that. In a previous amendment it was provided that the Act should not apply to a vehicle owned by an agriculturist or grazier when used for carrying only the produce of his farm to the nearest or most convenient town, or the nearest or most convenient railway station or siding, and for carrying any requisites for his farm. I do not think those are good words. Take a man at Dowerin who has 50 or 60 lambs that he wants to take to market. His near-

est market town is Northam. To carry the lambs to Northam would be equivalent to carrying coal to Newcastle, because at Northam there are plenty of lambs locally available. What we want to do is allow a farmer to take his lambs to the market that is most advantageous, the metropolitan area for instance, and that is the market he should be allowed to proceed to in his own truck. Again, with perishable products it should not be the farmer who should pay the piper. In the case of stock, the railways will take a consignment and knock them about on the trip, and on arrival at the market they are bruised and dirty and in a miserable condition. The result is that they fetch a lower price than otherwise they would do. In such a case the producer would suffer a loss of 2s. or 3s. on each lamb. Why should the producer be compelled to put lambs on the railways and run the risk of having them knocked about?

Hon. J. Nicholson: Suppose we let the roads get out of repair; what then?

Hon. A. LOVEKIN: The primary producer is already paying his full quota for keeping the roads in repair. There is no reason why we should pick out that particular person and say, "You are destroying the roads."

Hon. J. Nicholson: Unless you have an army of inspectors, how are you going to determine whether a farmer is using his own truck?

Hon. A. LOVEKIN: How can you tell whether a man is driving his own car in the city and whether he has a license? It is easily discovered, and it could be as easily discovered in the country. The amendment will give the producer the free run of the roads for perishable products. The producer should get the benefit instead of being penalised directly. I have not as much consideration for the railway authorities as I have for the primary producer. If the railways are losing money it is the fault of their own administration, not the fault of the man on the land. If the railways choose to pile up costs by granting long service leave, district allowance, 41 hours and giving privileges all round—

Hon. G. W. Miles: And using Collie coal.

Hon. A. LOVEKIN: Anything—if that is the way they conduct their business and a loss is sustained, it is not a fair thing to call upon the man on the land, especially

in times such as these when wheat and wool prices are low, to make good the losses. The clause establishes the principle half way. Later on I shall suggest that we limit the operation of the measure to 12 months—to the 30th September next, because to me it is quite unbelievable that we can put permanently on the statute book an Act which sets out the principle that a man may not use his own vehicle as he thinks fit.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Mr. Lovekin has spoken disparagingly of the railways. I could deal effectively with his criticism, but I have no wish to take up too much of the time of the House. If the measure were intended to be helpful to the railways, and it is not, then Mr. Lovekin's amendment would not help the railways very much. I am afraid some members are always ready to see the bad side of the railways and no other. The Commissioner has to carry the burden and he gets no consideration from politicians who have put the burden on him.

Mr. J. J. Holmes: Who put on him the burden of the 44 hours?

Hon. E. H. Harris: The politician did that.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: The railways have made every provision for the transport of livestock. Then should not the farmers be called upon to pay for wear and tear of the road if they prefer to transport their livestock by road? That fact is lost sight of. This is a taxation measure to deal with those people using the roads, and at least we should make them pay for the wear and tear instead of compelling the whole of the community to carry the burden. Mr. Lovekin's amendment will conflict with that part of Clause 4 which exempts vehicles used solely for carrying the produce of any garden, orchard or dairy farm from where the products are grown, to the nearest railway station, town or market place. Mr. Lovekin is seeking to open the door so wide as to render the measure useless. Already he has gone far enough to make it unworkable.

Hon. A. Lovekin: Nonsense.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: There is no nonsense about it. Surely the Government know all about their own measure when

they put it forward. This is the first of the taxation measures that has been submitted to this House and if we are to open the door as widely as the hon. member asks, what will be the result? The Bill will be practically useless.

Hon. V. HAMERSLEY: I am surprised that the Leader of the House should oppose the new clause because there are many instances where these men are already paying considerable fees for the use of the roads and who may use their trucks perhaps only once or twice a year. If there is not such a provision in the Bill, I feel they will be prevented from using their own motor vehicles and they will have to employ others who are using the roads all the year round.

Hon. J. M. DREW: In my opinion this is the most deadly amendment moved to the Bill and I ask hon. members to carefully analyse its wording. It says—"Notwithstanding anything hereinbefore contained this Act shall not apply . . ."—remember those words—" . . . to any agriculturist, etc." A farmer has only to cart one load of vegetables or one load of fruit during the year to a market and this Act will not apply to him at all. He will be exempt from the application of the Act and could even cart his wool.

Hon. J. J. HOLMES: I do not think Mr. Lovekin means to do what his amendment says. There has been an oversight on his part, but that should not cause us to defeat it or to refuse to alter it so as to bring it into line with what is intended. I am not so much concerned about an individual being allowed to use his truck for the purposes indicated on one or two days in a year, but I am concerned about those who are growing lambs and pigs, and about how they will get their produce to market. We know what lamb-growing has done for New Zealand, and what it is doing to-day for Western Australia. It is keeping a lot of our small men going now in sending their lambs to the Midland Junction, saleyards. Those lambs are with their mothers until handed over to the Railway Department. If they are held up on the railways for a couple of days, they will shrink and lose weight at the rate of pounds per day. They have lost their mothers' milk, and when crowded in trucks, they waste considerably. Then if they are sent forward in winter time they

lie down in the mud and their value is depreciated because of the dirty wool. Lambs cannot be shorn because the wool is not worth the money to-day. It costs just as much to shear a lamb as it does to shear a sheep. Under the present award, which the shearers will not accept, it costs not less than 11½d. to shear a lamb. I know of an instance in which wool was shorn at that price and it realised 4d. only.

Hon. Sir William Lathlain: Would not the same conditions apply if lambs were conveyed in motor trucks? Would they not lie down and get dirty, too?

Hon. J. J. HOLMES: No, because lambs would be run into Perth in a few hours, not a matter of days. On the Midland Company's line, lambs can be put in the trucks at 10 o'clock in the morning, and they are in the agents' hands in Midland Junction at 10 p.m. On the Government railways it takes two days at least to land the lambs at the markets. I am glad that pigs have been included in the amendment, for pigs will be the salvation of the State. To-day consignments of pigs are being dealt with at the Fremantle Meat Works, where they are prepared for export. Pigs reach the stage of porkers in about four months, and I am told that if the farmers will feed their pigs with wheat, they will get a return within six months that will represent from 3s. to 5s. per bushel to them. On the other hand, nothing will stand less knocking about than pigs. They are the easiest things in the world to kill, and even heat will kill them. I can imagine what would happen if anyone sent a consignment of 150 pigs to Robb's Jetty. They would be brought to Perth, and would probably have to stay all day in the heat waiting until the passenger traffic had ceased so that at about midnight the pigs could be conveyed through the bottle-neck to their destination. Is something not to be done to help the producers who, Sir Otto Niemeyer told us, will be the salvation of the country? Are we to penalise them? If we are to do that, then hon. members must take the responsibility. As to the Commissioner of Railways, I did not say a word against him.

The Minister for Country Water Supplies: I did not say you did.

Hon. J. J. HOLMES: He must be a good man to have accomplished what he has done. Did the Commissioner fix the Collie coal

contract? No! Did he fix the 44-hour week? No! Did he grant long service leave to the Government railway employees? No! It was the politician who did that. If this country would accept my advice and place the railways under an independent and autocratic commissioner, free from political restraint, and let the politicians go about their business, all would be well.

Hon. G. W. Miles: We should shoot a lot of them!

Hon. J. J. HOLMES: Yes; put them up against the wall! If we did that, there would be no necessity to penalise the producers, because the railways would be run profitably. I hope the amendment will be accepted in an altered form. If something is not done in their interests, the primary producers will go to the wall.

Hon. A. LOVEKIN: Mr. Drew raised a point regarding the construction to be placed on my amendment. Obviously it was not intended to apply as he suggested, and the alteration required is a simple one. All that is necessary is to alter the word "who" to "when."

The MINISTER FOR COUNTRY WATER SUPPLIES: Unfortunately the amendment will go even further than Mr. Drew suggested. If agreed to, it will mean that those mentioned in the amendment will pay no tax at all.

Hon. E. H. HARRIS: Last evening we had a long debate regarding the "agronomist" that Mr. Stewart introduced into the discussion, and now we have Mr. Lovekin's "lambs."

Hon. J. J. Holmes: And you have your oar!

Hon. E. H. HARRIS: And I intend to butt in, too. I shall butt in with the object of assisting, not of being a nark! The Committee agreed to Mr. Stewart's amendments last night by a narrow majority, and I believe those who voted with him desired to assist the primary producers, about whom we have heard so much. Mr. Lovekin has now placed another amendment before us that goes further than that introduced by Mr. Stewart, and includes pastoralists and orchardists. The two amendments are much alike, but Mr. Lovekin's goes further. The Minister complained that Mr. Stewart's amendment opened the door too wide, but Mr. Lovekin's amendment—

Hon. H. Seddon: Takes the door off the hinges.

Hon. E. H. HARRIS: The Minister put his finger on the point when he drew attention to the fact that under the amendment those referred to will not pay a penny of the tax at all. I suggest that Mr. Lovekin, Mr. Stewart and the Minister confer and arrive at an amendment that will embody what all three desire.

Hon. A. Lovekin: I am agreeable to that.

Hon. H. STEWART: I believe the Committee are in accord with the intention of Mr. Lovekin, but I agree with the Leader of the House that the amendment as it stands at present would practically exempt all those covered by it.

Hon. E. H. Harris: Could you not achieve what you desire by adding a few words to your original amendment?

Hon. A. Lovekin: I think Mr. Harris's suggestion was a good one; let us get around a table and frame an amendment.

Hon. H. STEWART: I think that is right, too. The Minister has pointed out that orchardists and dairy farmers are already exempt, so Mr. Lovekin's amendment is not necessary, according to the Minister, from that standpoint. There is an objection to retaining the word "solely" in Clause 4. It was deleted from two paragraphs and I think it should have been deleted from the other paragraph consequentially.

Hon. A. LOVEKIN: The Minister should accept the suggestion and report progress. Much time would be saved if we could draft a clause that would meet with the approval of the Committee.

Hon. J. J. Holmes: If it means that such farmers will be exempt from the payment of any license fee, I cannot support it.

Hon. A. LOVEKIN: It could be made subject to Section 10a, which would exempt the farmer from the payment of the extra license fee.

Hon. H. STEWART: I wish to move an amendment to delete from the proposed new clause the words "this Act" and to insert in lieu "Section 10a."

The CHAIRMAN: I cannot accept the amendment. The proposed new clause provides for a general exemption. If the hon. member wishes the exemption to apply to a particular clause, he must move to recommit the clause and make the exemption a sub-

clause of that clause. The proposed new clause will read—

15. Notwithstanding anything hereinbefore contained, this Act shall not apply to any agriculturist, pastoralist, or orchardist when conveying to market in his own vehicle any sheep, lambs, pigs, poultry, fruit or perishable commodities which are of his own production, the proceeds from which are solely for his own use and benefit.

The MINISTER FOR COUNTRY WATER SUPPLIES: The proposed new clause would exempt such farmers from the payment of any license fees.

Hon. A. Lovekin: Why not report progress?

The MINISTER FOR COUNTRY WATER SUPPLIES: I am not prepared to do that, but will move—

That the further consideration of the proposed new clause be postponed.

Motion put and passed.

New clause—Citation of principal Act and amendments:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That the following be inserted to stand as Clause 16:—"The principal Act and amendments, including this Act, may be cited as the Traffic Act, 1919-1930."

New clause put and passed.

New clause—Duration:

Hon. A. LOVEKIN: I move—

That the following new clause be inserted:—"This Act shall continue in force until the 30th day of September, 1931, and no longer."

To make it a permanent provision that a person may not use his own property in his own way is unthinkable, unless we are absolute bolshevists.

The MINISTER FOR COUNTRY WATER SUPPLIES: What would be the position of the department regarding the collection of license fees if the measure were to remain in force for less than 12 months? The new clause might be acceptable if the 30th June, 1932, were stipulated, as that date would coincide with the date of the expiration of licenses.

Hon. A. Lovekin: I shall accept that. My desire is to retain control over this class of legislation.

The CHAIRMAN: I shall alter the proposed new clause accordingly.

Hon. H. STEWART: I cannot support the new clause unless the Minister is quite satisfied with it. The measure should be capable of operating for some years, and road transport should not be subject to further disorganisation so early as June of 1932.

Hon. A. LOVEKIN: This legislation involves interference with the liberty of the subject to use his own property if he thinks fit. If we limit the measure as suggested, we shall gain experience of it. I cannot understand a representative of the farmers wishing to commit all the producers of the State to legislation entailing increased taxation for carrying their produce to market.

The MINISTER FOR COUNTRY WATER SUPPLIES: The proposed new clause is reasonable. This is experimental legislation, and the time limit would give an opportunity to gain knowledge of the working of the Act. Then we could review it and perhaps make the law more satisfactory than this Bill will make it.

Hon. J. J. HOLMES: I agree with Mr. Stewart that we should finalise legislation where possible. I suggest that Mr. Lovekin should withdraw the proposed new clause and, if we can compromise on the suggestions made to meet the requirements of primary producers, there will be no necessity for limiting the duration of the measure.

Hon. A. LOVEKIN: If we pass the Bill without this clause, we shall be binding ourselves to it for all time. The primary producers will always have to pay these fees and charges and be limited in the use of their trucks, although things may entirely change in the future. My object is to keep the matter open so that, as a result of our experience, we may judge the value of this type of legislation.

Hon. G. W. MILES: It would be good policy on Mr. Lovekin's part if he withdrew this clause for the time being. That would then leave the way open to the framing of something more suitable.

Hon. A. LOVEKIN: We have reached the stage when perhaps the Minister will report progress. I cannot withdraw the new clause.

The CHAIRMAN: If the new clause is inserted in the Bill, it can be struck out on recomittal.

Hon. J. M. DREW: I was under the impression that this Bill was brought down after due consideration in order to prevent

unfair competition with the railways. We now find that several members are in doubt as to whether it is a wise measure or not. If that doubt spreads in the community, the law will become the main issue at the next general elections and demands will be made for its repeal.

Hon. J. J. Holmes: We cannot take that into consideration.

Hon. J. M. DREW: We should do so if we consider this is a good measure. If it is a good measure, it should be placed permanently on the statute-book. I might gain popularity by opposing it, but I am supporting it in the interests of the country.

Hon. J. NICHOLSON: I thought Mr. Lovekin's intention was to limit the operations of the Bill as it affected the fees. It now appears he desires to limit the duration of the Bill as a whole. I am astounded that the Minister should support the proposal.

The MINISTER FOR COUNTRY WATER SUPPLIES: I am supporting 10 (a).

Hon. J. NICHOLSON: Apparently the Minister is under a misapprehension, just as I was.

The CHAIRMAN: Members who are under a misapprehension cannot have taken much notice of the Chair, for I read out the proposed new clause. An amendment should be judged upon its wording, not upon what is said about it.

Hon. J. NICHOLSON: If this clause is carried, it will have a serious effect upon the Bill.

Hon. J. J. Holmes: The Minister approves of it.

The Minister for Country Water Supplies: No.

Hon. J. NICHOLSON: It would be a very serious matter if we did pass it. If the operations of this law are intended only to June, 1932, there may be several months during which not Traffic Act will be in force at all, because Parliament will be in recess.

The MINISTER FOR COUNTRY WATER SUPPLIES: It is very difficult to deal with amendments that have not been placed upon the Notice Paper.

Hon. A. Lovekin: I quite agree.

The MINISTER FOR COUNTRY WATER SUPPLIES: In such circumstances members have not the opportunity



to give proper consideration to them. As things are, I will move—

That progress be reported.

Motion put and passed; progress reported.

### BILLS (2)—FIRST READING.

- 1, Stamp Act Amendment (No. 1).
- 2, Stamp Act Amendment (No. 3).

Received from the Assembly.

### BILL—LAND TAX AND INCOME TAX.

#### *Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [6.1] in moving the second reading said: Because of the straitened state of the finances the Government regret the necessity to continue the existing rates of land and income tax. As a matter of fact it is not believed that the position will be more cheerful in the next financial year, so as to permit of reduction in the rates. Much against their wishes the Government are forced to seek the re-imposition of the present rates as suggested in the Bill, which is identical with that submitted and approved in the last four years. In those years the receipts from Income Tax were—

1926-27	..	..	£345,527
1927-28	..	..	£323,597
1928-29	..	..	£329,603
1929-30	..	..	£340,501—

and the estimated receipts for the current financial year are £275,000, or £65,000 less than last year.

From land tax, the receipts were—

1926-27	..	..	£147,416
1927-28	..	..	£162,906
1928-29	..	..	£196,301
1929-30	..	..	£219,066—

and it is estimated that the revenue from that tax during the current year will reach £220,000, or £934 more than last year.

The dividend duty collections for 1929-30 reached £410,615; and this year it is expected that £325,000 will be received from that source, or a drop of £85,615 compared with the figures for the preceding year. Briefly, the State received a total of £970,182 in 1929-30 from land tax, in-

come tax and dividend duty; and this year it is estimated that that total will fall to £820,000, or roughly £150,000 less than the previous year. That is the anticipated position at the end of the year, and therefore any decrease in the rates of taxes cannot be justified at present.

As previously stated, the Bill is the same as that submitted during the last four years. Clause 2, Subclause 1, fixes the rate of land tax at 2d. in the pound on the unimproved value of land as ascertained and assessed under the provisions of the Land and Income Tax Assessment Act, 1907-24, and fixes the unimproved value of pastoral leases at a sum equal to twenty times the amount of the annual rent received by the lessor or payable or paid by the lessee.

Clause 3 fixes the rate of income tax, namely—

- (a) at 2d. in the £ for the first £100 of "income chargeable";
- (b) at a graduated rate of tax commencing at 2d. in the £ and increasing at a rate of .007d. in the £ on every £1 in excess of £100 and up to but not exceeding £6,672;
- (c) at a flat rate of 4s. in the £ on the total amount of all incomes in excess of £6,672.

That is to say, if a taxpayer's total income is £6,672, or more, he pays 4s. in the £ on the total income.

Subclause 3 of Clause 3 provides that for the current year—as was the case in the previous four years—the aforementioned rates of income tax shall be reduced by 33 1/3rd per cent.

Clause 4 deals with the minimum amount of tax payable, and is self-explanatory. Clause 5 provides that where the income chargeable of a taxpayer is composite—namely, partly dividends from a company subject to duty under the Dividend Duties Act, and partly from other sources—the taxpayer shall be assessed on his aggregate net income, but a rebate of the amount of dividend duty paid on the dividends shall be allowed. Subclause 2 of the same clause provides for dividends alone, paid out of income from profits of a company subject to dividend duty, being assessed under this Act; that is, in those cases where the rate of income tax on the dividend exceeds the dividend duty rate. A taxpayer assessed under that provision is allowed as a rebate

the amount of dividend duty paid on the dividends received by him. Also, under Clause 5, dividends from mining companies, which are exempt from duty under the Dividend Duties Act, are not brought to account and assessed for income tax. It is only when the dividends from mining companies are paid out of taxable profits under the Dividend Duties Act that they are accounted for under the clause.

Clause 6 renders inoperative the provisions of Section 55 of the Land and Income Tax Assessment Act, 1907-24, which provides for the payment of land tax or income tax or both in two equal half-yearly instalments. Both land tax and income tax have for many years past been paid in full instead of in half-yearly moieties. I move—

That the Bill be now read a second time.

**HON. H. STEWART** (South-East) [6.9]: I realise that under this Bill a man who has lost the whole of his income will be called upon to pay land tax on increased valuations. The Government anticipate receiving more from land tax this year than in previous years. So far as I am concerned, it will be their own fault if they get less from land tax. The present Government and preceding Governments have failed to bring down a Bill removing anomalies that are to be found in the Land and Income Tax Assessment Act. During the 13 years I have been a member of this Chamber, I have expressed my readiness to be a party to increasing taxation on lands, more particularly agricultural lands, that are not being utilised, with a view to keeping down taxation on lands that are utilised. The late Government repeatedly received condemnation from me because they had made the position of the man who had improved his land more burdensome, relatively, than the position of the man who owned land and did not improve it. The responsibility has been on previous Governments, and is on the present Government to amend the law so as to separate land tax and income tax. The Government could have brought down an amendment of the Land and Income Tax Assessment Act, to provide that the person who gained his income from land should be relieved. The law remaining as it is, this Chamber has opposed increase in

land tax. If we press for a reduction of land tax, we must, because of the unsatisfactory condition of the Land and Income Tax Assessment Act, relieve people for whom we do not desire relief. I refer to landholders who do not get their income from the produce of the soil. If we reduced the land tax, as I contend we should do, to relieve the agriculturist and the pastoralist who have lost the whole of their net incomes, then unfortunately, because of the condition of the Land and Income Tax Assessment Act, we must relieve anyone who has land which is improved within the meaning of the Act. The proviso contained in that Act as to improved land does not represent a fair and reasonable basis of improvement. It refers only to the perfunctory minimum improvements required by the Land Act. During the last 13 years various Governments have had the opportunity of rectifying the position, or at any rate of so arranging, in connection with land taxation and land valuation, that the obligation to improve and utilise land should be greater than the easy conditions set up by the Land Act itself. The Government should during this session bring down a Bill to amend the Land and Income Tax Assessment Act, modifying various provisions so as to make them more consonant with existing conditions. Those provisions have not been reconsidered or modified during the last 20 years. I refer especially to the provision dealing with relief for improved lands. Some special modification should be made enabling relief to be given to that section of the community which suffers so much from the low prices of primary products, without relieving other sections of landholders—I refer to the holders of improved city and town lands. City and town lands have depreciated in value, and I agree that all valuations should be reconsidered. However, in point of income, the owners of city and town lands have not suffered to the same extent as the growers of wheat and of wool. Another part of the Land and Income Tax Assessment Act has for years been crying out for modification.

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

**Hon. H. STEWART:** Before tea I was pointing out that in my opinion the Land and Income Tax Assessment Act needs alter-

ing. I shall go further and say we need two separate Acts to deal with land tax and income tax respectively, so that the incidence of taxation in either could be altered independent of the other. Moreover, I would advocate that we should have a separate Valuation of Land Act. The Royal Commission of the Federal Parliament on taxation, which sat for more than a year in 1922-23, made certain recommendations, one of which was to the effect that it was highly desirable that the taxing authority who made the assessments of land should be a different body from the valuing authority. The Royal Commission pointed out that no State except New South Wales had a Valuation of Land Act, and that in that State it had never been used. I am referring to valuations because the valuations are necessary in order to gain the taxation from this taxing measure. The Royal Commission of the Federal Parliament pointed to the legislation in operation in New Zealand without modification since 1907, and declared that the Act of New South Wales was framed on that Act. It provides for a separate valuing department, and the basic principle is that there is equity from the point of view of the landowner and also from the point of view of the valuing authority. The method adopted to secure equity is that in all questions of appeal which depend purely on the interpretation of the Act, the appeal is to the Supreme Court. After the valuation has been made by the officers of the Valuer-General's Department the appeal is to an unbiassed board consisting of a magistrate of the district, a representative of the local authority, and a representative appointed by the Government. That board hears appeals against the valuations, and in respect of points of law there is an appeal to the Supreme Court. But if the valuation fixed by the board of appeal is, in the opinion of the owner, too high, he can call upon the Valuer-General to reduce the valuation to his figure, or to purchase the land at that lower valuation. If the Valuer-General, within 30 days, does not purchase the land at that valuation, or if the parties do not agree on the valuation, then the valuation must be lowered to that at which the owner offered to sell. Per contra, if the Valuer-General thinks the value is too low, he calls upon the owner to accept a higher valuation, and on the owner's failure to do so, the Valuer-General can purchase the

land at the increased valuation, or if he does not, and if the parties fail to agree on the valuation, then the lower valuation fixed by the appeal board must stand until there is a valuation mutually agreed upon. It was pointed out that in New Zealand there is a very substantial exemption for land which is used for producing income from the soil. That exemption is graduated so that as the unimproved value of the holding increases the amount of exemption become less, until it disappears altogether at a much higher figure than that of any exemption we have in this State. They also have an exemption for widows and orphans.

Hon. J. Nicholson: It saves confiscation of their property.

Hon. H. STEWART: I will accept the statement of the hon. member.

Hon. H. Seddon: How would that work out at a time like the present, when there is no money with which to purchase?

Hon. H. STEWART: I had not intended to go elaborately into this, to deal with the matter at any great detail, but I should say the experience of an Act which has been in operation ever since 1907, and which has worked so well in New Zealand, which depends entirely on primary products to keep it solvent—in view of this I have no hesitation in believing that a system such as that would work well in Western Australia.

Hon. J. M. Drew: Such a measure was twice rejected by this House.

Hon. H. STEWART: The hon. member informs me that before my time in this House that measure was twice rejected here. It is not the only measure that has been rejected by this House and eventually accepted. Mr. Drew told me that on previous occasions, and I intimated that at any rate if he were associated with a party to such legislation he could look to me to support it in this House. I hope the time is not far distant when we shall have such legislation brought before us. It reminds me that in reply to a question by me to-day the Minister said the new valuations made by the taxation authorities are made without reference to the productive value of the soil.

Hon. Sir William Lathlain: Would not the productive value of the soil depend upon the rainfall?

Hon. H. STEWART: Undoubtedly the rainfall would be an important factor. I do not know if I should be quite in order

if I persisted on these lines too far. I do not know whether the hon. member would like to see the rainfall taken into account in any legislation providing for the valuing of land. Certainly it is one of many factors influencing the value of agricultural land. Before the tea adjournment I referred to the fact that if we wanted to do anything to relieve the load on agriculturalists who have lost all their net income and are still to be called upon to pay land tax and income tax, we can only do it by relieving others who have not suffered to the same extent. I remarked that there is a certain portion of the Act which I think should be amended so that improvements which would warrant a person getting a rebate to the extent of 50 per cent. of the tax should become greater the longer the land is held and used. This would be no hardship on a person bona fide utilising the land for profitable production. In making those remarks I had in mind Section 9 of the Land and Income Tax Assessment Act, which provides that every owner of improved land, in respect of such land shall be entitled to a rebate of half the tax levied on the unimproved value thereof and assessed under the provisions of the Act. That section further prescribes that land used solely for agricultural, horticultural, or pastoral purposes shall not be deemed improved unless the improvements effected are equal to an amount of £1 per acre, or one-third of the unimproved value of the land, whichever is the lesser. In regard to agricultural land that has really been used for growing wheat or other purposes, the amount prescribed to be spent in improvements is really a very low qualification for a person bona fide using the land. It could be substantially increased without being any burden on those vigorously utilising land for the production of wealth from the soil. Section 9 of the Act further prescribes that the rebate shall also apply in cases where the Under Secretary of Lands certifies in writing that the improvements prescribed by the Act have been effected. It is all right to retain that for conditional purchase land, but those conditions are very easily complied with. I think the position should be looked into and steps taken to ensure greater improvement being made in order to justify that rebate; in

fact to see that the land is efficiently and vigorously used bona fide before that rebate is made. That rebate of 50 per cent. of the tax on land which is improved applies to all land, and so relieves the Government of a lot of revenue which should go to the Government. I draw attention to Subsection 2 of Section 10 of the Assessment Act which provides—

All lands held under contract for conditional purchase, made before or after the commencement of this Act, under the Land Act, 1898, or any amendment thereof, are exempted from assessment for taxation under this Act for the term of five years from the date of contract, or from the date of survey in the case of land not surveyed before the date of contract:

That is quite all right. It goes on—

But such exemption shall only apply to taxpayers who prove to the satisfaction of the Commissioner that they do not hold legally or equitably more than 1,000 acres of cultivable land or 2,500 acres of grazing land, or of cultivable and grazing land mixed, as defined by the Land Act and its amendments.

That is quite all right. But we have 9,000,000 acres of third-class land within 10 miles of existing railways, and some of that land is available at from 1s. to 3s. per acre. If any man is enterprising enough to take up 5,000 acres, its value to him would be far less than that of 1,000 acres of first-class land, but he gets no exemption, not even for one year before he is liable to tax. That has always been the position, and I have appealed to Ministers to alter it. It was never intended that that should be so. The Solicitor General and the Under Secretary for Lands recommended Mr. Angwin, when Minister for Lands, to bring about the removal of the anomaly, but nothing was done. In the province I represent a lot of this land would have been brought into use as pastoral and grazing land had the manifest iniquity been modified by amending legislation.

Hon. J. J. Holmes: You have the opportunity now that your Ministers are in power.

Hon. H STEWART: I think something will be done this session, or perhaps next session.

Hon. J. Nicholson interjected.

Hon. H STEWART: The hon. member should know that a private member is not able to move an amendment to the Assess-

ment Act when considering this tax Bill, and because of the recent alterations to the Standing Orders—the hon. member is a member of the Standing Orders Committee—it is impossible now to amend even a portion of the section of a Bill, unless it is cited in an amending Act.

Hon. A. Lovekin: Look at the last clause of the Bill and you will see that somebody else has done it.

Hon. H. STEWART: Then it will be ruled out. I intend to try to get a reduction in the amount of the land tax that the measure seeks to impose. While I intend to do that, I am prepared to support the Government in trying to get revenue from other sources to make up what will be taken from this. I will support the Government in connection with taxation measures, but I want to see the measures directed towards people who are able to pay, so that those who have not the wherewithal may be given relief. The Government can very well recoup themselves from other sources for anything they may lose under the Bill we are now considering, in the event of a reduction in the land tax being brought about from 2d. to 1d. I will be prepared to support them in the imposition of a tax on all wages and incomes earned, from which source the Government would receive more than the amount of revenue they would lose by relieving a certain section who cannot equitably be expected to pay this year the tax that they paid last year and the years before, a tax, too, that the present Government, when in opposition, did their utmost to reduce. I am fully aware of the difficult financial position and I am prepared to do all I can to assist the Government to balance the Budget. In that respect I shall endeavour to help them to get money from every section of the community who are in the position to pay.

On motion by Hon. H. Seddon, debate adjourned.

### **BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 1).**

#### *Second Reading.*

HON. E. H. GRAY (West) [7.52] in moving the second reading said: This is a short Bill of one clause and it will give a number of people in this State the op-

portunity to support the propaganda which has for its object the encouragement of local industries. The Bill proposes to amend Section 28 of the Agricultural Bank Act, 1906. That Act was introduced by Sir James Mitchell, the present Premier, and it gives the trustees of the Agricultural Bank power, if they think fit, to make advances on prescribed security for various purposes, and refers to agricultural machinery manufactured in Western Australia. There was a proviso added that, subject to regulations, such machinery should be deemed to have been manufactured in Western Australia, notwithstanding that certain parts thereof were imported, and provided also that employees engaged in the manufacture of State machinery were paid the ruling rate of wages. In 1906 Sir James Mitchell made an impassioned speech in support of the Bill, and he inserted the clause in question because of the enormous importations of agricultural machinery from the Eastern States and from the United States. In that year machinery to the value of £106,000 was imported into Western Australia, and the need was felt for encouraging the establishment of manufacturing of agricultural machinery, and it was for that purpose that the section was inserted. At that time there were various small blacksmiths' shops in the State engaged in the manufacture of implements, and it was thought they might be able to meet the local demand for the supply of machinery for Agricultural Bank clients. As hon. members know, that was practically the commencement of the progressive developmental policy of land settlement in this State. It was found that there being no manufacturers of agricultural machinery with the exception of the few blacksmiths' shops to which I have referred, the section was tentatively administered, and later it was dropped from the Act of 1910. In 1912 the State Implement Works started operations and as hon. members are aware, those works have had a chequered career since.

Hon. G. W. Miles: The steel used by the implement works is inferior; it is too soft.

Hon. E. H. GRAY: It is no good the hon. member putting up a proposition like that because if farmers were to fully realise the possibilities of agricultural machinery manufactured in the State, they would also know that most of the steel required

would come from Newcastle. If the need for agricultural machinery and local products was felt in 1906, how much more is it needed to-day? And seeing that, owing to the depression, people have seen fit to take part in an agitation directed towards supporting local industries, it is the duty of Parliament to give a lead in that propaganda. The Bill before the House is much milder than was the Act of 1906, but it gives an instruction to the Agricultural Bank to carry out the common desire of the people, and support for this should come from both Houses of Parliament. During the last day or two we have heard a lot about the hardships farmers are undergoing. There is no doubt about that, and it is likely they will experience even more severe hardships.

Hon. Sir William Lathlain: They have been undergoing them for 18 years.

Hon. E. H. GRAY: There have been periods of prosperity.

Hon. Sir William Lathlain: When?

Hon. E. H. GRAY: During the last four or five years.

Hon. J. J. Holmes: At any rate, you went off the land.

Hon. E. H. GRAY: I admit the farmers are now having a very bad time, but there are also thousands of unemployed, married people amongst them, also having a bad time. Unfortunately the biggest hardship of the depression will fall upon the rising generation. Going about the streets of Perth and Fremantle one sees a number of boys and young men walking about doing nothing. These lads will suffer more than anyone else.

Hon. G. W. Miles: You will not allow them to work.

Hon. E. H. GRAY: They have not the opportunity to work.

Hon. G. W. Miles: Alter the Arbitration Court.

Hon. E. H. GRAY: If the Bill is carried, it will give a lead in the direction of increasing employment, and if we do that we shall be doing some good, even if we employ only a hundred apprentices in the course of the next two years. The boy that goes out into the world as an unskilled labourer is severely handicapped; the boy without a trade is handicapped through life. I always felt grateful because my father insisted on all his sons learning a trade.

Hon. G. W. Miles: You will not let the boys here learn a trade.

Hon. E. H. GRAY: My father was a labourer and worked in the Great Western Railway works in the Old Country. There were four of us boys and my eldest brother left school just at the time when the works were busy and he had no difficulty in following a trade that he selected for himself. There were about 1,500 boys at the school, and each one naturally was interested in the local works, and there was not a boy who left the school who did not select the trade that he desired to follow in those railway works. In those days the trades were as well organised in Great Britain so far as unionism was concerned as they are to-day. Perhaps they were better organised. When my time came to pick out the trade I wanted to follow, there was a period of depression affecting the railway workshops, and I could not follow the trade I desired.

Hon. G. W. Miles: That is a great pity, because we might have had in you a decent Commissioner of Railways by now!

Hon. E. H. GRAY: My father was wise enough to insist that I should be apprenticed to the particular trade in which I was working at the time. I did everything possible to avoid being indentured, but he insisted. I have been grateful to him ever since, although I served my apprenticeship to a trade I have always hated and detested. It gave me a start so that by the time I was 22 years of age, I had travelled to many countries in the world and, as a matter of fact, I have never been out of work at all. A boy who is ambitious and has a trade at his finger tips cannot possibly be hard up or out of work, except in circumstances such as the present.

Hon. J. J. Holmes: And provided he has the money necessary to enable him to join a union.

Hon. E. H. GRAY: It does not cost much to do that, and, in any case, the union will look after him. A man who is in the fortunate position I have indicated is able to go anywhere and, as long as he is willing to turn his hand to any sort of work when there is slackness in his particular trade, he need never be frightened of the prospects ahead of him. Let us follow the footsteps of the boy who leaves school and has to become an unskilled labourer.

Hon. J. Nicholson: That is one of the saddest things in life.

Hon. E. H. GRAY: The mothers realise it more than the fathers do, but the boys do not seem to realise it at all. We should help the youths of Western Australia in the trouble that confronts them. We can do that by giving a lead to the people, and the clause embodied in the Bill will provide work for the boys. It may be possible for the House to make the Bill more effective and if the Bill passes the second reading stage, we can make it more mandatory upon the trustees of the Agricultural Bank when we deal with the clauses in Committee.

Hon. E. H. Harris: Along what lines?

Hon. E. H. GRAY: We could make it follow somewhat along the lines of the Act of 1906. If that is not acceptable to hon. members, I will agree to the Bill in its present form. It has been suggested that the object of the Bill is to bolster up the State Implement Works. The object is nothing of the kind. It will merely serve to give a lead to the people of the State.

Hon. G. W. Miles: Will you help us to abolish the State Implement Works if we agree to the Bill?

Hon. E. H. GRAY: In my opinion, the action of the Government in shifting the showrooms of the State Implement Works to Rocky Bay will have the effect of driving the last nail into the Implement Works' coffin. Apparently the Government want to see the works cease operations.

Hon. G. W. Miles: Will you assist us to abolish them if we agree to the Bill?

Hon. E. H. GRAY: No; I want to see the State Implement Works extended. I would like to see other firms established in Western Australia and manufacturing agricultural machinery.

Hon. Sir William Lathlain: You would not let them come in when they wanted to.

Hon. E. H. GRAY: No one stopped them. Surely if South Australia can have several firms manufacturing agricultural machinery, Western Australia can follow the lead. No one would suggest, as the Premier did in another place, that we could not meet the demands in Western Australia because we could not make the necessary machinery. There is nothing in a contention like that.

Hon. G. W. Miles: Private enterprise could do it.

Hon. E. H. GRAY: Shearer & Sons in South Australia built up their fine business from a blacksmith's shop. The Shearer plough is better than the McKay plough, which will not stand comparison. There is only one plough better than the Shearer plough, which has a heavy draught. The only plough manufactured in the Commonwealth or the United States that is better than the Shearer plough is that turned out by the State Implement Works. It embodies every good part of the Shearer plough and is better in every way. In addition, it has the advantage of having a lighter draught. Then there is the question of the dairying industry. In the corridor of Parliament House there is an exhibition of locally manufactured milk and cream cans. If the Bill is passed, it will mean that the trustees of the Agricultural Bank will have power to see that their clients will be able to secure locally manufactured machinery required for their dairy farms. The exhibits in the corridor will stand close inspection because they are strong and well made articles. The Bill will provide encouragement for increased production of articles of that description. There are all sorts of goods manufactured in this State in a small way. The passage of the Bill will mean increased production of windmills, cultivators, harrows, drills and so forth. Good harrows can be made in blacksmiths' shops here and they are just as strong and cheap as any imported from the Eastern States. In a crisis such as that confronting us now, we should bend our energies to the support of local production. I ask the House to accept the Bill in the interests of the young people of Western Australia. I do not ask them to accept it in order to bolster up the interests of any particular concern. I ask them to do so in order to assist in the campaign in support of local production. I ask them to do so to provide opportunities of work for our young men in a decent trade in Western Australia.

Hon. J. Nicholson: Why is it necessary to have a Bill? Could not instructions be given by the Ministers to the trustees?

Hon. E. H. GRAY: I think it is better to have a Bill.

Hon. H. J. Yelland: The trustees already have the necessary power.

Hon. E. H. GRAY: No, they have not because the section that gave them that power was dropped out of the Act in 191

I realise that the Bill could be amended to make it more acceptable, but rather than lose the Bill I will agree to it going through in its present form. I commend the measure to the House on behalf of the young people of Western Australia and I move—

That the Bill be now read a second time.

**HON. J. CORNELL** (South) [8.8] : There is very little in the Bill. I intend to oppose it from the standpoint of the agriculturist, who is a client of the Agricultural Bank. To successfully work a 1,000-acre block on the basis of present prices, a farmer will require plant worth about £1,400. I will take No. 2 zone, where the Agricultural Bank will advance up to £1,500 by way of loan. In that zone all that the farmer can secure as a loan for the purchase of machinery is £150.

Hon. H. J. Yelland: Not the value of one harvester.

Hon. J. CORNELL: He could not even get that because £150 is not sufficient to buy a harvester outright, and give the Agricultural Bank a mortgage over it. That amount means that all that the farmer can buy is a drill and a set of harrows, or a Shearer plough, a McKay plough or a stump-jump plough. There is nothing else he could buy with that amount. That is the extent to which the Bill will help the agriculturist. Consider the trend of land settlement generally in the new areas that have been thrown open during the last 18 months or two years. Some of the blocks are upwards of 60 miles from a railway. It is safe to say that 75 per cent. of those who have newly gone on the land will get their machinery first of all. Therefore that source of revenue from the Agricultural Bank will have been lost already. When we come to analyse the position and realise the small amount available from the Agricultural Bank for the purchase of machinery, hon. members will agree with me that it is better to leave well alone and allow the farmers to please themselves what implements they use. The only machinery the farmers could possibly buy from the State Implement Works would be a plough and a set of harrows.

Hon. E. H. Gray: What about a drill?

Hon. J. CORNELL: If the farmer has any sense at all, he will leave the State Implement Works drill religiously alone. It is well known that no one firm engaged in the manufacture of agricultural machinery has

evolved a series of satisfactory implements to meet the requirements of all phases of farming. Every agricultural implement manufacturer seems to have specialised in one particular article, and to manufacture it better than their competitors. If we were to visit any successful farmer in this State and inspect his harvesters, ploughs, drills, harrows and so forth, we would probably find that each implement was made by a different manufacturer, and, in all probability, no two implements on the farm would be made by the one firm. That indicates the range of choice available to the farmer in the purchase of his machinery, and he should be able to exercise his discretion in that direction. An effort was made in connection with the group settlements, and in the Esperance district to a large extent, to force men who applied for a loan of £150 for the purchase of machinery to take those manufactured by the State Implement Works.

Hon. E. H. Gray: That was not done in connection with the group settlements.

Hon. J. CORNELL: Yes, it was in the initial stages. The result of that policy was that heaps of the State-manufactured machinery can be seen scrapped on farms and holdings in those parts of the State. If a man gets it into his head that he requires a certain brand of machine, and he is forced to take another brand, he will be compelled to use a machine in which he has no confidence. It is a well-known fact that the disc plough is the only implement turned out by the State Implement Works that can compete successfully with other makes of agricultural implements. No other line of State machinery, except perhaps the poison cart, is comparable with the machinery of other works.

Hon. W. H. Kitson: What about the windmills?

Hon. J. CORNELL: That is not an implement. The Agricultural Bank does not assist settlers to buy windmills.

Hon. E. H. Gray: Yes, it does.

Hon. J. CORNELL: If a settler went to the Agricultural Bank and asked for money with which to buy a windmill, he would be chased out of the bank.

Hon. E. H. Gray: The officials of the bank do not ask the settler what he is going to buy with the money.

Hon. J. CORNELL: But the settler cannot negotiate a loan without informing them.



Ninety-nine per cent. of the farmers who have reached the windmill stage have long since exhausted the £150 of Agricultural Bank advance. Consequently they would not be affected. I cannot see what good purpose would be served by passing the Bill. It does not direct the trustees of the bank to do anything. It merely provides that they may do something. I have yet to learn that there is any power in the Bill that would enable the trustees to say to a settler, "You must buy a certain brand of machinery." If the Bill be passed, it will be a case of as you were. Consequently we should be wasting the time of the House by discussing the measure. If it were mandatory, there would be something to be said for it. As it originally passed the second reading in another place there was something in it, but as amended, it is purely a pious resolution that the trustees may or may not exercise this discretion. I oppose the second reading.

**HON. J. J. HOLMES** (North) [8.19]: This opportunity is too good to miss. If we trace the history of the Bill, it slipped through the second reading in another place.

Hon. G. Fraser: There was no slipping through about it.

Hon. J. J. HOLMES: It was amended in Committee subsequently, which is evidence that it did slip through the second reading. What does it amount to now? That the trustees shall have discretion to refuse an advance to any settler for the purchase of any implements or machinery which have not been manufactured in Western Australia. I should like to know how the trustees could exercise that discretion if, as we have been told, they do not ask a settler what he is going to buy. As regards Mr. Gray, the chickens have come home to roost. Unfortunately, he will not be affected so much as the women and children of the State. He has told us that if South Australia can successfully maintain two or three firms of implement makers, Western Australia should be able to maintain at least one. The reason why South Australia has implement works is that there are no State works competing with private enterprise.

Hon. W. H. Kitson: That is a weak argument.

Hon. J. J. HOLMES: With our wheat production, we would have up-to-date im-

plement manufacturers here but for the presence of the State Works.

Hon. G. W. Miles: And the Arbitration Court.

Hon. J. J. HOLMES: Does Mr. Gray think that manufacturers are coming here to compete with the State Implement Works, which wrote £120,000 off their capital a few years ago and which engage in manufacturing steamships and bridges and other things at their own prices and without any check at all upon their prices? Let anyone go there to-day and he will find the works standing idle. I happened to go there the other day and could not hear the sound of a hammer or the buzz of an engine.

Hon. Sir William Lathlain: Or even a funeral note.

Hon. J. J. HOLMES: That is so. I asked what had happened; whether it was smoke-o or what was wrong. I was told that the men were all away that day.

Hon. G. Fraser: They are not the only works in that position.

Hon. J. J. HOLMES: It has been made clear to me and has never been disputed by the powers that be that McKay's were prepared to come here and manufacture agricultural implements if they were allowed to operate on piecework, the same as they do in Victoria.

Hon. G. Fraser: And dictate their own terms.

Hon. J. J. HOLMES: Permission was refused, and the gentlemen responsible for refusing have the audacity to come here and talk about our young men being unable to learn the trade. The irony of it is that the parts McKays wanted to make here to complete their machinery are made in Victoria under piecework conditions and sent here for assembling, and the youth of Victoria are getting the work that ought to be done here. It is proposed to compel farmers to take State-made machinery whether they want it or not. Mr. Gray sat with me on the Royal Commission that inquired into the Peel Estate. One of the officials of the Agricultural Bank gave evidence, and told us that when a settler had a prospect of making good on the land, the bank gave him the right to take what implements he required, no matter what make they were, but when the settler was right up against things and bound to go to the wall,

he was forced to take State-made machinery because it was thought that in his possession it might be oiled and greased and would fare better than rusting in the implement works' yard.

Hon. G. Fraser: That tale has whiskers on it.

Hon. J. J. HOLMES: On the first reading I voted against the Bill. On the second I could not miss the opportunity to stress the points I have mentioned.

On motion by Hon. W. H. Kitson, debate adjourned.

## **BILL—PARLIAMENTARY ALLOWANCES AMENDMENT.**

### *Second Reading.*

Debate resumed from the 23rd October.

**HON. W. H. KITSON** (West) [8.25]: Believing as I do that a wage reduction would be no solution of our present economic troubles, I must on principle oppose the Bill. Mr. Miles seems highly amused. Saturday's polling in New South Wales should be an indication to him of the strong feeling that exists in some parts of Australia at any rate regarding the financial position and the methods necessary to adjust it. The amount involved in the reduction under this Bill would be small.

Hon. G. W. Miles: Make it larger.

Hon. W. H. KITSON: It would be a mere bagatelle as compared with the amount required to square the ledger. But it is not on account of the amount involved that so much importance is attached to the Bill. Any remarks I might make in opposition to the Bill will be futile, because so many members have already stated their views on the question. Still, it is necessary that every member should express himself on the measure because of the important principle involved. While it might be quite easy for some members to suggest that the measure does not go far enough and that there should be a greater reduction, others might be heroic enough to suggest sacrificing the whole allowance. In these days, however, it must be remembered that we consider it essential to have all sections of the community represented in Parliament and every representative is not in a posi-

tion to undertake that work without payment. The great importance of the measure arises from the fact that it is expected to give a lead to other people. I think I am right in saying that a large number of members have expressed themselves in that way. They have said that we could not expect outside people to accept wage reductions and less advantageous conditions of employment unless Parliament gave the lead.

Hon. G. W. Miles: Which reductions they must accept.

Hon. W. H. KITSON: To whom are we to give the lead?

Hon. G. Fraser: The Arbitration Court.

Hon. W. H. KITSON: Are we to give the lead to the private employer?

Hon. G. W. Miles: No, he has already given the lead.

Hon. W. H. KITSON: Or are we to give the lead to those tribunals appointed to deal with the fixation of wages and conditions for the great masses of the people.

Hon. E. H. Harris: Do you suggest they would be influenced by what we do here?

Hon. W. H. KITSON: The underlying idea is that a reduction of Parliamentary allowances would give the lead to other tribunals.

Hon. E. H. Harris: That is pretty shallow.

Hon. W. H. KITSON: I am not sure that it is. There is a good deal of reason behind it. A large number of people in this State have to rely upon the judgment not only of the Arbitration Court, but of other tribunals for the adequacy or otherwise of the wages paid them for the work they perform. It is not incumbent upon members of this House to give the lead in that direction. The wages of the great majority of our people are based on the cost of living. A standard has been arrived at by impartial tribunals after considerable inquiry. The standard is by no means too high here. There are other countries where it is higher. Any reduction in wages can only lead to a reduction in the standard of living.

Hon. H. Seddon: Have you any data in support of that assertion?

Hon. W. H. KITSON: Yes. A reduction in wages is equivalent to a reduction in the standard of living. It is not pos-

sible anywhere in the Commonwealth to reduce all those factors which will make it possible to revert to the standard operating in 1914. I heard Mr. Miles say we should reduce wages and prices, and get back to the 1914 standard, that people were happier then, and that their wages went further than they do now. He knows that in the present circumstances it is impossible to revert to that position. When I have said that a general reduction in wages can only lead to a reduction in the standard of living. I have been told there was no desire to reduce the standard of living; that it is not thought the standard of living is too high, and that if only wages were reduced and prices brought down so as to decrease the cost of all essentials, there would be no reduction in the standard of living. Some members have suggested we should go further than the Bill proposes. That may be all right for those who are in possession of incomes derived from sources other than their Parliamentary allowances. They may be able to get along with an even greater reduction, or without any allowance at all, and their standard of living will not be interfered with. Other members will be vitally affected by the 10 per cent. reduction. It does not come well from those who can afford to do without this allowance that they should advance an argument of that sort.

Hon. G. W. Miles: Has not the cost of living come down in this State?

Hon. W. H. KITSON: Yes.

Hon. G. W. Miles: Why should not salaries come down?

Hon. W. H. KITSON: As a result of the cost of living coming down the wages of practically all our workers have come down in sympathy.

Hon. G. W. Miles: Your wages have not come down.

Hon. W. H. KITSON: I shall come to that. While I am opposing this Bill, I am not opposed to the idea of taking my share in any necessary responsibility to assist the country in its present position. I have never shirked my responsibilities, and am not likely to do so now. This is not the way to relieve the position. Mr. Lovekin is going to ask this House to pass a motion dealing with another Bill when it arrives here. I refer to the Salaries Tax Bill. He suggests that on receipt of this Bill, which is to impose a tax

upon the salaries of certain officers of the Service—

The PRESIDENT: The hon. member is not in order in anticipating a discussion on another matter.

Hon. W. H. KITSON: May I not make a reference to it?

The PRESIDENT: An incidental reference only. I wish it to be incidental. I do not wish the hon. member to discuss it in detail.

Hon. W. H. KITSON: I do not propose to do so. It is necessary to refer to it in order to make my point. It is a Bill to impose a special tax upon the salaries of certain officers remunerated from public funds. Mr. Lovekin proposes to move an amendment that the Bill shall be sent back to another place for a certain reason. He wants to spread the tax over a larger number of people. He is of opinion that the Bill does not go far enough.

Hon. G. W. Miles: You will get one that will go far enough before you have finished.

Hon. W. H. KITSON: From what I hear, we may not get one at all. Mr. Lovekin says it would be advisable to tax a larger number of people, all who are outside the Government Service as well.

Hon. A. Lovekin: I said everyone should share.

Hon. W. H. KITSON: I agree with the hon. member.

Hon. G. W. Miles: So do I; it will come.

Hon. W. H. KITSON: If so, why exempt members of Parliament?

Hon. H. Stewart: They are not exempt.

Hon. W. H. KITSON: The hon. member does not understand what I mean.

Hon. E. H. Harris: You are not very explicit.

Hon. W. H. KITSON: Apparently a member of Parliament is the only person in the community who is to suffer a special reduction of 10 per cent. He will then be brought under the special tax, which is to be imposed not only upon members of Parliament but upon all who are earning anything.

Hon. E. H. Harris: Then you do not believe in the incidence of it.

The PRESIDENT: Order! I ask members to allow Mr. Kitson to proceed.

Hon. W. H. KITSON: If it is fair that the Bill referred to in Mr. Lovekin's motion should not be accepted because it does not cover people outside the Government Service, it is fair we should not accept this Bill unless it applies to people who are in a similar

position outside Parliament. Why single out members of Parliament for special treatment?

Hon. G. W. Miles: Because they put up their salaries 50 per cent. without permission.

Hon. J. Cornell: Why make ourselves cheaper than someone else?

Hon. W. H. KITSON: There is a good deal in that. One would gather from the remarks of some members that the average member of Parliament is not quite the respectable individual he thinks he is. I have come to the conclusion that the average member of Parliament as I know him is fully entitled to anything he may secure as a result of his work as a member.

Hon. A. Lovekin: That is what Mr. Theodore said.

Hon. W. H. KITSON: Be that as it may, we cannot get away from the point. The fact that members receive an allowance of £600 a year does not mean that they get more than they are entitled to for the work they do. There are many other factors to take into consideration. Does a person outside, receiving the same salary, have to bear the same expense as a member of Parliament? Does he have to stand for election periodically and is he involved in all that expense? Is he subject to what may be called blackmail to the same extent as some members are? It is easy for people who are not members of Parliament, and who would probably never become members, to talk as they do.

Hon. J. Cornell: But who may like to become members.

Hon. W. H. KITSON: It is easy for them to criticise the allowance paid to members. If they were in the position of members, they would probably be the first to complain if there was any suggestion of a reduction. I do not wish the House to think I am being personal in my remarks, but it is a fact that members have made it known that they receive no personal benefit from the allowance they are paid. It is quite easy for those members to advocate a reduction in salary or the total abolition of salary. They should, however, remember that there are others, particularly the country members, who could not retain their positions if they received no allowance. One member said that some of us have sacrificed our businesses to some extent. It was pointed out that others had put in managers to carry on their business in order that they might attend to their Parlia-

mentary duties. I know of some members who have not only sacrificed their business but rendered it impossible to get back a similar business because they had devoted their services to the country. In other cases men have given up more remunerative employment to become members of Parliament. It is not fair to say these should suffer a reduction or perhaps lose their allowance altogether. I have no desire to shirk any responsibility by way of contributing my share to the financial position, but I do complain about the method that is being followed. It should be possible to do this by a more equitable distribution over all sections of the community, whether the people be members of Parliament or employed in the Government Service, or outside it. Let them all pay in accordance with their ability to pay. If necessary let us increase our taxation, either by income tax or in some other way, to balance the ledger. If we acted on those lines, there would be no room for complaint by anybody. That is one of the reasons why I am inclined to support Mr. Lovekin's amendment to the other Bill I have mentioned. I have said repeatedly that by reducing wages we shall reduce the purchasing power of our people, with the logical consequence that our present position, instead of improving, will grow worse. In those circumstances we should find unemployment increasing. That has been the experience of every country, and under the same conditions it must necessarily be the experience of Western Australia. Numerous authorities could be quoted in support of that contention. In America it has been recognised by numerous large employers that in times of depression it is useless to reduce wages, as the people then will not have the capacity to buy goods. Henry Ford and those associated with him have always set their faces against reduction of wages in times of depression.

Hon. H. Seddon: So they reduce hands instead.

Hon. W. H. KITSON: That has been done here and everywhere else. The hon. member knows as a fact that production has increased by leaps and bounds during recent years, not only in America but throughout the Commonwealth.

Hon. H. Seddon: Would you reduce hands rather than wages?

Hon. W. H. KITSON: In some circumstances, yes.

Hon. H. Seddon: Will you define the circumstances?

Hon. W. H. KITSON: Certainly. However, one cannot enter into a discussion of that kind unless one explores the ramifications of the whole situation. Still, in some circumstances it would be better to reduce hands than to reduce wages.

Hon. J. Cornell: Let us cut out the 10 retiring members!

Hon. W. H. KITSON: On principle, I cannot agree to a reduction of wages as suggested, simply because it means a reduction in the standard of living and in the purchasing power of the people, and therefore must eventually lead to intensified depression. My remarks on a previous occasion when dealing with this phase of the subject were challenged by one or two members; but I still say—and each week that goes by proves the soundness of my contention—that owing particularly to the huge interest bill we have at present to pay, together with the reduction in world prices for our staple commodities, it is impossible for us to get back to the position of 1914 unless we can deal in a drastic way with the question of interest, which Mr. Miles takes a delight in discussing.

Hon. G. W. Miles: And tariff and bonuses.

The PRESIDENT: Order! I suggest to the hon. member that he confine his remarks to the Bill.

Hon. W. H. KITSON: I would suggest that this is only part and parcel of a campaign which has been waged for some considerable time throughout the Commonwealth with the object of reducing wages. As I have said, some members of this Chamber have convinced me, by their own remarks, that that is so. It really does seem to me that the newspapers are publishing interesting reading on this subject. Almost daily we find articles of one kind or another dealing with various phases of the question, and in some cases it strikes me as particularly good propaganda for the object in view. Unless we get some solution of our interest problem, we shall be continually faced with the position we are in now.

Hon. G. W. Miles: The interest problem will settle itself if you balance your Budget.

Hon. W. H. KITSON: The interest problem will have to right itself before that is done.

Hon. G. W. Miles: No.

Hon. W. H. KITSON: Otherwise the Budget will not be balanced. The object of the Bill is to assist in balancing the Budget this year. Well, more than one member has remarked that that is an impossibility. As the weeks go by, it becomes more and more obvious that neither the Commonwealth nor any of the States can hope to balance the ledger within the financial year. Had the time for squaring the ledger been extended for another year or two, it might have been possible to do something of that kind without creating the disturbance that has been created.

Hon. A. Lovekin: We should have started six or seven years ago.

Hon. W. H. KITSON: Certainly the balancing of the Budget will take a long period. However, had we allowed ourselves a somewhat longer period, we should not have had the trouble we are now experiencing.

Hon. G. W. Miles: Where will we get the money to carry on?

Hon. W. H. KITSON: That is another phase of the subject, and one which I think will be adequately dealt with by the people whose responsibility it is. I have said before to-day that there is no reason why we should not increase our note issue.

Hon. A. Lovekin: And then how many notes would you offer for a pound sterling.

Hon. W. H. KITSON: I know some members will say straight away, "That is inflation; you cannot have inflation; it would mean the ruin of the Commonwealth." In point of fact, we are at the present time suffering from deflation.

Hon. A. Lovekin: You would have to start off by giving two notes for a gold pound.

Hon. W. H. KITSON: Not necessarily. Our note issue to-day is much lower than it has been for some years. There has been a policy of deflation, during the last five years particularly; and it is having a serious effect on the Commonwealth as a whole.

The PRESIDENT: Order! I must ask the hon. member to connect his remarks with the Bill before the House.

Hon. W. H. KITSON: I certainly thought my remarks were associated with the Bill, Sir.

The PRESIDENT: It is difficult to see how the question of inflation affects the question of parliamentary allowances.

Hon. W. H. KITSON: The reason for the Bill is the fact that our financial position is so bad as to make it necessary for the Government to raise additional money. The raising of money by this means, I say—

Hon. G. W. Miles: This is saving money, not raising it.

The PRESIDENT: Order!

Hon. W. H. KITSON: I contend that this is not the right way. In endeavouring to show that, I pointed out that while hon. members here have objected to other methods by which the position could be improved, I still believed that there was room for something to be done in that direction. There has been a reduction in the note issue during the last five years to the extent of approximately £11,000,000. It can easily be demonstrated that the present unemployed position has been brought about largely as a result of that restriction. Credit has been restricted by the banks of the Commonwealth. In various ways it is quite easy to show that the very fact of this process of deflation taking place is one of the main reasons why we are so seriously affected at the present time. I suggest that if our note issue to-day was the same as in 1925, we would immediately find an improvement taking place in our position, improvement to such an extent that there would be no necessity for us to worry about the few thousand pounds involved in the Bill before the House. I know there is room for difference of opinion as to methods of financing the country, but I say unhesitatingly that no one can deny the reduction of the note issue during the last five years. That is one of the principal reasons why we have so much serious financial difficulty at the present time. I have been led to make that remark by a reference to what has appeared in the Press. In this morning's paper there was a special reference to Australia by someone who is looked upon as an authority. The gentleman I refer to is Mr. Oscar Lines, formerly general manager in Australia of the Bank of New South Wales. He passed through Fremantle yesterday on his way from London, and he made some interesting remarks during the course of an interview.

Included in them was the following passage:—

English financiers were full of confidence regarding Australia's ability to recover from her present depression, but they were not so confident concerning the ability of Australians to govern their country.

What a fine statement to make! Mr. Lines also said—

After associating for many months with several of London's leading financiers and business men, he was convinced that the extravagant borrowing policy of Australia in the past was not the primary cause of the sudden stoppage of loan money.

I have heard from numerous sources that the only reason for the stoppage of our loan moneys is the fact that we have been borrowing to so great an extent during recent years. Yet here we find one who is supposed to be an authority saying that it is not so; and he bases his opinion on the fact that he has been associated with leading London financiers for several years back, and that while they are agreed that Australia's people will get her out of her difficulties, they are not confident of the ability of Australians to govern their country. If that is the idea which London financiers have of the Australians who are endeavouring to govern this country, they will find before long that they are greatly mistaken. I believe more firmly than I did some little time ago that we are heading for an alteration in the banking policy of the Commonwealth. It is an alteration which will lead to improvement in the present position, and certainly can do no harm. May I also mention that several other authorities who have been considering this most important question have apparently come to the same conclusion. They agree that unlimited inflation of our note issue would be disastrous to Australia, and I also subscribe to that view. However, I certainly do not subscribe to the policy which is being adopted at present. I would like to make another quotation. The League of Nations have appointed a financial committee to deal with questions of this kind, and the committee have submitted a report which appeared in the "West Australian" of the 24th September last. I shall not read the whole report, but only something which is rather significant as to this particular question—

The committee hope that gold will be concentrated in the reserves of central banks, accompanied by limitation of its use as pay-

ment of international transactions. It believes that the minimum legal gold cover against notes, which is largely traditional, could be reduced, thus effecting economies without weakening credit.

There again is a remark from an authority which I think substantiates what I have said in that direction. And what I have said shows convincingly there is no necessity for us to be afraid in regard to any increase in the note issue up to the point I have suggested. If it was right in 1925 that our note issue should be £55,000,000, it is only right to expect that it should be at least up to that amount at the present time.

Hon. H. Stewart: We had then the larger gold reserve.

Hon. W. H. KITSON: But the amount of the note issue to-day is only £44,900,000, or a decrease of approximately £10,000,000.

Hon. H. Seddon: And the ratio of the gold reserve is exactly the same as it was in 1925.

Hon. W. H. KITSON: It may be, but one of the world's leading authorities on that subject has said there is no necessity to stick religiously to that ratio, and I think leading economists will agree to that. At the same time they will admit there is a limit beyond which we should not go. Here is a remarkable result of this policy of deflation which has taken place: during that period of five years we find there has been a huge increase in the assets of the banking institutions of the Commonwealth, running into many millions of pounds. The figures are 347 millions as against 405 millions; in five years there has been an increase of £53,000,000 in the assets of those financial institutions, while their liabilities have only increased by approximately £3,000,000 in the same period. Those figures should give us food for thought, especially when we say a Bill of this kind, which is only going to effect for the Government a saving of a few thousands pounds, is necessary in order that we may give a lead to employers outside in reducing wages. One other point in regard to that: In 1925 it appears the note issue per head of the population was £9.2 whereas to-day it is only £6.9. There, we might say, lies one of the reasons for the restricted credit, the difficulty we have in obtaining finance in Australia to-day. In 1925, when the circumstances I have just mentioned were exist-

ing, the ratio of unemployment was 8.8, whereas to-day it is 18.5. All those factors, I submit, have a bearing on the subject which we cannot afford to neglect. The Commonwealth Bank, whose charter was amended a few years ago, has been carrying out a certain policy which, to my thinking, has certainly not been in the best interests of the Commonwealth. On the other hand, I agree the bank has been up against difficulties which it would be very hard to overcome without further legislation. I sincerely hope that before very long that legislation will be introduced. So, when it is said and done, the troubles, both of the State and of the Commonwealth, are troubles, not so much with regard to reducing wages as freeing credit, which has been restricted to such an extent during the last two or three years. I have suggested one of the means by which that can be done. Referring to the propaganda in the newspapers, our local Press have given reports of what has taken place in the Eastern States and what has been said over the long time in regard to this matter. The other day I was surprised to find that one prominent man, Judge Beeby, who was dealing with the applications being made by the Railway Commissioners of the Eastern States to set aside existing railway awards, made some very significant remarks which the Press of the metropolitan area purported to report. But only one of the papers published the remarks in full. Those remarks have a bearing on a particular point to which I have referred this evening.

Hon. E. H. Harris: Have they any reference to the cutting down of members' salaries?

Hon. W. H. KITSON: None whatever.

The PRESIDENT: Then I am sure the hon. member will not proceed with the question.

Hon. W. H. KITSON: I think I might put it this way: The point I have been endeavouring to make, that our financial position is so serious and cannot be altered unless attention is given to the question of interest and the note issue—this particular quotation which I wanted to mention has a bearing upon what other people have said. But it has not been reported, except in one newspaper in the metropolitan area, although

think it is a most important point. The morning Press and the evening Press of the metropolitan area have published the remarks of Judge Beeby on that occasion, and naturally one reading those published reports would conclude that they contained all the remarks His Honour made on that occasion. But the "Sunday Times"—I do not like quoting the "Sunday Times" very often—gave the whole of His Honour's remarks, and the words I want to refer to are these—

The next 12 months clearly will be the most critical year in the history of the Commonwealth. An emergency has arisen which calls for an immediate readjustment in all directions, readjustment of the cost of Government, of the cost of production, the cost of living, and of profits and other returns to capital.

Those latter words are the words not published in the metropolitan Press, with the exception of the "Sunday Times"—"and of profits and other returns to capital."

Hon. J. J. Holmes interjected.

Hon. W. H. KITSON: That is my contention. I say we cannot hope to get anywhere by reducing wages unless we are prepared to take into consideration those other points I have mentioned. As for a reduction of Parliamentary allowances, I am prepared to take my fair share of the responsibility for seeing that our ledger is squared, but I say I should not be called upon to bear a greater burden than any other person in the same financial position as I am. It is only equitable that everybody in the community should be called upon to bear his share in accordance with his ability to pay, and members of Parliament should not be singled out for a reduction in their allowances simply because they are members of Parliament. I have very little to add. I realise that many members have pledged themselves to agree to a measure of this kind. Even before the contents of this Bill were known, I think the majority of members of this House had already expressed their intention of supporting the measure, and therefore I cannot hope that it will be defeated. But I cannot allow the Bill to go through the Chamber without entering my protest against the introduction of sectional taxation. The position is bad enough. I believe we have not yet seen the worst of it. I think that next year will be worse than the present year, and that probably it will be necessary for the Government to take steps additional to those they are

already taking, if they are genuine in their desire to square the ledger. But by all means when they do introduce additional measures, let them be framed on an equitable basis, and let everybody be called upon to furnish his quota to the required sum in a method that will be satisfactory to all sections of the community and in accordance with his ability to pay. I will oppose the second reading.

**HON. E. H. H. HALL** (Central) [9.10]: I congratulate Mr. Kitson on the tone he adopted. It is only to be expected that in this Chamber we should hear something on a little higher plane than that which it was my misfortune to hear in another place the other evening. I never thought members of Parliament were such patriots until I heard a debate on this measure in another place. Mr. Kitson and other members are opposing the second reading as a matter of principle. Mr. Kitson is opposed generally to a reduction in wages. He thinks the Government have been forced to bring in this measure as a result of the propaganda in the Press, mostly by way of anonymous letters, and also in the form of sub-leaders. It is a very great pity the Government did not take heed of the Press propaganda earlier than they did. For the advice given to Australia not only by Sir Otto Niemeyer but also by Prof. Shann, Professor of Economics in our own University—

Hon. H. Stewart: He gave that advice three years ago.

Hon. E. H. H. HALL: Yes, three years ago I heard Prof. Shann lecture in Albany on this very position in which we now find ourselves.

Hon. J. J. Holmes: Yes, and before that.

Hon. E. H. H. HALL: All these experts have been telling those in charge of the State what was coming, but their advice has been disregarded. Now that we are fairly in this trouble, it is urged against the Government that they are giving way to Press propaganda in bringing down this measure. We are asked why should members of Parliament be singled out for sacrifice. We have been told that members suffer all sorts of disabilities. In another place the other evening I heard one member say he could have sold his wheat at 5s. per bushel, instead of which he missed the market and sold it at 2s. 5d. It is not only members of Parliament who give way to this gambling spirit which results in missing the market. I do



not think it is a fair thing to blame Parliament for having missed the market. Another member said he was much better off when working at his trade than he has been since becoming a member of Parliament. Of course it was at once interjected at him that he need not remain in Parliament, that he could resign. Fortunately there are a number of members in Parliament, not because they want the allowance, but because they desire to do something for their country's good. If the public did not know that before, they know it now.

Hon. E. H. Harris: They can take it from you.

Hon. E. H. H. HALL: They can have it on the statement of men who have occupied responsible positions in the public life of this country. But it is no wonder the public say hard things about members of Parliament. In the course of that debate in another place I heard one member say that if ever a man had to buy a job, he had to buy his seat in Parliament. I speak from a brief experience of only one election, and I can say that I did not buy my job here. As a matter of fact I did not have the money with which to buy it.

Hon. G. Fraser: Someone bought it for you.

Hon. E. H. H. HALL: That is a deliberately incorrect statement, and could only have been made by Mr. Fraser without a true knowledge of the facts. I am not getting at all excited or annoyed. I can afford to laugh at an accusation of that kind. I footed the bill out of my slender purse. The Central Province is not like the Metropolitan Province or the West Province; it is a very big province, but I am glad to say that I looked upon my election campaign as a holiday, the first I had had for eight years. I met a lot of people I had never met before and a lot of people I had previously known, but I repeat that nobody bought the job for me.

The PRESIDENT: I do not think Mr. Fraser was serious when he made that interjection or I would have asked him to withdraw it.

Hon. E. H. H. HALL: It is necessary that any statement savouring of blackmail should be refuted. We have also the right to refuse to be subjected to demands that are frequently made upon us.

Hon. J. Cornell: A lot of members have not the heart to refuse.

Hon. E. H. H. HALL: I can understand the hon. member not having the heart to refuse, but after 25 years in the Civil Service and knocking about Australia as I have done, perhaps I have become a bit hard hearted, and if I do not feel inclined to respond to the invitations to become a president of a vice-president of various societies then I do not accept them. As a matter of fact, I simply put the letters into the waste paper basket, and that is what I did with one only this morning. I have one here that is a gem, and perhaps I may be allowed to read it, and I shall connect it with the remarks I am making. This is what the letter says—

I have been instructed by my fellow committee members of the ——— Cricket Club to solicit your honoured association with the club by becoming one of its patrons. We are making every endeavour for our initial appearance in the ——— Cricket League to be a colossal success, and at the same time become ambassadors to a district which has every chance of future prosperity. Thanking you in anticipation of your benevolence, I extend our wish that your political career will always be meritorious.

I think that is about the best I have ever received. Needless to say, not only have I not sent a cheque, but I have not replied to it. Perhaps the gentleman who wrote it will wonder whether the letter has gone astray or whether I actually received it. Members can easily get out of the many demands that are made upon them; but even before I came into Parliament I was subjected to many demands or requests. I do not know how many members in this House have been in business, but in the business I have been associated with for the last eight years, certainly a couple of times a week on an average, year in and year out, people come along to solicit subscriptions for all sorts of associations and organisations. So it is not only members of Parliament who have requests made of them. In a Perth bookshop the other day I purchased a copy of the Rt. Hon. W. M. Hughes' book on the economic position of Australia, and having read it, it seems strange to me that the very views enunciated by Labour members of Parliament in this State are those to which Mr. Hughes gives the fullest support. His idea is that it is a great mistake to reduce wages. Mr. Kitson does not believe in reducing wages. The hon. member to-night gave us a rather

learned discussion on economics and on inflation and deflation. He quoted figures that I have heard before, but will he tell me just how on earth we are going to continue to pay the existing high rate of wages? Where do these people who advocate high wages intend getting those high wages from? I know the hon. member does not for a moment think that the Government can produce manna from the stars. It seems to me, however, not knowing much about economics, that with the money that is coming here it will be hard to maintain the former high standard of living. There were two streams of money flowing into this country, one a stream of borrowed money, and the other a stream of money coming here through the primary products that we were exporting. The stream of borrowed money has been cut off, and the stream of money coming along in return for primary products has been considerably reduced. Then where in the name of fortune are we going to get the money with which to continue paying high wages, which fortunately or unfortunately we have been paying for years past. That is why members of Parliament are being asked to set a lead to the rest of the community in accepting a lower rate of pay. I admit that nobody wants it. In 1928 I responded to an invitation to contest a seat in Parliament for a period of six years, at the rate of pay amounting to £600 per annum. Now we are endeavouring to pass a law to reduce that by £60 a year. Circumstances alter cases. It has been found necessary that I, in turn with others, should help the State in its hour of need, just as we did during the period of the war, and it will ill become members of Parliament to resort to all sorts of—I do not wish to be offensive—lame excuses to try to get out of that which they should readily accept. I support the Bill and all I can say is that I am fully in accord with what Mr. Kitson said about the Civil Service. I do think that every man and woman in this country should be made to play his or her part in meeting the difficult position through which the country is passing.

**HON. H. STEWART** (South-East) [9.25]: I support the second reading of the Bill, and regret that it provides that it shall have effect only to the 30th September, 1931, and no longer. In my opinion that

is too short a period. If it were necessary to bring down another Bill to make the reduction even greater than is proposed, I would agree to it because of my appreciation of the state of the finances. I consider that by September next it will be necessary to renew the Act because we shall not be in any better position than we are in to-day. Therefore I would prefer to see that clause eliminated or amended.

The Minister for Country Water Supplies: You had better leave it as it is; you may have to reduce it even more in 12 months' time.

**HON. H. STEWART**: Here is where I join issue with some remarks of Mr. Kitson. I should be only too pleased if the salaries of members could be permitted to remain at the existing figure, or even if circumstances justified the granting of a higher allowance. I think it is only desirable that those who are the representatives of the country, and who are doing their best to take their part in the government of the State and guide its destinies, and who hold an honoured position, should be sufficiently remunerated so as to be relieved from immediate anxiety in regard to their financial position. In my opinion Parliament should give a lead to the people. From an interjection made by Mr. Gray, I infer that the reduction in the Parliamentary allowances should be not 10 per cent. but 20 per cent. There would have been some sacrifice in that. We are in dire straits, and the longer we are in seeking to remedy the position, the more difficult it will be for those who require relief. I hold strong opinions regarding standards of living, moral obligations, and right living. I think it the duty of every citizen and every Government, as well as of every business concern, to live within their respective incomes. Parliaments throughout Australia have not done that for years, nor have the people of Australia lived within their incomes for years gone by. That is the position confronting us to-day. Some hon. members may join issue with me regarding those who have small incomes or have none at all. Those people represent exceptions, and I shall not discuss that phase. On the other hand, I say that, as a general principle, it behoves the citizens of any country, and the Government of any country, to live within their incomes. If that is to be

achieved, it will be necessary for Governments, who conduct the affairs of countries to legislate and administer along sound lines. It is necessary to get back to sound conditions, in order that the position may be remedied. I would point to the rottenness of Governmental methods of finance. In balancing the Budget, so much depends on book entries. The Government impose taxation and collect that tax by means of their own money. Take the land tax; much of it is paid as the result of advances made by the Agricultural Bank or the Industries Assistance Board. Thus we have not only to balance our Budgets, but we must introduce sound methods of finance. It is useless following the old method of raising loan funds to inflate revenue returns. We have heard a lot about the standard of living. Years ago, when people received less money, the position was more satisfactory. I do not measure a person's position in life by the clothes he wears or what he eats.

Hon. Sir William Lathlain: Or the number of times he goes to picture shows

Hon. H. STEWART: I have in mind the thrifty type of people who live in the country from which Mr. Nicholson hails. There a sturdy, thrifty and successful people have been built up. I shall not say what products they consume, because there is a variety.

Hon. J. Cornell: Has the hon. member had so much to do with Scottish firewater?

Hon. H. STEWART: I did not refer to whiskey, nor yet to oatmeal. Mr. Nicholson hails from a thrifty but poor nation; a country whose national ideals and thrifty living have become historical. I mention that phase in order to contrast that standard with the so-called Australian standard of living. I am afraid it is gauged more by what we wear, what we eat, what we can spend in light entertainments, rather than by our intellectual pursuits or true culture. If we could arrive at a sound economic basis that would enable people to live within their incomes, and the unsheltered industries not to suffer disabilities such as obtain to-day while the sheltered industries remain protected by bonuses and tariffs, the position would be decidedly hopeful. If we are to have the Industrial Arbitration Act, and the Arbitration Court, then if we are to arrive at a sound economic basis, I do not see what

is wrong with the basic wage being fixed the basis of Australian exports, which represent 98 per cent. of the real wealth that comes into the country. If that were done different conditions would operate to-day place of the existing artificiality.

The PRESIDENT: Order! I remind the hon. member that we are dealing with the question of Parliamentary allowances.

Hon. H. STEWART: I was coming to that point. If we could arrive at minimum wage based on our exports and a fair return on capital, there would be such a general reduction all round that we, as Parliamentarians could easily afford a reduction in our allowances as well. I think that links up my remarks with the Bill.

Hon. J. T. Franklin: But you were a long time getting there.

Hon. H. STEWART: Mr. Kitson contended that there should be no reduction of salaries, but if the whole position could be placed on a sound basis, the cost of production would come down, the cost of living would be reduced and Parliamentaria would fall into line. Under those conditions I fail to see that, so long as we get the same quality and quantity of food and clothing with reasonable entertainment and culture, we shall be any worse off merely because we receive actually less by way of remuneration. Provided we can obtain as much relatively as we can secure with our higher salary, the position must be satisfactory. Mr. Kitson said it would be much better if the Government had sought to balance the Budget in two years and welcomed an interjection by Mr. Lovell that it would be better if spread over six or seven years. I cannot help thinking that if leaders of a large section of the community, that includes Mr. Kitson and many in New South Wales—I believe Mr. Lovell mentioned Mr. Theodore—

The PRESIDENT: Order! The fact that Mr. Kitson strayed from the subject furnishes no reason why the hon. member should follow a bad example.

Hon. H. STEWART: It is not my intention to stray. I believe Western Australia is in a serious condition, and that applies to Australia as a whole. I commend the Government for having introduced the Bill and I would have commended them more had they announced their intention of so doing before Parliament had assembled. Had the

made the announcement earlier, they would have afforded a lead to the community regarding the necessity for immediate steps being taken to ease the financial position.

The Minister for Country Water Supplies: Don't you think the Government were engaged on many more important subjects than that embodied in the Bill?

Hon. H. STEWART: I know exactly why it was not done before; I know that the Government, and the Minister himself, do not like bringing anything before the House until they know they have a sufficient majority to enable them to secure its endorsement. I shall say no more, except to intimate that I shall support the second reading of the Bill. I shall not do that with any desire to rob my fellow members or myself of the remuneration our services entitle us to. I support it in order that we may provide a lead for the people of the State, knowing that the position confronting us is serious, and that it will not be relieved before two or more years have passed.

**HON. J. CORNELL** (South) [9.42] : I am fully aware of the present economic position confronting Australia and I have no objection whatever to contributing, in view of the exceptional set of circumstances prevailing, to the extent that the Bill proposes to tax me. On the other hand, I entirely disagree with the method proposed. Since the financial depression has affected Western Australia, the point of view generally indicated is somewhat analogous to that which characterised many people during the war period. At that time persons used to say to eligibles, "When are you going to enlist?" When they enlisted, they said to them, "When are you going away?" The position to-day is the same. People outside Parliament say, "When are you going to reduce your salaries?" They ask, "By how much do you intend to reduce your salaries?" They also ask, "Why have you not reduced the parliamentary salaries before now?" I have no objection to a reduction of salary, but I have a decided objection to legislation that seeks to impose a special tax on a special set of people. It is said that because we increased our salaries, we can decrease them. Parliament alone can increase or decrease the salaries of members. The position calls for inquiry with regard to Ministers. The Bill deals with members purely as members of Parliament, the Presi-

dent, the Speaker and the Chairman of Committees in each House. The Ministers are not included in the Bill.

Hon. J. J. Holmes: They come under another Bill.

Hon. J. CORNELL: It is proposed to pass this Bill, but when the other Bill comes before us, there is a project to give it different consideration. Ministers drawing £1,000 a year are to be included in the next Bill. I want to know why it is proposed to mete out different treatment to a Minister as compared with a private member. If there is to be special taxation—and this is special taxation—it should rope in all. It is all very well for some members, because the newspapers say we ought to do this and that, to make martyrs of themselves, go on the cross and reap a little cheap publicity. At this stage it is as well to indulge in plain speaking. If there has been one section of the community that has been consistent in season and out of season in recommending that members of Parliament ought to reduce their salaries, it has been the Press. I have already said that I have no objection to the amount of the tax, but I do think that the Press of the State, as a penalty for trying to inflict upon members of Parliament what they have not inflicted upon themselves, should be roped in and taxed similarly. It has been said that we as members should give a lead. What lead shall we give? To whom should we give a lead? It has been said that we ought to make a contribution to the finances of the State owing to their perilous condition. If it is logical for members of Parliament to do that, and if the circumstances warrant the adoption of that course, we should be prepared to go the whole way and impose a super-tax on incomes so that all would contribute. If we did give a lead and did reduce our salaries, the exchequer would benefit to the extent of the reduction. But who is going to follow our lead? Would the banks, who have not yet reduced the salaries of their officials, follow? Would the great insurance companies, the mines, and numerous others, follow?

Hon. G. W. Miles: And Trades Hall secretaries?

Hon. J. CORNELL: Would they reduce their salaries to the same extent as we reduce our allowances? The difference would be that, though we reduced ours, unionists at any rate would not contribute. The

time is one that calls for plain action as well as plain speaking. It has been said that next year the stringency will be greater than this year. I believe it will be so. Therefore the Government ought to take the bull by the horns and not only tax members of Parliament and Government employees, but dole out the same medicine to the community generally.

Hon. A. Lovekin: This Bill is for one year only.

Hon. J. CORNELL: That is so.

Hon. G. W. Miles: It ought to be for all time.

Hon. J. CORNELL: Instead of doing things piecemeal, the Government should make a job of it in one hit. Evidently the whole proposition is based on Sir Otto Niemeyer's report. We have it on the word of Sir Otto that he was invited to come to Australia by the Labour Government of the Commonwealth, and was requested to set out a course for the Commonwealth and State Governments to follow. This Bill is an outcome of that agreement. Yet we find the Commonwealth Government not only refraining from taking action but being unlikely to take action to reduce the salaries of Federal members or Federal public servants. Consequently, we shall become the martyrs. We shall reduce our salaries and then the Commonwealth Government will impose a tax on all and we shall pay the tax also. If we imposed a super tax on incomes whereby every person above the basic wage contributed during these exceptional times, we would be moving on safe and right lines. I do not care twopence for what the man in the street thinks or says of parliamentarians. Parliaments are what the electors make them and the electors deserve what they get. The raising or lowering of salaries has had no effect on the return of members. Such matters are all forgotten when the next elections occur. If the Government took the bull by the horns and imposed a special tax, they would meet the needs of the State more justly and adequately than by tackling the problem piecemeal.

**HON. J. M. DREW** (Central) [9.54]: Some members in the course of their remarks on this Bill have spoken of the sacrifice that should be made in these times,

and have expressed themselves as being prepared to make a sacrifice. But is it the form of sacrifice that will attain the object we have in view? Will the contributions of members of Parliament, and the contributions under a Bill we shall have to consider later, achieve the desired end?

Hon. G. Fraser: They will be as a drop in the ocean.

Hon. G. W. Miles: They are not high enough.

Hon. J. M. DREW: Will the two measures be of any material help in alleviating the distress affecting the community?

Hon. G. W. Miles: Yes, to the extent of £100,000.

Hon. J. M. DREW: No one can say that they will. No one can claim that this is the right remedy. It is merely a pretence at a remedy. I agree with Mr. Cornell that what is needed is something more far-reaching, something that will bring in a substantial return, something definite to meet a definite situation. What is needed is an unemployment tax towards which every section of the community receiving more than the basic wage should be obliged to contribute.

Hon. G. W. Miles: Why not everybody receiving £1 per week or more?

Hon. J. M. DREW: This Bill, as well as the one to deal with Government employees, will shelter the wealthy sections of the people, shelter them from bearing their just share of the financial responsibilities that have accrued.

Hon. G. W. Miles: Is there any wealthy section of the community?

Hon. J. M. DREW: Yes, and the vast majority are not contributing towards the relief of the prevailing distress. At present there prevails in Western Australia a degree of poverty that has had no parallel in the history of the State. Many men and women are in want bordering on starvation, and to date there has been no systematic or comprehensive scheme to assist them. A restriction of the allowances of members of Parliament will do next to nothing to attain that end. Not only will this Bill afford no solution of the problem, but the method is grossly unjust. The policy of the two Bills is to penalise less than 2 per cent. of the population of the State—in that percentage are some people on

the bread line and some a little above it—and to allow everyone else to go scot free. Amongst those to go scot free are the most opulent people in the State. Perhaps the object of the Bill is of a different nature. Mr. Kitson indicates that it is, and I am inclined to agree with him. It has been freely stated in the Press, as he said, that if members of Parliament agreed to a reduction of their allowances, it would be an easy matter to force wages down. Is that the proper method to adopt to force wages down?

Hon. G. W. Miles: No; abolish the Arbitration Court.

Hon. J. M. DREW: We have an Arbitration Court that was established 25 years ago. The legislation governing it has been amended, improved and re-enacted from time to time. The latest amendment was made in 1925 with the full approval of this House. The Arbitration Court was set up on the most modern lines and has been functioning ever since. Wages are determined by the cost of living. Everyone says the cost of living is coming down substantially.

Hon. V. Hamersley: But the basic wage is not coming down.

Hon. J. M. DREW: If the cost of living comes down, wages will be reduced automatically as soon as the Arbitration Court is approached.

Hon. E. H. Harris: The basic wage cannot be altered until next July.

Hon. J. M. DREW: It will be altered when the time comes in accordance with the cost of living. All kinds of letters and articles have appeared in the newspapers. The columns of the newspapers have been utilised solely for forcing down the wages of the workers. Those who are responsible for the inspiration of the letters have two objects in view. They want cheap labour, and they want to stave off further taxation from themselves.

Hon. G. W. Miles: Who wants to stave that off?

Hon. J. M. DREW: I am speaking of the authors of the letters that have appeared in the Press. It has been a systematic correspondence, continuing almost every week. The letters are signed by "A Workman," "Unemployed," all in excellent literary style. Some of the language employed in these articles or letters equals that of Addison, and some of it resembles that of Macaulay.

Then there are people signing themselves "A Workless Lumper," the authors of some beautiful compositions. I did not know we had so many brilliant literary men in the community.

Hon. G. Fraser: A lumper is a well educated man.

Hon. A. Lovekin: And all in the metropolitan area.

Hon. J. M. DREW: Yes. During the last 12 months adult education has been established at the University. I ascribe these letters to the instruction that has been given under that system.

Hon. G. W. Miles: You were responsible for that.

Hon. J. M. DREW: I gave it some help. An incessant propaganda has been going on in this direction for the last six months. The sole object is to make others bear the burden these people should carry. I hope the House will come to reason, and prevent these people from evading their responsibilities, and will compel them to bear their just share of tax. If we had an unemployment tax, with a provision that the proceeds should be expended through local committees in various parts of the State, in finding work for the unemployed, it would be very helpful towards relieving distress. Such a committee was in existence at Geraldton for several months. The local people taxed themselves to the extent of 6d. in the pound on their incomes and salaries, and I think fully 90 per cent. of the people who were earning money contributed to the fund. This went on for several months. The Government rendered some help, but not much. At the end of the time, the unemployed, most of whom had come from outside, decided to leave Geraldton. They said it was unfair to impose this continuous burden upon the local people. If we had a tax which would be spread over the shoulders of all and the proceeds were paid into an unemployment fund, not into general revenue, and then distributed through the local committees in relief of distress, some beneficial results would accrue. Whatever part I took in bringing about the increase in the payments of members—and the only part I did take was in handling the Bill in this House—my attitude was endorsed by my electors. The matter was brought very prominently before them in the last stages of the cam-

paign. About ten days before polling day a circular was posted to all resident electors of the Central Province, in the pastoral districts, the mining areas, and the agricultural centres, advising them to turn me down. The circular was signed by the secretary of the P.P.A. at Geraldton. After relating a number of my iniquities, it stated that I was pledged to preference to unionists, the 44-hour week, and day labour. It went on to say—

The Labour Government, with Mr. Drew, countenanced the salary grab, whereby 80 members of Parliament shamelessly granted themselves an extra £200 a year each without consulting the electors.

Hon. G. W. MILES: So they did.

Hon. J. M. DREW: When I received that, I asked myself what Mr. Holmes would say if he read that circular. He was amongst the 80 members, as were Mr. Lovekin and Mr. Nicholson at that time, who shamelessly voted for that measure.

Hon. J. Nicholson: We all voted against it.

Hon. J. M. DREW: Of course the hon. member did, as did Mr. Holmes and Mr. Lovekin. The circular was issued by a highly responsible organisation, the P.P.A. at Geraldton.

Hon. Sir William Lathlain: But still you were returned.

Hon. J. M. DREW: Yes.

Hon. J. J. Holmes: You cannot keep a good man down.

Hon. J. M. DREW: They could have indicated how this Bill originated. It originated from a gentleman who is now a shining light in the Country Party and occupying a high position in the political life of the country. By his action he forced the hands of the Government, and the Bill was brought down.

Hon. J. Nicholson: The secretary was not very well informed.

Hon. J. M. DREW: After that, I feel at liberty to oppose the Bill on general grounds. I also oppose it on the specific ground that it is a class tax. It contains a principle which if accepted, will compel me to support another Bill which will come before us at a later date. I oppose it on the ground that it contains a principle that will be responsible for imposing taxation on a very small section of the community, 80 in all. The object is to give a lead, as already stated, to force through another measure to impose a further

class tax, a tax upon 2 per cent. of the people of Western Australia.

HON. G. W. MILES (North) [10.7]: I support the Bill. My only regret is that the Government did not see fit to double the amount of the reduction.

Hon. E. H. Gray: Why not move accordingly?

Hon. G. W. MILES: I will do so if I get enough support. I also regret the Government did not call Parliament together soon after the elections. Had they then brought in the measures now before Parliament to provide for an average 10 per cent. reduction all round they would have saved the country a quarter of a million. Private firms have already reduced the salaries of their employees from the directors down to the office boys. People in business have had their incomes reduced for them. The highest paid officials in the State, in receipt of £2,000 a year, have not had their incomes reduced, but people who are in business for themselves, farmers and pastoralists who were making that much before are now losing £1,000 a year. If we reduce the salaries of members of Parliament by half and of civil servants as well, they will even then be better off than the majority of people I have mentioned.

Hon. E. H. Gray: You are a pessimist.

Hon. G. W. MILES: No. The only way to get this country out of its difficulties is to balance the Budget. This should not be spread over five or six years as advocated by Mr. Lovekin. How can we do that without increasing our indebtedness and our interest bill each year? If we show a willingness to put our house in order and balance our ledger, our credit will be re-established. We shall be able to obtain a renewal of our loans at a lower rate of interest, and eventually will be able to raise money on a long-term basis and provide interest and sinking fund. That is the only way to re-establish the credit of Australia.

Hon. J. Cornell: Is the hon. member quoting from the "West Australian"?

Hon. G. W. MILES: I am repeating what I said months ago before Sir Otto Niemeyer came to this country. We should balance our finances. The only way to do that is to reduce our expenditure.

Hon. J. Cornell: To increase our turnover.

Hon. G. W. MILES: I endorse what Mr. Drew has said. In addition to this tax, an unemployment tax should be brought down so that the burden may be spread over all. Employees in private offices have had their salaries reduced already. It is said this is a class tax. It is not. Everybody has been reduced except those who come under the Arbitration Court. The court should be suspended in a crisis like this and the Workers' Compensation Act should be amended at once. It is no good tinkering with the question, as Parliaments in Australia are doing.

Hon. W. H. Kitson: You expect the worker to pay every time.

Hon. G. W. MILES: I expect everyone to pay. Insurance managers and their staffs, bank managers and their staffs, should be reduced in salary. Insurance rates should be reduced, seeing that they are such a tax upon our primary producers. There may be something in what Mr. Kitson has said about the rates of interest. If the salaries of bank officials are reduced, the rate of interest may come down.

Hon. E. H. Gray: What about rents?

Hon. G. W. MILES: Rents should come down and properties should be revalued. They must come down in value. With these reductions, the standard of living need not be altered, unless people continue going to the pictures every night in the week and buying pots of beer by which men set so much store. What I propose will lead to more home life in the community. Boys are earning £2 a week up to the age of 20 years and 10 months, but when they reach the age of 21 they have to get £4 or £5 a week whether they are worth it or not. We are not allowed to employ apprentices except according to the number of journeymen engaged.

Hon. W. H. Kitson: That is right, too.

Hon. G. W. MILES: It is not right. That is one of the reasons why the rising generation have not the opportunity to get on. By reason of the legislation we have on our statute-book in the Federal and State spheres they are hampered to that extent.

Hon. H. J. Yelland: We are forcing our young men into a dead-end.

Hon. G. W. MILES: Private firms are rationing their work and have retrenched. If the Commonwealth and State Govern-

ments would do that, they would balance their budgets. The Commonwealth could save £1,000,000 in the salaries paid to their employees, and 2½ millions could be saved by retrenchment and rationing work. In many of the State Government offices there is not enough work for the civil servants who are now employed. In many cases they are not working half time although they are paid full time. The allowances they receive should be curtailed. Private employees do not get them. The salaries tax that is being brought forward should have been a reduction in wages. It is really designed to protect the pension rights of civil servants. It could have been brought down in a straightforward way with that object stated. Members say they are prepared to make sacrifices. Mr. Drew was one of those who was returned to Parliament when the salary was £400 a year. Without the permission of our employers, we increased our salaries to £600 a year. We could very well reduce the allowance by one-third, and thus get back to what we received when we were returned six years ago.

Hon. W. H. Kitson: There is no reason why the hon. member should not do that if he wishes.

Hon. G. W. MILES: I will not make a martyr of myself unless everybody else is prepared to do so.

Hon. G. Fraser: That is just the attitude we are taking up.

Hon. E. H. Gray: Let all share alike.

Hon. G. W. MILES: Members should be prepared for a larger decrease than is proposed by the Bill.

Hon. J. Nicholson: We were prepared.

Hon. G. W. MILES: As pointed out by Mr. Seddon, people in the Old Country with an income of £135 pay £13 income tax. If there were taxation for the unemployed through the Stamp Act as suggested by Mr. Lovekin, we would get in a few more hundreds of thousands of pounds, and thus balance our Budget without trouble. It is no use talking about borrowing more money. When the Loan Bill comes before us, we should be doing our duty by returning it to the Government, and not squandering any more money in group settlements at Nornalup, as proposed. We have the Arbitration Court declaring that if an industry cannot pay its way, it should go out of existence. The Government of this State can-



not continue to pay members of Parliament their present salaries. The Government should bring in a Bill to reduce the number of members in both Chambers. Again, we have the farce of an Arbitration Court fixing the basic wage on the cost of living for a man, his wife and two children, and the single man getting the same pay as the married man. The rising generation are being ruined by receiving too much money and not knowing the value of it. I have been pretty emphatic on other occasions regarding the country's finances, and I am glad to have the opportunity of supporting this Bill. I hope that when it gets into Committee hon. members will assist me to delete Clause 4, so that the operation of the measure will be permanent.

**HON. V. HAMERSLEY (East) [10.18]:** I also support the Bill. I expected a reference to this subject at the time His Excellency the Governor opened Parliament. It was a great surprise to many members, I believe, that the Governor's Speech did not include such a reference.

Hon. G. Fraser: Your party would not agree to the reduction.

Hon. V. HAMERSLEY: Evidently there was some hitch that I know nothing about. As a member of this Chamber I expected the subject to be mentioned in the Governor's Speech. Although I require the allowance just as much as any member does, I was disappointed at the absence of such a reference. It is at all times well to conform to the position of affairs that exists, and we knew then that a great change had come over the country and that all-round reductions were necessary. It is unfortunate that the basic wage will not come up for review until next June. We must recognise the fact that the incomes of many firms have gone by the board. Numerous employers have found that there is not the same business to be done, but they have to retain their hands at the wages fixed by the Arbitration Court. The prices of meat, bread, butter and eggs, as well as other necessities of life, have come down considerably.

Hon. G. Fraser: Rents have not come down.

Hon. V. HAMERSLEY: I am astounded to hear it. In many quarters, I gather, two families live in one house, and numerous houses are untenanted. It must be hearten-

ing to the landlords not to have had to reduce rents. We know that on the gold-fields for many years there have been large numbers of vacant houses. I am glad that it has been found possible to obtain tenants for them.

Hon. Sir William Lathlain: There are dozens of empty shops in Hay Street.

Hon. V. HAMERSLEY: I am satisfied that it is not a matter of rents having come down, but that in many cases landlords are not getting any rent whatever. If, with the full knowledge that prices have come down, the basic wage is kept up, I shall be surprised. Indeed, I do not know that we could countenance such a state of affairs. Some move should be made to alter the Arbitration Act in that respect. I have long been of the opinion that unless that Act and the Workers' Compensation Act are reviewed, unemployment will greatly increase here as the months go by. In the industries which have produced the wealth of the country, values have gone by the board. Returns to pastoralists and wheat growers are so reduced as to leave nothing like a sufficient amount of money to go round. There is the greatest difficulty in carrying on stations and farms, and pastoralists and agriculturists have undoubtedly been compelled to reduce their costs in a wholesale way. Despite the big reductions effected, the prices of wheat, wool and sheep leave no profit whatever. On the contrary, they show heavy losses. All over the State, capital has been divided by two, assets have been written down 50 per cent. How the average person can think that the same wage can still be distributed, and that everyone can maintain the same standard of living as hitherto, I fail to understand except on the basis of the reduced cost of the commodities I have mentioned. In point of actual living expenses the community will not be much worse off, but certainly we must dispense with many of the motor cars and other frills of enjoyment that have been rife during the last few years, when handsome prices and splendid returns from overseas were the rule and when there was such lavish expenditure of loan moneys. During the period of those handsome returns and that lavish expenditure, it was natural for people to take a false view of Australian prosperity. Now, however, the member of

Parliament must recognise the need for reduction of his emoluments and for giving a lead to other sections of the community, who naturally do not like their incomes to be reduced. Still, I feel it is recognised by the majority of the people, as by every member of Parliament, that the time is ripe for all-round reductions.

Hon. G. Fraser: You are wrong there.

Hon. V. HAMERSLEY: The currency inflation suggested in various quarters would be most unwise. It has been thrown out as a bait to a large section of the community; but if we wish to get into a sound position, we must do as has been done by many people who found that their resources had to be written down. We must accept the real position, with the gold standard as our guide. We must face the inevitable, and realise that the pound note is no longer worth the twenty shillings for which we have accepted it during so many years. It is only by writing down of values that we can get back to a condition of sanity in our business arrangements. We have been asked whether we will set our house in order and get back to a position which will restore our credit in the Old Country. If we inflate our currency and fail to maintain a proper ratio between gold and the note issue, we shall only get deeper into the mire, and shall not receive from the Mother Country that support which we have good reason to anticipate will come our way providing only we adopt sound lines as laid down by economists who realise the standard set by the nation. It would be futile for us to trade in a note issue which would merely continue the present false position for a few years longer. It would be futile for us to think that in passing paper from one to another we should be maintaining a standard. Our eventual plight would be very much worse. The relief would be merely temporary. Within a couple of years our position would be far more difficult. If we adopt this plan of making sacrifices at the present time, and accept what is inevitable, the lower prices for our wheat and wool, we will get back to the stage where we can export large quantities of timber, which in days gone by were of the utmost benefit in stabilising the financial position of the country. It will also assist us to produce gold at a truer value. And

the reduction in the cost of living, and the necessarily reduced cost all round will help us to produce very much more gold. When we get back to that stage we shall be able to put the country once more on an even keel. I heartily support the measure, and I regret it was not brought down at an earlier stage in the session.

HON. W. J. MANN (South-West) [10.32]: I intend to support the measure. At the same time I feel it would be futile for us to contend that the amount that will be saved by our action will be anything worth noticing in the way of a contribution towards balancing the ledger. I take it that our action in carrying this measure will be construed as an example to the people whom we represent. I know that most of the people in the State to-day feel that they will be called upon to make some sacrifice for the common good. Those people would be somewhat diffident if we were to refuse to pass a measure having for its object the contribution of portion of our Parliamentary allowances. A good deal of window-dressing has been indulged in in this Chamber, but on the other hand a lot has been said which was relevant to the question, and I take it that the passing of the Bill will be accepted as an example by the people whom we represent and whose leaders we are. I agree, too, with those members who regret that the Government have not seen fit to bring down a comprehensive measure embracing the whole of the wage earners of the State.

Hon. E. H. Gray: You will have to vote against the Bill.

Hon. W. J. MANN: There are, in the State, a number of people who are talking economy but who I have reason to conclude believe only in economy for the other fellow. Those are the people who, I am sure, we are not going to touch unless we have some further legislation. The Government will not be doing their duty unless they take into consideration that phase of the question and bring down some legislation that will remedy that lapse. We see quite a number of anomalies. One was in this morning's paper. Members may have read of a meeting of the printing industry employees which was held yesterday. Some drastic ideas were enunciated at that meeting, and some regrettable resolutions were

passed. But when one knows the position, he sees there is some reason for those occurrences. I take it there is every possibility of the men in the Government Printing Office having to submit to a reduction in wages. At the same time men doing the same work outside the Government Printing Office will not be touched. So with two sections of men doing the same work and only one section likely to be taxed, that section has the feeling that they are being victimised. That could be obviated by the introduction of a comprehensive measure that would tax the whole earning population. I am not going to advocate the exemption of even those on the basic wage, for I believe they should bear their proportion—not a large one—for the only way of bringing the position forcibly before the people of this State is through their pockets, and if we allow any one section to go free, they will not realise what other sections are passing through. Consequently I would favour a measure that would be so wide in its ramifications as to embrace the whole of the wage earners of the State.

**HON. J. T. FRANKLIN** (Metropolitan) [10.40]: To my thinking, a lot of those who have spoken have gone round the question before the Chair. The Bill is for a reduction in members' salaries. I am wholeheartedly with the Bill, and I regret the Government did not bring down a more comprehensive measure that would deal with all classes, so that each and all would know exactly where they stood. We have been a long time dealing with this Bill. I do not say the time has been wasted, but certainly we will have to go all over it again when the other Bill comes along. Why could not the Government have brought down the more comprehensive Bill to begin with? This Bill will not represent a very big saving, although I agree that every little saving is a saving. I understand that the next Bill to come down will tax only one section of the community. When that comes forward I will oppose it unless we can deal with all classes so that all can bear a fair share in the squaring of the ledger. The Bill before us should have been brought down soon after the Government took office.

**Hon. E. H. Harris:** When they found the cupboard was bare.

**Hon. J. T. FRANKLIN:** Yes, when they found the cupboard was bare. I am in accord with those members who say we are asked to set an example. But as Mr. Miles has said, there are other people—business people—who have already set an example, and curtailed their expenses considerably. And not only that, but they have contributed to the assistance of the unfortunate unemployed. I will support the second reading.

On motion by **Hon. E. H. Gray**, debate adjourned.

*House adjourned at 10.43 p.m.*

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*Wednesday, 29th October, 1930.*

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

### QUESTION—GOVERNMENT EMPLOYEES, DISMISSALS.

**Mr. McCALLUM** asked the Premier What is the aggregate number of employees, including male and female, permanent, temporary, and casual, both salary and wages employees, from all Government departments, whose services have been dispensed with since the 1st May last?