

scheme, he may fairly be called upon to recoup some of the expenses incurred by the road board. The same consideration applies where crossings are made over private property. The owner may be called upon to contribute half the cost. I have pleasure in commending that clause to the House. Proposed Section 46b deals with the building line. It is a question that closely concerns the city of Perth, though the proposed section has no application to the capital. Perth itself is badly in need of such legislation. Our capital city will be called upon to expend hundreds of thousands of pounds before the desire for ampler accommodation on the footpaths of Perth's narrow streets is met. The intention is to give compensation where the provision applies. The same thing obtains in connection with drainage. Where a man's land is enhanced rather than diminished in value by a drainage scheme, he should not receive compensation. Under the proposed section questions of this nature, including questions arising out of the building line, will go to arbitration. Clause 31 certainly will be much discussed, and probably may be deleted. It deals with the conversion of wood areas into brick areas. There is much to be said in support of the road boards' protest against this clause, because they make such declarations for a special purpose. People intending to build in brick look for a neighbourhood of a more permanent type than one consisting of wooden buildings. I acknowledge that I have seen many fine homes built of wood in Australia, and have no doubt whatever that such buildings can be erected here. However, when a local governing body declares an area to be a brick area, then only in extreme circumstances should anyone be permitted to step in and declare that he will have a wooden building in that area. Then there is the economic side to be considered, for it is well known that a brick house has an immense advantage over a wooden house in point of insurance. I think the clause ought to be deleted. Clause 46 provides for the striking of a rate and divides the area into rural lands and country lands. In my view the time is altogether inopportune for us to agree to a provision for higher rating. Some of the road boards must have relief of course, but I certainly would not support any increase of rating on rural lands. I think I have touched upon the principal points in the Bill, and I have no desire to

delay the House any longer. The provisions of the measure are far-reaching and I hope the House when in Committee will so fashion the Bill that it will meet with general approval, and the road boards will be able to get some of the benefits intended to be granted to them.

On motion by the Chief Secretary, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East) [8.19]: I move—

That the House at its rising adjourn until Tuesday the 1st November.

Question put and passed.

House adjourned at 8.20 p.m.

Legislative Assembly,

Thursday, 20th October, 1932.

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

QUESTION—ENTERTAINMENTS TAX.

Mr. SAMPSON asked the Minister for Railways: 1, In view of Section 9 of the Entertainments Tax Assessment Act, which provides that the entertainments tax shall be refunded where "the whole of the net proceeds of an entertainment are devoted to philanthropic, religious, or charitable purposes, and that the whole of the expenses of the entertainment do not exceed fifty per centum of the receipts," will he make it

clear that if the entertainment is for the relief of unemployment, it comes within the scope of the exemption? 2, Inasmuch as Section 9 requires payment of the amount, which in certain cases is to be repaid, will he give consideration to an amendment of the Act whereby actual payment in such cases need not be made?

The MINISTER FOR RAILWAYS replied: 1, All committees conducting entertainments for the relief of unemployment, and all unemployment relief funds built up from such entertainments, are exempt from tax where the provisions of Section 9 have been complied with. In such cases payment of the tax has not been demanded. 2, In view of the answer to Question 1, no amendment of Section 9 of the Entertainments Tax Assessment Act is therefore necessary.

BILL—WESTERN AUSTRALIAN AGED SAILORS AND SOLDIERS' RELIEF FUND.

Read a third time and transmitted to the Council.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT.

Second Reading.

Debate resumed from the 18th October.

MR. F. C. L. SMITH (Brown Hill-Ivanhoe) [4.38]: The Bill proposes to collect at its source the taxation to be raised under it. In that respect the measure conforms to an approved maxim of taxation. That the cost of collection should be kept as low as possible is highly desirable. Some forms of taxation, which require an army of officials to police and collect, frequently defeat the object for which the taxes are imposed. I can quite understand that the form of taxation proposed in the Bill appeals strongly to the Government by reason of the smallness of the expense to be incurred in the collection of at any rate a fair proportion of the return. However, it seems to me that this feature of the tax has made so strong an appeal to the Government that they have succumbed to the temptation without regard for the justice of the tax, and without respect to those other maxims or principles by which all taxation should be governed.

Adam Smith, the famous economist, laid it down as one of the most important principles or maxims governing the form of imposts, that the subjects of every State should contribute to the support of the Government as nearly as possible in proportion to their respective ability to pay; that is, in proportion to the revenues they respectively enjoyed under the protection of the State. In the observation or neglect of this maxim consists what is called equality, or else inequality, of taxation. I know that this maxim of Adam Smith has been the subject of various interpretations, but he distinctly says that the tax should be in proportion to the revenues enjoyed by the respective taxpayers under the State's protection. In consequence, he indicates a recognition of the responsibilities of the taxpayers in the imposition of taxation. John Stuart Mill, in discussing the maxim in question gave it as his opinion that the tax should be on a graduated scale over and above what was considered an income adequate to provide the necessities and the ordinary comforts of life. But present-day opinion and present-day taxation are usually such that not only will the tax be paid in a proportion increasing with the taxable capacity, but that the rate of taxation will rise as the taxable capacity rises. This Bill imposes a tax without regard either to John Stuart Mill's dictum as to a fair principle of taxation, or to what is nowadays generally accepted as being a fair principle on which to impose taxation. In my opinion, the measure departs from all principles of justice in its incidence, and entirely ignores the fact that the family is the unit of society. One would imagine that a Bill of this kind had been framed by a Government whose members had no family responsibilities, and no realisation of what it means to rear and bring up a family on the comparatively small incomes received by workers throughout the State to-day. The family, of course, is the unit of society. Without the family system we would not have civilisation as we know it to-day, and without civilisation we would have no progress, and consequently no necessity for taxation. The family man's obligations are the result of his adherence to the canons of society. The Bill is most unfair in its incidence with regard to that phase of the taxation which it proposes to raise. Under the Bill the only differentiation between the single man and the married man

is the sum of £52 per annum. It does not matter whether the married man has no children, or whether he has done his duty by the State to such an extent that he has six or eight children to support. The incidence of the tax is unfair from whatever point of view it is considered. It ignores capacity to pay, and capacity to pay is a most important aspect of taxation, particularly in times of depression; because where there is capacity to pay to such an extent that the consumption of commodities is not affected, then industry generally is not affected by the imposition of the tax. But where the capacity to pay is realised only by a reduced consumption of the necessities of life, by a reduced standard of living on the part of the taxpayers, then the purchasing power of the community in regard to products is immediately affected, and as a result there is a lessened demand for those commodities which are being marketed to-day. From the point of view of the primary producer, who is always complaining about the cost of production, I would present this phase of the incidence of this class of taxation: that on the one hand it is increasing the cost of production, and on the other is lessening the demand for the commodities produced by the primary producer. And as it is lessening that demand it is consequently reducing the value or price of the commodities he is producing. So a vicious circle results from this class of taxation, increasing on the one hand the cost of production and lessening on the other the value of the commodity produced. Furthermore, it will place a heavy burden on industry, and will create more unemployment; the unemployment it proposes to cure on the one hand by the money raised, will, on the other hand, be increased throughout industry by the very collection of this tax. At a time like this, more so perhaps than at other times, the rich should be called upon to pay. Those who have surplus incomes over and above that which is required to live in a decent standard of comfort should carry the burdens of all fresh taxation. Because at the present time where there is excess income in industry, that excess is not being re-invested in industry, and so the saving in taxation which the wealthy sections of the community enjoy as the result of a measure such as this will not assist industry in any way whatever, since that money will not be re-invested

in industry as it would be in normal times. But the money that the poorer sections will have to pay through reducing the consumption of the necessary commodities of life, will have an immediate effect upon industry and create further burdens for it and further unemployment. The incidence of the tax is such that a man drawing £75 per annum would have to pay under the Bill £1 8s. 1d., while a man drawing £250, which is about the minimum on which any family man can live in a decent standard of comfort, would have to pay £4 13s. 9d. per annum. The man with £1,000 per annum—who probably will live on about £500 of it and withdraw the other £500 from industry and put it in the bank and so deplete the purchasing power which the member for Claremont pointed out the other night was so necessary for the stimulation of industry generally—would pay £18 15s. per annum under the taxation, and so would have £981 5s. left. But the man with £250 of income, after he pays his £4 13s. 9d. will have only £245 left. Higher up the ladder we get even a man on £5,000 a year. All that he has to pay is £93 15s. There is no hardship involved for any of these men on incomes above £500 per annum in the taxation they will have to pay. They will be relieved as the result of the incidence of this tax, relieved of their share of taxation which would be imposed upon them under a Bill that displayed some recognition of the principles of justice. The good it will do to that class of people will be not so beneficial to the State as to relieve it of the evil effect of the taxation imposed under the Bill in the lower stratas of society. If it be considered that increased taxation is necessary there is room in this State for increased taxation under the Income Tax Act and the Dividend Duties Act. Mr. Corser in the House of Representatives recently, although we may not agree with the views he expressed in opposing the South Australian Grant Bill, nevertheless in the course of his remarks, gave some very illuminating evidence with regard to the possibilities of increased taxation in this State which could be imposed in conformity with all the well-known and established maxims and principles upon which taxation should be imposed. He pointed out that under the heading of unemployment tax paid on incomes from

personal exertion and for unemployment by a married man with a wife and child and an income of £200 would be, in Queensland £5, in Western Australia £1; on an income of £300, Queensland £8, Western Australia £2; on an income of £600, Queensland £29, Western Australia £12; on an income of £1,000, Queensland £97, Western Australia £29; on an income of £2,000, Queensland £266, Western Australia £104; on an income of £5,000, Queensland £1,061, Western Australia £612. And in respect of income from property, the taxation payable by a married man with a wife and child on an income of £200 would be, Queensland £5, Western Australia nil; on an income of £300, Queensland £8, Western Australia nil; on an income of £600, Queensland £38, Western Australia £8; on an income of £1,000, Queensland £121, Western Australia £23; on an income of £2,000, Queensland £290, Western Australia £92; on an income of £5,000, Queensland £1,061, Western Australia £581. Those figures indicate that there are plenty of opportunities in the higher strata of incomes in this State to impose fresh taxation, if fresh taxation be considered necessary, without imposing a tax, such as the Bill proposes, to take the bread and butter out of the mouths of people who already are finding great difficulty in keeping body and soul together with the food they can provide from the incomes they are receiving, to say nothing of providing themselves and their families with the necessary clothing to keep them comfortable and respectable. I doubt whether fresh taxation is desirable. I believe that some day a statesman will arise in circumstances such as the present who will reverse the order of things, who will relieve industry of taxation in a period of depression, instead of continually seeking fresh avenues for further impositions. I believe a statesman will arise with sufficient vision to take the risk with his revenue from income taxation, dividend duties taxation and land taxation, and, rely on the stimulus that the relief would give to industry and employment to build up revenue from other avenues and reduce the expenditure that increasing taxation causes. The amounts collected under the headings of income tax, land tax and dividend duties last year were not particularly low. They amounted to

£570,807. It is surprising that such an amount of revenue was collected from those sources, considering the depression that existed. One can visualise that in order to secure the profits that produced income tax of £260,252 and dividend duties taxation of £178,187 last year, a vast amount of cheese-paring and dispensing with services had to be indulged in. No doubt the efforts to maintain profits, seeing that the figures could not be kept up during that period, accounted in a large measure for the unemployment that existed. In all probability it accounted to a great extent for the £640,000 spent by the Government for the relief of unemployed workers. Now it is proposed to levy further taxation on industry, a form of taxation that is going to affect the purchasing power so far as consumption is concerned. I emphasise that because it is an important feature of the tax. If the tax were imposed on the surplus income of the people who are now putting the money into banks, it would not affect industry to such a great extent. Such money is not being used in industry; it is being used to build up deposits. The money that the man on the basic wage earns is being used in industry, used for the purchase of commodities and to make employment for other people. The incidence of the tax, falling on people who spend the money they get, will be detrimental to industry to the extent of the taxation. The Government recognise that. They know that this tax will affect industry. In the Estimates for the current financial year, the anticipated receipts from land tax, income tax and dividend duties show a decrease of £90,000 on the actual receipts for last year, indicating that the Government realise that this tax will affect industry. The Government had that in mind when the Estimates were framed. Consequently they have budgeted for a falling off of £90,000 from those sources against what was actually received last year. The world is burdened with taxation and the world is seeking relief from taxation. The nations of the world are crying for relief from taxation, which is crippling industry. Taxation must be paid from industry, and because it must be paid from industry, taxation is crippling industry. Statesmen throughout the world realise that taxation of every description must be reduced if confidence is to be restored, and the world lifted out of the present de-

pression. The meeting of Empire statesmen at Ottawa advocated a reduction of taxation. They endeavoured to get it achieved by breaking down trade barriers between one country and another, so that trade would flow normally, that business would be restored and that employment would be created. What are the trade barriers but a huge instrument of taxation through the medium of Customs duties? The aim of the Ottawa Conference was to break down such barriers which imposed taxation through which the working class of this and other countries are being bled white. I have always regarded tariffs that pass as a means to build up secondary industries as nothing more than a glorified system of taxation, a kind of painless instrument to extract money from the pockets of the people, a system of plucking the goose without making it cry. A man rises in the morning and lights the fire with a box of matches on which he pays a half-penny taxation. He picks up the butt of a cigarette he has smoked the night before, a cigarette rolled in a paper on which he has paid tax and made of tobacco that costs double as much as it used to cost, because of the taxation imposed upon it, and the quality of the tobacco is such that it is causing smokers throughout the Commonwealth to contract smokers' catarrh.

Hon. W. D. Johnson: Knock off smoking.

Mr. F. C. L. SMITH: That is the only way to remedy the situation. The man's wife gets up in the morning and sets the table with a cloth made of cotton, polished up to look like linen. She has been taxed to such an extent that she has paid for the cotton article an amount which at one time would have bought the linen article.

The Minister for Railways: If she used a jarrah-top table, she would not need a tablecloth.

Mr. F. C. L. SMITH: The man gets into his shoddy suit sold to him by the tailor for £6, £7 or even more, a shoddy material in which the warp is not long enough or is not twisted sufficiently. The only way he can express his resentment of the taxation imposed upon him is by recalling that after 50 years of protection in Victoria, there is only one woollen mill in the State turning out a tweed suitable for middle-class wear.

The Minister for Railways: We have one here turning out cloth suitable for any class.

Mr. F. C. L. SMITH: It is possible to get anything by paying for it.

Mr. Wansbrough: All of them do not patronise the local articles.

Hon. S. W. Munsie: Made at 7s. 9d. a yard and sold at 17s. 10d.

Mr. F. C. L. SMITH: People are overburdened with taxation and something will have to be done to relieve them. If, in the wisdom of those who are guiding the destinies of the country, we must have taxation, let it be imposed on the people best able to bear it. It should be perfectly clear to anyone who considers the subject that the money taken from industry by means of this tax is to employ men on sustenance work, to employ men to plant grass at West Subiaco, to employ seven men to push a roller in West Perth, to employ men at Harvey wheeling in barrows dirt that could be lifted out much more expeditiously with a machine. The money that we are told is to be raised to give employment to men on such schemes would, in my opinion, and in the opinion of anyone who considers the subject, employ more men if it were left in industry. I realise that the Government have no intention whatever of using the money for the purpose for which it is ostensibly being raised. Their desire is to use the unemployed trouble as an excuse for raising further revenue to try to balance the Budget. Someone said that the money raised by the tax should be earmarked for unemployment relief. If it were earmarked, I cannot see that that would make any difference. The policy of the Government evidently is to get as many men as possible on sustenance and keep them off revenue work made possible by the Budget. Already the Government have 9,000 men on sustenance, and are making strenuous efforts to add 7,000 to that number. The probability is that by the time the money is raised, the £300,000 that is to come from this taxation, they will all be on sustenance. Sustenance work is being paid for out of Loan money, and is not a charge on revenue for unemployment relief. Another feature of the Bill is that although the workers are suffering as the result of unemployment and the destitution that is prevailing in the community, the circumstances are being used as an appeal to the people to submit to this tax, but it will not in any way increase the remuneration that will be paid to sustenance workers. Single men will still have to battle along on 25s. a week, and a married man and his wife on 34s. If it were proposed to increase the number of days of work per week,

there might be something in it. It may be difficult to devise ways and means for the immediate relief of these men. If their circumstances were to be relieved immediately by the tax, one could not raise so strenuous an objection to it, but even then I do not know that I would agree to the tax for an indefinite period. The Premier said this new tax was necessary to meet the cost of unemployment, which last year was £653,031, and was estimated this year to cost £310,774. That is a misleading statement. The Government have budgeted for £310,774 this year, but that is not for the purpose of providing men with work but for the purpose of paying sustenance to those on the dole who have no employment. One would think from reading the statement that the unemployment position had improved by the difference between £600,000 and £300,000, whereas we know that unemployment is very much worse this year than it was last year. This fresh taxation will make things still worse. I can see nothing in the Bill to improve the situation of the unemployed. Sustenance workers and those in receipt of small annual incomes will have to contribute their quota, their 4½d. in the pound. All the circumstances have been dealt with by previous speakers and I agree with what they have said. The Bill proposes to exempt single men in receipt of less than £52 a year, and married men in receipt of less than £104 a year. Actually these exemptions do not exist. What purports to be an exemption is merely a man's right at the end of the year to claim a refund on the taxation he has paid, if his income has fallen within these categories. He will still pay the tax during the year and will be deprived of that much money throughout the period. Later on he may get it back by applying to the Taxation Department. I do not know whether those who have claimed refunds from the Taxation Department as a result of the hospital tax collected on low incomes have met with success. When a Government department gets hold of money, it takes a long while to get it back. Everyone would have to pay the tax during the year, whether the income comes within the so-called exemptions or not. The purchasing power of that section of the community will therefore be reduced by the amount of the tax. On the eastern goldfields men have been reduced in pay as a result of the Financial Emergency Act from 18 to 22½ per cent. Those men are now receiving a basic wage of £3 9s. 4d., and in Kalgoorlie

and Boulder are getting a goldfields allowance of 2s. 4d. They will not be exempt from the tax although they have suffered the percentage reductions in their income, reductions that are very much lower than is commensurate with the reduced cost of living on the goldfields. When these reductions were made, the basic wage on the goldfields was £1 6s. Although in the case of single men the basic wage has been reduced to £3 9s. 4d., and correspondingly reduced in other cases, according to the statistician's figures the cost of living has been reduced only to £3 18s. a week. The Government have intimated that they do not intend to give to those workers any relief from the anomalies from which they are suffering.

Hon. S. W. Munsie: Every Government employee in Kalgoorlie is 9s. a week worse off than Government employees in Perth.

Mr. F. C. L. SMITH: The Bill expressly excludes from its provisions the exemptions that are set out in the Land and Income Tax Act. Those who will pay taxation and who now come under the Dividend Duties Act will still have all the exemptions provided under that Act. There is a remarkable distinction drawn between the two classes of taxpayers. There is one particular clause in the Bill to which I would take exception. I refer to Clause 5. Why is it that paragraph 14 of Section 31 of the Land and Income Tax Assessment Act has not been included in this clause? The paragraph reads—

Where a person derives income from a mining tenement as defined by the Mining Act, 1904, or acquired under the Mining Act Amendment Act, 1920, worked by him or on his behalf, he shall not be liable to pay income tax on such income until it has exceeded the total amount of his capital expenditure on such mining tenement incurred in producing his income, but such person shall be assessed for income tax on the income received in excess of such capital expenditure by the taxpayer.

I do not know why the capital that a man spends for the purpose of producing his income should not be exempt under the Bill. A similar provision applies under the Dividend Duties Act, and that will be retained under the Bill. There is no reason why a man who has spent capital in a mining venture should not be entitled to the benefit of the Act to which I have referred. I trust the second reading of the Bill will not be carried. As the member for Nedlands says, it has been badly drafted, and

he knows what he is talking about. Both the Bill and the incidence of taxation have been badly conceived.

MR. MILLINGTON (Mt. Hawthorn) [5.28]: This Bill is defended by its sponsors not on the ground of equity but on the ground of urgency. I note that the leading newspaper did not attempt to justify the incidence of the tax, but simply said that at this stage there was no other way to get the amount required by the Government, and no other way immediately to collect it from the incomes received. Who is responsible for that? Surely it has not just dawned upon the Government, in October, 1932, that the need exists for additional revenue. Because the Government have left it till now to impose this most inequitable taxation, can that be regarded as an excuse for such a proposal? Merely because they need the revenue, the Government are pushing this measure through, asserting that the money could not be collected during the year in any other way. The Government must accept some responsibility for that situation. They have not attempted to show that they did not realise the position in time to suggest some other form of taxation. Who should realise the financial position of the State if the Government do not? They have their Estimates and their expert officers who can forecast what revenue will be required. After such an experience as in 1930-31, when we had a record harvest, but also record low prices for our commodities, I fail to see how anyone could not have realised that the revenue derived from the income tax would be considerably decreased. There was no attempt on the part of the Government to make up the leeway that was apparent to everyone else. The Government seem to have assumed that the forecasted Estimates would be the actual result. It was one of those hoodwinking attitudes that fooled no one, and it quickly became apparent that the Government's Estimates would not be realised. Now, in October, 1932, the Government conceive of this method of raising money in a desperate hurry and are endeavouring to push the Bill through the House in an expeditious manner because of its urgency. In justification for that attitude, they claim that the Bill represents the only way. As to the usual methods of assessing and raising taxation by direct methods, our present income tax was not arrived at merely

by guess work. The method of imposing it was developed as the result of close reasoning, and having regard to past experience, was evolved on its present basis and exemptions granted are not to be regarded as privileges. These exemptions were granted for various reasons that were carefully considered. Under the Bill, exemptions are allowed in respect of a proportion of the taxpayer's earnings that may justly be set aside as necessary to earn his income. Thus that exemption holds good for taxpayers other than wages and salaried men. For the latter there are no exemptions. I do not think it will mislead anyone that the minimum has been placed at £52 a year. It is a very safe figure to arrive at considering that the starvation rates arrived at by the Government as the lowest possible amount on which a man can exist, is 25s. 2d., which is provided for single men on sustenance operations. That rate amounts to £65 8s. a year. That sustenance rate was fixed after most careful calculations to determine the lowest possible amount on which a man could barely exist. Therefore, £52 a year is a safe minimum and that amount will include all sustenance workers. That is an interesting proposal. The Government are giving out with one hand and taking back with the other. It has been stated that there are 9,000 men employed on sustenance work. I do not think that even the Government suggest that those men can have any surplus out of the money they receive. Yet not one of those sustenance workers will be excluded from the provisions of the financial emergency tax. No wonder no attempt has been made by the Government to justify the Bill on the grounds of equity. This form of taxation represents merely a rough and ready method of raising money from sources that can easily be attacked. The wages and salaried men can have no hope whatever of evading it. The tax will be taken from them. There can be no claims for refunds because the lowest rate paid, which is the sustenance rate, is well below the margin stipulated in the Bill. Thus there can be no hope of claiming a refund. I said earlier that exemptions were provided under the provisions of the Land and Income Tax Assessment Act. Those exemptions are not considered in the light of privilege. In times gone by an exemption of £200 a year was granted because it was definitely considered that the people paid that amount away in different direc-

tions, all of which assisted revenue. Reference was made the other day to the high tariff. Whether we believe in that tariff or not, the fact remains that to-day exemptions are granted from taxation largely because people pay so much through the Customs Department. When we are apportioning the burden of taxation,—the Bill represents the Government's idea of what should be regarded as a proper apportioning of that burden—would it not have been fairer to consider whether some other form of taxation was not justifiable, and should have been demanded? The Opposition will do their utmost to see that this unjust taxation legislation, the incidence of which cannot be defended, shall not find a place on the statute-book. The people it is now proposed to tax are already heavily burdened because they pay taxation in various directions. The man in receipt of £104 a year, having a family of three, will be taxed, apart from exemptions, to the extent of £30 a year. Then he has to pay that pernicious impost, the hospital tax. Then there is the sales tax and if the man I have in mind is fortunate enough to be in the position to do so, he has to pay the amusement tax as well. On top of that he has to pay rates and taxes, if he is a householder, to the local governing authorities. Thus he is taxed by the Federal Government, the State Government and by the local governing authorities. Now because he represents the easiest section of the community to be got at, this further impost is to be levied. To the pernicious hospital tax of 1½d. in the pound, there is to be added this further burden that will raise that taxation to 6d. in the pound on wages. Whereas there is a good deal of shrewd dodging of taxation on the part of the business community—we have reached the stage at which the Government are regarded as fair game and if taxation can be avoided, people consider they are justified in doing so—the wage earners and salaried men have no possible hope of acting similarly. They have no possible hope of dodging the taxation like the others I have referred to.

Hon. J. C. Willcock: You mean the tax dodgers?

Mr. MILLINGTON: Yes. There are grave doubts as to whether many of those people are paying their just dues under the method of direct taxation. Thus the pro-

posed impost under the Bill becomes all the more objectionable. We are reaching the stage now when taxes of this description, which impose a very heavy burden on those who can easily be levied effectively, are bearing unduly upon an already overburdened section of the community, giving rise to grave suspicions that another section of the community is not paying a just proportion of the impost. Then again, it has been suggested that if the direct method were adopted and the land and income taxes were amended, an enormous increase in the present rates of taxation would be required. The Government say that at this late stage there is no alternative to the present proposal. Everyone else recognised the state into which the finances were drifting, but the fact remains that apparently, during the past two years, the Government were not able to foresee what would happen. Had they recognised the position, I believe it would have been possible to have accomplished the same end by other means, even if it meant cutting out the exemption of 33 per cent. and the present exemption of 20 per cent. The Government cannot deny that that would have been possible and that would have represented a more equitable method than the present proposal. The Government appear to have arrived at the conclusion that the method adopted of imposing a flat rate of taxation is effective and as a first step, the imposition of the tax of 1½d. all round, although received with some protests, has met their requirements. Now the Government propose to apply the thumb screw and impose an additional 300 per cent. to be paid in the same manner. The 4½d. will be collected on top of the 1½d., from the masses, including the sustenance workers. The Government believe in taxing the masses. This, then, will be the recognised form of taxation in Western Australia, a flat rate and no exemptions. We find that the Government justify the imposition of the tax on the score of urgency. That does not absolve the Government, because it is due to their lack of foresight that they are obliged hurriedly and in this manner to levy an inequitable tax from a section of the community who have no say on the subject. The urgency is due to the fact that we have a Government who could not see six months ahead. It was apparent in 1930-31 that the revenue from

direct taxation must inevitably drift, that the money was not being produced, that the pastoral and farming section of the community were producing wool and wheat at less than cost, and that when their balance sheets were made up it would be evident that there would be nothing on which to pay taxation. I suppose the Government's other excuse is that in Australia, in respect of taxation, all Governments have just about looped the loop, that the ingenuities to which it was possible to resort to raise money had been exhausted. The ordinary land and income tax has been exhausted. Not only have we dual taxation in that respect, Federal and State, but taxes on amusements have been increased until those conducting amusement resorts, including racecourses, are now working for the Government. All those places are being conducted at a loss because of the enormous imposts. From the racecourses the percentage taken by the Government in the form of amusement tax amounts to $7\frac{1}{2}$ per cent. This is taken from the totalisator receipts. Thus all those people who patronise that form of amusement are heavy taxpayers. But the most inequitable of all is the sales tax. I do not know of any new form of taxation that could be devised except the flat rate which has been imposed by the Government.

The Minister for Railways: I wish we could impose a tax on writers of letters to newspapers.

Hon. J. C. Willcock: You would have to contribute to that.

Mr. MILLINGTON: I have no doubt the Minister believes that that tax would be worth while trying; even then we would find ingenious letter writers who would escape payment of the tax in some way. The preparation of taxation forms and the amounts accounted for and not accounted for in those forms has developed into quite a science. I inquired how it was that auditors put their names to some balance sheets, and the reply was that on the information supplied to them the balance sheets were correct. Then those balance sheets passed the taxing master. They are discovering now how to avoid taxation, and consequently this form of taxation is becoming popular amongst the shrewd sections of the community. But there is no prospect of the wage and salary earner avoiding the payment of taxation. Undeniably they will

pay more than their share. I notice also that this becomes a food tax. Under the Bill the simplest of food will be taxed because it is not proposed to exempt income, which includes salary or wages, derived from services rendered.

The Minister for Railways: That is going on; I do not know how it got there.

Mr. MILLINGTON: The condemnation by the member for Nedlands in respect of the drafting of the Bill is perfectly justified, but I should like to hear his private opinion of those who conceived it.

The Minister for Railways: He is not allowed to express his private opinion; he is acting in a public capacity.

Mr. MILLINGTON: These are the times when the Government had better make an appeal to the patriotic sentiments of the people. Usually when things are getting desperate, the masses are appealed to and told that now is the time when sacrifices must be made. But the people are against making this sacrifice, because they consider that the money will not be used actually to relieve unemployment.

The Minister for Railways: They can get out of this tax very simply, by purchasing local goods.

Mr. MILLINGTON: If that be true, I now see that this is not a taxing measure, that it has been introduced by the Government for propaganda purposes. I hope the Minister's pronouncement is true; if so, next year we shall repeal the Bill. By the way, I assume that the Government have not considered for one moment making the Bill have effect for more than one year.

The Minister for Railways: Not one year, eight months.

Mr. MILLINGTON: It will have to be renewed?

The Minister for Railways: Yes.

Mr. MILLINGTON: That is some consolation. If the Minister for Railways, who is now acting Treasurer, will listen to advice from this side of the House, I think we can make the measure more equitable.

Hon. J. C. Willcock: He will do that all right.

Mr. MILLINGTON: The evil effects of the Bill are still capable of being removed. It is not too late to do that. I believe the Minister is agreeable to imposing a tax on foodstuffs, and the simplest foods too, but he has not the nerve to do so.

The Minister for Railways: I would if I thought they were imported.

Mr. MILLINGTON: I know that the Bill was hurriedly conceived and consequently there is every justification to ask the Government to give it further consideration. If ever a measure required second thoughts, it is this. The advice from this side of the House is offered in the friendliest way, because we recognise the difficulties through which the Government are passing. When we place a burden on anyone, we should make sure that the people are able to carry the load. The alleged generosity of the Government in exempting those in receipt of less than £52 a year will not have the effect of exempting the Minister's sustenance workers. They still receive £65 a year, and they are comparatively wealthy. That amount was paid after the closest scrutiny ever given to the question of living expenses in this State—25s. 2d. a week.

The Minister for Railways: And it is 25s. 2d. more than they got in your time. Single men got nothing.

Mr. MILLINGTON: They got work in those days.

The Minister for Railways: I like that.

Mr. MILLINGTON: Perhaps not all the year round. There were times when it was difficult to employ everybody, but I do not think that anyone earned under £65 a year. It is clear under the Bill that the sustenance workers will be taxed. That is something the Government will have to reconsider. Fancy cutting down the amount of sustenance to the barest level and then making the individual receiving it pay taxation as he will have to do under the Bill.

The Minister for Railways: I have told you that is going out. £204 will be the married man's exemption.

Mr. MILLINGTON: That is better.

The Minister for Railways: I mean £104.

Mr. MILLINGTON: It would be better if we could raise it to £204. The proposals under the Bill will set up a new standard in Western Australia.

Hon. J. C. Willecock: It is taxing loan moneys to put the receipts into revenue.

Mr. MILLINGTON: I can see there is more in the Bill than meets the eye. The sustenance taxpayer is a new taxpayer in the world. I wonder what they would think of such a thing in the Old Country, where

they have reduced the dole to a science. I wonder whether those in receipt of the dole in England have to pay a tax. I am trying to show where the Government of this State have beaten the world in overcoming financial troubles. Nowhere else on the planet are sustenance workers taxed, except, naturally, through the Customs.

The Minister for Works: There is the sales tax.

Hon. J. C. Willecock: Sustenance workers do not buy much.

The Minister for Works: Most of them smoke.

Mr. MILLINGTON: In the case of the tax under this Bill, the wage earner and the salary earner, and also the sustenance worker, will pay on their turnover. If each business man had to pay taxation on his turnover, the returns would for a time be enormous, and then business men would find it impossible to exist. The sustenance worker is to be taxed irrespective of the cost of conducting his business, which is to run a home. Therefore the proposal is utterly inequitable. An avenue of taxation is still to be found in the land and income tax returns. Why permit exemptions to continue if the position is so desperate, and has been so desperate for the last two years? This measure will have to be carefully examined in Committee. Meantime the Government might think over the enormity of some of their proposals, and prepare to show themselves more generous in the matter of exemptions. I object straight out to the flat rate of tax. While recognising that the Government have the responsibility, I contend it is their belated recognition of that responsibility which has landed Western Australia in the present difficulty. Now the Government defend their extraordinary taxation proposals on the grounds of emergency and urgency; not on the ground of equity. There has been not so much lack of foresight as lack of determination on the part of the Government to face the financial issue. Thus we find ourselves confronted with indefensible proposals. I trust the Government will give consideration to the raising of exemptions and to the exempting of family men.

The Minister for Railways: We propose to do that.

Mr. MILLINGTON: In the case of married men the tax will represent not an amount which might be spent on pleasure or luxuries, but an indispensable amount of which their dependants will be deprived. I shall vote against the Bill.

MR. WITHERS (Bunbury) [6.7]: I had not intended to speak on the measure but merely to vote against it. Though the Bill is introduced by the Government, not many Ministerial members are prepared to rise in justification of it. The Premier moved the second reading, and the only two Government supporters who have spoken on the measure have condemned it. I would like other Government supporters to give reasons why the measure should pass. There has been opposition to the Bill from every angle, and Ministers should have been prepared to show that that opposition is not justified. Little is left to say on the subject, after the speeches of members on this side of the Chamber. The incidence of the tax is utterly unjust. The member for Brownhill-Ivanhoe (Mr. F. C. L. Smith) referred to the position of workers on the goldfields, especially Government employees. However, all Government employees throughout the State are already penalised.

Mr. F. C. L. Smith: But on the goldfields they are penalised worst of all.

Mr. WITHERS: They are to be penalised further because they can be got at through wages and salary sheets. They are certain to be caught, but other people with incomes are by no means certain to be caught. I take it that the proposal is to tax on the net income. Why farmers' representatives in this Chamber have not taken the question up is something I fail to understand. If they have not heard the views of farmers on the Bill, I have. The farmers are concerned as to whether they are to be taxed on their gross or on their net income. Net income in the case of the farmer means what he has left after paying everything owing during the preceding 12 months.

Mr. Griffiths: Farmers have no incomes.

Mr. WITHERS: No; and if a worker on £2 a week has nothing left at the end of the year after paying living expenses, he too has no income. The married man pays unjustified taxes, and then has to apply for a refund; and we know what the obtaining of a refund from the Taxation Department means. The man has been short of the money during the 12 months and experiencing a hard time. Very few men would know how to set about obtaining refunds, and so under this Bill they will be paying taxes for which they are not liable. The Premier contends that his undertaking not to impose

additional taxation was given some time ago, since when circumstances have changed. However, here is a proposal to tax the most impoverished persons ever known in this State. Had the necessary taxation been imposed two years ago, industry would have been set going again; but the money has been spent in the interim, without material benefit resulting. What guarantee is there that £300,000 will be the annual return from taxation under the Bill? It is not known what the incomes of the people are. Many men are on sustenance. The incomes of farmers are problematical. Then how is the Premier to get the £300,000? If the amount were to be raised for the specific purpose of relieving unemployment, it would be a different matter. The Premier says he wants the money to relieve unemployment, but the Bill does not say that. The Bill proposes that the money shall be paid into Consolidated Revenue. If the Premier is merely desirous of reducing his deficit by £300,000, why does he not honestly say so? At the end of the financial year the country will be worse off for this tax, because the returns from it will be paid into the Treasury and will remain there. The people are apt to forget the deficit for the time being, but they remember it at election time. At the next general election they will say, "In spite of Premiers' Plans, we have this deficit." I could not cast a silent vote on the Bill; I felt bound to voice my protest. Had hon. members opposite endeavoured to justify the taxation proposed by the measure, there would have been an opportunity to reply to their contentions. I shall vote against the second reading.

Sitting suspended from 6.15 to 7.30 p.m.

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

Ayes	..	..	..	19
Noes	..	..	..	17
Majority for ..				2

AYES.	
Mr. Angelo	Mr. Parker
Mr. Browa	Mr. Patrick
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Richardson
Mr. Keenan	Mr. Sampson
Mr. Latham	Mr. Seadman
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North
Mr. McLarty	

(Teller.)

NOES.

Mr. Coverley	Mr. Pantou
Mr. Heguey	Mr. Sleeman
Mr. Johnson	Mr. F. C. L. Smith
Mr. Kenneally	Mr. Troy
Mr. Lamond	Mr. Wensbrough
Mr. McCallum	Mr. Willcock
Mr. Millington	Mr. Withers
Mr. Munroe	Mr. Wilton
Mr. Nulsen	

(Teller.)

PAIRS.

AYE.	NOES.
Sir James Mitchell	Mr. Collier
Mr. J. M. Smith	Miss Holman
Mr. Barnard	Mr. Cunningham

Question thus passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Interpretation:

The MINISTER FOR RAILWAYS: I move an amendment—

That after the definition of "income," a definition as follows be inserted:—"Member of a family" means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, illegitimate son, illegitimate daughter, grandson, grand-daughter, step-son, step-daughter, brother, sister, half-brother, half-sister; and with respect to an illegitimate person includes his mother, and his brothers and sisters, whether legitimate or illegitimate, by the same father and mother."

It is the same definition as is contained in the Workers' Compensation Act. The reason for inserting this definition is that in a later amendment we shall be providing for a different basis of assessing the income where persons are dependent on others earning the income.

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

Clause 3—Income, salary and wages liable to tax:

The MINISTER FOR RAILWAYS: I move an amendment—

That in line 1 of paragraph (i) of Sub-clause 1 "for" be struck out, and "to" inserted in lieu.

That is to correct a typographical error.

Amendment put and passed.

The MINISTER FOR RAILWAYS: I move an amendment—

That in line 2 of paragraph (i) of Sub-clause 1 "in respect of" be struck out and "who is receiving in cash" be inserted in lieu.

This means that if the employee is in receipt of £1 a week in cash as wages and is being furnished with board and lodging, such board and lodging for the purpose of assessment will be fixed at £1.

Mr. SLEEMAN: If we allow this to go through, we shall be agreeing to the principle that if a man is receiving £1 a week in wages, and board and lodging is to be fixed at £1, he will be receiving the equivalent of £2 per week, and so will have to pay tax on that. We should not agree to this, for although in many instances the board and lodging might be worth £1 a week, there are thousands of other instances where it would not be worth £1 a week.

The MINISTER FOR RAILWAYS: Would it not be better to accept the amendment and, if necessary, move a further amendment?

Amendment put and passed.

Mr. SLEEMAN: In many places the board would not be worth £1 per week. The Government seem to think that a man can live on much less than £1 a week.

Hon. J. C. Willcock: They consider that 7s. is enough to keep a man.

Mr. SLEEMAN: There are good and bad employers. Some might provide board and lodging to the value of £1, but in quite a lot of instances that I know of, it would not be worth £1 a week. It would be worth no more than the relief men are getting from the Government, namely 7s. a week. The tax on £1 per week cash earned will be hard enough. I move an amendment—

That in paragraph (i) "one pound" be struck out and the words "ten shillings" inserted in lieu.

Hon. J. C. WILLCOCK: Any employer whose financial circumstances were such that he could afford to pay only £1 a week would not supply board and lodging worth £1 a week.

The Minister for Railways: Many girls are getting £1 per week and keep.

Hon. J. C. WILLCOCK: But the measure will apply to everybody. A man might be given only sufficient food to sustain him and would probably have to supplement it out

of the £1 per week cash. We should not tax at the rate of £1 per week something that is worth only 10s. The Government make 7s. a week the rate of sustenance and consider that people can live on it. An unscrupulous employer might be imbued with the Government's idea that people can subsist on board worth only 10s. a week.

Mr. MILLINGTON: A married man receiving under £104 a year is to be exempt. If his food requirements are assessed at £1 per week, he will have to keep his home on the additional £1. We cannot be sure that the employer will provide board and lodging to the value of £1. If on a farm it takes £1 a week to keep a man, how can the wife for whom the man has to provide a home, live on the other £1? Surely it is not intended to penalise a married man who is receiving £1 in cash?

The Minister for Lands: There is a later amendment to cover the married man.

Mr. MILLINGTON: The clause would include a married man working for £1 a week and his keep if the employer is to be permitted to say arbitrarily that the board is worth £1 a week.

Hon. J. C. Willcock: The measure, not the employer, says so.

Mr. MILLINGTON: That is true. When a man is employed for £1 a week and his tucker, the food value would be less than £1 a week. Some people would gladly undertake a contract to feed 100 men at that rate and would make money out of it.

The MINISTER FOR RAILWAYS: Members who have addressed themselves to the amendment are not consistent. Under the Workers' Compensation Act—

Hon. J. C. Willcock: Deal with the sustenance act.

The MINISTER FOR RAILWAYS: Apparently when it is a question of the employer having to pay compensation, a basis as high as 30s. a week for board and lodging is fixed, but when it is a question of fixing an amount for taxation purposes, £1 per week is claimed to be too high. In some instances it might be too high, but some value has to be fixed. If we made it 10s. or 15s., it would be too low in some instances. Quite a number of single persons are in receipt of £1 per week and keep. In view of the fact that 30s. is provided in the Workers' Compensation Act, we are not stretching it when we provide that if a person receives £1 per week in cash and board and lodging, the board and lodging shall be assessed at £1.

Mr. KENNEALLY: Since the amount was fixed in the Workers' Compensation Act, the Government have declared that 7s. is sufficient to keep a man. The amendment marks an advance of 50 per cent. on the sustenance rate of 7s. and the Government might well accept the amendment.

Hon. W. D. JOHNSON: I support the amendment. It is useless to quote the Workers' Compensation Act which was passed a considerable time ago. We have to consider the circumstances of the hour. The rate fixed in the Workers' Compensation Act is on an entirely different basis.

The Minister for Railways: Not for assessing board and lodging.

Hon. W. D. JOHNSON: The Workers' Compensation Act deals mainly with people on the basic wage, and it is reasonable to assume that the value of board and lodging was fixed proportionately to the wage. In this Bill the value fixed is disproportionate.

The Minister for Railways: What about servant girls?

Hon. W. D. JOHNSON: I am not dealing with those people. If a wage of £1 a week, is justified, to fix the value of board and lodging at the same rate must be wrong. By fixing board and lodging at £1 per week, we shall be taxing individuals on something they do not receive. That will make the tax worse than ever. If we put things on the basis of 10s., it will be a reasonable proposition.

Mr. SLEEMAN: Whilst I agree that servant girls should receive board and lodging to the value of £1, I know that many of them do not get it. Too often they have to buy their own food because the employer does not give them sufficient. We have no right to say that in every instance board and lodging should be reckoned as worth £1.

Hon. S. W. MUNSIE: When the Minister referred to the Workers' Compensation Act and to the value of board and lodging under that Act, surely he was not trying to make us believe that an injured worker received the 30s. Although board and lodging are valued at that figure under the Act, only the half of that is included as part of his wages for compensation purposes. The comparison is not a fair one, because the impression created is that the worker re-

ceives an allowance of 30s. for board and lodging.

The Minister for Railways: The employer pays the premium on 30s.

Hon. S. W. MUNSIE: Yes, but the worker does not get the full benefit of that.

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

Ayes	..	..	..	17
Noes	..	..	..	21

Majority against .. 4

AYES.

Mr. Coverley	Mr. Pantou
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. F. C. L. Smith
Miss Holman	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Lamond	Mr. Withers
Mr. Millington	Mr. Nulsen
Mr. Munsie	(Teller.)

NOES.

Mr. Angelo	Mr. J. I. Mann
Mr. Barnard	Mr. McLarty
Mr. Brown	Mr. Parker
Mr. Church	Mr. Patrick
Mr. Davy	Mr. Piesse
Mr. Doney	Mr. Sampson
Mr. Ferguson	Mr. Seaden
Mr. Griffiths	Mr. Thorn
Mr. Latham	Mr. Wells
Mr. Lindsay	Mr. North
Mr. H. W. Mann	(Teller.)

PAIRS.

AYE.	NOES.
Mr. Wilson	Mr. J. M. Smith
Mr. Collier	Sir James Mitchell
Mr. McCallum	Mr. Keenan

Amendment thus negatived.

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

That a new paragraph to stand as paragraph (ii) be inserted, as follows:—"Any employee receiving less than £1 a week in cash shall not be subject to the payment of tax under this Act."

I wish to protest at this stage against the Government procedure in bringing down at the last moment a series of amendments, with which members should have been made acquainted at all events early this afternoon. It is impossible to get a proper understanding of the effect these new amendments will have upon the Bill at such short notice. In the circumstances the proceedings of this Committee should be adjourned for a period in order to give members an opportunity to examine the new proposals. The Bill is supposed to be the considered policy of the administration, but before it has been in the House very long we are con-

fronted with a series of amendments contained in the addendum to the Notice Paper. I do not know why this addendum was not supplied to members before tea. This clause says nothing about the assessment of the value of board and lodging in the case of a man receiving 15s. a week. It would greatly facilitate matters if the Minister would explain the effect of all these amendments.

The Minister for Railways: I would not object to your amendment but for the fact that we have provided for the same thing in an amendment I propose to move later.

Hon. J. C. WILLCOCK: If the Minister were permitted to explain these new amendments I am sure it would help us to understand their purport as they affect the Bill, and I also trust we shall not be prevented from moving such amendments as we desire on the Government amendments.

The CHAIRMAN: If the Minister is prepared to give the explanation, I think he will assist the Committee.

The MINISTER FOR RAILWAYS: Clause 3 provides that every person in receipt of income, salary or wages shall be liable to pay the financial emergency tax, and in assessing the amount payable, board and lodging shall be taken into account as equivalent to an additional wage of £1 a week, but that is to be taken into consideration only when the taxpayer is in receipt of at least £1 a week in cash as well. Clause 4 sets out the people who shall be exempt and they include those in receipt of old age and invalid pensions and those in receipt of salary or wages amounting to under £1 a week who have no other source of income. Then we intend to amend paragraph (d), which relates to the exemption of married persons in receipt of under £104 a year, by including in that category single persons with dependants.

Hon. J. C. WILLCOCK: In view of the Minister's explanation, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. SLEEMAN: Paragraph (ii) of Clause 3 refers to the exemption of persons in receipt of payments from a superannuation fund, but I cannot find any reference in the Bill to exemption of payments under the Workers' Compensation Act. I would

like to know if I can include an amendment in the subclause so as to cover persons in receipt of workers' compensation payments.

The Minister for Lands: That point has been determined in connection with the hospital tax.

Mr. SLEEMAN: But I do not want the mix up that we had in regard to that tax.

The Minister for Lands: That position has been cleared up.

Mr. SLEEMAN: I think it would be better if the position were made definite so that the Commissioner of Taxation would have no ground whatever upon which to tax people in receipt of workers' compensation payments. The latest information I have is that people are still being levied under the hospital tax, despite the ruling of the Crown Law Department that these payments are not taxable. Why not make the provision clear in the clause?

The Minister for Lands: I would be surprised to learn that the Commissioner of Taxation is still endeavouring to collect the tax, as you suggest, because the decision of the Government was definite.

Mr. SLEEMAN: I have definite information that not only companies but private employers have been deducting the tax, although the position was supposed to have been cleared up.

The MINISTER FOR RAILWAYS: I have been advised by the Attorney General and the Minister for Health that the position was made quite definite, but I shall consult further with the Attorney General and, if it is considered advisable, we can have an amendment inserted in another place so as to make it perfectly clear that the tax will not be levied on workers' compensation payments.

The ATTORNEY GENERAL: This tax, like the hospital tax, is levied on income, and there is not the slightest possible argument to support the contention that workers' compensation payments represent income. It is true that our zealous Commissioner of Taxation, perfectly honestly and in pursuance of his duty, successfully recovered hospital tax on workers' compensation payments. As soon as the Government were made aware of the fact, a definite ruling was given to the Commissioner that workers' compensation payments were not income and the tax was not to be applied to such payments. Nevertheless, I do not think

it is wise to embody in the Bill a provision forbidding something to be done that legally cannot be done. I think the member for Fremantle should be satisfied if the Government assure him that they will not permit workers' compensation payments to be treated as income under this legislation.

Hon. J. C. WILCOCK: All Government officials abide by legal rulings given by the Crown Law Department, and I think we can accept the Minister's assurance.

The Minister for Lands: If there are any more instances in connection with the hospital tax we can clean them up, too.

Mr. SLEEMAN: I will accept the assurance of the Attorney General but I still have in mind the fact that the Federal Crown Solicitor gave a ruling that these payments were definitely income and, in the circumstances, we did not know where we stood. I still think that, in order to make the position perfectly definite and clear, the Bill should be amended. However, I will accept the assurance of the Attorney General and the Minister for Railways, and if they find it necessary to do so, they will amend the Bill in the Legislative Council.

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

That in lines 2 and 3 of Subclause (2) "the Consolidated Revenue Fund for the use of His Majesty" be struck out, and the words "a trust fund at the Treasury, which shall be expended in providing work for the unemployed" be inserted in lieu.

The Minister for Railways: This will be for that purpose.

Hon. J. C. WILCOCK: The Premier, in his statement to the House, informed members that the Treasury would be reimbursed for the money paid away in sustenance. That is entirely different from providing work at remunerative rates for unemployed people. The Premier quoted a number of resolutions that had been carried in different parts of the country and transmitted to the Government, and held them up in justification for the introduction of the Bill. If the measure were framed purely to recoup Consolidated Revenue, there would be no justification for it. The only justification for the legislation is that the money raised will be used for the relief of the unemployed. It is that phase only that provides some justification for departing from the ordinary principle governing the taxation of incomes. If the object is to relieve the distress of many

of our citizens, we may be prepared to put up with the injustice that it may impose. The Premier said the object of the tax was to relieve unemployment. That being so, we may as well state it and indicate what is to be done with the money. There is no reason for raising money in a dozen different ways for the same purpose. If the money be paid into a trust fund, it will relieve the Treasury to some extent of sustenance payments, but it will justify the hope in the minds of many unemployed that there will be a considerable amelioration of their condition.

THE MINISTER FOR RAILWAYS: The amendment is of no value. It will not alter the position in the slightest.

Hon. J. C. Willcock: Then you had better accept it.

THE MINISTER FOR RAILWAYS: What is the use of altering words if they do not vary the conditions? The hon. member knows that the practice has been to pay the proceeds of a tax into Consolidated Revenue. The Government show on the Annual Estimates how the money is to be expended and obtain an appropriation.

Hon. J. C. Willcock: No, the hospital tax and entertainments tax are on a different basis.

THE MINISTER FOR RAILWAYS: They are governed by special Acts.

Hon. J. C. Willcock: This is a special measure.

THE MINISTER FOR RAILWAYS: The hon. member is only splitting straws. He heard the Premier say that £300,000 was required to relieve the revenue of the amount it was estimated would have to be found for the relief of the unemployed. The Estimates show that the anticipated cost of relieving the unemployed by way of sustenance payments will be £300,000, and in order to make good that amount and keep the deficit within the limit agreed to by the Loan Council, the Premier requires to raise £300,000 by other means. This Bill constitutes the other means. There would be no point in providing that the money should be paid into a trust fund, unless the hon. member wished to increase the deficit by £300,000.

Hon. J. C. Willcock: It would result in some men being taken off sustenance.

THE MINISTER FOR RAILWAYS: Then the result would be the same. It is better to take the money into Consolidated Revenue and show it amongst the receipts, and also show the expenditure in the Estimates, which are controlled by Parliament.

No purpose can be served by altering the wording of the clause.

Mr. KENNEALLY: If the amendment will make no difference, let us pass it and get on with the business. The Premier said the object of the Bill was to provide for the unemployed.

The Minister for Railways: To the extent shown in the Estimates.

Mr. KENNEALLY: Then what is wrong with providing for the money to be paid into a trust fund for the purpose stated?

The Minister for Railways: It is provided for in the Estimates.

Mr. KENNEALLY: Why not pay it into a separate fund, and use it as the Premier suggested? I am afraid the money will be used to bridge the gap in the deficit.

The Minister for Railways: No one is denying that. The Premier has shown it in the Estimates, both as receipts and expenditure. If you allow the expenditure to be incurred and do not credit the receipts, of course the deficit will be increased.

Mr. KENNEALLY: Apparently the Government desire to perpetuate the system of keeping men on sustenance. If we introduce special taxation for a special purpose, the proceeds should be paid into a trust fund.

The Minister for Railways: There is no special purpose except to make good a shortage of £300,000.

Mr. KENNEALLY: The Premier said it was to provide for the unemployed.

The Minister for Railways: Not in the sense in which you put it.

Mr. KENNEALLY: There is only one way to provide for the unemployed, and that is to give them work. The amendment would ensure some record as to how far the object in view had been attained.

Hon. W. D. JOHNSON: The incidence of the tax is a departure from the usual method. The Minister said the tax was to meet the special circumstances of the times; in other words, unemployment. Our trouble is due to people not being wealth producers.

The Minister for Railways: That is not correct.

Hon. W. D. JOHNSON: If our people were working, there would be no difficulty.

The Minister for Railways: The farmers are working as hard as ever they did, and they are in difficulties.

Hon. P. Collier: Perhaps the tax is to overcome special circumstances at the Treasury.

Hon. W. D. JOHNSON: Yes. The Government intend to tax servant girls to relieve the Treasury, to pay bonuses and grants to the University, to maintain the Governor's establishment, to pay to fire brigades boards, etc.

The Minister for Railways: Would you agree to a volunteer fire brigade at Midland Junction?

The CHAIRMAN: We are not discussing volunteer fire brigades.

Hon. W. D. JOHNSON: This system of taxation has not been adopted in any other part of the Empire. We ought to insert in the Bill the special purpose for which the tax is to be levied, and make the measure a little more palatable than it is. Even so, it will be unfair, because the man on a big salary will pay the same rate as the servant girl. If that is to be the basis, let us say that the money shall be used for unemployment relief. It should be used to provide work for those who are out of work. That is the only way in which to put the State on anything like a prosperous footing.

The MINISTER FOR RAILWAYS: Quite unconsciously the hon. member is misrepresenting the position. Every member has in front of him the Estimates of Revenue and Expenditure which were submitted by the Treasurer long before this Bill was brought down. In those Estimates he provided for an expenditure of £300,000 through the Child Welfare Department for the relief of unemployment, known as sustenance payments. On the other side he provided for the receipt of £300,000 to compensate him for the outlay this year, and bring about the balance provided in the Budget. The Treasurer had in mind making good the shortage of £300,000 by an emergency tax. Such a tax is not only for the relief of the unemployed, because the money would have to be found in any case, but for the relief of the Treasurer for that outlay. It does not matter whether the money goes into a trust fund or into Consolidated Revenue. The result will be the same, and on the 30th June next there will not be one penny worth of difference. I say it would be wrong, because of a temporary difficulty and the heavy burden that exists on the Treasury through unemployment, at this stage to set up a trust fund to deal with the unemployed. We are only making provision for this amount to be paid up to the

30th June next, unless Parliament is called together earlier because of a continuance of the emergency position.

Hon. P. Collier: Up to date we are getting around the corner.

The MINISTER FOR RAILWAYS: I thought it was possible we might round the corner earlier. There may be changes which will soon take us round the corner. Whether we turn it or not is in the lap of the gods. The intentions of the Government are shown by the Budget.

Hon. W. D. Johnson: That does not justify this Bill.

The MINISTER FOR RAILWAYS: It is better to make good that shortage this year by the method now proposed than to establish a special trust fund to deal with the present unemployment situation, which we hope is only a temporary one. I am sure members are honest in their desire to have a trust fund established, but with such a trust fund in existence the tendency would be to impose additional taxation to keep it financial. Members opposite may also desire, if they get the opportunity, to employ every man full time at the full basic wage, in which case the £300,000 involved in this tax would not meet the outlay for a month. We are treating this matter as one of emergency, and for that reason it is better to employ the method proposed by the Treasurer than that suggested by the amendment.

Hon. S. W. MUNSIE: The Minister has not attempted to reply to the arguments of the member for Geraldton in favour of his amendment. He knows there is a big difference between the Government proposals and the amendment. The Premier said he was budgeting for an expenditure on unemployment of £310,000. Last year he budgeted for £484,000, and spent £653,000. We were led to believe that this came out of Consolidated Revenue. Actually the total expenditure, including child welfare and outdoor relief (£138,413 from Consolidated Revenue) was £791,462. He deducted from that, loan funds amounting to £643,996, and spent out of Consolidated Revenue £147,000.

Hon. W. D. Johnson: And now he is to get another £300,000.

Hon. S. W. MUNSIE: To make good the £147,000 spent last year. This year the Premier budgeted for child welfare and outdoor relief £136,000, and for unemployment

relief £310,000, the actual total being £447,149. He has deducted nothing from loan funds, but is including £300,000 he hopes to raise by this tax, leaving the expenditure from ordinary Consolidated Revenue about the same as it was last year. He is not imposing a tax in order to increase employment to any extent whatever. All that it will do will be to relieve Consolidated Revenue to the extent of £300,000, and permit the Treasurer, other things being equal, to arrive at his estimated deficit.

The Minister for Railways: He said that all along.

Hon. S. W. MUNSIE: It will not give an extra hour's work to anyone.

Mr. KENNEALLY: The Acting Treasurer's explanation makes it clear that the Government have no intention of doing anything additional for the unemployed out of this taxation.

Hon. W. D. Johnson: And they may do less.

Mr. KENNEALLY: That is quite possible. The Bill proposes to tax the servant girl. People would pay with better grace if they thought the money was to be applied to the advantage of the unemployed. I hope the amendment will be carried; otherwise this tax will be collected under false pretences.

Mr. SLEEMAN: I see no harm whatever in the amendment; on the contrary, it is perfectly reasonable. Under the proposals of the Bill not a fraction more will be done for the unemployed, not one man will be placed in permanent work. The object of the measure is merely to relieve the Treasurer in regard to his deficit. The member for Nedlands has said that the Opposition are entitled to demand that the proceeds of the tax be earmarked.

Mr. MILLINGTON: I regard the amendment as important. For some years now it has been suggested that there should be a special effort to provide funds to deal with unemployment. It will be distinctly advantageous for the collection of the tax to identify it with unemployment relief. There have been assertions that the Premier desires to prove to the Loan Council that Western Australia is making a special effort to ameliorate the unemployment position, and here is an opportunity. Taxation collected under the Bill should be set off against

the item of £342,000 appearing on the Estimates for unemployment relief. The amendment entails no expense, and will assist towards orderly keeping of accounts. There have been suggestions that Western Australia is not doing its part in the matter of taxation, but is loafing on the Loan Council and the Eastern States. Therefore it is important that this tax should be identifiable as an unemployment tax.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	19

Majority against 2

AYES.

Mr. Corboy	Mr. Millington
Mr. Coverley	Mr. Slesman
Mr. Cunningham	Mr. F. C. L. Smith
Mr. Hegney	Mr. Troy
Miss Holman	Mr. Wansbrough
Mr. Johnson	Mr. Wilcock
Mr. Kenneally	Mr. Withers
Mr. Lamond	Mr. Nulsen
Mr. Marshall	

(Teller.)

NOES.

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

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Wilson	Mr. J. M. Smith
Mr. Collier	Sir James Mitchell
Mr. McCallum	Mr. Keenan
Mr. Munsie	Mr. Wells
Mr. Panton	Mr. Parker

Amendment thus negatived.

Clause, as previously amended, agreed to.

Clause 4—Exemptions:

Mr. HEGNEY: Will the Minister explain the effect of paragraph (a) which refers to the exemption of old-age and invalid pensioners? If a pensioner is receiving 5s. or more than he is entitled to by way of pension, will he be exempt?

The Minister for Railways: Any person in receipt of an old-age or invalid pension will be totally exempt from the tax.

Mr. HEGNEY: The Premier referred to people in receipt of pensions.

The Minister for Lands: That had reference to persons in receipt of State pensions.

Hon. P. COLLIER: I move an amendment—

That a new paragraph, to stand as paragraph (b), be inserted as follows.—“(b) in receipt of salary or wages paid by way of sustenance for himself or for himself and his wife or family.”

The object of the amendment is to provide that those employed in part-time or sustenance work shall be exempt from the payment of the tax. It is a fair and reasonable proposal. Many of these men have been out of work for long periods and are now in receipt of two or three days' work a week. A single man can earn up to 23s. a week and a married man up to £2 or £3, according to the number in his family. The work they have is casual and temporary and it is altogether wrong to collect the tax from men who are working for a few months only in the year. I am aware that those whose earnings do not exceed £52, in the case of single men, or £104, in the case of married men, will be exempt. I do not think five per cent. of those whose earnings will be under the stipulated amount, will make application for any refund of the tax deducted from their wages. They are mostly casual workers and they would not take the trouble to supply the details necessary to the Commissioner of Taxation.

[Mr. Angelo took the Chair.]

Mr. Hegney: Some of those men have been out of work for two or three years.

Hon. P. COLLIER: And now because they get two or three days' work a week, we propose to tax them. It is wrong, and I hope the reasonableness of the amendment will appeal to the Committee.

Mr. GRIFFITHS: I support the amendment. The Leader of the Opposition has accurately explained the position of the sustenance workers. I know scores of men to whom the difference of a few pence will be felt severely.

The Minister for Railways: That is why you see them putting in crossword puzzles.

Mr. GRIFFITHS: I speak more particularly of the men in the country areas who have been out of work for long periods.

The MINISTER FOR RAILWAYS: The Leader of the Opposition is hardly consistent in his amendment because he eliminates all those in receipt of part-time employment who are less fortunately situated

than those engaged on sustenance work provided by the Government. I refer to those who are on part-time work in private employment.

Mr. Sleeman: You can make the amendment as wide as you like in its application.

The MINISTER FOR RAILWAYS: I do not desire to be misunderstood. The Leader of the Opposition is naturally anxious to impose conditions in the Bill that will make it less acceptable to the Government.

Hon. J. C. Willcock: Nothing of the sort. The amendment is in the interests of the people themselves.

The MINISTER FOR RAILWAYS: The Leader of the Opposition opposed the Bill from the outset, and is perfectly honest in his attitude. He must not lose sight of the fact that the Premier has budgeted to raise £300,000 from the tax and if the Committee fritter it away, the money will have to be raised from some other source. In the circumstances, it is not possible for the Government to accept the amendment.

Hon. W. D. Johnson: You give it out with one hand and take it back with the other.

The MINISTER FOR RAILWAYS: We have been doing that ever since there has been responsible Government in Western Australia.

Mr. Sleeman: But not from people employed on sustenance work.

The MINISTER FOR RAILWAYS: It is unpleasant to impose taxation on the community and even more so when conditions are bad. We are to collect £300,000 and some of it will come from people who, except perhaps for some who have profited by the crossword puzzles, are in a worse position than was ever expected. However, the Government have to accept the responsibility and face the position. The Opposition must take every opportunity to show the unpopularity of any method suggested by the Government.

Hon. J. C. Willcock: This is not political.

The MINISTER FOR RAILWAYS: I would not suggest that anything could be political! Of course not!

Hon. J. C. Willcock: But you are.

The MINISTER FOR RAILWAYS: Of course I am. Whether an Opposition supports or opposes a Government proposal, it is always on political grounds.

Hon. J. C. Willcock: Yes, they do. They oppose in the interests of the people.

The MINISTER FOR RAILWAYS: The first duty of the Opposition is to make the Government stand by their proposals and show reasons for those proposals. A Government without a strong Opposition would soon become a weak Government. However, I do not want to go into that. The Treasurer seeks to impose this tax on a basis that will enable him to raise £300,000. He has good grounds for imposing the tax, and so I am sorry I cannot accept the amendment, for it would seriously intrude into the avenue available to the Treasurer for raising the money.

Miss HOLMAN: This is a perfectly reasonable amendment. We are entitled to conclude from the remarks of the Premier when moving the second reading that he really meant this amendment to be included. He said it was the wish of the community that the unemployed should be treated as generously as possible. It is not treating the unemployed generously to say they must pay 4½d. in the pound out of the meagre amount allowed them to keep body and soul together on relief work. The most any of them can get is £3 per week, no matter what the size of their families or the obligations they have to meet. This imposition of 4½d. in the pound on sustenance workers is a scandal. In the timber districts we have hundreds of men on sustenance who are doing their best to help themselves, and many of whom are paying 6d. or 9d. per week to maintain their local hospital, notwithstanding that they have to pay the hospital tax as well. I hope the amendment will be agreed to.

Mr. HEGNEY: When we realise the conditions of the sustenance workers, particularly those with large families, we see that it is monstrous to ask them to contribute to this special taxation for the needs of the Government. For the last two years or more there has been a clamour amongst all the unemployed relief associations for a special tax for the relief of the unemployed. The Premier, when moving the second reading, quoted the resolution submitted to him in favour of such a tax. The unemployed have been expecting some relief from this tax, but they are not going to get any relief at

all; indeed, they are to be called upon to pay the tax so as to help a needy Treasurer.

Hon. P. Collier: To that extent they will be worse off than before.

Mr. HEGNEY: Knowing the distress existing amongst the unemployed, I say it is intolerable to ask them to pay this further taxation. Yesterday I went into the home of an unemployed man who has a wife and nine children, the youngest being only two weeks old. That man will be called upon to pay his quota to the tax at the same rate as Ministers in receipt of large salaries. Then I know a single man who, being employed himself, is keeping his mother and three brothers. He, too, will have to contribute his quota to the country's revenue. It is but a small amount the Government would lose by the carrying of the amendment, and so I hope it will be agreed to.

Hon. W. D. JOHNSON: The Government were elected definitely to relieve unemployment. They found it impossible to provide the work they had promised, and so they said that in lieu they would provide a small sustenance allowance.

The Minister for Railways: Not so small as your Government were paying.

Hon. W. D. JOHNSON: In the Labour Government's time the allowance was 9s. per week, but to-day it is only 7s. per week.

The Minister for Railways: That is not correct.

Hon. W. D. JOHNSON: Yes, that applies in my own electorate, where widows who were previously receiving 9s. per week are now getting only 7s. That is what the Government have got down to, and every week they are trying to reduce that amount by making cuts wherever possible. Now, after having established this absolute minimum, the Government propose to reduce it indirectly by taxing those receiving it. I hope the amendment will be carried.

Mr. MILLINGTON: The Acting Treasurer has made a declaration on behalf of the Government, which is that they will stand or fall by the policy of taxing the unemployed in order to provide sustenance for the unemployed. That is now the definite policy of the Government. It has been said that there is no solution of the unemployment problem, but the Government have discovered that there is a solution and that it is

to tax the unemployed to keep the unemployed. The Acting Treasurer did not resist this amendment with his usual vigour.

The Attorney General: You would not like to see this amendment carried.

Mr. MILLINGTON: Why not? If we on this side can save the unemployed from having to pay a tax to maintain themselves, we will do it. The Minister cannot defend his attitude. If it is based on any principle, the principle is indefensible. I dare say a burglar finds his circumstances as necessitous as the Government find theirs, but that is not accepted as justification for burglary. It is now proposed that we shall live on the unemployed.

The Minister for Railways: Have you been a farmer?

Mr. MILLINGTON: Yes.

The Minister for Railways: You know something about pickling wheat.

Mr. MILLINGTON: Yes.

The Minister for Railways: Then you are pickling some rods for yourselves.

Mr. MILLINGTON: If we had to provide money to run the country we would get it by means other than by taxing the unemployed, and would not delay action until the bailiffs were in. To cover up the Government's bungling we are asked to tax the unemployed. Why did not the Government take action two years ago, when people could pay? The Government could devise a better scheme than this.

The Attorney General: Suppose you suggest a better scheme!

Mr. MILLINGTON: It is embodied in the amendment.

The Attorney General: That would not be an alternative.

Mr. MILLINGTON: The alternative is to tax people other than the unemployed. The proposal is such a rotten one that I find it difficult to suggest any improvement. Anyhow, I am not going to help the Government to rob the unemployed.

The Minister for Railways: What is the difference between a part-time worker receiving relief payment from the Government, and a part-time worker receiving it from a private employer?

Mr. MILLINGTON: It is not my business to answer.

The Attorney General: Your business is to criticise destructively.

Mr. MILLINGTON: My business is to show the fallacy of the proposal, to show that the Government have fallen down on their job.

The Attorney General: We had two suggestions, one a capital levy and the other to increase income tax by 300 per cent.

Mr. MILLINGTON: The Government have got into difficulty through failing to do their duty. The daily apologist for the Government has to admit that the only reason for the tax is its urgency, but fails to point out that the urgency is due to the Government having delayed so long in meeting the financial position. The Attorney General suggests, by inference, that there is no alternative to taxing the unemployed. Is that the stage the Government have reached? If so they condemn themselves. The Government had better accept the amendment and make good the loss in some other way.

Mr. KENNEALLY: The Government's proposals contain anomalies. A single man on sustenance receives a net amount of 23s. 6d. Compare him with a lad working on a farm receiving 10s. a week and keep. Under the amendment providing that a person shall receive £1 per week cash before being taxed for board, the lad would be exempt whereas the man on 23s. 6d. would have to pay the tax. For the married man on sustenance, the position is worse. A man with a wife and three children would receive 35s. a week, and would be exempt from the tax. A man with an additional child would receive 42s. and would be taxed. The Premier said he thought it was the wish of the community to treat the unemployed as generously as possible, and the Government show their generosity by bringing the unemployed within the scope of the tax.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	18

Majority against 1

AYES.

Mr. Corboy	Mr. Millington
Mr. Coverley	Mr. Sleeman
Mr. Cunningham	Mr. F. C. L. Smith
Mr. Heguey	Mr. Troy
Miss Holman	Mr. Wansbrough
Mr. Johnson	Mr. Willcock
Mr. Kenneally	Mr. Withers
Mr. Lamond	Mr. Nulsen
Mr. Marshall	

(Teller.)

NOES.

Mr. Barnard
Mr. Brown
Mr. Church
Mr. Davy
Mr. Doney
Mr. Ferguson
Mr. Latham
Mr. Lindsay
Mr. H. W. Mann

Mr. J. I. Mann
Mr. McLarty
Mr. Patrick
Mr. Piccse
Mr. Richardson
Mr. Sampson
Mr. Scaddan
Mr. Thorn
Mr. North

(Teller.)

PAIRS.

AYES.
Mr. Wilson
Mr. Collier
Mr. McCallum
Mr. Munroe
Mr. Panton

NOES.
Mr. J. M. Smith
Sir James Mitchell
Mr. Keenan
Mr. Wells
Mr. Parker

Amendment thus negatived.

Hon. P. COLLIER: I move an amendment—

That in paragraph (b) the word "one" be struck out and "two" inserted in lieu.

This paragraph proposes to tax people in receipt of £1 a week. It is a miserable proposition. On the Government's own figures it is only a bare living, because board and lodging are shown to be equivalent only to £1 a week. It is getting down to wretched taxation. We have put up constructive criticism of this measure. There is ample scope in the Income Tax Act for the raising of additional revenue, perhaps not £300,000, but a considerable increase over what is raised at present. This increase can be effected by raising the rate of tax and tightening up the exemptions and deductions. That would enable Parliament under a Bill of this sort to exempt those who were on the bottom rung of the ladder. All those earning from the basic wage downwards could be exempt.

Hon. J. C. Willecock: Or we could start off at a higher rate than is proposed in the Bill.

Hon. P. COLLIER: Yes. I do not know anything more paltry than to tax a man receiving £1 a week. How can he buy clothing out of that after providing for his board and lodging? No condition of affairs in this State could justify such a tax.

The Minister for Railways: Why do you not qualify that by saying, "direct tax"?

Hon. P. COLLIER: Taxation we cannot avoid we are not dealing with. Because a man is taxed indirectly it is no justification for levying a direct tax upon him. It is all the more reason why we should not pile a heavier burden upon him. No provision is made for single men with dependants.

The Minister for Railways: We are providing for that.

Hon. P. COLLIER: I have already drawn attention to that matter.

The Minister for Railways: And we are meeting you.

Hon. P. COLLIER: When it comes to taxing a man in receipt of £1 a week, it is time some straight talk was given to the Loan Council. I will give it to them myself next year. I would say to the Loan Council, "I refuse to tax people earning £1 a week."

The Minister for Railways: They would ask you to make provision to meet the situation in some way.

Hon. P. COLLIER: I would not do it in this way. The Loan Council have made available only sufficient money to enable the State to keep within certain bounds. If I could not find any other way to keep it within bounds I would certainly not agree to taxing people earning only £1 a week. This method of the Loan Council laying down what a State's deficit should be is not in any agreement or Act. Nor is it based on any principle; it is mere rule-of-thumb. It does not work out on a per capita basis, which might justify one State in asking for a much larger Federal contribution towards its deficit than another State receives. Again, South Australia's series of bad seasons has made its position much worse than that of any other State. Until 1926-27, when we received the grant from the Commonwealth, our taxation was much higher than that of the other Australian States. Since then, by reason of the depression and increased taxation in the Eastern States, the position has been reversed. The possibilities of income tax should be exhausted before Parliament descends to taxing men on £1 per week. Where is the brave member for Nelson, who was prepared to oppose this Bill though it meant turning the Government out of office? He is not even here to-night. Meanwhile his electors read in the Press how valiantly their representative opposed the Bill, and he gains kudos correspondingly. It is time this practice of pulling the wool over the eyes of electors by speaking one way and voting another should cease. Such humbugging tactics ought to be exposed. What justification is there for taxing a man who is in receipt of £1 per week? The only justification so far advanced is the needy condition of the Treasury. In this State we had an income tax 20 per cent. higher than it is to-day, and that was in comparatively prosperous years.

Hon. J. C. Willcock: Plus a super tax of 15 per cent.

Hon. P. COLLIER: Yes, and that in the post-war years when the situation was not nearly as difficult as it has been during the past two years. In effect, the income tax then was 35 per cent. higher than it is today.

Hon. J. C. Willcock: On present figures that would give the Government £67,000 more for the year.

Hon. P. COLLIER: That would more than cover the amount that would be lost if we raised the rates as I suggest from £1 to £2 in one instance, and from £2 to £4 in the other. Every State in the Commonwealth has had occasion to increase its income tax considerably during the past two or three years. Our tax is immeasurably lower than theirs. Although we are from 200 to 300 per cent. lower than other States in that respect, it is now suggested that we shall tax a man in receipt of £1 a week! I have no patience left to discuss the matter further.

The MINISTER FOR RAILWAYS: Much as I would like to do so, I cannot accept the amendment. The imposition of taxation is never pleasant, and probably this is the most unpleasant tax any Government has been forced to impose. Circumstances compel the introduction of a measure of this description. All the Leader of the Opposition has said would have had more force if it had been the intention of the Government to impose the tax permanently, but it is only to last for 18 months as an emergency tax. The Leader of the Opposition made out an excellent case in support of his amendment but, for the moment, he is not charged with the responsibility of governing Western Australia. It may be that at an early date he may be called upon to take control of the affairs of the State and if that should happen, what he suggests now he will find he cannot put into practice because he will be forced to realise that the Government are compelled to impose conditions for which he himself was largely responsible when he agreed to the Financial Agreement which binds the State equally with the Commonwealth. As the Government are charged with the responsibility, they must find out the best way to meet present difficulties.

Hon. J. C. Willcock: That is the big point—the best way to do it.

The MINISTER FOR RAILWAYS: It is one thing to stand off and criticise and say that whatever the Government do is wrong, but it is an entirely different matter when the critics have to carry the responsibility themselves. Quite irrespective of politics, no Government in Australia has been able to say that it has imposed taxation with the support of the Opposition. In not one instance has taxation been imposed with the unanimous support of Parliament. Every Government has had to do unpleasant things, and that will continue until times are normal. I will repeat definitely what I stated by way of interjection, that when the history is written of the criticism of our friends opposite, and when the time comes that they have to accept the responsibility that we are shouldering now, it will then be a much more simple matter for the Opposition to refer to promises and undertakings made by the then Government, when in Opposition. Members opposite, if they are in charge of the Treasury Bench, will find it extremely difficult—I say it quite charitably—to keep faith by giving effect to what they led people to believe is possible to-day.

Hon. J. C. Willcock: You have broken down badly with regard to your policy.

The MINISTER FOR RAILWAYS: There have been changes of Governments in Australia within the last six months, and the new Ministers had not been in office 24 hours before they were confronted with demands to give effect to what they advocated when in Opposition.

Hon. J. C. Willcock: The trouble is that too much promising has been done.

The MINISTER FOR RAILWAYS: That is the point, and that is what I am emphasising now. Unfortunately, we are apt to lose sight of the fact that conditions are such to-day that no Government can act in a normal way. Oppositions are apt to criticise Governments from the standpoint of their claim to be able to do better than those charged with the responsibility of administering the affairs of State. It is quite a different thing when the position is reversed, and the Opposition are asked to give effect to what they claimed when sitting opposite to the Government. What the Leader of the Opposition said

about members expressing opinions on the floor of the House and then absenting themselves when divisions are taken, applies equally to political parties as to individuals. The world cannot be put right by Parliaments, and every Government is confronted with the necessity to take most unpopular actions, and the most unpopular thing that can be done to-day is to suggest even the smallest of taxes to be paid by people near the breadline. But it has to be done, and we have to make a start somewhere. The Leader of the Opposition suggests £2 a week. I have already indicated to him that we propose to amend the Bill so that persons having dependants shall be exempt up to £2 a week. So we shall only be able to tax the single man with no dependants when he is receiving £1 per week. Even when we view it from the standpoint of the man on relief work, there is no comparison between the amount we have been paying him and that which is paid in any other State of the Commonwealth; and he will still be in a better position than he would be in any of the other States. In the circumstances I must ask the Chamber to agree to the temporary raising of this amount of money.

Progress reported.

BILL—CATTLE TRESPASS, FENCING, AND IMPOUNDING ACT AMENDMENT.

Received from the Council and read a first time.

House adjourned at 10.35 p.m.

Legislative Assembly,

Tuesday, 25th October, 1932.

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

QUESTION—GAS PRODUCER PLANTS.

Mr. GRIFFITHS asked the Minister for Agriculture: 1, Have any tests been made by his department of the Herbert or any other gas producer plant? 2, Has he any information as to the alleged saving in power of gas producer plants as compared with petrol or crude oil plants? 3, If so, will he make the information available to farmers and others?

The MINISTER FOR AGRICULTURE replied: 1, No, but a public demonstration was arranged for, and carried out at the Muresk Agricultural College. 2, No details available, but from the results of the demonstration mentioned it was evident that a considerable saving would be effected by the use of a gas producer plant. 3, The information obtained at the demonstration referred to has been published.

QUESTION—WHEAT FARMERS.

Number and Indebtedness.

Mr. GRIFFITHS asked the Minister for Lands: 1, What is the estimated total number of wheat farmers in Western Australia, and what is their total indebtedness: that is to say, those under the Agricultural Bank and those under other banks and financial institutions? 2, Has the total increased, or has it decreased, since the 30th June, 1931?

The MINISTER FOR LANDS replied: 1. The approximate liability of wheat and