

rangements with the suppliers of switch gear and cables in England to accept in payment debentures issued in conformity with the provisions of the board's special Act of 1903 and the Municipalities Act, 1906. Owing, however, to the decision given by the Privy Council to the effect that debentures issued by the Broken Hill Proprietary Company, payable in England, were payable in Australian currency instead of sterling, the solicitors for the suppliers of material above referred to will not allow their clients to accept our debentures until an amendment of the board's Act has been passed through Parliament, specifically authorising the issue of such debentures payable in the United Kingdom in English currency.

That is the reason why the Bill is introduced. It is not that the Fremantle Municipal Tramways Board are desirous of amending the Act, but it is found necessary to have this machinery, which cannot be procured in Australia, and the board must satisfy the solicitors for the manufacturers of the machinery in Great Britain before that machinery will be shipped. The substation at Fremantle will be hung up until this machinery arrives.

Mr. Stubbs: How much money is involved?

Mr. SLEEMAN: I think about £3,000. It is only for switch gear and cables. A lot of other machinery is being procured in the Eastern States. The present Act does not suit the people in Great Britain. A draft amending Bill was sent to the manufacturers in London, but their solicitors took exception to it and sent out a draft of the Bill they required. From that draft our Parliamentary Draftsman has prepared the Bill before the House and I hope its passage will not be delayed, because the work cannot be put in hand until the machinery arrives. When it does come a good deal of work will be offering, to the benefit of the unemployed. The Fremantle Tramways Board have written to the effect that they have perused the Bill carefully and consider that it should meet all the requirements of the solicitors in London. If there be any further information members would like to have, I shall be pleased to secure it for them. I move—

That the Bill be now read a second time.

On motion by Minister for Railways, debate adjourned.

House adjourned at 8.35 p.m.

Legislative Assembly,

Thursday, 10th August, 1933.

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

QUESTION—FINANCIAL EMERGENCY TAX.

Mr. STUBBS asked the Premier: Regarding the Financial Emergency Tax Assessment Act Amendment Bill, what amount is it anticipated will be raised from the following grades of taxation:—4d. in the £, 5d. in the £, 6d. in the £, 8d. in the £, 9d. in the £?

The PREMIER replied: 4d. in the £, £85,000; 5d. in the £, £64,500; 6d. in the £, £100,000; 8d. in the £, £33,300; 9d. in the £, £105,000.

QUESTION—HOSPITALS, COMMITTEE.

As to Officers' Guarantee.

Mr. SAMPSON asked the Minister for Health: 1. Is indemnification in the form of a fidelity bond or other approved guarantee required for officers handling the funds or keeping the accounts of committee hospitals? 2, If not, will he give consideration to the matter?

The MINISTER FOR HEALTH replied: 1, Yes. The Hospitals Act, 1927, provides that an officer who is to be entrusted with moneys shall not be appointed by a hospital board until he has given adequate security for the faithful discharge of his duties. 2, Answered by No. 1.

BILL—WORKERS' HOMES ACT AMENDMENT.

Second Reading.

THE PREMIER (Hon. P. Collier—Boulder) [4.33] in moving the second reading said: This is a small Bill having for its object the broadening of the opportunities

of acquiring homes under the Workers' Homes Act. The Act provides only two methods for the re-sale of homes that have reverted to the board, one under leasehold conditions, Part III of the Act, and the other under freehold conditions, Part IV of the Act. Under the leasehold provisions, properties are erected on Crown lands dedicated for the purpose, but many applicants, I regret to say, will not apply under those provisions owing chiefly to prejudice. Under the freehold provisions, the board take a mortgage over the property, but a 10 per cent. deposit is required. In other words, under the freehold provisions, where the board provide a home, a mortgage must be given to the board and a 10 per cent. deposit must be paid. Having regard to the cost of homes and buildings, a 10 per cent. deposit means in the vicinity of £50, £60, £70 or £80. That might have been all very well in normal times, but in these days it is very difficult for a man to find an amount of £50 or £60 to secure a home under the Act. The Bill will enable the Workers' Homes Board to sell homes repossessed to any applicant under contract of sale on a smaller deposit. The amount of deposit will be left to the discretion of the board.

Mr. Ferguson: To any applicant?

The PREMIER: To any applicant approved by the board. All that this Bill seeks to do is to enable men who desire to apply for workers' homes to do so without having to pay a deposit of 10 per cent.

Mr. Ferguson: Would that lead to speculation?

The PREMIER: Of course not. The granting of a home is entirely at the discretion of the board. There is no opportunity for speculation. It was required that a 10 per cent. deposit on the purchase price should be paid. This Bill will permit the board to accept any amount—not a definite amount—within the discretion of the board. Instead of a man having to pay £50 or £60, the board might approve of an application without any deposit, or with a deposit of £2 or £5, as the board may consider necessary. In the altered circumstances, we should not deny workers the opportunity to become possessed of homes under the Act because they may not be in a position to provide 10 per cent. of the capital cost of the building.

Mr. Sampson: Would it relate to new homes, or to homes that have been abandoned?

The PREMIER: To reverted homes.

Mr. Stubbs: Will applications for country districts receive the same consideration as applications from town residents?

The PREMIER: That rests with the board; the Bill does not deal with that question. All it means is that those who apply to become possessed of a home will not have to pay the deposit of 10 per cent. on the capital cost; the amount to be asked will be left to the discretion of the board. Many men who are desirable as owners of workers' homes are denied the opportunity of applying because of the 10 per cent. deposit required. It is a reasonable measure, and I hope it will meet with the approval of the House.

On motion by Mr. Latham, debate adjourned.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

In Committee.

Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Amendment of Section 9:

Mr. LATHAM: I move an amendment—

That paragraph (a) be struck out.

This paragraph proposes to alter the rating on portions of a pound. Previously the tax was charged on odd amounts of 15s. and over; now it is to be charged on odd shillings in excess of 10s.

The PREMIER: The position is very different from that of last year when the tax was charged on a flat rate. This is a graduated tax, which begins at 4d. in the pound and moves upwards to 9d. in the pound. In order to work in with the graduation it was necessary to make an alteration as between the 10s. and the 15s. All taxation measures in Australia that I know of have been on these lines. I hope the amendment will not be pressed. When we come to the taxing measure I think I shall be able to justify the change which has been made.

Mr. MARSHALL: I should like a ruling from the Chair as to whether, if we pass

this Bill without amendment, we shall be in a position to amend the taxing Bill.

The CHAIRMAN: I rule that each Bill stands by itself. It would be quite in order for a member to move amendments to the taxing Bill, even if they are not made in this Bill.

Mr. LATHAM: The Premier, by his remarks, has not justified an alteration as between the 10s. and the 15s. What I am worried about is whether the 15s. will alter the incidence of the tax we have already passed as it relates to married men. I should like to see a man receive three-fourths of a pound before the tax applies to the fraction of a pound.

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

Ayes	..	..	..	..	17
Noes	..	..	..	..	22
Majority against					5

AYES.

Mr. Brockman	Mr. Plesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Seward
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Stubbs
Mr. McDonald	Mr. Thorn
Mr. McLarty	Mr. Welsh
Mr. North	Mr. Doney
Mr. Patrick	

(Teller.)

NOES.

Mr. Clothier	Mr. Munsie
Mr. Collier	Mr. Needham
Mr. Cross	Mr. Nulsen
Mr. Cunningham	Mr. Rodoreda
Mr. Heguey	Mr. F. C. L. Smith
Mr. Johnson	Mr. Tonkin
Mr. Kenneally	Mr. Wansbrough
Mr. McCallum	Mr. Wilcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Moloney	Mr. Wilson

(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 5—Financial emergency tax not paid or deducted to be a charge on future salary or wages:

Mr. LATHAM: This clause contains the retrospective provision of the Bill. There are many reasons why difficulties will arise if it is passed as printed. Should a man leave the service of his employer it will be impossible to collect the tax, and the same thing applies to the difficulty of collection in the case of shearing teams that may be paid off. It will be illegal to collect the tax

until the Act is assented to. I move an amendment—

That in line 2 the word "August" be struck out, and "September" inserted in lieu.

Such an amendment would give both Houses an opportunity to pass the measure and afford time in which to get it assented to.

Mr. Marshall: Your amendment should be on the Notice Paper.

Mr. LATHAM: It is not very difficult to understand. Unless the time is given I do not see how it is possible to carry out the proposed new law. Men are paid from the 1st July up to the time the Act is assented to, but until assent is given to the Act no deduction can be made from anyone's income. I do not think the Treasurer can lose much by altering the month as proposed.

Mr. J. H. SMITH: I support the amendment. Hon. members opposite should bear in mind that they have never before supported retrospective legislation, more especially as to taxation.

The Minister for Works: Yes; we have. I remember instances.

Mr. J. H. SMITH: I adhere to what I have said. Again, it might be October or November, instead of September, before this measure becomes law. Retrospective legislation is obnoxious to everybody. The Government should give their supporters a free hand in voting on the amendment. The measure should come into effect when assented to, and not a day before.

The PREMIER: The necessity for the retrospective phase of the Bill arises from the fact that last year's Act, which set out to raise revenue at the rate of £400,000 per annum, expired at the end of June. All other emergency measures of the last three or four years, though limited to 12 months' operation, expired at the end of the calendar year. The need for raising money now is just as great as it was when the expired Act was introduced. Therefore this Bill must be carried, and the taxation imposed, at the earliest opportunity. The retrospective feature of the Bill applies only to those who will pay the taxation at the end of the year. Those who are in receipt of salaries or wages will be called upon to pay as from the 1st August. Others will pay as from the beginning of the financial year. The demand for payment as from the 1st August is not unreasonable, in view of the Trea-

surey's requirements. Moreover, the Bill was introduced during the first week in August, and therefore it is not unreasonable to ask for payment as from the beginning of August. Again, the Commissioner of Taxation can exempt from taxation in certain cases. The Leader of the Opposition raised the point as to salaries and wages received, say, every six months, and suggested that if a man received six months' wages on the day before this measure is enacted he might be required to pay the tax on wages earned during the previous half-year. But under the regulations promulgated the Commissioner of Taxation has power to exempt from payment of tax in such circumstances. A man will be asked to pay only on wages or salary earned after this measure comes into operation.

Mr. Doney: Is there any objection to making exemption in such cases mandatory on the Commissioner?

The PREMIER: I do not think it is necessary. The exemption operated under last year's measure, and I have heard of no instance in which the Commissioner refused to grant exemption. No complaint on that score has come under my notice, and there is no reason to anticipate that the Commissioner will act differently in future. I realise that taxing back, as it were, is undesirable. Indeed, no legislation of a retrospective nature is desirable. However, the circumstances of this case make it necessary to go back. The need for revenue of this nature to-day is just as great as was the need when last year's Act was passed. It would have been much better if that Act had carried on till the end of December. On the second reading the Leader of the Opposition raised the point that a taxing Bill ought not to be introduced before the Estimates had been presented. However, this Bill has been introduced because of the urgency to which I have referred. It has not been possible to present the Estimates so far, but they will be before the Chamber within a few weeks. The position regarding the Estimates is fairly well known to members. The amount of the estimated deficit has been published because of the meeting of the Loan Council, and it will be obvious that it is necessary to raise money to-day just as it was necessary to do so during the last financial year. While I regret having to introduce a taxing Bill before bringing down the Estimates, it is not altogether my fault because

of the fact that the Act of last year lapsed at the end of the financial year.

Mr. GRIFFITHS: The suggestion by the Leader of the Opposition would simplify the collection of the tax from wages men in particular. The Premier considers that the difficulty to which attention has been drawn can be overcome by the regulation that is in force, but if it were made mandatory, it would be better. The people in the country consider that with increased revenue there is not the same necessity for this taxation as there was formerly.

Mr. LATHAM: The Premier will appreciate the reason why the application of last year's Act was limited to the 30th June last. It would have been almost impossible to have secured the passage of the legislation last session if it had been left indefinite. The reason why the Act could not have operated to the 30th December was that it affected incomes, and many people ceased to earn incomes between July and December.

The Premier: But the land and income taxes—

Mr. LATHAM: Always apply to the year ended the 30th June, and that was why we fixed the emergency tax for the similar period. I agree it would have been preferable to allow the tax to apply to the 30th December, but I cannot imagine the House, as it was then constituted, passing such a measure. It is not a question of wages and salaries only, but of income; there could be no differentiation in the application of the taxation. Unless we provide the power for the Commissioner of Taxation to make regulations through the Governor-in-Council, the Commissioner cannot take that action.

Mr. Marshall: Do you suggest he should have that power?

Mr. LATHAM: I do not; the Bill should be made as clear as possible. I know the difficulties confronting the Premier and I know the money is required. For that reason I do not wish to make the position any harder for him. I know the Premier can say the previous Administration passed legislation that was retrospective, but it did not apply to taxing measures.

The Minister for Justice: The legislation affected wages.

Mr. LATHAM: But of the Public Service only.

The Minister for Justice: That means it affected 20,000 people.

Mr. LATHAM: The Premier suggested that money earned after August will be the amount taxable, but that is not so, because the Bill refers to money that is "received."

The Premier: That is so, and that is the wording of the Act of last year as well.

Mr. LATHAM: But we did not make that Act retrospective. Later on I shall propose the substitution of "earned" for "received."

The Premier: Under the Act of last year, which was similarly worded, a regulation was framed and gazetted permitting the Commissioner of Taxation to collect money only as "earned" and not as "received."

Mr. LATHAM: No, as "received." As the worker receives his wages, so he pays a tax and his employer is compelled to make the deduction. I am afraid tremendous difficulty will be experienced in giving effect to the tax as outlined in the Bill. It will have retrospective effect on income, wages and salaries "received" after but earned prior to the 1st August.

The Premier: No.

Mr. LATHAM: I would like to have an interpretation of this point by the legal members in the House. I want to make it perfectly clear so that the people will understand exactly what the position is. I claim there is no legal power to enable the deductions to be made as I suggest.

The Premier: But the wording of the Bill is the same as that appearing in the Act.

Mr. LATHAM: The Premier will not agree with me when I point out that our Bill did not have retrospective effect, whereas this measure has that effect. The Bill will be passed, I anticipate, by both Houses, but in an amended form.

The MINISTER FOR JUSTICE: I do not wish to give a legal interpretation such as the Leader of the Opposition invites, because I am not a legal authority. That work is done for me by the Crown Law officers. It will be agreed that the Bill makes provision for taxing at the source. Wages are taxed when they are received and obviously the tax cannot be paid until the wages are received.

Mr. Sampson: Irrespective of when it was earned?

The MINISTER FOR JUSTICE: Quite so. When the income is earned, the tax has to be paid. The Commissioner of Taxation will collect a tax only on the income earned while the Bill is in operation.

Mr. Latham: I wish the Bill said so.

The Premier: It is in a regulation framed under the provisions of your Act.

The MINISTER FOR JUSTICE: That is only fair, and that is what applies to-day. I think the position is quite clear. Let us suppose that a pastoralist receives his wool cheque and is ready to pay his employees. He will say to one man, "You have been working for three months at 30s. a week and I will pay you a cheque for £20. Because you receive that £20, I have to collect the tax from you—that is the only time I can do so—but not on the whole of it." The Commissioner of Taxation, under the Bill, will tax only on the portion of that £20 that was earned during the time this measure will apply. That is all the clause means. It would be unfair and unjust if any other principle applied.

Mr. J. H. SMITH: I am concerned, not with the legal aspect of the position, but with its moral aspect. In the past we have had many assurances from members now on the Government side that they would never agree to retrospective taxation of any sort. If those members are true to their principles, they will vote against it now.

The Minister for Mines: I have known you vote for a retrospective tax.

Mr. J. H. SMITH: On the contrary, I have always strongly opposed retrospective taxation. This tax will fall upon those on the lower rungs of the ladder who, together with the middle section, will have to contribute proportionately much more than those upon £8 a week and over. Why not tax those on the higher rungs of the ladder? I wonder at the Government supporters not raising their voices against this taxation of the lower class and middle class people.

The CHAIRMAN: The hon. member must confine himself to the amendment.

Mr. J. H. SMITH: Why should this tax be made retrospective? What is the ulterior motive behind the Government's attitude? Are they trying to curry favour with certain sections of the people? The proposed tax should not begin until the Bill has been passed by another place. I propose to divide the Committee on this question, and so force Government supporters to prove by their votes whether or not they are true to their principles.

Mr. FERGUSON: No one likes retrospective taxation, although at times it may be essential. I will support the amendment,

because I think it fair and equitable. Conceivably it may be the end of September before this measure is assented to, and between the 1st of August and the end of September many thousands of pounds will be paid out in wages. The amount earned during that time will be exempt from taxation, for the Premier has said the recipients of those wages will be able to get exemption from the Commissioner of Taxation. That is unfair, for a man in receipt of a salary, who will pay tax on his assessment at the end of the year, will have to pay on the full 12 months' income. I do not like the 1st of September, as suggested by the Leader of the Opposition, for I think the tax should not be imposed until the date on which the Act is assented to.

Hon. N. KEENAN: The only matter before the Committee at present is the proposed deletion of "the first of August" and the substitution of "the first of September." The Leader of the House and others have discussed the alternatives of "received" and "earned," and also the difficulties the employer will have in recovering tax on wages already paid to his employees. But the only relevant point before the Committee is as to whether the 1st of August or the 1st of September should be the date on which this clause will come into operation. The question is whether the legislation should be retrospective, or should come into operation when it is assented to. It is obvious that the date of the imposition of the tax must be of great importance, not only in arriving at the amount of tax which will be collected during the year, but also in determining the rate of the tax. If two months of the financial year are to elapse before the tax is imposed, it is obvious that a higher rate will be required to return the necessary amount of revenue. A very strong feeling is held against retrospective taxation because it imposes a burden on people after they have possibly spent the money upon which the tax is imposed. I do not see that the substitution of the 1st of September is the proper alternative, for the proper alternative would be to impose the tax on and after the date on which the legislation comes into force.

The PREMIER: The point taken by the Leader of the National Party is quite fair. After all, this is not really retrospective legislation. It is on the lines of the tax that was imposed last year and was being

paid at the source of wages and salaries right up to the end of June. It is only because of the lapse of that Act that the payment of tax ended with the end of the financial year, and so it becomes necessary for us now to re-impose it. But it is not really retrospective; actually, it is picking up, as it were, the tax that lapsed at the end of June, and it merely proposes to begin at a point which allows taxpayers exemption for the month of July. Everyone knows that the amount to be collected will be required to enable the State to carry on. This is not really retrospective, but continuance legislation. All it seeks to do is to continue the form of taxation which was imposed last year.

Mr. Thorn: Continuing the evil acts of the late Government.

The PREMIER: But not in the evil ways of the late Government. It varies greatly from the Act of last year in continuing the evil acts at all.

Mr. Thorn: Some of it is worse.

The PREMIER: In the opinion of the hon. member, it may be.

Mr. Patrick: May I ask a question? Suppose I were employing a man during August, and I then paid him off; would I be liable for the tax during that month?

The PREMIER: If the hon. member had been employing a man in August or during the months before—

Mr. Patrick: I mean after the 1st August.

The PREMIER: The hon. member would pay the tax as from the 1st August.

Mr. Patrick: But I could not then deduct it; the man might have disappeared.

The PREMIER: But we are now only in the early days of August.

Mr. Patrick: Yes, but the Bill is not yet through: I shall not have any power to deduct the tax from the wages I have paid, because the man has gone.

The PREMIER: We shall see about that. Anyway I do not think that the amount involved would mean the difference between bankruptcy and success.

Mr. Patrick: I am not taking my own case.

The PREMIER: I know the hon. member is putting it forward as an illustration. It might be so in respect of hundreds of people. I do not know of any taxing measure that has ever been devised that has meted out absolute justice to everyone. We

can go back through the centuries to find that that is so. Absolutely equal justice as between individual and individual has never been meted out. It cannot be done. I have no doubt that members can point to injustices as between this taxpayer and that taxpayer. I do not claim perfection in this instance; it is the best we can do in the circumstances. I do not know that I need worry about the slap-dash heroics of the member for Nelson (Mr. J. H. Smith) who makes charges offhand about the supposed pledges of members on this side of the House. I do not for one moment accept the statement of the hon. member with regard to the pledges or promises made by members on this side. I do know this, from years of experience, that the hon. member is accustomed to making loud noises and professions in regard to a particular policy and that he is never present to follow them up with his vote. He waves a flag and brandishes his arms and talks in a loud voice about what ought to be done; he plays to the gallery, that is, the gallery of his electorate. But he never follows up his protestations with his vote when that vote may be needed to give effect to his declamations.

Mr. J. H. Smith: You know quite differently.

The PREMIER: I know the hon. member, and I am only making these remarks for the information of new members, because all the old members know his loud voice and his talk about what he would do, and his failure to follow up his protests with his vote.

Mr. J. H. Smith: But I never squirm and never get behind a cloak.

The PREMIER: One does not know where the hon. member is, whether he is behind a cloak or anything else; we do know that he is a loud-speaker about what ought to be done and a defaulter when his vote is required.

Mr. J. H. Smith: But never an abuser, nor does he get behind a cloak screen.

The PREMIER: That is the kind of attack the hon. member indulges in. Of course it gets publicity. If the newspapers, or those who are responsible for reporting the proceedings of this House do not consider what he says is worth publishing, the hon. member extracts his remarks from

"Hansard" and gets them published in the local press.

Mr. J. H. Smith: You know that is not true; it is not worthy of you.

The CHAIRMAN: I should like to remind the Committee that the amendment under discussion is to strike out the word "August."

The PREMIER: I can only say it is a very august attitude on the part of the hon. member. I hope the amendment will not be pressed because the tax really is not retrospective, and as I have already said, people have been released from paying the tax during July and so no hardship is imposed by asking them to pay as from the beginning of August.

Mr. MARSHALL: I propose to support the clause as it stands, but I do so reluctantly, because I agree there probably will be quite a number of individuals who will be obliged, by virtue of their earnings, or being in receipt of wages or salary, to make retrospective payments. While by virtue of the operations of the measure we shall impose a charge on a few who, we might say, are ill able to afford it, there is quite a large section of the community who at present pay no taxation whatever, and who will be caught. Members seem to overlook the fact that quite a number of people who live amidst wealth and prosperity do not even pay income tax, whilst many who earn their living by the sweat of their brow are obliged to pay income tax. My only regret is that we have not gone further, and by legislation forced those in receipt of particularly large incomes to pay a greater proportion.

The CHAIRMAN: That question is not under discussion.

Mr. MARSHALL: I am opposing the amendment because we shall make a certain section pay more by sticking to the clause. If I had my way I would make the payment retrospective to the 1st July. I should like to quote from the 24th annual report of the Commissioner of Taxation, and show the number of people who escape taxation. There is a footnote which sets out that the 1931-32 figures are incomplete; therefore I will refer to the figures for 1930-31. We find that the number of people in receipt of income between £500 and £700 was £3,566, and of that number 123 were exempt from taxation by virtue of investments in war loans, and they were people who probably

were living at the Palace or Esplanade Hotels. If we do not agree to the Bill as it is, those individuals will not be caught. The number of people earning between £700 and £1,000 was 1,736 and of that total 23 were exempt from taxation. Between the amounts of £1,000 and £1,500 the number was 957 and 10 were exempt from taxation. Between £1,500 and £5,000 the number was 787 and the exemptions were four. Over £5,000 the number of persons was 42 and one was exempt. Such people should pay a little more than they have paid in the past. I regret that the measure has been presented to Parliament, but I shall support the clause with a view to making those people pay who should pay.

Mr. J. H. Smith: Someone must have cracked the whip.

Mr. MARSHALL: There has been no whip-cracking so far as I am concerned. If the member for Nelson is prepared to allow wealthy individuals who pay no income tax to escape this taxation, I am not.

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

Ayes	..	..	..	17
Noes	..	..	..	21
Majority against	..	..	4	

AYES.

Mr. Brockman	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Seward
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Stubbs
Mr. McDonald	Mr. Thorn
Mr. McLarty	Mr. Welsh
Mr. North	Mr. Doney
Mr. Patrick	(Teller.)

NOES.

Mr. Clothier	Mr. Needham
Mr. Collier	Mr. Nulsen
Mr. Cross	Mr. Rodoreda
Mr. Cunningham	Mr. F. C. L. Smith
Mr. Kenneally	Mr. Tonkin
Mr. Lambert	Mr. Wansbrough
Mr. McCallum	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Moloney	Mr. Wilson
Mr. Munroe	(Teller.)

Amendment thus negatived.

Mr. LATHAM: I move an amendment:—

That in line 6 "received" be struck out and the word "earned" inserted in lieu.

This is where the retrospective effect of the clause will be felt. It is only fair, particularly to the smaller man, to charge him on money earned during the operation of the measure and not on money received.

The PREMIER: I hope the Leader of the Opposition will accept my assurance that no attempt will be made to collect tax on money not earned in the period governed by the measure.

Mr. Latham: "Received" is the wrong word.

The PREMIER: It is, but it appeared in the Act of last year and, to my knowledge, no complaint has been made. There is a regulation under that Act which enables the Commissioner of Taxation to exempt money earned before the operation of the Act.

Mr. Latham: Will you give an assurance that only eleven-twelfths of the actual income will be taxed?

The PREMIER: That might present a difficulty. The hon. member, I think, will be perfectly safe in accepting my assurance that the tax will not be collected on money earned outside the period. I would have no serious objection to the amendment, but I do not know how the alteration might affect the taxing officers.

Mr. Latham: Knowing them as we do, you should accept the amendment.

The PREMIER: I do not wish to restrict the powers of the taxing officers, but I assure the hon. member that the tax will be collected only on money earned during the period covered by the measure.

Hon. N. KEENAN: The word "received" is necessary. Unless the wages or salary were received, there would be nothing to tax. However, the word "earned" is also necessary. I suggest the adoption of the wording of the Income Tax Act, by inserting after "received" the words "and earned." I do not agree with a regulation being made to alter a statute.

The Premier: Under the Constitution a regulation cannot alter an Act.

Hon. N. KEENAN: But it might be allowed to alter an Act, and that is not desirable. If it is the considered opinion of members that the protection should be afforded to the taxpayers, the words should be inserted in the tax Bill.

The Premier: I will favourably consider that.

Amendment put and negatived.

Clause put and passed.

New clause: Amendment of Section 2:

Mr. McDONALD: I move—

That the following new clause be inserted: "Section 2 of the principal Act is amended by deleting the definition of 'salary or wages.'"

I think the Premier will accept the amendment. The Act of last year provided machinery for a flat rate of 4½d. in the pound. Now that a graduated tax is to be imposed, the situation becomes impossible in certain respects. Section 9, paragraph (a) provides that every person paying salary or wages to any other person shall be responsible for the payment by such person of the tax on each occasion that any payment of salary or wages is made.

Progress reported.

House adjourned at 6.15 p.m.

Legislative Council,

Tuesday, 15th August, 1933.

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

ADDRESS-IN-REPLY.

Presentation.

The PRESIDENT: I desire to report that with some members of this House I waited upon His Excellency the Lieut.-Governor, and presented to him the Address that was carried in this Chamber in reply to the Speech he made at the opening of

Parliament. I have now received the following acknowledgment—

Mr. President and members of the Legislative Council, I thank you for your expressions of loyalty to his Most Gracious Majesty the King, and for your Address-in-reply to the Speech with which I opened Parliament. (Sgd.) James Mitchell, Lieut.-Governor.

QUESTION—NORTH-WEST.

Commonwealth Proposals.

Hon. Sir EDWARD WITTENOOM asked the Chief Secretary: Will he lay on the Table of the House all papers and the Bill in connection with the proposal of the Commonwealth Government, a few years ago, to take over the Western Australian portion of the North-West, situated north of the 26th parallel?

The CHIEF SECRETARY replied: I would be glad to supply these papers, but at the request of the Commonwealth Government of the day they have been kept confidential.

BILLS (3)—FIRST READING.

- 1, Health Act Amendment.
- 2, Industries Assistance Act Continuance.
- 3, Returned Sailors and Soldiers' Imperial League of Australia, W.A. Branch, Incorporated, Headquarters Building.

Received from the Assembly.

BILL—GOVERNMENT TRAMWAYS ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th July.

HON. J. T. FRANKLIN (Metropolitan) [4.43]: I secured the adjournment of the debate on this Bill so that I might go thoroughly into the matter and ascertain if any amendments were necessary. I congratulate the Government on bringing down this measure, which will enable them to effect a decided improvement in the transport services they are giving to the people of the city of Perth. I understand that when the complete scheme is in operation, it will provide one of the best services it is possible to tender to the travelling public. When