

Legislative Council.

Tuesday, 8th November, 1932.

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

ELECTORAL—SWEARING IN OF MEMBER.

The PRESIDENT: I have received the writ for the North-East Province election showing that Richard Greenslade Moore has been elected. I am ready to swear him in now.

The Hon. R. G. Moore took and subscribed the oath and signed the roll.

QUESTION—ROAD CONSTRUCTION MOTOR CONTRIBUTIONS.

Hon. A. THOMSON asked the Chief Secretary: 1, What has been the total expenditure to date on our main roads? 2, What proportion has been provided from State funds? 3, What is the estimated contribution by motor car and truck owners in this State—(a) total amount of customs duty levied on petrol; (b) all lubricating oils and greases? 4, What is the total amount of these duties collected from motorists returned to the State Government by the Commonwealth for the purposes of road construction and maintenance?

The CHIEF SECRETARY replied: I do not know whether the whole of this information can be obtained. In any event, it will mean a great deal of work and expense, and so I must ask the hon. member to move for a return.

QUESTION—MOTOR VEHICLES, LICENSES.

Hon. A. THOMSON asked the Chief Secretary—Will he supply information showing: 1, The total number of private cars licensed

in the metropolitan area? 2, The total amount of license fees collected? 3, The number of motor trucks licensed in the metropolitan area? 4, The fees paid on 1-ton, 30-cwt., 2-ton trucks in the metropolitan area? 5, The extra amount collected on such class of truck for carrier's license? 6, The total amount of fees collected for trucks in the metropolitan area? 7, The total number of private cars licensed in the country or outside the metropolitan area? 8, The total amount of license fees collected on those vehicles? 9, The total number of motor trucks licensed outside the metropolitan area? 10, The fees paid on 1-ton, 30-cwt., 2-ton trucks? 11, The total fees collected on trucks outside the metropolitan area? 12, The extra fees imposed on 1-ton, 30-cwt., 2-ton truck owners plying for hire which necessitates their using main roads? 13, The total amount collected from such owners? 14, The total amount collected from drivers' licenses as issued by the police? 15, The total amount collected for bus and taxi licenses?

The CHIEF SECRETARY replied: I do not know whether the whole of this information can be obtained. In any event, it will mean a great deal of work and expense, and so I must ask the hon. member to move for a return.

BILLS (3)—THIRD READING.

1, Health Act Amendment.

2, Marriage Act Amendment.

Transmitted to the Assembly.

3, Western Australian Aged Sailors and Soldiers' Relief Fund.

Returned to the Assembly with an amendment.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT.

Second Reading.

Debate resumed from the 3rd November.

HON. H. SEDDON (North-East) [4.41]: The Bill I think is overdue. For two years past we have realised the necessity for special taxation to assist in dealing with unemployment. The only fair way in which to impose such taxation is something in

the nature of a tax of this description, which brings in the whole of the workers in the State to take a fair share of the cost of providing unemployment relief.

Hon. G. Fraser: It is simply penalising those to whom you propose to give the relief.

Hon. H. SEDDON: One cannot help being influenced by the discussion that has taken place day after day on this proposal.

Hon. C. B. Williams: Not in this House.

Hon. H. SEDDON: No, not in this House. The most has been made of the occasion to present the Bill in as unfavourable a light as possible. The criticism has mostly been directed on the score of the sustenance workers and those who, from the nature of their occupation, are receiving a very low rate of remuneration. The effect generally upon the people of Western Australia has been prejudicial to the Bill. The exemptions provided for single men receiving £1 a week and married men receiving £2 a week have to some extent minimised that effect. We all sympathise with the man on sustenance.

Hon. T. Moore: Merely sympathise?

Hon. H. SEDDON: The present Government have done more for that man than have any other Government in Australia. If that is not practical sympathy, I do not know what is. And it is within the power of the Government if they find that this man is in a very difficult position to relieve him of the tax by allowing him to engage in sustenance work, and so make up the difference.

Hon. A. Clydesdale: Where is he likely to get it.

Hon. H. SEDDON: The Government will provide that work, and so improve the position of that man. The Bill is an honest attempt to meet our expenses as we go along instead of, as in the past, passing the cost of unemployment relief on to the coming generation. We should attempt to meet the cost out of revenue. Even at a time like this, such an objective is to be desired, for it will bring its own reward in the shape of a reduction of interest on our loans. I wish to deal with the manner in which this tax would operate on the man and woman in receipt of the basic wage. The basic wage has been declared

by the State Arbitration Court, for male workers outside the metropolitan area at £3 12s. 6d. a week and at £1 19s. 2d. in the case of women. In the metropolitan area the basic wage for men is £3 10s. 6d. and for women £1 18s. 1d. Excluding the hospital tax, a married man will pay 1s. 11½d. per week and the single woman 9d. a week. This will be the effect of the tax upon them. Including the hospital tax a married man would pay 1s. 6d. a week and a single woman 1s. That is the incidence of the tax upon the worker who to-day is paying no direct tax, and therefore is not bearing his share of the expense of providing the free services he enjoys. It appears to have been overlooked from the standpoint of criticism that this State is the last to impose a tax of this nature.

Hon. J. Cornell: The only State to impose such a tax.

Hon. H. SEDDON: The other States have imposed a tax of so much in the pound in order to assist them to meet their unemployment charges, but this tax will assist the Government to meet the heavy expenses incurred in regard to sustenance as well as the relief of unemployment. There is an advantage to be gained by taxation at the source. This has already been illustrated in the collections of the hospital tax, and should be borne out by the collections under the tax now proposed. It will catch the casual worker, who has formerly escaped taxation upon his income. We cannot get away from the fact that the Commissioner of Taxation has again and again stated in his report that a very considerable section of casual workers have escaped their responsibility. If this tax is collected at the source, those men will pay something towards the expense of running the State. Reference has been made in the Commissioner's report to the manner in which these men have evaded their responsibility. By the method proposed we shall be able to deal with them. Provision is also contained in the Bill that the casual worker, if his earnings for the year bring him below the amount specified, may make application to the Commissioner and have his difficulties recognised. A good deal has been said about introducing a new principle in taxation. This was emphasised

by the Leader of the Opposition. Perhaps it is a new idea, but if I remember rightly the proposal was first mentioned in the Hospital Bill that was brought down by the Labour Government.

Hon. T. Moore: That gave the taxpayers some rights; but this takes everything they have and gives them nothing.

Hon. H. SEDDON: It also proposed to impose the tax at its source. We will consider the question of how much the ordinary citizen contributes towards the expense of running the State. It has been said that this tax constitutes a departure from the recognised practice of taxation. I saw that there had been an article published by a professor of the University dealing with that aspect of the case. Text book criticism very often ignores the conditions that exist to-day. This State prides itself on being democratic. There is one outstanding feature about it, and it is that the greater proportion of its population consists of workers. Whether they are manual or brain workers, commercial or other workers, the majority of the people of the State are either workers or dependent on workers. Such a thing as a wealthy class in this State is not heard of. Anyone who peruses the returns issued by the Taxation Department will realise how few people there are who can be regarded as belonging to the highly wealthy class, such as in older countries have always been regarded as the persons who should contribute the largest portion by way of taxation. A community of this kind, in which all are workers, and a community which has universal franchise for the House that introduces taxation, should be prepared to accept universal responsibility; in other words, the principle of universal taxation. The citizen who enjoys all free Government services, even though he is earning only a small wage, should be prepared to make a contribution, however small, towards the cost of running the country. It has been said that 88 per cent. of the people of this State do not pay income tax, and that this is borne by the remaining 12 per cent.

Hon. C. B. Williams: Where do they get it from?

Hon. H. SEDDON: From the salaries they receive for the services they render to the community.

Hon. C. B. Williams: They get it out of the other 88 per cent.

Hon. H. SEDDON. When everything is weighed up, we find that everybody gets his wages out of the community.

Hon. J. J. Holmes: They have been getting it out of loan funds.

Hon. C. B. Williams: They have been earning it by the sweat of their brow.

Hon. H. SEDDON: I do not deery the value of their services or of their work, but they have not paid direct taxation towards the income which helps to carry on the finances of the State. Our population for 1932 was approximately 422,720 persons. Of this number not quite 56,000 paid income tax, according to the latest returns. In view of the reduced incomes, which so large a section of the community receives, it is probable that that figure is considerably in excess of the actual number of those who contributed last year. I am, however, taking that as typical of the experience of previous years and as a basis for comparison. There are certain free services that are enjoyed by every member of the community. In my calculation I intend to ignore the expense of interest and sinking fund in connection with our loans. A very large amount of that expense is being borne by the returns derived from services rendered. A large proportion is also borne by the taxpayers, but that expense is not being borne directly by any of the 88 per cent. of the people.

Hon. C. B. Williams: Who gets the greatest benefit from the free services?

Hon. H. SEDDON: I should say the man who gets the greatest benefit is he who gets them without paying for them.

Hon. C. B. Williams: Where are they most commonly given?

Hon. H. SEDDON: Amongst the free services mentioned in the returns for 1932 we find the Crown Law Department incurred an expenditure of £69,335; the Police £201,898; the Department of Labour £3,779; Medical and Health £78,658; Gaols £25,783; Lunacy £85,432; and Child Welfare £138,431; a total expenditure on free services of £603,316. If we take income earners as representing one-quarter of the population, we find that the cost of these free services to each individual income earner is £5 12s. per annum. I am taking this figure because it is accepted by the Arbitration Court, which deals

with the question of providing for a man, his wife and two children.

Hon. W. J. Mann: Does that include education?

Hon. H. SEDDON: Education is one of the other free services. Last year that cost £549,115. This worked out at £5 per income earner. Then there is the cost of unemployed which last year came to £633,031, and this works out at £6 per income earner. The total of all these amounts is £16 12s. per annum.

Hon. A. Thomson: For free services?

Hon. H. SEDDON: That is the value of the free services enjoyed by the whole community, whether people pay income tax or not. People are always preaching that this is a democratic community. If it is a democratic and self-respecting community every citizen should be prepared to accept his share of the responsibilities of the State.

Hon. C. B. Williams: Are they not doing it?

Hon. H. SEDDON: I think I shall be able to show they are not doing it.

Hon. C. B. Williams: It is not possible for the rest of the community to exist without the 88 per cent.

Hon. H. SEDDON: I shall be pleased to hear the remarks of the hon. member when he rises to speak on the Bill.

Hon. C. B. Williams. I will do that in a few words.

The PRESIDENT: Order! The hon. member will have an opportunity to reply later on.

Hon. H. SEDDON: I wish again to refer to the tax which has been such a great bone of contention, and has been so roundly condemned by members of the Labour Party. The man on the basic wage will pay 1s. 6d. a week, or £3 18s. per annum, for services which cost £16 12s. per annum. I have a table I have taken from the report of the Commissioner of Taxation for 1931. I refer to table D, which gives a list of income earners under a certain valuation. The first group comprises people earning from £100 to £200 a year. In that group there were 14,432 persons who paid income tax, and 1,709 who were exempt. In other words 90 per cent. of those persons paid income tax and 10 per cent. were exempt. The following table discloses what the taxpayers will

contribute under the Bill, the return having been compiled from the 1930 taxation statistics.

EMERGENCY TAX APPLIED TO THE 1930 RETURNS.				Emergency Tax per Head.	
Total Income Group.	Number of Persons		Income Tax Amount per Head.	Income Tax per Head.	
	Taxed.	Exempt.		£ s. d.	£ s. d.
101	14,432	1,709	10,886	0 15 1	5 8 10*
201	18,486	8,328	26,970	1 9 3	5 13 10
301	14,555	3,511	40,968	2 16 4	5 12 6
401	8,825	94	23,047	2 6 6	5 7 6
501	1,980	17	22,740	11 9 9	5 15 0
601	1,000	2	27,007	23 13 0	24 3 6
701	1,500	1	31,302	31 15 2	31 15 0
Over 5,000	95	..	71,182	7 19 5	93 15 0*

* Minimum. † For highest rate.

I have quoted these figures to emphasise the fact that the rate does not rise quickly in dealing with the higher classes, and that this tax which is complained of will be more than double the tax paid by any member of those groups.

Hon. J. Cornell: The fact remains that it is a flat rate.

Hon. H. SEDDON: Is it a flat rate?

Hon. C. B. Williams: It is an unjust flat rate.

Hon. H. SEDDON: It is an obviously graduated rate, because the more a man receives the more he will pay.

Hon. T. Moore: And the more he has left, too.

Hon. H. SEDDON: Yes, but he has serious responsibilities to the community, and he is bearing more than his share of those responsibilities. He is the man also to whom we have to look to foster and safeguard the industries that keep the State going.

Hon. C. B. Williams: And what about the fellow who is working?

Hon. H. SEDDON: The man about whom I am speaking has to work, too; he has to work with his brain, and he has to carry the responsibility of running a business. In

these days of depression the work takes a good deal more out of him than it does out of the man who is earning his living by manual labour.

Hon. C. B. Williams interjected.

The PRESIDENT: Order! I remind the hon. member that the most effective way of replying to Mr. Seddon's remarks is by making a speech after Mr. Seddon has resumed his seat.

Hon. H. SEDDON: Under the proposed tax the taxpayer who is carrying the burden of to-day will have that burden more than doubled.

Hon. J. Cornell: In Melbourne the tax is 1s. in the pound.

Hon. H. SEDDON: I do not know that I am called upon to defend the position that exists in Melbourne. I am illustrating what the effect of the proposed tax will be in Western Australia. The extra money required is £300,000, and that is to be obtained by increasing the rate of tax on the taxpayer. I have already shown that the effect of the proposed 4½d. tax will be to more than double the taxpayer's contribution, and it would be interesting if members who advocate increasing the income tax would show what would be the result of adopting that method. I again emphasise that this is a super income tax, and what it does provide for is the compelling of everyone to pay something towards the expenses of carrying on the services of the State. The suggestion has been made that the rate of income tax should be increased. One of the objectives of the party who advanced that proposal is the objective of a free and enlightened community. Is that party prepared to establish a free and enlightened community at the other fellow's expense? Boiled down that is what it is. Apparently that party are not prepared that others shall pay their fair share towards the free services of the State. The question has been raised whether this tax is necessary and whether the Budget should be balanced. There have been Governments in Australia that have made the present situation an excuse for not meeting their obligations. Mr. T. Moore pointed out that the interest charges were a heavy burden on this State, and he said that we could not pay those charges. I want to know exactly what inference is to be drawn from that remark, because Mr. Lang used a similar remark. Perhaps Mr. Moore will ex-

plain whether he means what Mr. Lang advocated. We know where Mr. Lang's policy landed him, and we know, too, what happened in London. We are aware, likewise, that the renewal of the New South Wales loan was only possible after the change of government in that State, and the result is that we do enjoy some benefit—

Hon. C. B. Williams: A doubtful benefit.

Hon. H. SEDDON: There was a benefit in that case because the interest was reduced. I am convinced that when the Commonwealth Government find themselves in a more satisfactory position, and strenuous efforts have been made by the States to achieve a balance, we, too, shall derive a benefit when renewing our loans, and in that way we shall be decreasing the burden on the community. I remind the House that interest is being paid on loans to the extent of 27 millions raised by the Labour Government during their period of office. The Labour Government assumed office with the idea that the burden of taxation was already too heavy, and that we should be given some relief.

Hon. T. Moore: Coupling my name with that of Lang is mere piffle on your part.

The PRESIDENT: Order! Will Mr. Seddon resume his seat. Does Mr. Moore object to Mr. Seddon's remark which coupled his name with that of Mr. Lang?

Hon. T. Moore: I certainly do.

The PRESIDENT: I am perfectly sure that Mr. Seddon will withdraw any reflection that his words may have cast upon Mr. Moore.

Hon. H. SEDDON: Decidedly I do.

The PRESIDENT: The hon. member withdraws the remark?

Hon. H. SEDDON: I do; I had no intention of casting any reflection on Mr. Moore.

Hon. T. Moore: You should apologise, too.

Hon. H. SEDDON: I thought I merely said that Mr. Moore used the same remark that was used by Mr. Lang. I have always advocated the idea that every man in the State shall pay a small share of taxation; I go further and say that we shall not get our electors to vote with any sense of responsibility until they do pay directly towards the cost of government. Therefore I regard this measure of taxation as a departure in the right direction. We are mak-

ing a definite step towards an ideal which should be supported by a self-respecting community. I intend to support the Bill, but would draw the attention of the Minister to a clause which to me appears to be unworkable, the clause setting out the definition of earning wages. Provision is made that where people receive income from commissions the employer shall deduct the tax. This Bill provides that such income shall be regarded as salary or wages. It is generally understood that a commission agent, when he makes a sale, gets commission on remitting to the principal and it is provided that the principal shall be responsible for the deduction of the taxation. If we put commission on the same basis as under the Hospital Fund Act, I think it would meet requirements and those who received commission could be assessed in the usual way, under the income tax. I direct the Minister's attention to that point and hope he will find means to remedy the difficulty.

HON. C. B. WILLIAMS (South) [5.15]: I am surprised to find a representative of a working class constituency supporting a Bill of this kind. It is a good thing for him that he has two years to go before having to face his electors.

Hon. H. Seddon: Nonsense!

Hon. C. B. WILLIAMS: It was the hon. member who spoke nonsense. He does not represent a working class constituency: he represents a capitalistic class, who are intent on keeping the Government going. If the people represented by the hon. member had paid their fair share of taxation in years of prosperity, the country would be better off now. At the present time, however, those people are looking for all sorts of favours from the Government, and it is necessary to tax the sustenance worker in order to meet their requests. I do not want any nonsense from the hon. member. The people he represents are constantly running cap in hand to the Government, and yet they get more free services than any other section. We are asked under the Bill to impose taxation at a flat rate on every person earning £1 a week and upwards. The hon. member quoted a lot of figures. I shall deal with the final figure he mentioned. He said that a person earning over £5,000 a year paid in the vicinity of £71 income tax.

Hon. E. H. Harris: Seventy-one pounds income tax!

Hon. C. B. WILLIAMS: Is not that the figure he mentioned?

Hon. J. Cornell: Seven hundred pounds.

Hon. C. B. WILLIAMS: He pays £700 by way of income tax on an income of £5,000 or over, but he will be asked to pay only 4½d. in the pound under this Bill. Who would miss 4½d. in the pound the more, a man with an income like that, or a man getting £1 a week? We are supposed to be Christians. Every day when we assemble prayers are read and those lucky enough to be present at the time listen to the prayers. There is an old injunction to be kind and true as we would have others be to us. We are not showing much kindness if we support a Bill of this kind. I have no objection to taxing people who are earning £1 or £2 a week, but taxation should not be based on a flat rate. What we should do is to tax the people in accordance with their ability to pay. The hon. member cited the free services provided by the Government. Where are they provided? Education is provided generally throughout the State, but the city of Perth enjoys 90 per cent. of the free services for which the taxpayers as a whole are charged. They enjoy cheaper electricity, cheaper transport, cheaper everything, all at the expense of the State. The working man who is getting £2 or £2 8s. a week will have to pay the tax. What benefit does he derive from free services? He has never owned thousands of acres that he was able to dispose of at hundreds of pounds per acre, but he is to be taxed. Imagine trying to justify a flat rate tax on men in receipt of £1 per week sustenance—men who do not know where the next meal will come from! We can go home to nice meals and we pride ourselves that we are Christians, but do members ever think of the people who are unable to buy boots for their children? Yet Mr. Seddon justifies the tax because it is necessary to balance the Budget. In the course of his reference to free services, the hon. member mentioned £78,000 for hospitals, but he did not mention that the Government had thieved from the people £130,000 on the same account and had given nothing in return. The only people who get anything in return are those who declare themselves paupers. There is ample room to tax the people of this State on a just basis. Make the man in receipt of £1 per week pay, if you wish. If members' feelings are such and if they can sink so low as to do that, let them do it, but let the rate be fair. Many of the poorer

people are living by the kindness of their friends, but I remind members that those who to-day are living in luxury may before long find themselves on the confounded dole—due to the economic system—on which one-third of our people have to exist at present. Are there not enough people in the State to pay 1s. in the pound and not miss it? Mr. Seddon said that only about 12 per cent. of the people paid taxation. Where do the 12 per cent. get their money? Do they earn it?

Hon. H. Seddon: Of course they do.

Hon. C. B. WILLIAMS: They do not. Such people are land agents, property owners, shopkeepers and men of that type who supply the goods necessary to the existence of people, and the people have to pay not only the profits, but the taxation of tradesmen and others who cater for their needs. The people pay that, not the 12 per cent.

Hon. H. Seddon: Are not the workers paying?

Hon. C. B. WILLIAMS: The workers who cannot bring their taxable income within the exemption pay it and they have to pay by the sweat of their brows. What percentage of the workers pay? I have a very good idea of the number of men who pay income tax at present.

Hon. E. H. Harris: Do not you pay income tax?

Hon. C. B. WILLIAMS: The hon. member would like to know. There are men working in the unhealthiest occupation the world knows, namely, gold mining, who pay. They are what I term working men, receiving £4 a week or over, and they are slugged for income tax. They are mugs; they are illiterate men so far as income tax is concerned, but they put in honest statements supplied by their employers. The employers engage taxation experts to fill in their returns, but the workers pay more in proportion to their earnings than does a man earning from £1,000 to £6,000 a year, simply because the workers do not know the loopholes by which taxation might be dodged. The wealthier men know those loopholes.

Hon. E. H. Harris: You must be well in the know.

Hon. C. B. WILLIAMS: Western Australia is the lowest taxed State in Australia.

Hon. A. Thomson: And the most heavily indebted.

Hon. C. B. WILLIAMS: I have no doubt we shall become the most heavily taxed if the hon. member continues to waste so much

time by putting such lengthy notices on the paper. I represent the farmers and I can feel for the farmers just as keenly as he can. At present the farmers will be able to dodge this tax owing to the exemptions to which they will be entitled, but when conditions improve, they will have to pay. I do not know how Mr. Thomson will face his constituents when he has to admit that he was a party to taxing them at the rate of 4½d. in the pound. I have already said that I have no objection to the principle of taxing everybody, but I do object to taxing a man, who has a team of kiddies to maintain and is receiving only £2 8s. per week sustenance, taxing him equally with a man getting £10,000 a year and having no obligations to the State. I could understand metropolitan members supporting the Bill, because, after all, they represent nine-tenths of the wealth of the State. I can understand their trying to avoid due responsibility to the people who are down and out but who made their wealth possible. I have heard people mention debts and bad payers. Anyone who is almost ignorant of the method of conducting business knows that it is not possible to carry a bad payer if he does not charge it up to the good payer. The lawyer charges up to the rich client what he loses on the poor client, and the medical man charges to the rich patient what he cannot get from the poor patient. The position is quite clear to me. Taxation should be based on the principle that people pay in accordance with their ability. Taxation of £100 to a man who is in receipt of an income of £1,000 a year is nothing, but £2 taxation to a man who is getting only £100 a year is a lot. I will take Mr. Seddon to task. He is a land and estate agent, and knows something about the position in his Province. A man working in the railways gets about £3 14s. a week. Should he be shifted from Perth to Kalgoorlie, Mr. Seddon will admit that he would have great trouble in securing a house for his family. He would be lucky if he got one at 30s. or 35s. a week. That would mean he would be left with less than 32s. a week to live on, and yet we are to ask that man to pay a tax of 4½d. in the pound. Consider that man's position compared with that of a fellow railway worker in Perth, where the wages are practically the same, and where rents are 50 per cent. lower for better houses, and where living is cheaper.

Can there be said to be any comparison between the relative positions of those two men? Of course not. I do not speak of the position of miners who are in receipt of £1 6s. a week, or 14s. more than the railway men, but the fact remains that the railway man has to pay the same amount for his living expenses and his house rent as his fellow worker who is in receipt of the higher wage. Yet we are to tax them by the same amount. Let us impose the tax on a graduated basis. I will vote for the increased taxation, if members will agree to a tax on a graduated scale. The man who is in receipt of £1 a week is in a better position to pay than the man who is in receipt of no salary at all. Going up the scale, men who are in receipt of £10 or £12 a week, like ourselves, can afford to pay more. We live in the lap of luxury; we live like millionaires. That is our position compared with the men on sustenance. Yet they are human beings, as we are. They are just as capable, and possess equal ability, but they have not the opportunity. Their children are just as valuable to the State as the children of men of wealth. We sit here and say that men living in the lap of luxury, in receipt of £10 or more a week, are to pay 5s. a week in taxation, while the poor man is to pay his 4½d. in the pound. What does a tax of 5s. mean to us? Let us do without four meals, and we have the 5s. for the tax. That is all it means to us. While we can live in luxury, there are others who have to do a certain quantity of work before they can get an order on the grocer for £2 worth of foodstuffs. Oh God, how long will the people stand it? That is what worries me. It appals me to think that there are 16,000 men in the State who have not got manhood enough to demand a better deal from those in authority. We preach to them. We say we are all equal, but are we? While we live in the lap of luxury, we ask a third of the working class people to starve. We tell them that if they will go a hundred miles away from their homes, we will pay them £1 a week in addition to sustenance, and then we propose to take 4½d. out of each pound they draw, while we are content to get off with our meagre 5s. tax.

Hon. G. W. Miles: Why don't you knock £1 a week off your own salary?

Hon. C. B. WILLIAMS: The hon. member wearies me!

The PRESIDENT: Order!

Hon. C. B. WILLIAMS: If we were to knock £10 a week off, what would that do? And Mr. Miles talks about £1 a week! How far would that go amongst 16,000 men?

Hon. J. J. Holmes: It would help.

Hon. C. B. WILLIAMS: I can say a lot from that standpoint. There are thousands of motor cars, the owners of which could afford to pay another 10s. a week. Mr. Seddon talked about the £30,000,000 that had been spent here in opening up the country, and in building good roads to various parts of the State. Men are on sustenance, while there are many people in this Parliament who can run their flush motor cars and can well afford to pay a bit more towards the taxation returns. They have been saved from 30 to 40 per cent. in running costs because of the provision of better roads, and how much of that have they contributed towards the cost of those roads? We know the condition of the Perth-Fremantle road 20 years ago; to-day we can skate from here to the port on a first-class road. Who is to pay for that?

Hon. L. B. Bolton: The motorists.

Hon. C. B. WILLIAMS: They pay very little of it.

Hon. V. Hamersley: Posterity will pay.

Hon. C. B. WILLIAMS: And posterity is entitled to pay. The hon. member himself was born in Western Australia and realises the hardships his people endured in the early days. He knows the difference between travelling by bullock dray or horse teams and by modern up-to-date conveniences. He will realise that his children are entitled to pay for the benefits conferred upon them now, and our children should be prepared to pay. I do not care for myself. I live from day to day. I am one of the good citizens of this State who spend every shilling they earn. I make work for others: I do not hoard. Some day I may have to ask some member of this House for enough to buy a feed, but that will not worry me. I will know that I have done my duty to my country and to my fellow-man, and I will never go to rest with it on my mind that there are thousands of my fellow human beings, born of woman just as hon. members and I were, born with the same hopes and entitled to the same outlook, who are eking out a mere existence and will have to pay this tax, as the result of my actions. Members should remember that

they are here to-day but gone tomorrow. We should be kind to others while it is possible for us to be so. Do not let it be said that any one of us will go to his last long rest conscious of the fact that thousands of people have been compelled to pay their tax of $4\frac{1}{2}$ d. in the pound at a time when they never had a bob to spend on themselves. Every time I spend a shilling I wish I could give it to someone else, but I know it is utterly impossible. It is not impossible for the Mitchell Government, or for the Collier Government—I do not make this a political matter, and merely speak adversely because it is the Mitchell Government who have proposed the tax, for I would speak in the same way if the Collier Government were in power—to do something to assist the thousands of people in Western Australia who are not earning sufficient to-day. There are thousands who cannot pay their way because they are bankrupt. At the same time, there are thousands of persons driving their motor cars in luxury and ease, from whom we ask nothing, comparatively speaking. I do not desire to preach a sermon. Sometimes I think I will become a parson.

Hon. C. H. WITTENOOM: Of which church?

Hon. C. B. WILLIAMS: I will join any church, because we are all hypocrites when it comes to this matter. In fact, I may start a new church.

Hon. J. CORNELL: You will be a sort of new Ghandi.

Hon. C. B. WILLIAMS: And I will get a large following in no time.

The PRESIDENT: Order! We are discussing the Financial Emergency Tax Assessment Bill, and I do not know that religion enters into it.

Hon. C. B. WILLIAMS: I was about to point out that religion must be financed, and I proposed to link up the two phases in that manner. I appeal to members to amend the Bill. I do not know what our powers really are. I am prepared to vote for the retention of the tax of $4\frac{1}{2}$ d. in the pound to be paid by the men on sustenance, provided that we can impose a tax of 1s. in the pound to be paid by the man in receipt of £5 a week; a tax of 1s. 6d. in the pound for the man in receipt of £6 a week, and £10, or anything members may like, to be paid by the man in receipt of

£100 a week. What will happen if the unemployed get out of hand? What will go on then? We are only dilly-dallying with the situation. We have thousands of farmers who are not earning £1 a week. Will they stand it much longer? Let them cut loose in conjunction with the unemployed, and what will happen to us who earn £10 a week and others like us? They will brush us aside. That is what will happen, and that is what we are trying to avoid. If a man is in receipt of £6 a week, an extra 2s. a week by way of taxation will not hurt him. On the other hand, to ask a man who is in receipt of £2 a week and has a family to keep, to pay the tax suggested, is utterly wrong. We should consider the position, irrespective of party politics, and regard it from a humanitarian standpoint. I could understand the imposition of this additional taxation if it would mean increased sustenance payments to those who are in need of them to-day, but that will not be the effect of the tax. I appeal to members to deal with this matter, not as party politicians, but as men content to legislate in the interests of their fellow human beings. Let us exempt those who are on the lower rung in receipt of sustenance, recognising that those men have been degraded. Any of us who has been out of work for three months at a time and has had to seek for work without success, knows it to be the most degrading position in which a human being can be placed. There is nothing more harmful to the community as a whole than that men should be placed in that position simply because the brains of the community cannot show them a way out. The politicians cannot show that way. There was one politician in Australia who, had the Labour Party stuck to him, would have shown the way out. Mr. Seddon could have said that I was a Langite, and I would have thanked him for saying so. I would not have required him to withdraw the statement, because I look upon Mr. Lang's policy as the only one calculated to draw the Australian people out of the mire in which they find themselves now. The Labour movement of Australia dissociated itself from Mr. Lang, but the people of New South Wales did not, for between 40 and 48 per cent. of the people of that State voted for his policy at the Federal and State elections. Now, we must respect the opinion of 45 per

cent. of the people of a huge State like New South Wales. The other 55 per cent. may be right, but 45 per cent. of the people of New South Wales said that Lang was right and that his ideas were right.

Member: Do you say so, too?

Hon. C. B. WILLIAMS: Yes. I will say till the day of my death that Lang is right. We should not eulogise the system that members supported in this State, the system of wage-cutting or wage-slashing. Our position is getting worse. I would not sit in Parliament for 24 hours advocating that system, seeing the miserable failure it has been in this State. I say that to-day there is no Government in Australia, Labour or National, that has been game to face the position in which Australia has been placed during the past two years. They are too hypocritical; they are self-seekers; they are afraid of their jobs, of losing their £600 or £1,000 a year. We should remember that we are human. It is paltry, mean and contemptible to ask a man on £1 a week to pay a tax of 4½d., and a man with an income of £6,000 a year, or £120 a week, to pay at the same rate.

Hon. J. Nicholson: How many are there with an income of £6,000 a year?

Hon. C. B. WILLIAMS: I do not know. If there is only one, it is mean and contemptible to tax a man on £1 a week at the rate of 4½d. and to tax that other man on £6,000 a year at the same rate. He could not spend all that money even if he went on a jamboree lasting for a year. There are thousands of people in this State who have an income of £20 per week, and yet they are asked to pay the same rate of tax as some poor miserable fellow who has to slink away and live in a hut. I trust this House will, for once in its existence, justify its appellation of a House of review. I hope members will review this measure. After all, wealth is only a means to an end, and it is of no use to a person unless the majority of the people are contented and happy. They can only be contented and happy if you fill their stomachs with good food, put fair clothes on their backs and fair boots on their feet. I express deep regret that any member of a working-class constituency should say that it is just to tax people at a flat rate of 4½d. in the pound. I oppose the measure on those grounds. I am of

opinion that every person in the State should be taxed in proportion to his means.

On motion by Hon. J. J. Holmes debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT.

In Committee.

Resumed from the 2nd November.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 40, which embodies an amendment of Section 206.

Hon. J. J. HOLMES: Cannot the Minister evolve some more equitable proposal than this? The clause provides for payment of travelling expenses to members of boards attending a board meeting. Some members have only 100 yards to walk, while others may be a mile or two away. This clause proposes that the maximum payment shall be 10s. If a member takes a tramcar from Perth to Subiaco, he is incurring expense.

The CHIEF SECRETARY: Those responsible have not asked for any greater payment. The 10s. is paid out of the revenue of the board. It could be paid out of the 3 per cents.

Clause put and passed.

Clauses 41, 42—agreed to.

Clause 43—New section:

Hon. J. J. HOLMES: This clause provides that the valuation of the Commissioner of Taxation shall be adopted by the road board. What is the necessity for the words "on appeal by the taxpayer" in lines 28 and 29 of the clause? I know of instances where the Federal Government have reduced the valuation without an appeal. In that case I certainly think the valuation so reduced should be adopted by the road board. I move an amendment—

That the words "on appeal by the taxpayer" be struck out.

Hon. T. MOORE: A taxpayer has the right of appeal against an assessment by a board. That is the point. Some road boards do not adopt the valuation of either the Federal or the State Taxation Departments; they make their own valuations. If the words proposed to be deleted are struck out of the

clause, then we shall deprive the taxpayer of a right which he at present enjoys.

Hon. J. J. HOLMES: The clause provides that where the Commissioner of Taxation fixes the valuation of land, the road board may or may not adopt such valuation. If the clause stands as it is printed, then although the Commissioner of Taxation may reduce the valuation without an appeal, the road board is not obliged to reduce its valuation accordingly. I do not think it was intended that the words "on appeal by the taxpayer" should be included in the clause.

Hon. W. J. MANN: Has the hon. member read the concluding lines of the clause, which say, "the board shall forthwith similarly reduce its valuation, notwithstanding that the ratepayer may not have appealed against such valuation under the provisions of this Act relating to appeals"? I think that covers the point.

Hon. L. B. BOLTON: That does not take away the right of appeal.

Hon. Sir CHARLES NATHAN: The clause is self-explanatory. It says, "and such valuation is similar in amount to the assessment of land made by the Commissioner of Taxation for the same year." It is only where the valuation of the board is the same as the valuation by the Commissioner that a similar reduction shall be made by the board. I support the amendment.

The CHIEF SECRETARY: The clause gives authority to a road board automatically to reduce its valuation in accordance with the reduction made by the Commissioner of Taxation. An appeal has to be made by the taxpayer in the first place against the valuation by the Commissioner of Taxation.

Hon. G. W. MILES: What Mr. Holmes has in view is that if the Commissioner of Taxation reduces the valuation without any appeal by a taxpayer, the clause will not apply. If the words "on appeal by" were struck out, the local authority could reduce the valuation irrespective of any appeal.

Hon. J. J. HOLMES: Under the clause the local authority cannot accept the reduced valuation of the Commissioner of Taxation unless the reduction has been made on appeal by a taxpayer. If the Commissioner sees fit to reduce the valuation and the road board is prepared to adopt it, why should the taxpayer, in order to get the advantage, be compelled to appeal? Yet that is the only way in which he could get the advantage.

Hon. A. THOMSON: The intention of the clause is that in the event of a ratepayer successfully appealing against the assessment, then automatically the whole of the valuation struck by the local authority for that year shall be reduced. Under existing conditions it is only those who appeal against the assessment who receive any benefit, whereas under the clause a successful appeal will involve the reduction of the whole of the local authority's valuation.

The CHIEF SECRETARY: At present the road board, after striking a rate, cannot vary it during the year. The clause will afford opportunity for varying it. What is wanted is a provision in the Act under which the rating is automatically reduced when a reduction is made by the Commissioner of Taxation, without necessity for an appeal by a ratepayer. Then when the Commissioner reduces the valuation the road board automatically reduces it also.

Hon. G. W. MILES: When the valuations are similar, a taxpayer can appeal, and if the appeal be successful the local authority's valuation is reduced. I think the determining factor is the similarity between the Commissioner's valuation and the valuation of the local authority.

Hon. L. B. BOLTON: Recently I appealed to the Commissioner of Taxation against the valuation placed upon two blocks which had been very much increased. My appeal was successful, but it is now necessary for me to appeal to the local authority for the reduction. The clause, if passed, will remove the necessity for the appeal to the local authority.

Hon. G. FRASER: I agree with Mr. Holmes that if a reduction by the Commissioner is brought about without an appeal, the ratepayers cannot get the advantage of that reduction. Suppose a block is valued at £100 as well by the Commissioner as by the local authority, and is then reduced by the Commissioner without any appeal by a taxpayer. The clause would not apply, because the reduction was not given as the result of an appeal. An amendment is required providing that by whatever means the reduction may be brought about it shall be followed by a reduction of the valuations as a whole.

Hon. J. J. HOLMES: To leave in the clause the words "reduced on appeal" is to set up a complication. The Taxation Department has reduced the valuations in the agricultural areas, but under the clause as

it stands the local authorities will not be able to make a corresponding reduction.

Hon. J. M. DREW: I think the clause provides for an appeal to the Commissioner in individual cases. If I hold a block of land valued at, say, £440 by both the local authority and the Commissioner and I successfully appeal to the Commissioner with the result that the valuation is reduced to £330, I notify the road board and they bring down their valuation to that level. The clause is designed to meet cases of individual hardship arising from over-valuation.

Sitting suspended from 6.15 to 7.30 p.m.

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

Clauses 44, 45—agreed to.

Clause 46—Amendment of Section 233:

Hon. J. NICHOLSON: I move an amendment—

That in line 2 of proposed Subsection 2, the word "fourpence" be struck out and "three-pence" inserted in lieu.

The effect of this amendment, if carried, will be to leave the Act as it stands. In years gone by road boards have been allowed steadily to increase the amount of rates they may impose. Every penny added to the rates involves a considerable change in the amount that people have to pay. In these days land owners are receiving reduced rentals for their properties, and in many cases their premises are bringing them in nothing. We are not justified in permitting local authorities to add to the burden of ratepayers anything more than is reasonable. In the case of the metropolitan area the Bill provides that the rates may be increased to 9d., which on the unimproved value of land is equal to 15s., in the pound on the annual value.

Hon. E. H. Gray: I think you are making a mistake.

Hon. J. NICHOLSON: The annual value of unimproved land is ascertained by calculating five per cent. of the unimproved value. If we take a block of land worth £1,000 we find that 5 per cent. works out at £50. If we then multiply that £50 by 15s. we find that the annual rate amounts to £37 10s. If 9d. be taken on the unimproved value and the land be of 1,000 acres in extent, we find this also comes to £37

10s. The more power we give the local authority to increase the rates, the more do we increase the burden that is falling so heavily upon the people in these times.

Hon. W. H. Kitson: Have you not made a mistake in your calculation as to the annual value?

Hon. J. NICHOLSON: I have already stated that the annual value of unimproved land is ascertained by calculating five per cent. of its unimproved value. Really I should move to strike out the whole clause, and in that way allow the position to remain as it is.

The CHAIRMAN: The hon. member need not move to strike out the clause; he can vote against it.

Hon. J. NICHOLSON: Very well; I will withdraw my amendment and vote against the clause.

The CHIEF SECRETARY: The hon. member told the Committee in his clarifying manner that the road board would have no finances under which to carry on. Let me remind him that valuations are falling all round, and that means that the road boards will have no revenue with which to carry on. I also remind him that in many road board districts the rate is already above 4d. In Koorda it is 5d., Tambellup 5d., Katanning 5d., Cranbrook 6d., and so on. The rates must be increased and there is a safeguard that the boards may not increase the rate without the sanction of the Minister.

Hon. T. Moore: Where are the valuations reduced; give us an idea of the percentage of reduction?

The CHIEF SECRETARY: I cannot go into details at the present time.

Hon. T. Moore: We ought to have them.

Hon. E. H. H. Hall: Some have been reduced 50 per cent.

The CHIEF SECRETARY: All these road boards are reducing their valuations, due to the existing circumstances.

Hon. T. Moore: Up to now I have had no reduction.

The CHIEF SECRETARY: The whole position is whether we are to put the boards in the position of being able to function.

Hon. J. J. HOLMES: So that the road boards may carry on, it is proposed to give them power to increase the rate, but the unfortunate owner is called upon to pay these additional rates when he is not producing that which will enable him to do so.

There are too many boards functioning. Between here and Fremantle we have a Claremont Municipality and a Claremont Road Board, while at Cottesloe there is a municipality and within a short distance the Peppermint Grove Road Board.

Hon. G. FRASER: Which serves 350 people.

Hon. J. J. HOLMES: The taxpayer is expected to pay additional rates, merely because these boards must function.

Hon. C. B. WILLIAMS: I represent a road board in Kalgoorlie in which district there are some of the most valuable properties in existence; but why should I vote to reduce the rates on properties. I agree that in the pastoral areas the rates should be reduced, but certainly not in those places within a few hundred yards of the Boulder Town Hall, and between 700 and 1,000 yards of the Kalgoorlie Town Hall. Why give the owners of property in Kalgoorlie this concession when we remember that they are getting 30s. or more a week for properties worth not more than 7s. 6d.

The CHIEF SECRETARY: This is a request made by the Road Board Association.

Hon. J. J. Holmes: Are they running the country?

The CHIEF SECRETARY: While values are falling, the road boards should be given an opportunity to get in sufficient revenue to function. At the same time I agree there are too many local bodies, but it is the ratepayers who should take action in the direction of reducing the number.

Hon. J. NICHOLSON: The Act provides for increasing the rates to 6d. with the consent of the Minister. That has been done by the boards referred to by the Minister.

The CHIEF SECRETARY: Whether the rates are increased or not rests with the local governing body. It is not likely that members elected by the ratepayers would overload themselves with rates. The Road Boards Association have asked for the provision.

Hon. J. M. MACFARLANE: Of a number of the road boards with whom I have been in communication, only one desires the increase. One of the principal road boards, the Perth Road Board, has built up its excellent area on a maximum rate of 3d.

Hon. W. J. MANN: All that the clause seeks to provide is that a board may strike a 4d. rate without appeal to the Minister. Every board would not take advantage of the provision, but if there were exceptional cases in which the increase was justified, particularly in view of the statement that values have been considerably reduced, there should be no objection to the clause.

Hon. T. MOORE: Speaking as a taxpayer, there has been no reduction. Numbers of people cannot pay the present taxes.

The Chief Secretary: Lots of road boards have reduced the valuations.

Hon. T. MOORE: I think Mr. Hall's statement was misleading. We have enough taxation already. There are secretaries with grand ideas who run the boards, and I am not prepared to give them additional latitude. I prefer to retain the existing provision.

Hon. E. H. H. HALL: I am a ratepayer of Mullewa Road Board, which has made a 50 per cent. reduction in valuations, and I have my receipts to prove it. The boards are elected by the ratepayers, and the ratepayers will deal with their members if they are not receiving a fair deal.

Hon. V. HAMERSLEY: It is possible to reduce valuations and nullify the effect by increasing the rates. No good will result from lowering the valuations if the rates are to be increased.

Hon. L. B. BOLTON: I appealed to the Commissioner of Taxation for a reduction in the valuation of two blocks of land. The valuer reduced the valuation on those two blocks but increased it on two other blocks. Until I appeal to the road board. I am not likely to get any reduction on the two blocks reduced by the Commissioner, but I have an assessment increasing the rates on the other two blocks. Yet members say that valuations have been reduced by most of the road boards.

Hon. G. FRASER: Local governing bodies will be in a chaotic state unless something is done on the lines suggested in the clause. I accept the statement that a general reduction of values has been made. I know that the valuation of some blocks has been reduced 50 per cent., and that would mean an equivalent reduction in the board's revenue.

Hon. C. B. Williams: Do you not think your road board should be amalgamated with another?

Hon. G. FRASER: That is for the rate-payers to decide. I agree that there are too many local governing bodies, but the ratepayers are not likely to move until the boards, by heavy taxation, force them to take action.

Hon. J. NICHOLSON: Mr. Fraser and Mr. Hall appear to be under a misapprehension. They are carried away with the idea that because certain boards have announced a reduction in valuations, that is sufficient justification for voting for the clause. To a large extent road boards have adopted the Taxation Department valuations to secure uniformity. That mere fact may not be of benefit to the ratepayers because, before they are aware of it, they will revert to their former position. The mere fact that a valuation has been decreased does not mean that the rating has been lowered. There is no need for this extra power.

Hon. E. H. H. Hall: I know the rates were reduced 50 per cent., not the valuations.

Hon. T. Moore: The hon. member is perfectly wrong.

Hon. E. H. H. Hall: I am not.

Hon. J. M. DREW: The clause is an old acquaintance. It seems to me I have god-fathered it on several occasions without success. Such a clause was necessary in those days because comprehensive powers had to be given to road boards and the power to finance was necessary. They considered that they could successfully run electric lighting plants and other undertakings, and the Government, of which I was a member, decided to give them the necessary powers, which meant that they had to be provided with adequate financing authority. That was not the desire of the Labour Government, but of various road board conferences. I doubt if during the time I was Leader of the House, we reached the stage of considering the rate to be fixed. The stumbling block was always the power that was to be granted to road boards. The days of prosperity are gone for a period, and I think it would be well not to increase the rate. It must be remembered that the burden will be borne by those who are occupying residences, and this is not an opportune time to increase that form of taxation.

Hon. T. MOORE: It is misleading for Mr. Hall to say that rates were reduced by half. I have paid my rates, and they were double what I had to pay last year.

Hon. J. J. HOLMES: Mr. Hall referred to a reduction of rates in one section of his Province, but I am a land owner in another section. When the road boards generally adopt the Federal Taxation Department valuation, someone will wake up, particularly Mr. Hall. One road board rated me at the full Federal valuation, whereas some of the members of the board rated themselves at a quarter of the valuation. After battling with them for some time, they allowed me 10 per cent. off the valuation, which left me 200 per cent. above their own valuation. I told them I would write a book entitled "Men Without Conscience" and would dedicate it to them, seeing that they could sit in judgment upon me after dealing with themselves as I have indicated. The Taxation Department has dealt with this matter on commercial principles, and without altering the valuations has allowed 10 or 20 per cent. reductions off the rating. That reduction is merely temporary and in due course the full valuation will apply. Other boards may follow suit, and then people may wake up to the necessity for amalgamation. The more we limit the powers of road boards the sooner will we achieve amalgamation, for there are too many road boards at present. What is going on to-day is that boards are making those pay who can pay, and allowing those to escape who cannot pay. What the boards desire now is more power to extract even more from those who can pay, and yet allow the others to escape lightly. We should delete the clause and retain the present position with a minimum of 1d. in the pound and a maximum of 3d., or whatever the figure is.

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

Ayes	13
Noes	12
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Majority for	1
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AYES.

Hon. J. M. Drew	Hon. H. V. Piesse
Hon. J. Ewing	Hon. A. Thomson
Hon. V. Hamersley	Hon. C. B. Williams
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. T. Moore	Hon. H. J. Yelland
Hon. J. Nicholson	Hon. L. B. Bolton
	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. G. Fraser	Hon. Sir C. Nathan
Hon. E. H. Gray	Hon. E. Rose
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. W. H. Kitson	Hon. E. H. Harris
Hon. J. M. Macfarlane	(Teller.)

Clause thus passed.

Clause 47—agreed to.

Clause 48—New section, lighting rate:

Hon. A. THOMSON: I move—

That in Subclause 2 of Clause 234A the word "half" be struck out.

The subclause will then read—

(2) "Such rate shall not exceed one penny in the pound on the unimproved value, or 3d. in the pound on the annual value."

I received a request from the road board in my district that they should be given the power, if they so desired, to increase the amount to one penny. They consider a half-penny is not sufficient.

The CHIEF SECRETARY: If Mr. Thomson's amendment be agreed to, we give the board power to rate for lighting purposes only, and one halfpenny has been found to be quite sufficient. That is what the boards are asking for. I oppose the amendment. I think a halfpenny in the pound is quite sufficient.

Hon. A. THOMSON: The road board which requested this amendment are rating the land in their district on the unimproved value. There is a considerable area of land in the district which is not being utilised. If they are not able to strike the higher rate, then they will be unfortunately compelled to rate on the annual value. That, in effect, will penalise those who have had faith in the district and erected buildings there. The road board are definitely of the opinion that a halfpenny in the pound will not pay for the street lighting. That is the point. The town is fairly well lighted, but the board today are considering the cutting out of some of the street lights because they are not able to meet the expense.

Amendment put and negatived.

Clause put and passed.

Clauses 49 to 51—agreed to.

Clause 52—Amendment of Section 249:

The CHIEF SECRETARY: To meet the wishes of hon. members I have had an amendment drafted which I think they will

agree with me will protect trustees. They will be placed in exactly the same position as trustees under the Bankruptcy Act. I move an amendment—

That all the words in paragraph (b), after "follows," in lines 28 and 29, be struck out and the following inserted in lieu:—"Provided that no person who, as being trustee of any estate by virtue of any proceeding under the Bankruptcy Act, 1924-1932, or the liquidator in the winding up of a company under the Companies Act, 1893, has become the owner of any rateable land, shall on that account be personally liable to pay out of his own moneys or otherwise than out of the estate in his hands any rates due on such land when he becomes owner thereof as aforesaid, or be so personally liable as aforesaid to pay any rates assessed on such land thereafter if he proves to the satisfaction of and obtains a certificate in writing from the Minister that a continuance of his ownership of the said land is essential in the interests of that estate, or that he is unable to dispose of the said land."

Amendment put and passed.

Hon. A. THOMSON: I would like some information with regard to paragraph (c) of Clause 52. It seems to me that the penalty provided, £50, is rather drastic.

Hon. J. NICHOLSON: I would like to draw the attention of the Minister to the amendment which he has just moved. I would point out that the title of the Bankruptcy Act is constantly being changed. For instance, one year it was called the Bankruptcy Act, 1924-28; now it is called the Bankruptcy Act 1924-30. I would suggest to the Minister that he add to his amendment the words "or any Act amending the same." The Minister might make a note of this suggestion.

The CHIEF SECRETARY: Mr. Thomson has referred to paragraph (c) of Clause 52. That deals with the removal of buildings. The reason for the insertion of the paragraph is very patent: it is for the purpose of protecting the board for rates owing on the property. That is really the essence of it.

Hon. J. J. HOLMES: This is going to apply from Wyndham to Esperance, and nobody will be permitted to remove a building, even though it may be a hundred miles from civilisation. If anybody does remove a building, he will be subject to a penalty of £50. It may be that the property is worth £5,000, but if the owner wishes to pull down some old structure and does so without the consent of the board, he will have to

pay the penalty. It is a most inequitable proposition.

Hon. A. THOMSON: To test the feeling of the Committee, I move an amendment—That paragraph (c) be struck out.

The CHIEF SECRETARY: This is on all fours with something I read this morning to the effect that a man doing the least good receives the most assistance. Surely we must assist the local authorities to collect their rates. The land may not be worth the rates, whereas the buildings are.

Hon. A. THOMSON: If this were confined to given areas, I would not mind, but it is to apply to the whole of the State. If the Minister will agree to insert the words "within the goldfields area," I will withdraw my amendment.

Hon. E. H. Harris: What would be the use of that?

Hon. A. THOMSON: It is on the goldfields that this provision should apply. Suppose I wanted to abandon a farm and remove the buildings so as to be able to pay the rates. Surely I should be permitted to do so.

The CHIEF SECRETARY: The hon. member contends that he should be permitted to remove his buildings, so that he might be able to pay the rates. What we are out to do is to give the local authorities power to protect themselves.

Hon. H. V. PIESSE: Supposing that somebody, who happened to owe some rates to the local authority, wished to remove a building from his farm. Would he be fined £50 for so doing? If so, I will vote against the clause.

Hon. J. M. DREW: This is to prevent people who owe road board rates from removing a building overnight. In many instances the house is security to the road board for payment of the rates. The land itself may be of little value. Surely the owner should not be allowed to remove a building without the permission of the board.

Hon. J. NICHOLSON: When a man erects a building, he may be using borrowed money. The question is whether the building is intended as security for the local authority or for the man who lent the money for the erection of the building. Such a clause will place people at a disadvantage in borrowing money for the erection of houses. The land is sufficient security for the rates, and it cannot be shifted.

Hon. C. B. Williams: But assume that the land is valueless.

Hon. J. NICHOLSON: And assume that you have lent the money to put a house on that land. You, as mortgagee, should see to it that the mortgagor paid his rates. This clause, of course, is to meet a condition that has arisen on the goldfields.

Hon. A. M. Clydesdale: Later on it might apply to the farming areas as well as to the goldfields.

Hon. J. NICHOLSON: This moving of a house from one block to another has been rather prevalent on the goldfields. It is the land, not the building, that is security for the payment of rates.

The CHIEF SECRETARY: Road boards are in no way being restricted. Mr. Nicholson has used a very weak argument. Mortgagees always protect themselves. People should not be allowed to remove buildings from land without notifying the local authority, and giving that body an opportunity to recover revenue that is due to it.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clauses 53 to 57—agreed to.

Clause 58—Amendment of Section 285:

Hon. A. THOMSON: I move an amendment—

That at the end of the clause the following words be added:—"and by deleting the words 'resident' and 'residing' wherever they appear."

A ratepayer may have lived in a ward for many years, and may then decide to move to the other side of the street, which is in another ward. By that removal he will be debarred from voting on loan questions because he will no longer be a resident owner in that ward. Such questions as loans should be decided by the vote of property owners.

The CHIEF SECRETARY: If it is proposed to raise a loan, 20 property owners can call a public meeting. As the Act stands to-day they can, on polling day, withdraw their demands and the poll can go by the board. This clause merely provides that the demand must be withdrawn 14 days before the date of the poll. Furthermore, the Act refers to the district under the local authority and not to any ward in such dis-

trict. I have not heard of any local authority wanting these words struck out.

Hon. E. H. GRAY: It would be impossible for any road board to carry on if the amendment were agreed to. Property owners would be able to hold up the whole of the activities of the local authorities.

Hon. C. B. WILLIAMS: I am not prepared to vote for the amendment. Property owners may live right outside the district. Those who live in the district are the best judges of the merits of the situation.

Hon. A. THOMSON: Section 287 of the Act provides that there must be a majority of resident owners voting in favour of a loan before it can be raised. If that majority is not obtained, the vote is nullified. Road boards want that section amended to provide that the situation shall be governed by the vote of those resident owners who do vote. There are many clauses here that were inserted by the department, and if the Committee really thinks the Act should be remedied, now is the time to do it.

The CHAIRMAN: The only sense in which the word "residing" is used in the principal Act is in the definition of "resident owner." Under the hon. member's amendment there will be no definition of owner. The hon. member should give further consideration to the object he has in view.

Hon. A. THOMSON: The definition of "owner" is given in the Interpretation Act.

The CHAIRMAN: If the hon. member inserts the word "resident" and the rest are struck out, he will render meaningless that part of the proposed section that is left. I am pointing out the danger of amending a section unless proper consideration is given to it and also the impossibility of making amendments on one's feet. I suggest the hon. member should make absolutely sure of what he is about to do.

Hon. A. THOMSON: I feel that I ought to test the feeling of the Committee on the amendment. Of course if the Committee happens to be against me it will save discussion of other clauses.

Amendment put and negatived.

Clause put and passed.

Clause 59—Amendment of Section 287:

Hon. A. THOMSON: I should like to strike out the word "resident" in the fourth line of the clause. As it stands it proposes

to strike out of Section 287 the words "the resident owner" and to insert instead the words "the resident owners who vote on the question." I want the word "resident" struck out.

Hon. E. H. Harris: Suppose they live in Victoria.

Hon. A. THOMSON: I do not suppose those who live in Victoria would bother.

The CHAIRMAN: Has the hon. member seriously read Section 207? It says "If submitted to the vote of the resident owners or of any poll taken of the resident owners."

Hon. T. MOORE: I am of the same idea as Mr. Thomson. I know of an instance in which those particular words were very helpful. A road board took a poll on the question of building an elaborate hall to cost £8,000 in a district that did not warrant it. Although a majority of the ratepayers who voted favoured the proposal, the project could not be proceeded with owing to the provision in the Act. If we retain the existing provision it will be satisfactory. I shall oppose the clause.

Hon. G. FRASER: I cannot follow Mr. Thomson's reasoning. The word "resident" occurs earlier in the clause, and to be consistent the hon. member should have suggested striking out that reference also. I favour the deletion of the clause.

Hon. A. Thomson: I prefer to have the clause deleted.

Clause put and negatived.

Clauses 60 to 62—agreed to.

Clause 63—Amendment of Section 312:

Hon. G. FRASER: I move an amendment—

That paragraph (b) be struck out.

If any auditor other than a Government auditor is to be appointed, I favour the method of election by the ratepayers rather than by the board.

The CHIEF SECRETARY: If Mr. Fraser had had experience of road boards such as some of us have had, he would hold a different opinion. How could the ratepayers select a competent auditor? Is it not more reasonable to expect the members of the board to select a competent man?

Hon. G. Fraser: The effect of my amendment would be to have one auditor appointed by the Minister.

Hon. A. THOMSON: I hope the paragraph will not be deleted. It is intended to create a zone system under which one auditor may supervise the accounts of several road boards. In scattered areas that will be an advantage. Some of the road board books have not been audited for two or three years and there has not been an adequate check on the expenditure. While some of the ratepayers' auditors have been auditors in name only, in some districts qualified men have been available and it has been a distinct advantage to have from them a fortnightly or monthly statement of accounts. The Road Boards Conference has urged for years that there should be an auditor where the expense could be shared. If the Minister is satisfied that the services of a qualified auditor are available, such an appointment may be made and the expenditure would be justified.

The CHIEF SECRETARY: For a considerable time Governments have recognised that the audits have been far from satisfactory. There are only three Government auditors to deal with the whole of the road boards in the State, and it is impossible for them to keep the audits up-to-date. Some of the audits are two years behind. The new system would permit of the appointment of three additional auditors, and they would work in districts. The intention at first was to do away with ratepayers' auditors because it was found they had not been a success, but a few boards that had the services of capable auditors desired to retain them and the Bill was drafted accordingly. I regret that the whole of the boards have not come into the one scheme. Some boards will still appoint an auditor, but there will be no Government auditor to overlook the work.

Hon. J. J. Holmes: Not under this measure?

The CHIEF SECRETARY: No, not unless a special audit is asked for.

Hon. G. FRASER: I cannot understand the Minister's explanation. I fail to read into the clause the views he has expressed. If the system of Government auditing is not satisfactory, why make provision for the inspectors to carry out the duties outlined?

Hon. A. Thomson: If the road boards appoint their own auditor, they can receive monthly statements or even weekly statements, and that is not possible under the Government system of auditing.

Hon. G. FRASER: I fail to see the necessity for a second auditor, and we should provide for the Government auditor to supervise the whole of that class of work. It has been suggested that the Government auditor is necessary as a check, and yet the clause means that a local authority can appoint their own auditor and the services of the Government auditor will not be availed of at all.

The CHIEF SECRETARY: I have already told Mr. Fraser that no second auditor is to be appointed. If a local authority should not desire the services of the Government auditor, they can make use of their own auditor alone.

Hon. J. J. HOLMES: The object of the Minister was to place the control of road board accounts under Government auditors. Because some road boards think that they possess auditors who are capable of carrying out the duties, provision is being made to enable them to carry on and no Government auditor will interfere unless a special audit should be requested. It is on record that no ratepayers' auditor has ever yet detected anything. It is only when a Government auditor comes upon the scene that disclosures are made. Instances have been known in which road board members have entered into a conspiracy to cloak certain transactions, and in those circumstances the Government will never be asked to make available the services of a Government auditor.

Hon. A. THOMSON: It is essential for road boards to have weekly or monthly audited statements, and if local auditors are available, they should be allowed to carry out the work. In outlying districts the position will be somewhat different but in larger centres, such as Katanning, the local authorities should not be forced to have the services of a Government auditor, seeing that they have men capable of carrying out the work themselves.

Hon. J. J. Holmes: I am getting tired of hearing about Katanning every time.

Hon. A. THOMSON: I hope the hon. member will not adopt that attitude, because what I say applies to many road boards, and not to Katanning alone.

Hon. H. V. PIESSE: It is an excellent idea to give the local authorities power to appoint their own auditors. In many of the larger centres along the Great Southern railway, capable auditors are to be found, and it will not be necessary there to make

use of the Government inspectors whose services, however, will be sought by smaller townships in the outer areas.

Hon. G. FRASER: The question resolves itself into one as to whether we will have a shandy-gaff system or have uniformity.

Hon. E. H. H. HALL: I support the attitude adopted by Mr. Holmes. The other day I left Carnamah for Geraldton and I passed through five road board districts. One Government auditor could carry out a practically continuous audit in those areas, and could even extend his operations to Greenough, Northampton and the Upper Chapman.

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

Ayes	..	..	..	..	12
Noes	..	..	..	..	10
					—
Majority for	..	..	..	..	2
					—

AYES.

Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. R. G. Moore
Hon. V. Hamersley	Hon. T. Moore
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. C. B. Williams
Hon. W. H. Kitson	Hon. E. H. H. Hall
	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. E. Rose
Hon. L. B. Bolton	Hon. A. Thomson
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. H. V. Piesse	Hon. W. J. Mann
	(Teller.)

Amendment thus passed, the clause, as amended, agreed to.

Clause 64—negatived.

Clauses 65 to 67—agreed to.

Clause 68—Amendment of Section 321:

Hon. J. J. HOLMES: If there is a deficiency, I do not think the culprit should be given the opportunity of making it good. A deficiency should be followed by a prosecution. I move an amendment—

That the words “unless such error or deficiency be at once made good by the person or persons liable to make it good,” in lines 10, 11 and 12, be struck out.

Hon. J. NICHOLSON: The clause we are dealing with at the present time is designed to alter a clause in which “auditor” appears in the original Act. In the past the auditor did all these things we are now going to impose upon the inspec-

tor. If this man is to be auditor he should carry out the duties.

Hon. J. M. DREW: The object of the section in the Act is to make provision that he shall be not only an auditor but an inspector. As an auditor he frequently has to make investigations into road construction, to see that the roads have been really constructed. So he is not only an auditor but an inspector as well.

Hon. J. NICHOLSON: I suggest the Minister ask those responsible for the preparation of the Bill to look into this difference between the duties of inspector and the duties of auditor.

Hon. J. J. HOLMES: I know of an instance where a Government inspector walked into a road board office and found that the board had a Red Reo truck, while the chairman also had a Red Reo truck. Following it up he found that a spring costing a considerable amount had been ordered by the board, certified to by the secretary as correct, and certified to by the chairman who owned the other Reo truck. A cheque was sent by the secretary in payment for the spring, but the spring never went into the road board truck at all, but went into the chairman's truck. Yet the secretary is still secretary, and although a lot of ratepayers know all about it, there has not been a ratepayers' meeting called in order to discuss it. It will be the duty of the inspector to make a report upon what the chairman or any other member of the board is doing.

The CHIEF SECRETARY: There is another side to it. The inspector on finding anything erroneous, any slight mistake, has to report to the department immediately. The provision has been in the parent Act for many years without any disadvantage, and under the new system of auditing there will not be as much trouble as there has been in the past. I ask the Committee not to agree to the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 69 to 71—agreed to.

Clause 72—Amendment of Section 325:

Hon. A. THOMSON: I move an amendment—

That a new subsection (4) be added as follows:—“Notwithstanding anything in this section, no board, whilst it employs as auditor

an officer appointed with the approval of the Minister, and being a qualified practising accountant, be liable to make any contribution under this section towards the cost of any audit or be deemed, for the purposes of this section, to be concerned in any such audit."

This gives the Minister power to appoint a qualified accountant. The board would not then be liable for a portion of the cost under this clause. The intention of the clause is that the Minister may appoint an auditor to attend to three or four boards, but there is nothing to prevent the Minister from appointing an auditor to attend to one district.

The CHAIRMAN: I think the amendment is contingent upon the earlier amendment to strike out paragraph (b) of Clause 63.

Hon. A. THOMSON: If your ruling is correct, will not Clause 63 have to be re-committed, for it distinctly states that one auditor for each district shall be appointed by the Minister? If that is left in, there is no necessity for my amendment, and so I will withdraw it.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 73—Amendment of Section 341:

Hon. J. NICHOLSON: I move an amendment—

That in Subclause 1 the words "twenty-one" be struck out and "sixty" inserted in lieu.

This alters the time of notice to be given of action from 21 days to 60 days. The reason for it is that those having claims will have the longer time in which to give notice. It is only a reasonable amendment.

Hon. J. J. HOLMES: There is no need for the amendment, for if the hon. member will read on through the clause he will find a qualification to the effect that if a person is able to show he is not in a position to give notice earlier he can give a month's notice. What puzzles me is the paragraph which provides later on for one month's notice in writing being given to the board.

The CHIEF SECRETARY: The 21 days' notice is in keeping with the Municipalities Act. There has been no trouble under that Act, but there has been trouble in this respect under the Road Board Act. The two Acts should be brought into conformity with each other.

Hon. J. NICHOLSON: In a town there is plenty of opportunity for a man who has a claim against the local authority to lodge it within 21 days, but in remote parts such a facility does not exist. That is why I think it is advisable to make the notice 60 days instead of 21 days.

Amendment put and negatived.

Clause put and passed.

Clause 74—Amendment of Section 252:

Hon. W. J. MANN: I have been requested to bring under the notice of members the fact that road boards look upon their rate books as a kind of land history of their districts. At times these old rate books have been of the greatest value and a good deal of store is set by them. They should not rank as items that can be destroyed, because they have not been used for upwards of seven years. I hope this clause will be struck out so that an opportunity may be given to preserve these rate books.

Clause put and negatived.

Progress reported.

House adjourned at 10.37 p.m.

Legislative Assembly,

Tuesday, 8th November, 1932.

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