

there for the shell. It is no use saying that pearls are of no value to-day. I think they are of great value. I repeat that the shell should not be restricted to any particular area. The Government can control the whole of the pearl shell by saying, "You shall take so much and no more." If a man has five boats, as the member for Kimberley said, he can fish six tons per boat, but he can only get six tons if he has only one boat. I urge the House to look at it in that light. I am sure there is no desire to make any invidious distinction. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

House adjourned at 10.51 p.m.

Legislative Council,

Wednesday, 9th November, 1932.

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

ASSENT TO BILLS.

Message received from the Lieut.-Governor notifying assent to the following Bills:—

- 1, East Perth Cemeteries.
- 2, Supply Bill (No. 2).
- 3, State Trading Concerns Act Amendment (No. 1).

BILLS (2)—FIRST READING.

- 1, Financial Emergency Act Amendment.
Introduced by Hon. J. J. Holmes.
- 2, Electoral Act Amendment (No. 2).
Introduced by Hon. J. Cornell.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. J. HOLMES (North) [4.40]:

First of all I want to explain that I moved the adjournment of the debate yesterday, not with the object of holding up the business, for I am more anxious to get on with this Bill than with any other, but with two objects in view; one that I was not quite ready to go on and nobody else appeared to be ready, and in the second place the atmosphere was so electrical as the result of the speech by Mr. Williams that I thought we had better get on to some other subject. I would say that from a Labour point of view Mr. Williams so polluted the atmosphere that the Labour people wish the speech had never been made. For yesterday we had Mr. Williams championing the cause of the Lang plan and repudiation, and revelling in the fact that he was so completely in accord with such a hero as Mr. Lang; and simultaneously we had Mr. Moore, another member of the Labour Party, repudiating any suggestion that he would have or could have anything to do with Mr. Lang. So now presumably there is a split in the party. I am not surprised at Mr. Moore, knowing as I do that he resented any association with a policy savouring of repudiation. When the Labour Party stood for honesty they were a power in the land. But we know that the great party has been white-anted, that parasites have crept into it, putting personal gain before the interests either of the State or of the Commonwealth. Hence the party is beginning to crumble. Mr. Drew I look upon as one of the old school, one of nature's gentlemen as we all know, and I can say honestly that my sympathy went out to him the other day when he, I think reluctantly, put up a case in opposition to the Bill.

Hon. J. M. Drew: Not at all.

Hon. J. J. HOLMES: Mr. Drew's difficulty was that he knew something had to be done and that the only honest way was to make provision to meet our liabilities. But he has one eye on the Treasury bench—I do not wish to be misunderstood in this—and the position he may be compelled to occupy in the near future. He would then have to face the problems that we are trying to face now. When the tide turns Mr. Drew will re-

turn to the place he occupied before in such a distinguished manner. The better class of Labour people know that Mr. Drew will do what he has to do in the right way. Knowing that, the better section of Labour will always see that he takes a place in their front rank. He has to remember that whilst he complains of the difficulties in which the State finds itself, the Leader of the Opposition admits that some of the disadvantages we labour under to-day are due to the Financial Agreement. It was Mr. Drew who introduced that Bill into this House and piloted it through. He told members at the time that it would help considerably to make this State prosperous. He told us not to drop the substance to pursue the shadow. The Leader of the Opposition has gone further, and stated that when he goes to Melbourne next year, as he anticipates doing, as the representative of the State, he will talk to the people over there about what they are doing under the Financial Agreement. That was the agreement to which he was a party, whereas the Leader of the present Government was entirely opposed to it. Mr. Bruce told me personally, and stated publicly, that the agreement was one he would never have made, and the distribution of Customs revenue was something he would not have agreed to. The State Premiers made the distribution; all the Bruce Government did was to find a lump sum.

Hon. J. M. Drew: They abolished the per capita payments.

Hon. J. J. HOLMES: When the Bill providing for the Financial Agreement was before the House, I said I wished to place my views before members, and to do so as fairly as I could. I proceeded to say—

I have discussed the Bill with people representing all shades of political opinion. I have discussed it with men who, perhaps, have never seen Western Australia, but who have studied economics, political or otherwise, and they have convinced me on one point at any rate. They convinced me that we cannot develop one-third of the territory of Australia with £500,000 furnished by means of indirect taxation. That point was made abundantly clear. They told me that if we attempted to do any such thing, either one of two things was bound to happen. Either we must cut out essential services, which means stagnation, or if we provide essential services and have to finance them by paying interest on borrowed money, then we shall have to tax primary industries to such an extent that the producers will not be able to sell their products on the markets of the world. To attempt to develop one-third of Australia with indirect

taxation amounting to £500,000, while the remaining two-thirds of Australia have £7,000,000 divided amongst them, will be unfair. This State cannot be developed by means of direct taxation; the Commonwealth will not give us adequate indirect taxation, and in those circumstances, either one of the two things I have mentioned must happen. If we have to adopt the latter course and tax primary production, it will be disastrous for we will have to tax the primary producers out of existence.

That is what we were afraid of when the late Labour Government put through the Financial Agreement.

Hon. A. Thomson: I do not think we would have had the per capita payments in any case.

Hon. J. M. Drew: They were abolished by Act of Parliament.

Hon. J. J. HOLMES: The per capita payments would have gone, but there was the distribution to be made to meet the circumstances. That distribution was made, and approved by the Collier Government. It was to the effect that out of 7½ millions to be distributed amongst all the States, the State with one-third of the territory of the Commonwealth to develop would receive £500,000 per annum, and the States controlling the other two-thirds would secure the rest, viz., £7,000,000 per annum.

Hon. J. Nicholson: Without any variation in the amount.

Hon. J. J. HOLMES: Now we have the Leader of the Opposition telling us what he is going to do about it when he goes to Melbourne. He missed his opportunity at the time. If he had kept up the end of this State in the right way we would not have been faced with this difficulty now. The population of Australia is approximately six million persons. In 1926 our interest bill amounted to £50,000,000 annually, and in 1930 the amount was £55,000,000 overseas and locally. The rate of interest has since been reduced and we know that a considerable amount has been borrowed since. The net result is that six million people are called upon to pay annually £52,000,000. Is that a liability that Australia can finance, and we must finance it if we are going to live? On existing liabilities the annual borrowing is recurrent. When borrowing ceases development ceases. Before we borrow any more money we should balance our accounts, and show the world that we are living within our means. We are almost bankrupting industry already with taxation.

It is our borrowing which has created that position. Now we are proposing to borrow another eight million pounds and add to the interest bill. Unless provision is made, either by taxation or in some other way, to meet the interest bill, we are only putting off the evil day as we have been doing in the last 10 or 15 years. If I had money to invest and this loan was the best and safest thing I could find, I would refuse to put anything into it. Until we make some effort to show that we are going to live without our means and we pay the money we have already borrowed, we can never stand well in the eyes of the world. I will not have Parliament blamed for this position. Parliament is what the people have made it. They have got what they asked for, though they may not have got what they expected. The public wanted more money borrowed and spent, and were prepared to let the other fellow be taxed. The policy has been one of borrow, boom and burst. The latter was bound to happen and it has happened. The general elections will come on in a few months. We shall have three parties before the country making promises of what they are going to do when they get back. I hope the public have learned a lesson by this time, but the party that promises most will undoubtedly come back, and no attempt will be made to stop the drift that has been going on for so long. This Bill links up tens of thousands of electors who are very prominent at the booth on polling day, very careful about selecting the members to run the country, but taking no part whatever in paying their quota of taxation. One thing in favour of this Bill is that it links up a lot of those people. The old motto used to be "those who pay the piper shall call the tune." We have rather reversed the position, for those who have called the piper are now expected to have to pay for the tune. It is this large irresponsible number of people who believe in representation without taxation that have been eager at every turn to get money borrowed and spent, and let the other fellow pay.

Hon. C. B. Williams: That is all nonsense.

Hon. J. J. HOLMES: The other fellow has paid. Pastoral companies, commercial companies, wheatgrowing companies, all have found their incomes have disappeared. Those who have been called upon to pay large income taxation year after year in-

stead of putting their money back into improving their properties, now find that with the fall in prices they have no income. How are we going to carry on the country in such circumstances? The big incomes have all gone. The only way I can see is to get revenue through the means suggested in this Bill. I admit that when we get down to the £1 a week income for single men, and the £2 a week income for married men, we are getting pretty low in the taxation scale, but we must start somewhere.

Hon. E. H. Gray: We should begin higher up.

Hon. J. J. HOLMES: The feature I do not like is that some of these works on which sustenance men will be employed are to be provided out of Loan money.

Hon. G. Fraser: It is all Loan money.

Hon. J. J. HOLMES: Gradually that money will be coming back into revenue, and no attempt will be made to reduce the principal. In many instances, too, people's assets have become liabilities. Property which used to be revenue-producing now yields no income but the owners have to pay rates and taxes, so that they become merely a liability. Apart from that there is the equity in the surplus between what a man owes and what the assets are worth. When the assets diminish to such an extent that they come within the range of the liabilities, the banker or other creditors demand payment. Probably unless something is done men, who were looked upon as occupying affluent positions, will be seeking assistance in the way that so many thousands of others are now seeking it at the hands of the Government. When we come to the question of borrowing money, many people think that our Government in Australia borrows from another Government at the other end of the world. It is not so. The money lent to Australia is actually lent by all classes of the community, and particularly one class. I was surprised to pick up a journal the other day and to find that every Government in England, whether Labour, National, Conservative or Liberal, appoints a Minister to look after the indigent poor. I think there are 18,000,000 people depending more or less upon the interest derived from loans, three times as many people as we have in Australia. Some time ago we made Australian stock

so that a trustee company could invest in it, and in order to do the best for those people, Australia offered a high rate of interest, and the money was invested in Australia. We talk about repudiation and letting the man in the old country who is rolling in wealth go without his interest. But we overlook the fact that millions of people are dependent upon revenue of this kind, so that they may live.

Hon. C. B. Williams: You do not think about the Australian people who are on the verge of starvation.

Hon. J. J. HOLMES: They would have been on the verge of starvation long ago unless we borrowed money to keep them going, and now, having borrowed money to enable them to have a good time——

Hon. E. H. Gray: Who had a good time?

Hon. J. J. HOLMES: The whole community has been on a financial jamboree for a long time. We established a court throughout Australia that did not take into consideration the cost of production at all. The only aspect considered was what it cost a man, his wife and two children to live in comparative comfort. That would only last while borrowed money was available. Only one thing could possibly happen. If there is no margin of profit to enable you to employ people, and there is no borrowed money, then you come to a dead-end. It has been written up in red letters for the last ten or 15 years. Nobody cared, and nobody wanted to face the position. But dire necessity has brought Governments face to face with the facts, and now we have this Bill introduced which should have been introduced ten or 15 years ago. We cannot go on employing one section of the community at a remuneration that the industry cannot pay, and at the expense of another section of the community who have to live on the dole while these men are fortunate enough to live in comparative affluence. And because there is an attempt made now to get something back, we are told by Mr. Drew, with tears almost in his eyes, that this is a form of taxation that he cannot endorse and that we should not tackle the people who have been tax-free up to now. In my opinion, those who have taken a prominent part in establishing the Parliament of this country are being made to pay for their quota of extravagance, by this more than by any previous legislation

that has been introduced. I should like to refer to the manner in which the sustenance men in this State have been dealt with. A few months ago the Minister for Works came back from a visit to the Eastern States and he announced that the highest payment made to the unemployed in any of the States was that which was made in Western Australia. The highest in the other States was £1 0s. 3d. per week, whilst in Western Australia we paid up to £2 2s. So from that standpoint the Government have been more generous than have any other Government in Australia. Whether they were justified in making such liberal payments, I do not know. The fact remains that the basic wage is about £3 12s. 6d., and if one man outside the metropolitan area is getting that amount and another man inside is getting £2 2s., and only one man is working, it is a better proposition to put the two amounts together, divide them in half and then have both working and both helping us to get out of our difficulties.

Hon. A. Clydesdale: Why don't you apply that to your business?

Hon. J. J. HOLMES: If the hon. member who neither toils nor spins cares to come to my office I can show him what I have done to increase production without reducing wages or dispensing with the services of men. I have asked my employees to work longer hours and do better work so that they might remain in their jobs and not live on the dole. The hon. member would see at once that if this country was controlled on those lines, even at the present time, we would be getting near the mark in the way of putting our products on the world's markets. But if you neither toil nor spin, you cannot accomplish anything like that. There is no scarcity of money; there is plenty of money available; but the trouble is that the conditions imposed are such that people will not invest in anything, because if they do, it is a case of heads or tails, taxation wins. Mr. Williams spoke yesterday about the man whose income was £6,000 a year paying £70 annually under this legislation instead of, as he said, paying £700. From a taxation office this morning I got two sets of figures. First let us take the man on £6,000 a year, of which amount £1,000 is derived from personal exertion and the remainder from property. First of all,

his Federal tax comes to £1,187, and then there follows the State tax of £870.

Hon. E. H. Gray: Not enough!

Hon. J. J. HOLMES: Next comes the hospital tax £32 10s., and then will follow this emergency tax amounting to £112 10s., or a total of £2,902.

Hon. E. H. Gray: He would have to pay more than that in the Old Country.

Hon. W. H. Kitson: He would have to pay more than that in the Eastern States.

Hon. J. J. HOLMES: Those are the people who have been paying, the people with large incomes. Now let us deal with the man on £600 a year, £300 of which is derived from personal exertion and £300 from property. The Federal tax is £50, the State tax £11, and the hospital tax £3 15s. Then on top of that comes the proposed emergency tax of £11 5s., making a total of £76. Then when you begin to drop from that figure, taxation disappears altogether. The Treasurer doubtless made up his mind that it was not possible to get taxation from income where income did not exist. The big incomes have gone, and the middle section are now called upon to pay, as they should have been called upon to pay for many years past. Suppose a man is making £6,000 a year, on the figures I have quoted half his income has gone in one bit. Until there is some security and a man can see that money can be profitably employed, we shall have no investments of any kind. Even this Bill does not take us far enough. There is no comprehensive policy to deal with the whole problem. The money that will be derived by means of this legislation will only enable us to muddle along a little further. We must tackle the local problems ourselves: we must tackle the cost of production and the only way that I can see by which we can get out of our difficulties is to get at the cost of production and try to sell our products at a profit on the world's markets. We sent men to a conference in Canada to tell free-trade England, where the people have been brought up on a free breakfast table, that they must put up the price of food in order that our people in Australia may produce that food and live in luxury. It is a waste of time for men to run around telling the world what they ought to do, and neglecting to do what they should do in their own State or the Commonwealth. Hon. members want to realise how much they know in England of

the wiles and guiles of the Australian politician. Let them read the group settlement agreement made between the Empire and the Premier of Western Australia. They were told that we would establish 6,000 farms in Western Australia at a cost of £1,000 each. They were also told other things of a like kind. They said, "Very well, let us get down to an agreement." The agreement provides that they will find £1,000 per farm over a certain number of years, at a special rate of interest, but anything over and above that amount was to be the State's responsibility. They know what is going on in this country: they know the position just as well as we do. Before we appeal to them as to what they should do to help us, we should set our own house in order and grapple with the local problems in the way they should be tackled. I have no hesitation in saying that unless we can produce wheat and wool at a profit, the whole fabrication must go. I admit that gold is a wonderful asset, but it is a diminishing asset. Every ounce of gold taken out of the ground means one ounce less to come out, but if men engage in the agricultural and pastoral industries and get down to bedrock production, they will have a harvest every year until the trumpet sounds. How are we tackling the problems? The man on the land is tackling them, but he finishes with his product when he delivers it at the railway siding or port. He can deliver his produce at the siding cheaper, I think, than it can be delivered in any other country.

Hon. T. Moore: The creditor takes charge at the siding.

Hon. J. J. HOLMES: No, the union takes charge. The producer carts in his produce on his wagon or truck, but he is not allowed to stack it. That is the job of the union. He is a producer and he works seven days a week from daylight to dark to produce his commodity. On top of that we have coal, the basis of all motive power, at a rate that penalises the primary products of this country. Within about 10 years the price of Collie coal rose from about 9s. 3d. to 19s. per ton, though I admit that quite recently there has been a reduction of wages and an equivalent reduction in the price of coal. The increase was 9s. 9d. per ton, while in the same period the price of Newcastle coal dropped 15s. 5d. per ton. The railway em-

ployees are paid on a basis of 44 hours per week when the Arbitration Court fixed 48 hours. Then the producer is penalised by the charges imposed by the Fremantle Harbour Trust, which is a second customs house. On top of those impositions he has to pay his share of the long-service leave, which costs the country tens of thousands of pounds. Long-service leave was granted by the Government of which Mr. Drew was a member, and I consider it was wrongfully granted. I should say that men employed on salaries who are called upon to work at night or on Sunday and receive no extra pay for it are entitled to long-service leave, but men who are paid overtime when they work five minutes, 10 minutes or a quarter of an hour beyond the hour for knocking off are not entitled to it. Having been paid their wages and paid for all the overtime they had worked, they were granted long-service leave by a generous Government who should have known that the end was near.

Hon. G. W. Miles: The Government bought their votes.

Hon. J. J. HOLMES: That happened at a time when thousands of men were being rendered idle because there was no work for them to do. No wonder Mr. Drew approached the subject of this Bill with fear and trembling. It is a known fact that when his Government went out of office the Treasury was empty and that there was no more money to spend. For once the Labour Party went to the country and made no promises, the inference being that they did not want to go back to office. They had done all the spending and did not want to go back. It appears now that they want to get back to the Treasury benches, and I hope that they will not make any promises that they will be unable to fulfil. I am sure that Mr. Drew will not do so. I have no time for the man who will not work, but we must sympathise with the great number of men and women who, through no fault of their own, are out of employment. We have been following a policy of borrowing and spending, and those people have been misled by some of the leaders of the country. They have been led on under the borrow-and-spend policy and now, unfortunately for them, they are faced with the position of having no work to do. If the Bill will be the means of providing some of them with the wherewithal to carry on—I hope it will have that effect—it will achieve something,

but this is only meddling with the problem. The whole trouble from A to Z has to be faced. We have to realise that there is only a limited amount of money available and in circulation and that there is a fixed number of people to be employed. If we employ one section at a higher rate than the industry can afford to pay, there must be a number of people on the dole, and that is the worst thing that can happen to any community. It is far better to tackle the problem. We should abolish the Arbitration Court—

Hon. G. W. Miles: Hear, hear.

Hon. J. J. HOLMES: And allow men prepared to invest in development to pay what the industry can afford and thus absorb the labour on the market. To say that one approves of the Bill would be entirely wrong, but so far as I can see, there is no alternative. The higher incomes have gone. The middle section who are permanently employed are called upon to pay their quota. If they had been called upon to do so 10 or 15 years ago, they would have realised that they were paying for extravagance, and would perhaps have taken a stand to curtail extravagance, instead of following the line of borrow, boom and burst. Unless we are honest in our legislation and tackle the problem, show a desire to square accounts, show a desire to meet our liabilities, show a desire to treat all sections of the community fairly, and not treat one section extravagantly at the expense of another, the nation will crumple up, just as Labour, to a great extent, has crumpled up. This experience of Labour is due to no fault of their own, except that they have allowed people to enter their ranks and preach repudiation and departure from honest principles. Unless we tackle the problem, the same charge will be levelled against us. If we went out and met our difficulties, we would accomplish much more. If we had gone out and met our difficulties three, five or ten years ago—

Hon. G. W. Miles: Instead of waiting until we were forced into taking action.

Hon. J. J. HOLMES: We have waited until it has become a dire necessity, and we have reached the stage when we must tax everybody in order to be honest with the people elsewhere with whom we have dealings. There are thousands of people who could have paid and should have been made to pay many years ago, but they were al-

owed to dodge their responsibilities. They were not asked to pay their quota, and the consequence is that this measure is forced upon us at this stage. In view of the fact that I see no alternative and that it is only a temporary measure, I must vote for the second reading.

HON. J. NICHOLSON (Metropolitan) [5.27]: This Bill, like others of the kind, is of a decidedly unwelcome nature. It was ushered into this House with that dignity which has characterised the Chamber in debate, and those who took part in the debate during the earlier stages maintained the best traditions of the House. Yesterday, unfortunately, there was imported into the debate a degree of warmth which was markedly unusual. Mr. Williams, who was responsible for it, overlooked some of the essential facts that must be weighed when considering a measure of this kind. I gathered from his speech that he thought the measure was of a capitalistic character, supported by those who might seek to advance the claims or requests of those people.

Hon. J. Cornell: You have to make some allowance for his Celtic origin.

Hon. J. NICHOLSON: I think he made a great and regrettable mistake. I hold no brief for any such class of people. I am influenced, as is every other member, by one impulse, and that is the advancement of the State. Class legislation is one of the last things I would advocate, and unless we can consider matters of this kind from the point of view of the general welfare of the community, we shall be failing in our duty. One of our main objects should be to debate the Bill with that degree of candour and calmness that will produce a better effect than can be produced by heated debate. Yesterday Mr. Williams detracted from the value of his expressions of opinion because of the extravagance of other statements he made. He would have been far more impressive had he dealt with the subject with the candour that characterised Mr. Drew's references. It is true that Mr. Drew voiced his opposition to certain features of the Bill, but I do not think that hon. member would suggest that the Bill was not necessary. I am convinced he would not have gone to such extreme lengths. In any event, unfortunately it has been found necessary to present the Bill to Parliament and measures of such a description are in-

variably most unwelcome. That is no reason, however, for denouncing the measure without close investigation regarding the need for it. Such a Bill serves in marked fashion to indicate the unenviable position held by the Treasurer of any Government. To-day Treasurers are confronted with the necessity to balance their Budgets and we have been told it is necessary to raise money in order to do so. In common with other members, I have the fullest sympathy with the reasons advanced regarding the claims of sustenance workers. There may be occasions, and apparently one has arisen now, when more uniformity is required with reference to the tax to be imposed. We can quite appreciate that, in approaching this matter, the Treasurer must have gone seriously into the question of whether further taxation should be introduced. The necessity for the measure arose from various causes that have been explained. The Government, admittedly, have been passing through a very trying period. Unfortunately the present Government were ushered into power only to find an empty or depleted Treasury. Mr. Holmes has emphasised the position with regard to the Financial Agreement, and the difficulties that have arisen under it. I voiced my objection to that agreement just as Mr. Holmes and others did, but as the Financial Agreement became law, it is our duty to do our best to help the Government to steer the ship of State into calm waters. The task ahead of the Government is to steer clear of present-day troubled waters and see what can be done, in the most equitable way, in regard to taxation. One reason why the Treasurer must have hesitated to impose further taxation is that it tends to create more unemployment. Naturally the Treasurer would desire to see the wheels of industry kept moving, for once they stop, his difficulties increase considerably. Ample evidence has been furnished in recent years of the efforts made by the Government to maintain the wheels of industry in motion. Unfortunately the depression is world-wide and is beyond the effort of any one Government to surmount. While one objects to the imposition of further taxation for the reason that it tends to create more unemployment, another serious objection to be raised is that in Western Australia particularly we are dependent upon capital for the development of the State and its expansion. With

the limited means at our disposal, we cannot hope successfully to develop the State or establish the industries we desire in our midst. That being so, we are in the unfortunate position that if we were to tax the people along the lines laid down in our income tax laws, we would affect a small proportion of the people only. That proportion has been stated as 12 per cent.

Hon. W. H. Kitson: Not necessarily so.

Hon. J. NICHOLSON: I refer to the imposition of the tax on the basis of our present income tax assessment. I have obtained some figures with a view to ascertaining the position regarding the taxpayers available in this State and to illustrate the variation that has taken place during the last two or three years. I will first take the year 1928-29 when the economic position was somewhat better and the full effects of the depression had not been felt. In that year the taxpayers numbered 55,856 and those who were granted exemption totalled 17,367. That shows that 73,223 persons furnished returns. Next I will give the figures for 1931-32. These show that the number of taxpayers total 43,759, exemptions were granted to 36,239, which represents more than double those who were exempt in 1928-29.

The Chief Secretary: It represents a jump of over 45 per cent.

Hon. J. NICHOLSON: That is a most serious position. With the circumscribed field of taxation confronting the Government, we are forced to realise that not only has the number of taxpayers diminished, but the revenue received from those who did pay taxation declined to a much greater extent. A few years ago people were earning incomes that enabled them to pay handsome sums through the Taxation Department to the Treasury. In 1929-30 the income tax alone collected amounted to £333,911 to which had to be added the revenue collected under the Dividend Duties Act from various companies. That tax represented £409,699 giving a total under those two headings of £743,610. Now we come to the present time. During the intervening years there were various reductions, but I shall not weary members by citing them all. For the year 1931-32 the income tax collections are estimated at £180,000, which is a very close estimate, while dividend duty collections have diminished to £176,494.

Hon. J. J. Holmes: A drop of roughly 50 per cent.

Hon. J. NICHOLSON: That is the position. When we are confronted with details such as I have quoted, we must realise how serious is the position of the Government with regard to taxation. But what is more serious is this: If we impose this tax simply on the lines of our Income Tax Act, the position will be that instead of the present rate of income tax being charged to each and every person who happens to be in the happy position of being liable to pay income tax, it will be necessary to impose a tax three or more times greater. Let hon. members realise what that means. Add to the particular amount which would be required to be exacted by the State Government the amount which is exacted by the Federal Government and we find there would be practically no income left for anyone to carry on with. I submit this view to hon. members, that the more we diminish the capital which is required for the maintenance of industry, or for the establishment of industry then the less likely are we to keep men in employment and the less likely are we to develop our resources or carry on. We would reach the stage when we would no longer be able to carry on. Every man would be in a hopeless position. That was the position to which Mr. Lang, who was referred to yesterday, was gradually driving the people of New South Wales: he very nearly drove them to the brink of destruction. We do not want to see the Government here attempt that sort of thing. A Government, whether Liberal or Labour I contend, must realise the necessity for keeping alive capital which is essential to develop industry. If the income tax be raised to an abnormal amount, the position briefly would be this: no person would introduce capital into the State. What is the first thing that is done by a man who may be blessed with capital and who is seeking to find an outlet for it? He immediately inquires what is the rate of income tax or dividend duty. If the rate of income tax or dividend duty is of a high and repelling character, that man turns his back on the State and seeks to shake its dust from off his feet. If we raise our income tax or our dividend duty unduly we are imperilling the fortunes of this State of Western Australia, a State which

I claim has many possibilities. If we mismanage it, we shall fritter those possibilities away. I can only see in this particular form of taxation an honest effort on the part of the Government to make an equitable distribution of a very serious load in order to try to keep the sinews of capital together. That is essential to the life of industry. If for one moment I thought it would be possible to obtain the money from another source, I would not hesitate to express that view; but, candidly, from my examination of the subject, I do not see where else the Government will get the money from. When we compare the figures which I have read, it is quite evident that there is a falling-away of capital: the diminution in incomes of the people of the State shows that they are in a very parlous condition. Where is support to be found? Surely, it is to be found in one direction only, and that is where the money is available and being paid over, and a limit has been placed on it. Had it been possible to increase that limit somewhat, it would have been a very good thing, but I realise the Government are faced with a serious difficulty, and I think they are entitled to help in trying to overcome it. It is not necessary to deal generally with the principles of the Bill at further length. I have endeavoured to place my view before the House after due consideration of the seriousness of the position. If the Government are wise, they will guard against unduly raising taxation. By so doing they will encourage the introduction of capital into the State, help to establish industries and to absorb our unemployed into industry again. There is a wise and unwise way of doing things. In the present case I think the wise way undoubtedly is to try to follow the course which is suggested in the Bill. Whilst I intend to support the second reading of the Bill, I desire to draw attention to one or two points so that the Leader may have an opportunity of considering them before the Bill passes into Committee. I notice that in Clause 2 of the Bill the definition of "salary" or "wages" includes commission paid to agents. I would point out that hardship might be occasioned by including the term "commission paid to agents" under the head of salary or wages. I have been informed that quite a number of men have found employment during the present hard times in this way: they are paid a very small sum, plus a very large commission, to sell particular articles which

the firm by whom they may be engaged are selling. Out of that large commission, however, the men so employed have to pay their travelling expenses. Some of them proceed to the country if they are able to make arrangements to secure the loan of a truck or a car, the expense of which of course is paid out of the commission. The men incur a risk, but nevertheless the arrangement has this advantage, that it gives the men employment, and I am glad to say that the big majority of the men of this State would rather undertake such a risk than remain unemployed.

Hon. J. J. Holmes: Does this Bill propose to tax on the gross amount of the commission?

Hon. J. NICHOLSON: Yes. The employer of the men is required to deduct the amount of the tax and affix the necessary stamps to the receipt when the men receive the amount. Obviously that is unfair. The same remarks apply to land agents, notably in connection with sales of property. That is a different phase of commission which I would like to illustrate. A land agent, for example, receives a deposit on the sale of a house: he deducts the amount of his commission and hands over the balance of the deposit to the vendor of the property. Under this Bill, the vendor of the property, who is the man liable for the commission, is bound to see that the tax is paid. I hope something will be done to get over this difficulty, because I can see it will lead to a great deal of trouble.

Hon. T. Moore: It is done now in connection with the hospital tax.

Hon. J. NICHOLSON: Then we had better clear it up here, because we can see that the very man we are desirous of helping will be doubly taxed. He will be taxed on his expenses, which is against the principles of the Land and Income Tax Act. Under that Act I would remind hon. members that all moneys legitimately expended in the earning of the income are treated as deductions.

Hon. T. Moore: Contract wheat carters are in exactly the same position.

Hon. J. NICHOLSON: I am drawing the attention of the Leader of the House to this particular phase, so that he may give it his attention. Cause 4 of the Bill has a marginal note "Exemptions." I naturally expected to find in that particular clause some of the exemptions which are contained in the Land and Income Tax Act. I notice that there are

certain exemptions enumerated, such as old age and invalid pensions, and also a racing club. Charitable institutions are not included in that Clause 4. As I proceeded with the Bill, I found that the income, revenues and funds exempted from income tax by Section 18 (except paragraphs (3), (8), and (9) thereof) of the Land and Income Tax Assessment Act are exempt from liability for taxation under this proposed Act. For the moment, I did not know what paragraphs (3), (8) and (9) referred to, but when comparing the Land and Income Tax Act with this Bill I found that Paragraph 8 referred to Imperial pensions. As other pensions are made the subject of exemption from this particular tax, I think Imperial pensions also should be exempt and not be included as being liable to the tax. The words in the clause would seem to show that Imperial pensioners would be liable. In earning income, property owners generally are going through a very hard time. In paragraph (b) of subclause 1 of Clause 5 there is an exemption of rates paid on property used in the production of income. Section 31 of the Land and Income Tax Act provides for a deduction in respect of rates and taxes on property. But if these words are permitted to remain in the clause, no property owner will be allowed to deduct the amount paid in taxes, because the word "rates" will not cover taxes. So I hope the Minister will agree to the extension of the clause to "rates and taxes."

Hon. C. B. Williams: You would give exemption for the property owner, but not for the sustenance worker.

Hon. J. NICHOLSON: The same mistake was made by the hon. member yesterday. It is sometimes questionable who is the most helpful, and who is doing the most for those who are on sustenance.

Hon. C. B. Williams: I have had experience of you here.

The PRESIDENT: Order! I suggest that Mr. Nicholson continue his consideration of the details of the Bill.

Hon. J. NICHOLSON: Very well. One can see by the Notice Paper that some suggestions in the way of amendments have been made by other members, but these three I have put up appealed to me as essential points which I thought desirable to bring under the attention of members. I will support the second reading.

HON. E. H. H. HALL (Central) [6.4]: I find myself in a difficult position regarding the Bill in that I consider efforts should have been made by the Government not only to bring it down much earlier but also to provide in it for a graduated tax. Listening to Mr. Seddon last night, I appreciated the valuable information he gave to the House and the calm manner in which he delivered his speech, which was in sharp contrast with one we heard subsequently.

Hon. C. B. Williams: Never mind about me.

Hon. E. H. H. HALL: Also I appreciated the soundness of the facts and figures Mr. Seddon gave us, and I was in accord with him when he said that 88 per cent. of the people have been allowed by past Governments to escape all direct taxation. It does not reflect credit on those Governments. Eighty-eight per cent. of our people have been receiving quite a number of services for which they have not been called upon to pay.

Hon. C. B. Williams: Very likely they are too poor to pay.

Hon. E. H. H. HALL: I do not agree. A large proportion of them are able to pay the amounts mentioned by Mr. Seddon last night. But we are a pleasure-loving people even to-day, and many of us would rather spend money on sport and in other directions than help to pay for the services rendered by the State.

Hon. C. B. Williams interjected.

Hon. E. H. H. HALL: I did not interject while the hon. member was speaking last night, and I ask him not to interject now. If he does not wish to listen to me, he can go outside.

The PRESIDENT: Order! I am sure Mr. Williams will accede to the request of the hon. member, and refrain from interjecting.

Hon. E. H. H. HALL: In 1930, the mayor of Geraldton called a public meeting, and the assembled citizens decided voluntarily to subscribe 6d. in the pound on all wages, salaries and incomes in order to maintain a fund to be expended in wages for men carrying on road work. A man had to be appointed to go round collecting from some of the citizens, but very many of them went along voluntarily to the town clerk every week and lodged their contributions. That was maintained for 14 weeks and it produced a sum of £1,309, and the only

cost of collection was £14 spent in advertising.

Hon. W. H. Kitson: Why did you not keep the fund going?

Hon. E. H. H. HALL: These impulsive young members of the Chamber sometimes amuse me and sometimes annoy me. This fund was allowed to drop, I think because the Government made money available for unemployment. I believe the example set by Geraldton was followed in other parts of the State.

Hon. C. B. Williams interjected.

Hon. E. H. H. HALL: The hon. member can have his say when I have finished; in the meantime, let him keep quiet.

The PRESIDENT: Order! The hon. member must refrain from interjecting.

Hon. E. H. H. HALL: The local authorities said the Government needed an example. But the Government were just in office, and, as one member asked last night, how long would a statesman remain in Parliament if he did anything not generally approved? That seems to be the idea in the minds of many members—"If I did that, how long would I remain in Parliament?" Men placed in responsible positions are not courageous enough to do their duty. The Government should have done that which was plain to them, as it was to us in 1930, should have introduced a graduated wages and salaries tax. Members of this House put up constructive suggestions to the Government, but were ignored. Now, at the eleventh hour, the Government come along with this Bill, declaring that they want £300,000 and have only seven months in which to collect it; so they ask us to pass this measure to enable them to keep faith with the Loan Council. I want to assist the Government because they have had a very difficult time, and in my opinion the Opposition have not assisted them very much, if at all. When the Bill to reduce the salaries of members of Parliament came down, what assistance did the Government get from the Leader of the Opposition and his colleagues?

Hon. C. B. Williams: He has always assisted the Government.

Hon. E. H. H. HALL: He did not assist them at all on that occasion. We know from the newspaper reports the reception that measure got. How men with any re-

gard whatever for the bottom dog could continue to draw allowances up to £600 a year and see the suffering that was in evidence everywhere, I cannot understand. Anxious as I am to assist the Government and to see that every man and woman in the State contributes towards the cost of Government, I am not prepared to support the flat rate proposed by the Government.

Hon. C. B. Williams: Hear, hear!

Sitting suspended from 6.15 to 7.30 p.m.

Hon. E. H. H. HALL: Clause 3 of the Bill says that all moneys levied, paid and collected under this Act shall be paid into the Consolidated Revenue Fund for the use of His Majesty. Some members have expressed dissatisfaction with that clause. They have stated they would not have so much objection to the Bill if the money were paid into a special fund for the relief of the unemployed. They are, of course, entitled to their own opinions. It makes no difference to me whether the Government choose to set apart a special fund for this purpose or pay the money into Consolidated Revenue. I have sufficient confidence in them to know that any money they receive will be expended in a judicious manner to the best possible advantage of the people. I fail to see that any valid objection can be taken on that point. I know of scores of families who have suffered and must continue to suffer because of the present crisis. I know hundreds of people personally who are not feeling the position at all, and I am sure there are in addition thousands in our midst who are not in any way feeling the misery of their fellow creatures who are suffering through circumstances outside their control. There are far too many over-dressed, idle women in the community with little or nothing to do but play bridge and drink cocktails. I would also include the many women who drive about in luxurious motor cars. There is also far too much racing going on. It is a pity the Government did not do their manifest duty, and either stop it, or make the people who will take part in this unnecessary sport pay well for so doing.

Hon. E. H. Gray: They are paying for it.

Hon. A. Clydesdale: I should like to know who are paying more.

Hon. E. H. H. HALL: In the hon. member's opinion no doubt he is paying sufficient, but in my opinion he is not paying enough. I do not know where those women get the money to enable them to carry on in this selfish and heartless manner.

Hon. J. Cornell: I would not advise the hon. member to go too closely into that.

The PRESIDENT: I must ask members to allow Mr. Hall to proceed with his speech without interruption.

Hon. E. H. H. HALL: They must get the money from their menfolk, indulgent husbands who have nothing better to do with it than allow their wives to use it in this heartless manner. There are far too many motor cars running about the city. I frequently leave home at a quarter to five on Monday morning, travel all day, and arrive in Perth at half past 10 p.m. When passing through Forrest-place on the way to Murray-street to catch a tram, I see the whole of the roadside packed closely with motor cars. I take it the owners are attending the picture show close by. That is only one of the many theatres in the city. The picture industry is not of much use to Australia, and the fact that motor cars consume petrol is not of much benefit to us either. With all this evidence of abundant wealth, people in the city and the metropolitan area are willing to stand idly by whilst the rest of humanity is suffering. It has been said that the people cannot be taxed into prosperity. I do not know who first made that ridiculous remark, but whoever is responsible for it has a great deal to answer for. There is no sense in the expression. Nobody would suggest it was possible to tax the people into prosperity. In times like the present people should not flaunt their wealth in the face of their fellows, but should be made to part with more than they do in order to ameliorate the sufferings of others.

Hon. E. H. Gray: Hear, hear!

Hon. E. H. H. HALL: Another action that would help to prove our sincerity to the people would be a further reduction in the Parliamentary allowance. The ordinary taxpayer has a right to look for relief in that direction, despite the remarks of the Premier that people outside Parliament can do a lot themselves. Members of Parliament can also do more than they have done. If the Ministerial and Parliamentary allowances had been reduced by half instead of being tinkered with by a reduction of 10

per cent. in the first place and a further reduction of 10 per cent. later on, a much better impression would have been made upon the people who would have had a better sense of the sincerity of those who declare that all sections of the community must make equal sacrifice. A prominent railway official was recently retired. For 30 or 40 years, in good seasons and bad seasons, during good prices and bad prices, this officer had not missed a day's pay. When he retired his salary was £1,200 a year, and he received an allowance of £800 a year. I do not know how long we can carry on a system of that sort. An improvement was effected by the Commonwealth when they started their civil service, in arranging that every officer who joined up took out an insurance policy on his life. The sooner something like that is done in the State service the better will it be.

Hon. W. H. Kitson: Does that not apply in the State service?

Hon. E. H. HALL: Had the Government tackled their job properly, the relief which primary producers require would have been afforded, at any rate in a small way. I realise that State Governments no longer control financial matters, and are precluded from raising money as they used to do before the formation of the Loan Council. It is, however, still within their power to do more than they have done. They missed a glorious opportunity of coming to the relief of those who were sorely pressed and were carrying on at a loss, and they would also have been able to give greater assistance to the unemployed. We are constantly being told that any fool can indulge in destructive criticism. From various members of this House have emanated suggestions of a constructive nature, but no notice has been taken of them. In Perth a few weeks ago Sir Hal Colebatch said the wild issue of spurious currency was the result of the Great War, and the methods by which it was financed were the worst that existed in the world. As the result of that foolish policy, huge annual interest payments have had to be met, thereby imposing a burden upon the people of both Great Britain and Australia. The interest payable on our overseas debts amounts to over 28½ million pounds. A reduction of interest rates by half that amount would mean a saving of over £14,000,000, and would further reduce

our exchange payments by 3½ million pounds. This would give us a total reduction of over 17 million pounds per annum. It is not a question of refusing to meet our obligations. Surely in a time of unprecedented crisis like this we are entitled to approach the people to whom we owe this money, and ask for some consideration at their hands. All local creditors in this State are giving consideration to their debtors who, they realise, are absolutely unable to pay. The lenders in the Old Country must also realise that we as a people are in practically the same position. It may be said this is a matter for the Loan Council. That body, however, has not seen fit to take it up. We claim to be a sovereign State. If so, why have we not made representations for consideration on behalf of the people? I am sure if such relief were afforded, we should make every effort in the future to meet our obligations, as we have done in the past, and do our best to show our appreciation of the relief that might be extended to us. It has frequently been said that the efforts made by the people of Australia have excited the greatest admiration in financial circles in the Old Country. I should like to see that admiration expressed in some practical manner by means of relief from our interest payments. It is not that we are refusing to pay. That awful word "repudiation" was mentioned last night, and one member became heated when his name was connected with a well-known personality in Australia. The fact is that with prices of primary products at their present low level, we are unable to pay our way. Who has made the sacrifice which has so glibly been talked about? It has not been shared equally by all sections of the community. Last year a net profit of £102,699 was made, according to the financial columns of the "West Australian," by a well-known wool-buying and selling firm in this State, and a net profit of £61,368 was also made last year by the "West Australian." These companies are not feeling the depression very much.

Hon. J. M. Macfarlane: What interest do they pay?

Hon. E. H. H. HALL: My wool has been produced as the result of my having invested my life's savings in the industry. The people who are handling it have made a profit of £102,699, whilst I am carrying on at a loss. I can imagine members saying, "Did

you go into this business for the good of the country or in order to show a profit?" I admit I put my money into the industry in the hope of making a profit out of it. Just about the time I put my life's savings into that industry I received a letter from a sharebroker in Perth with whom I had been doing some business asking me if I would care to buy a few shares in the "West Australian" newspaper.

Hon. W. J. Mann: It is a pity you did not.

Hon. E. H. H. HALL: Mr. Mann who is in the game says it is a pity I did not. We should endeavour to induce our people to put money into primary industries, rather than into bricks and mortar and newspaper shares in the city. Anyway, that is a matter we can decide for ourselves. But the Government should help us to help those people who have been game enough to invest their all in our primary industries. Thank God our banks are not in the state in which the American banks were last year. We read that no fewer than 2,000 of them closed their doors. The banks in Australia have agreed to underwrite the loan to be raised by the Commonwealth and the banks are to get 10 per cent. This will give them £40,000, and in addition they are to receive five per cent. on all subscriptions taken out through their institutions, and that will yield them another £20,000. Imagine, £60,000 for going to the rescue of the country in time of need! Unless some of those people who are in charge of the financial system under which we are trying to carry on realise the position the whole world is in, and endeavour to go to the assistance of the people to enable them to pay their way, there will be a bad time before us. I cannot see that there is any justice or equity in asking, say, a bachelor doctor to pay the same rate of tax as a married doctor with four or five children. I cannot see that there is any equity or justice in asking a single carpenter to pay 4½d. in the pound and asking a married carpenter with four or five children and earning the same wages to pay the same rate of tax. I do not know whether any members of this House or of another place have seen the men at work on the Wongan line or the Mullewa line. All are married men and are doing very good work, but

they are putting up with tremendous discomfort, particularly those who have with them their wives and children. One day recently going along in a mixed train we got to Buntine and because one coach was taken off I was asked by the station master to enter another. In that carriage there were three or four men returning to work after a spell down here. One was a marine engineer and the others had followed various occupations and what they told me surprised me, as I have no doubt it will surprise other hon. members. It is known that when a man goes into the country to work he is supposed to get an additional 4s. 6d. a week over and above what the unemployed get down here. Knowing that I was a member of Parliament those men started to talk about this and I told them I was surprised at the information they had supplied. I asked them why they did not communicate with Mr. Scaddan and I added "Surely you have a committee to look after your affairs, and moreover you can approach your city members who have not much to do."

Hon. J. Nicholson: And Mr. Scaddan has not much to do either, I suppose.

Hon. E. H. H. HALL: A wonderful interjection from a member of the legal profession. On my return I made enquiries and found that what I had been told was true. The Government had not been paying that extra allowance. It speaks volumes for those men that they put up with all the inconveniences without receiving the additional remuneration and without protesting. When I made inquiries in Perth I was told that the desire was to make the money go as far as possible. I said then, "Why don't you be honest and tell those men the real position; it would have been a more honourable thing to do." I want to impress upon members who never show their noses out of the city the conditions under which the men are sent out into the country to work. When they arrive at their destinations they have to live in tents and put up with all the inconveniences arising from heat, dust and flies, and many of them, too, have their wives and children with them. I feel sure that members do not realise the hardships from which those people are suffering.

Hon. J. Cornell: Why all this condemnation?

Hon. E. H. H. HALL: Those men are fortunate to be in possession of health and strength and to be able to work as they are doing. Certainly they prefer that kind of life to eking out a miserable existence in the city going round from door to door trying to sell something or to beg money with which to keep body and soul together. I am sorry I cannot support the Government on this Bill, though I realise the position in which they find themselves. I claim to be as loyal as the next man but I am not afraid to register my vote in accordance with my conscience and I am going to do it.

HON. W. H. KITSON (West) [7.55]: After the indignation expressed by Mr. Hall I feel that there is a better chance in the future of doing a little more for some of our unfortunate people than has been done in the past. A few weeks ago I made some remarks in this Chamber on the proposed unemployment tax legislation and I expressed certain fears which I regret to say are borne out by the Bill that is now before us. I described the Bill as unwelcome and in the same way as Mr. Nicholson described it. To me, however, the term "unwelcome" is hardly strong enough. One finds it difficult to adequately describe just what the Bill means to a large number of the people in the State. I realise it does not matter how we describe it, because the Government have made up their minds that it has to go through, and that notwithstanding anything that might be said in this Chamber there is very little hope of getting the Government to agree to any amendment. While I realise that to be a fact, I feel that every member in this Chamber should at least express his views on the measure and in endeavouring to express mine, I can first of all say there are two points which I consider are rather important. The first is that the Government apparently have dropped any subterfuge with regard to the Bill in that they now admit it is a revenue-producing Bill and not a Bill to assist the unemployed in any particular way. The second point is that one or two members have seen fit to endeavour to justify the measure on the score that it is fair and equitable. The arguments used in support of that idea are the only arguments I have heard up to date attempting to justify the Bill. Regarding the first point as to whether it is a Bill for the pur-

pose of taxing the people so as to increase the revenue of the State or whether it is a Bill to assist the unemployed, I understand that one and perhaps the only argument used in another place was that it is a matter of urgency and on that score it is necessary for the Bill to take this form; any other form of taxation would not be successful in realising the necessary money. We are told that the Government desire to raise under this measure £300,000 during the balance of the current financial year. I realise the need for increased taxation to raise additional money, and although I have made that statement before, I have always said that I did not agree with the incidence of this form of taxation, but that I did agree with increased taxation on a graduated scale. Mr. Seddon, in his remarks, endeavoured to maintain that where we make the bottom dog pay at the same rate as the independent man, it is only fair and equitable because every person should bear a share of taxation. I cannot agree with him. I give Mr. Seddon credit for having been consistent over a long period in advocating taxation of this kind. It is not the first occasion on which he has said that such taxation was necessary to bring home to every person in the State the need for doing something towards providing revenue on account of the free services rendered by the State. He has been consistent in that advocacy and I believe he has also been sincere. He believes in the principle of it, but I do not. When it comes to taxing the lowest-paid persons in the community, persons only partly employed, persons working for the Government for sustenance, we must be in a bad way if we cannot find an alternative. The amount desired to be raised by the tax is approximately £400,000 for the full year. For the balance of the present financial year, the Government expect the tax to produce £300,000. That amount, in conjunction with the money raised by the hospitals tax, will mean a total of about £530,000 for a full year. The total received by the State in 1929-30—later figures are not available—from land tax and income tax and dividend duties was roughly £570,000. It is easy to appreciate what the lower-paid workers of the State will be called upon to pay under this tax. If the proposed tax operates for a full year, it will realise almost as much as the amount received in that year from land, income and dividend duties taxation.

From the point of view of equity anyone would find it extremely difficult to justify a measure that will take such a big toll of the people who are earning such small sums. It has not been possible for me to get actual figures, but if we could dissect the figures it would be found that those who earn less than £300 a year would be required to pay approximately 40 per cent. of what the tax will yield.

Hon. E. H. Harris: How do you arrive at that?

Hon. W. H. KITSON: By the number of people who will have to pay the tax and the estimated amount of income they will receive during the year. I believe I am under-estimating in saying that 40 per cent. of the tax will be drawn from people receiving less than £300 a year. I have always been under the impression that the basis of Government taxation should be fair and equitable and be fixed in accordance with the ability of the people to pay. Regarded from that standpoint, the tax cannot be justified by any member. Mr. Seddon referred to the hospitals tax and said the principle of this so-called unemployment tax had been introduced by another Government, and that because we had that precedent, there was no justification for objecting to the form of the tax under the present measure. There is a vital difference between the hospitals tax and this so-called unemployment tax. When the Hospital Fund Bill was first introduced into this Chamber it provided that every contributor to the fund should receive something definite in return. Contributors were to be entitled to free hospital treatment for themselves and their families, but the Act of to-day gives them no rights whatever. No one is entitled to free treatment or to any other concession by reason of being a contributor.

Hon. L. B. Bolton: But they get it.

Hon. W. H. KITSON: Some do, but not too many. In fact only a very small proportion of the contributors to the fund get free treatment. In almost every case, no matter what a man's position may be, he is debited with the cost of treatment.

Hon. L. B. Bolton: That was always done, but it was never collected.

Hon. W. H. KITSON: Under the Bill originally introduced contributors were to receive free hospital treatment by reason of having contributed regularly in accordance with their earnings to the hospital fund.

That does not apply under the Act. No one is entitled to free treatment by virtue of having been a contributor to the fund. That is the principle embodied in the Bill before us, a Bill described as an unemployment taxation measure. That is a misnomer. Why tack on to a financial emergency tax the question of unemployment? As Mr. Drew said, it would be competent for the Government to come forward next year and say, "We give you free service in the shape of police protection, but because the revenue is not as large as we would like it to be, we are going to ask you to pay 3d. in the pound on wages or income to meet the cost." The Government might also say, "You have free education, but our revenue is still dropping: therefore we are going to ask you to pay an additional tax for education." They could do that on the same principle that they are asking us to agree to a measure to tax everyone to the extent of 4½d. in order, as they say, to provide a certain amount of employment for the workless. If the Government are really genuine in their desire to do something for the unemployed, there are many more genuine ways in which they could do it than by the method they are adopting. Imagine the position of a sustenance worker. If he is called upon by the Government to go into the country, he must accept the work whether he be married or single. He has no option. If he refuses, his sustenance is stopped. If he accepts the work, away he goes to the country to live under the conditions described by Mr. Hall. He may or may not take his wife and family with him, but whether he does or not, the maximum amount he can earn is £3 per week. Perhaps it would be more correct to say that the maximum amount he is allowed to draw over a period is £3 a week. The Government say to him, "After you have drawn your £3 a week, we are going to tax you 4½d. in the pound to provide a little more employment for your colleagues who are not yet in work." What does the 4½d. mean to that man?

Hon. G. W. Miles: It means 1s. 1½d. a week.

Hon. W. H. KITSON: Consider it in this light: He goes to work on the Wongan line, and it costs him approximately £1 per week to live. That leaves him the magnificent sum of £2 a week for his wife and family, irrespective of the number in the family. I could mention numerous families consisting

of seven or eight children. Out of the £2 a week on which the family have to live the Government take 1s. 1½d. That does not seem much, but taken in the aggregate over the year, it means at least one month's rent to that man. If we are at all fair, we must agree that we are asking too much of such a man. I do not think the unemployed would object very strongly to paying that amount if they were sure that the unemployed would derive any particular benefit from it. Unfortunately they do not get any particular benefit from it, nor are they likely to. As a matter of fact, they will be worse off, generally speaking, than ever before. On previous occasions I have endeavoured to indicate in what manner they will be worse off, and it will bear repetition. Mr. Hall, during the course of his remarks, told how the people of Geraldton had endeavoured to meet the needs of the unemployed in that district. He said that a large number of the people there had voluntarily taxed themselves to the extent of 6d. in the pound and to place the money in a fund to be used for the purpose of assisting the unemployed. In reply to an interjection, which he did not like, he said that in due course the fund had been closed because the Government eventually decided to render assistance to the unemployed at Geraldton. That is what will happen all over the State when the tax is imposed. For the past two or three years, I have been associated with a relief committee at Fremantle and we have raised thousands of pounds in a manner similar to that mentioned by Mr. Hall. We have been able to provide many things for the unemployed that they could not possibly obtain from the Government. Throughout the winter we provided firewood for the unemployed at Fremantle at a cost of 1s. per load. We supplied thousands of articles of clothing to men, and we were able to provide many thousands of articles of wearing apparel for women and children. We have been able to attend to the wants of expectant mothers in hundreds of cases, and in many other ways we have rendered assistance that could not be obtained from the Government. All that has been achieved as the result of voluntary contributions from the people of the Fremantle district. What will happen immediately this tax becomes operative? Men, women, boys or girls who have been contributing from 3d. to 1s. or more a week, will find that they are called upon to pay something more under the tax, and it is logical to assume that they will

cease their voluntary contributions. That is already happening throughout the State, and a large percentage of the people have indicated that, in view of the proposals of the Government, they cannot any longer continue their voluntary contributions. Immediately the tax is imposed, 90 per cent. of the voluntary contributions to relief funds will cease, and the unemployed, instead of being able to obtain the assistance they have received in the past, will be deprived of it. Therefore I am justified in claiming that the unemployed, generally speaking, will be worse off after the introduction of the tax than they are now.

Hon. G. W. Miles: Then you should double the tax.

Hon. W. H. KITSON: I would not object to doubling the tax—in some instances. It should be doubled, with respect to some people. Compared with the other States, Western Australia is the most lightly taxed, and especially does that apply to those in receipt of the higher incomes. A comparison between Western Australia and Queensland will show that the difference is most marked. The taxation imposed on those in receipt of the higher incomes in Western Australia is about 50 per cent. less than the tax payable in Queensland.

Hon. G. W. Miles: And the lower the income, the greater the difference.

Hon. W. H. KITSON: But it is not so great as in respect to the higher incomes, although the difference is there. Other States have introduced unemployment taxation legislation, but in each instance the money derived from that source has been used to improve the conditions of the unemployed in one way or another.

Hon. E. H. Harris: Do you suggest it will not be done here.

Hon. C. B. Williams: There is no intention of doing it.

Hon. W. H. KITSON: It is not possible for the Government to do so under the provisions of the Bill, because the money will be paid into Consolidated Revenue. The object of the Bill is not to assist the unemployed, but to relieve the Treasurer and help him to balance the budget. In other words, it is merely a revenue tax.

Hon. G. W. Miles: Has not interest to be paid on the money borrowed to provide work for the unemployed?

Hon. W. H. KITSON: Of course that is so, and I agree that there is necessity

to raise money by way of taxation, but not in the manner proposed in the Bill. For two years past I have advocated that any increased taxation should be on a graduated scale, and I would be prepared to support legislation of that description. I might be prepared to go a long way towards adopting the principle indicated by Mr. Seddon last night, but I cannot, under any consideration, agree to the proposals embodied in the Bill before us. I recognise the necessity for increasing revenue. I admit frankly that it can be done by means of taxation only, but I am not prepared to admit that the proposals of the Bill are fair and equitable with respect to those who are not earning sufficient to provide themselves with the necessities of life. Whatever money is required, be it £300,000 or £500,000, it should be raised by means of a tax that should be paid by those who are able to pay. No one will argue that the man who has been unemployed for 12 months or two years and has a wife and family to maintain, can afford to pay a penny by way of taxation out of the money he receives for work performed for the Government under the relief scheme. Those men not employed by the Government but by local authorities, who receive payment equivalent to the sustenance they would have received if not in work, are in a worse position still. The man who is receiving the maximum amount of sustenance payable to-day, namely, the man with a wife and five children, would not be able to rent a suitable house in the metropolitan area for less than 12s. 6d. a week. If he lived in rooms, he could not secure a suitable room for his family for less than 10s. a week. After paying his rent, it would mean that such a man would have only 39s. left, and out of that it is suggested that we should take 1s. 6d. by way of taxation. I have not heard anyone attempt to justify that phase of the Bill, and I doubt whether it would be possible to justify it. There is little more that one can say, but I have been reminded by the remarks of hon. members that when the financial emergency legislation was under discussion, we were told that it would assist the country to more prosperous times and that that end could be gained provided we made a common sacrifice. That phrase has been used on many occasions, but I fail to see how it can be applied to the Bill. If we compare the

position of those on the lower rungs, whether on full-time or part-time work, and whether engaged on sustenance or relief works, with the position of those who are drawing salaries of £500 or upwards, I am at a loss to understand how anyone can introduce the element of common sacrifice into the matter.

Hon. J. Cornell: No worker was reduced below £185 under the Financial Emergency Act.

Hon. W. H. KITSON: But the Bill goes further than that. It is strange that Western Australia is the only State in the Commonwealth to take advantage of the financial emergency legislation to enable private employers to enforce the reduction of wages paid to their employees and that this is the only State in the Commonwealth that has seen fit to introduce legislation such as that before us now. It is not so long ago that we were told by the Premier that there was no necessity to increase taxation, and yet, during the Government's occupancy of the Treasury Benches, they have increased taxation in many ways. I understand the difficulties that have confronted the Government, and I admit the necessity for more revenue. I suggest it is possible to provide that revenue without penalising the men on the bottom rung of the ladder. In conclusion, may I refer to one other phase of the subject. Single men to-day must take the work that is offered by the Government. They are paid 25s. 2d. per week, and they must keep themselves. The Government say that those men must also pay 4½d. by way of taxation. But they go further than that, and the Government say they will not offer any more employment for single men, and those now at work are to be dismissed as rapidly as possible. We expect that those men will find employment in the country; because the harvest season is upon us it is said that there will be room for thousands of men to assist in the taking off of the crops.

Hon. J. Cornell: There is no room for them.

Hon. W. H. KITSON: Of course there is not. How many farmers are there to-day who are in a position to employ additional labour? Only a small percentage of them can do so. Those of us who have travelled about the country during recent months know quite well that to-day there

are large numbers of single men who have not yet thrown themselves upon the mercy of the Government. They have not received any assistance from the Government, but have found work with various farmers throughout the wheat belt. Those men have been content to work for very little remuneration; in some cases, for no remuneration at all.

Hon. J. Cornell: That is so.

Hon. W. H. KITSON: That being the position, what opportunity is there now for those men to secure work? We say to them, "Your wages are 25s. 2d. We expect you to contribute 4½d. of that amount by way of tax, but immediately your job ceases we will dismiss you: we are not going to offer you any further employment nor are we going to give you any assistance." It is the hospital tax business over again. I ask whether that is fair. The Government cannot have it both ways. May I again point out the position of those families where there are children: both boys and girls, over the age of 14 years? At present it is only in exceptional cases that the Government will grant sustenance on behalf of any child over 14 years, and when they do so, it is only granted in the case of one member. In many families there are three, four or more children over the age of 14 years. The father is out of employment, and the boys and girls over 14 years are also out of employment, but no consideration is given to that fact when it comes to the question of payment of sustenance. The only assistance the head of the family gets is on behalf of children under 14 years of age. The moment one of those children over the age of 14 years secures employment, whether it be at 10s., 15s., or £1 a week, then that amount of money is counted as revenue so far as the household is concerned, and of course a proportionate reduction is made in the amount of sustenance. Is that fair? When this unemployment tax was first mooted, I said to myself, "Here is a chance for the Government to be more generous in such a case." But I find there is no intention on the part of the Government to do anything of the kind. As a matter of fact, the Government are tightening up things to a greater extent to-day than they have done in the past. It is going to be much more difficult in the future for any member of the community who may be so unfortunate as to

be thrown out of employment to secure any assistance at all, notwithstanding that the Government are introducing this legislation, which is calculated to bring in a sum of not less than £400,000 per annum. While unemployment is a very big problem not only in Western Australia but throughout the world, I would nevertheless suggest to the Government that they be a little more sympathetic towards the great body of the unemployed in the future than they have been in the past. Thousands of unemployed men and women have reached the stage where they say it is impossible for them to carry on in this way any longer. It is treatment of the kind that I have endeavoured to describe which is making those people more dissatisfied with their lot.

Hon. J. Cornell: The chickens will come home to roost.

Hon. W. H. KITSON: They usually do.

Hon. J. Cornell: They never fail.

Hon. W. H. KITSON: I realise this fact, and I suppose the Government also realise that the time has arrived when it is not possible to absorb all the unemployed, either in Government work or in private employment. As a matter of fact, two years ago I suggested that we had entered a phase of our history when we could say with some certainty that we would always have an unemployment problem existing. It will be impossible to absorb every person who, through no fault of his own, has been thrown out of employment. I am more satisfied as the days go by that the prophecy is being fulfilled. Measures of this kind are not going to assist the situation. There will have to be a radical alteration in our whole system because thousands of people are not going to tolerate for an indefinite period the circumstances in which they are placed to-day. We must remember that it is no fault of theirs. I would assert that 90 per cent. of those out of work to-day are unemployed through no fault of their own. The time will come sooner or later when they will say that any change is better, and they will endeavour to make the alteration themselves.

Member: You are doing your best to make trouble, apparently.

Hon. W. H. KITSON: I am not doing anything of the sort. I am endeavouring to draw the attention of the Government to the seriousness of the situation. While I know they have said from time to time that they do appreciate it, I am afraid their actions do not lead me, at any rate, to believe that

they appreciate the full significance of the present situation. I do not propose to say any more at present, except to appeal to the Government to be a little more lenient to the unemployed than they have been. There are many ways in which the Government could ease the situation for the unemployed, but I think I have said enough to indicate that, in view of this legislation, there is no excuse for the Government to continue to adopt the attitude they have adopted in the past. I regret very much that the Government have seen fit to introduce this legislation in its present form. I do not agree with the principle involved and consequently I cannot support the Bill. I will conclude by saying again that I realise the necessity for additional taxation, but I do not agree with the incidence of the taxation as outlined in this Bill. Consequently, I have no option but to oppose the second reading of the Bill.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [8.40]: I desire briefly to address myself to this subject and, as far as possible, to confine my remarks within the limits of the Bill, so that it will not be necessary for me, Mr. President, to draw upon your generosity and forbearance. I shall endeavour as far as possible not to stray from the subject. I am sure there is not a single member of this House, including even the Minister who introduced the Bill, who does not dislike the responsibility that has been thrown upon him. The Bill is one for which, I think, every member of the House has a distinct distaste. If certain members of the House signify their intention of supporting it, it is not because they like the measure, but it is from a sense of the responsibility placed upon them through the office they hold. In introducing the Bill, the Minister quoted certain figures to show the position in which the Government found themselves, so as to justify their action in introducing another taxation measure. If I am quoting the Minister correctly, he pointed out that in 1929-30 the revenue from income tax was £340,500, while the estimated revenue this year from the same source was only £180,000, a reduction of £160,500. As regards dividend duties, he said the revenue for 1929-30 was £410,500. The revenue from the same source this year he estimated at £150,000, showing a loss on that particular item of £260,500. In other words, in

1929-30 the revenue from those two sources amounted to £751,000; this year only £330,000, approximately, is expected. Consequently, the shortage will be £421,000. Then one must consider the additional obligations that have been thrust upon the Government owing to the times through which we have been passing. Last year it was necessary for the Government to find £600,000 for unemployment relief, in addition to £600,000 for exchange. If we are to meet our obligations, it will be seen how necessary it becomes to make some appeal to the people of this State who are in regular employment, but who so far have not made any contribution to the revenue of the State by way of taxation, to do so now, in order to afford relief to those out of work. I do not know whether hon. members are aware that at present there are between 100,000 and 110,000 wage earners in this State of whom it is estimated only 44,000 this year will be taxpayers. That was pointed out by Mr. Nicholson and other members. In other words, there are now some 70,000 wage earners in the State who are not contributing towards the revenue. Just how far those exemptions take us can be gauged by the figures. Let me give one example: A man with a wife and four children, earning £8 per week, equal to £416 per annum, does not contribute one penny to the income tax. He has the advantage of the general exemption of £200, and then is allowed £62 for each child, equal to £248. In other words, a man with a wife and four children, earning £416 per annum does not under existing conditions contribute a single penny towards the revenue of the State. I ask members if, in view of the position in which we find ourselves, that is fair. Mr. Kitson in his very earnest remarks referred to the position that certain men on sustenance would find themselves in if called upon to contribute to this new tax. I admit there will be a considerable amount of hardship on those sustenance workers. But may I remind Mr. Kitson that while the bulk of his remarks were directed to this aspect, they had reference only to 11,000 sustenance workers who would suffer out of approximately 70,000 extra who, under the Bill, will be called upon to contribute.

Hon. T. Moore: They have been suffering for the past two years.

Hon. Sir CHARLES NATHAN: During the whole of the debate I have failed to hear a really valuable contribution as to an alternative which will supply the Government with funds to enable them to extend the maximum relief to the maximum number of unemployed. I have heard certain statements that appeared to be something in the nature of a quibble. For instance, members referred to this £300,000 as going into Consolidated Revenue, and declared therefore it was not really for unemployment relief. I do not think such an argument worthy of the gentlemen who put it up.

Hon. W. H. Kitson: But why describe it as an unemployment tax? That is the objection I have to it.

Hon. Sir CHARLES NATHAN: If that is the only objection—

Hon. W. H. Kitson: No, but it is one of the objections I have.

Hon. Sir CHARLES NATHAN: The fact remains that unemployment relief cost the people of this State £600,000 last year, and the contribution for the balance of this year will be £300,000 or over. Therefore the whole of the amount expected to be collected from this Act will be required for unemployment relief. But there is also this to be said, that, if Australia as a whole is to receive that measure of loan finance which will enable her to put in hand works that will reduce the unemployment position, it is necessary for each State also to meet its obligations. If we fail in raising an additional amount of money such as the tax proposes, and members have admitted we are the lowest taxed State in Australia, we fail in the obligations we have undertaken largely to assist to provide us with another £600,000 of loan money, the whole of which will go to the relief of the unemployed in addition to this tax. So there will be devoted to unemployment relief nearly a million of money which might not otherwise be forthcoming. Mr. Drew has suggested that instead of the tax, which he dislikes, we should wipe out the rebate on the income tax. I was not in the House at the time, but if I remember rightly the previous Government very late in the session reduced the income tax by 33½ per cent. It fell to the lot of the present Government to reduce that concession and give a rebate of only 20 per cent. Mr. Drew suggests that as an alternative to this tax that rebate

should be wiped out. I feel that any suggestions made by members should be backed up by statements that would enable members to get a grip of those suggestions and perhaps win the support of the House for them. Let me cite one or two instances of the result if this suggestion were adopted. On earnings of £300 the original tax is £4 5s., and the rebate of 20 per cent. which Mr. Drew desires to do away with is 17s., so the net amount that a taxpayer earning £300 would pay is £3 8s. But instead of paying that extra 17s., under the new tax he will pay £7 10s. If a man is earning £400, the original tax is £6 16s. 6d., and the rebate of 20 per cent. represents £1 7s. 4d. So at present on an income of £400 the tax is £5 9s. 4d., whereas under the additional tax it will be another £10, or £15 9s. 4d. In quoting these figures there is one point I should like to make: I am giving members opposed to the Bill every opportunity to prove their arguments, because I am putting the position of the Bill in the most unfavourable light; in other words the figures I have quoted and propose to quote include the hospital tax of 1½d. as well as the proposed tax of 4½d.; in other words I am adding 6d. to the amount. Mr. Cornell quoted a man paying tax on £600 a year. Such a man would pay £14 9s. 4d., but if we add the 6d. for the hospital tax and the unemployment tax, he will have to pay an additional £17 10s. or £31 19s. 4d. in all. Mr. Kitson by his remarks almost led the House to believe that this £300,000 or on a full year £400,000 would all be contributed by working men in distressed circumstances.

Hon. W. H. Kitson: No, I said that 40 per cent. of it would be raised by those earning less than £300 per annum.

Hon. Sir CHARLES NATHAN: I should be glad if Mr. Kitson would re-check his figures, for I think he would then find that of this amount to be collected under the hospital tax and the unemployment tax, something like 70 per cent. of it will be paid by those already paying taxes.

Hon. W. H. Kitson: That might be so, but on the other hand approximately 40 per cent. of it will be paid by those receiving less than £300 per annum, many of whom do not pay tax now.

Hon. Sir CHARLES NATHAN: My figures and those of the hon. member are quite different. The point is I cannot see

the inequality that so many members speak of, inasmuch as those that are already paying taxes, as I tried to point out, will pay a considerable amount of this additional taxation, while under the present exemptions there are 30,000 men who should be taxpayers but who on account of the liberal concessions are not contributing a penny towards the revenue of the State. I say with a full sense of responsibility that if, instead of taking up the attitude some have adopted and made speeches that can only foment unrest, members would take up a proper and logical attitude towards this proposed tax I believe there are thousands of people in the State, working men and women on low rates of pay, who would willingly contribute the tax, knowing that it would be the means of providing thousands with at least some sustenance allowance which they would not otherwise get. The fact remains that we are the lowest taxed community in the Commonwealth. We have a great number of exemptions and so far as I am concerned, representing or as some would say misrepresenting the largest industrial constituency in Western Australia, I am fully alive to my responsibilities when I say I can see no alternative to supporting the Government in their introduction of this measure, although I hope that in certain directions it may be possible to lift somewhat the burden upon certain of those whom it is proposed to tax.

HON. E. H. GRAY (West) [8.59]: I wish to offer a few remarks on the Bill and to endorse the splendid exposition given by Mr. Drew. I cannot follow the remarks of Sir Charles Nathan. I do not see where he gets the extra taxpayers from, unless he is including boys and girls earning 15s. a week. What I am concerned about is the effect of this tax upon the unemployed in the metropolitan area. That is a matter of grave concern. If the newspaper files of three years ago were looked up, we would find that early in the depression a big meeting of representatives of local authorities and league committees was held in the council chamber in Perth. The Lord Mayor presided. It was the biggest conference I ever attended.

Hon. J. Nicholson: Is that when the motion was passed for an unemployment tax?

Hon. E. H. GRAY: I do not think the motion was passed. I made the remark, which was applauded, that an unemployment tax should be introduced by the Government.

Hon. J. Nicholson: That was the resolution which was carried.

Hon. E. H. GRAY: That was the time when a tax of that sort could have been imposed upon the people. Early in the days of depression all sections of the community were seriously alarmed at the sufferings caused by the depression. Although the number of people who volunteered for service on the league committees was comparatively small, the money that came into the hands of the committee was remarkably plentiful. I will never forget the enthusiasm and self-sacrifice shown by the community, chiefly the workers. In the first winter practically everyone with any feelings of humanity provided money for those committees to spend. We were able to give relief to every citizen who was unemployed between Armadale, Perth and Fremantle. There was no genuine case, which the Government could not meet under the regulations, which was not cared for through the activities of those committees.

Hon. J. Nicholson: They did good work.

Hon. E. H. GRAY: Shortly after that the 25 relief committees were co-ordinated under a council formed in Perth. For some time I had the honour to be president of that committee. We were able to go on collecting money and do remarkable work. When the tax was first mooted early this year thousands of members of the community had become callous to the needs of the unemployed. Contributions gradually diminished. Whereas the returns for the metropolitan area showed that the infantile death rate was the lowest on record, during the last six months there has been a sharp increase, by reason of the fact that these contributions have decreased, and the activities of the committees in supplying free milk to expectant mothers and mothers with babies under 12 months old, have been almost entirely stopped.

Hon. T. Moore: Shame!

Hon. E. H. GRAY: The threat of the tax has had the effect of stopping the flow of money. I endorse Mr. Kitson's view that the relief committees must of necessity stop when the tax is in operation. Already they are practically out of action. In Fremantle

we have just been able to function. Our activities have been curtailed, and the same argument applies to all other relief committees in the metropolitan area. I do not agree that it is a quibble to call this an unemployment tax. People look upon it in that light. As a fact, the unemployed will be worse off than they were before. I have been waiting for an official announcement from the Government as to what they propose to do in substitution of the work of the relief committees. The absence of any such official notification is another reason why this tax should not be imposed. I do not believe in taxing married people on the basic wage. We have, however, to face cold facts. Surely we can impose a graduated tax under which everyone would start at, say, 1d. in the pound, and the tax would rise through the varying incomes until the necessary amount had been collected. There are 16,000 unemployed in the State, and 11,000 of these are receiving sustenance. Those people are right down to bedrock, and they cannot meet this further imposition. Money for unemployed relief purposes could be raised by a graduated tax. The relief committees would then be able to carry on and receive their regular funds. A flat rate as proposed in the Bill is unjust, not only to those who have to pay it but to those who will suffer still more if the tax is imposed. That is all I am concerned about. We have to face the position in a community spirit. I do not accept the arguments which have been advanced by supporters of the Bill. No matter what the sacrifice is, it should be borne by those who can bear it. I am not satisfied that that could not be done, or that the burden could not be made much lighter for the bulk of working people. We are looking for trouble if we inflict this tax. I do not follow Mr. Holmes's argument. No matter how extravagant Governments have been we cannot lose sight of the fact that all civilised countries are in dire peril, and that the danger is increasing every day and every hour. We have to meet that peril and do whatever we can to avoid its growth. No one, however conservative, could fail to be impressed by the growing unrest in Europe, and the growth of Communism in Germany and in Great Britain.

Hon. G. W. Miles: Yes, and in Australia.

Hon. E. H. GRAY: Yes, we laugh at it in Western Australia. This is the sort of measure that feeds the menace of Communism, and it is a menace to Labour and to every family in the State.

Hon. C. B. Williams: In what way?

Hon. E. H. GRAY: The culture and the standard of living we enjoy now and the relationship between citizens of the State, are worth safeguarding and holding. I am not looking for new experiments. We cannot escape the conviction that every measure of this kind in any country must feed the flames until eventually they overwhelm present civilisation. A new order will then be installed on the ashes of the old. In the next few years there must be a remarkable change, a complete revolution in the affairs of the nations.

Hon. G. W. Miles: Democracy has failed; we want a dictator.

Hon. E. H. GRAY: We want politicians who have the courage to meet the situation, and dare to do something out of the conventional type or ordinary standard thought of the present day. Communism does not appeal to me. I have met Communists, and their ideals and principles strike no responsive chord in me.

Hon. J. Nicholson: You are quite right.

Hon. E. H. GRAY: Another objection I have to the Bill is that it encourages the loafer. I have had considerable experience of unemployed persons. The best type of unemployed wishes to get work as soon as possible under the sustenance relief scheme, so that he is paid in money instead of in rations. The man who wishes to dodge his responsibilities to his family and to the State stays on rations as long as he can. That man under this Bill, seeing that he receives £2 9s., a week's ration order, escapes taxation altogether. Instead of encouraging the man who wishes to work and produce wealth for the relief that he is receiving, we talk of penalising him, and encouraging the loafer to go scot free. That is not right. No matter how we look at the tax it does not work out fairly in the interests of the worker. A graduated tax could be instituted starting from 1d. in the pound, and the burden distributed over all sections of the community. That would be better and safer and in every way give more satisfaction. Last, but not least, it would enable the relief committees in the metropolitan area and throughout the State to continue their operations until the crisis was over. The effect of the tax on the

committees must be very great. A tremendous increase in suffering will be caused. No Government department can effectively deal with the thousand and one cases of unemployment relief. It must be the job of the community to render voluntary service, and give voluntary relief to meet the unexpected cases that Government officials cannot deal with. I have the greatest admiration for the manner in which the officials of the Government Relief Board have carried out their duties within the regulations. They have to obey orders and are not responsible for the policy of the Government. Mr. Macartney, the secretary, and all the officers have done remarkably good work.

Hon. G. W. Miles: Do you not compliment the Government upon providing more sustenance than any other Government in Australia?

Hon. C. B. Williams: Being the youngest State of the Commonwealth it should be more enlightened.

Hon. E. H. GRAY: I know that the relief committees and the department have worked well together. It would be a calamity if the relief committees were put out of action, as will undoubtedly be the case if this tax is imposed. I oppose the second reading of the Bill.

HON. G. FRASER (West) [9.15]: My remarks will be very brief because I realise that after the lengthy debate that has taken place there is not much more I can say; but I do want to record my protest against the measure and I shall make a final appeal to those hon. members who have not committed themselves, to give the matter consideration once more before they cast their votes. I believe most members have made up their minds, and I suppose that no matter what may be said now, they will not change their views. It is necessary to realise just what this tax means. Many figures have been quoted, and I do not intend to refer to any more. But between those quoted by Sir Charles Nathan and Mr. Kitson, there was very little difference. Under the Bill it is proposed to levy 1½d. in the pound, and by that drag-net means, raise £300,000 before the end of the financial year. It is beyond doubt that at least 40 per cent. of that total will be raised from people who are not contributing towards land and income taxation. I will go further and say that those in receipt of under £200 a year will, under the Bill, find at least 30 per cent. of the amount it

is proposed to raise. If we examine the position we find that from a person earning to-day £200 per annum we shall take an amount that he can ill-afford to part with. A good deal of this tax will be levied from those who to-day are not receiving sufficient to keep body and soul together. In effect, the tax will mean taking from many another loaf of bread per week.

Hon. G. W. Miles: A pot of beer less per week.

Hon. G. FRASER: It is all very well for the hon. member who can afford to talk like that.

Hon. C. B. Williams: He will not go without his extra gallon of petrol for his motor car.

Hon. G. FRASER: Is it right that we should take this amount of money from those who are not getting sufficient food for their families? The ridiculous part about the tax is that the Government are assisting many people from whom they propose to take this tax, that is, where they are employed on Government relief works, the £3 being the maximum payment made. What a ridiculous position we have arrived at. Surely there is some other way by which we can raise the revenue that is required. There is another way, and that is by means of a graduated tax. We have been told that it is impossible to tax any further.

Hon. G. W. Miles: Another way is to reduce your own salary.

Hon. G. FRASER: If the hon. member had his way, we should have no salary at all. There would then be no one on my side of the House. Perhaps that is what he desires. There are many ways by which further money can be raised. At the present time we raise only £180,000 by way of income tax. Surely it ought to be possible to increase that amount without its being felt by those from whom the money would be taken. It certainly would not be felt by them to the same extent as it is likely to be felt by the married man on sustenance, especially the married man with a family of five or six children. I do not often agree with Mr. Hall, but I do agree with some of his remarks on this Bill.

Hon. J. Nicholson: Which of his remarks do you agree with?

Hon. G. FRASER: I am referring to those on which he is consistent. The hon. member quoted the case of the men work-

ing on the Wongan line, but that is only one instance. I could quote dozens of similar cases where men have been out of employment for two years, and who in that time have received ration tickets only. Those men were recently taken by the Government and forced to go into the country, receiving, in some cases, up to £3 a week, and out of that being obliged to keep two homes. It is proposed now to take from those people 4½d. per pound per week. For a couple of years most of those men have been living on the charity of their neighbours. They have not earned anything to permit them to replenish their food supplies or stocks of clothing. Everything they have worn has been secondhand. Yet the drag-net clause of the Bill declares that these people must contribute 4½d. Can any hon. member justify action of that description? I realise that something must be done and that additional money must be raised. I will join forces with hon. members in carrying a measure that will raise more money by way of taxation but I cannot join with hon. members who intend to vote for this Bill. As has been said in the course of the debate, the Government, by their scheme of relief, are in many instances, paying up to £2 9s. per week, but the man who receives that has a wife and at least five children. Yet the Government will not take into consideration the number of dependants for whom an individual may have to provide. Is there any justice in a measure of that description? If there is, I cannot see it. It will take a strong magnifying glass to discover it. I realise that members have made up their minds, and that no matter what is said now, they will not alter their decision. Therefore I do not intend to prolong the discussion. I shall content myself by entering my protest, and expressing the hope that even at this late stage some members may reconsider their decision and cast their votes in the direction of giving relief to those persons who badly require it. I oppose the second reading of the Bill.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [9.25]: The majority of those members who have spoken realise just what a parlous state our finances are in, and there are some who are generous enough to express a little appreciation of what the Government have done for

the unemployed under most extraordinary and trying circumstances.

Hon. C. B. Williams interjected.

The CHIEF SECRETARY: The hon. member has been in this House for quite a long time and up to the present I have never heard him talk sense. We have heard a great deal about the proposal contained in the Bill being an unemployment tax. I should like to know which part of the Bill refers to unemployment taxation. Quite true, the money will be used, as far as it will go, to assist the Government in its expenditure from Consolidated Revenue for the benefit of those who are unemployed.

Hon. J. Nicholson: It is the only way in which you can do it.

The CHIEF SECRETARY: Of course. Not one sound suggestion has been made to indicate in what other manner it would be possible to raise funds.

Hon. C. B. Williams: Exempt the poverty-stricken people.

The CHIEF SECRETARY: We have heard a great deal said, during the debate about taxing the other fellow. A large section of the community are on sustenance and some of those will, unfortunately, come under the Bill; but there is also a large section that has enjoyed many privileges without ever having paid any taxation. The Government are sorely pressed for money and are finding it exceedingly difficult to keep people in employment. Surely those who are in regular work therefore will not complain about having to pay a little towards keeping others in employment if only to the extent, perhaps, of being able to earn food. I should like to remind members also that in this State sustenance payment is higher than it is in any other part of the world.

Hon. C. B. Williams: That is so much to the Government's credit.

The CHIEF SECRETARY: The Government desire to raise a certain amount of money and that money will have to be raised within a certain time. The Bill will be for short duration only.

Hon. C. B. Williams: Kathleen Mavourneen.

The CHIEF SECRETARY: The House will have an opportunity on the 30th June next of declaring whether the Bill shall be continued or not. The Bill will expire on the 30th June and so we have a little over seven months only in which to levy the tax. It will be for the next Parliament to say

whether the measure is to be re-enacted. Another important point is that the tax must be collected without incurring heavy expenditure for the collection. The cost of collecting the tax under this measure will be very light, because it will be collected in the same manner as the hospitals tax is collected. This measure will apply in exactly the same way as does the Hospital Fund Act.

Hon. H. Seddon: With regard to collecting?

The CHIEF SECRETARY: Yes, collecting, application, exemptions, and everything else. Members who contend that the tax should be graduated know perfectly well that it would be impossible to gain the desired end if that system were adopted.

Hon. G. W. Miles: It is not high enough now to get the amount you desire.

The CHIEF SECRETARY: No. Members are aware that the Loan Council and Premiers' Conference have been worrying this State, ever since the crisis commenced, to increase taxation. This State cannot bear inordinately heavy taxation unless injury is to be done to industries. Heavier taxation on the class mentioned by some members would mean stopping the wheels of industry. Is that what we desire to do? Of course not. We want to assist industry in every possible way to push ahead. Every increase of taxation takes money from individuals and firms and lessens their opportunities to provide employment, and it follows that in the long run there must be less revenue with which to carry on the activities of the State. We have stood hard and fast against imposing any increase of taxation.

Hon. C. B. Williams: On your friends.

The CHIEF SECRETARY: No, in the interests of the whole community. We have stood firmly against it and only now, when we are absolutely forced into imposing additional taxation, have we proposed this tax, small and all as it is. I have figures to show the exact position but members have heard just what has happened regarding the fall in land, income and dividend duties taxation. There has been a drop of £400,000 in the last 2½ or three years, and the State cannot continue without imposing additional taxation. There is no other way to secure the money promptly. Therefore I hope that those members who are wavering will show their good sense and will prove themselves statesmen by supporting the Bill.

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

Ayes	17
Noes	8

Majority for	9
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AYES.

Hon. C. F. Baxter
Hon. L. B. Bolton
Hon. J. Ewing
Hon. E. H. Harris
Hon. J. J. Holmes
Hon. J. M. Macfarlane
Hon. W. J. Mann
Hon. G. W. Miles
Hon. R. G. Moore

Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. H. V. Piesse
Hon. E. Rose
Hon. H. Seddon
Hon. C. H. Wittenoom
Hon. H. J. Yelland
Hon. V. Hamersley
(Teller.)

NOES.

Hon. J. Cornell
Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray

Hon. W. H. Kitson
Hon. T. Moore
Hon. C. B. Williams
Hon. E. H. H. Hall
(Teller.)

PAIR.

AYE.
Hon. A. Thomson

NO.
Hon. A. M. Clydesdale

Question thus passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Cause 2—Interpretation:

Hon. J. NICHOLSON: I move an amendment—

That in lines 3 and 4 of the definition of "income" the words "salary or wages, but otherwise" be struck out.

The inclusion of those words leads to obscurity and the definition would be much better if they were deleted.

The CHIEF SECRETARY: The definition provides that where income does not include salary or wages, it shall have the same meaning as in the Land and Income Tax Assessment Act. Obviously, the words should be retained.

Amendment put and negatived.

Hon. H. SEDDON: I have an amendment on the Notice Paper dealing with the definition of salary or wages, but in view of the Minister's assurance that this matter is dealt with in exactly the same way as in the Hospital Fund Act, I will not proceed with my amendment.

The CHIEF SECRETARY: It might appear from the definition that agents re-

ceiving commission would be placed in an unfortunate position. I have gone fully into the matter with the Commissioner of Taxation and I assure members that that will not be so. Members will notice that Clause 5 deals with tax in respect of taxpayers other than companies, Clause 8 deals with tax payable by companies, and Clause 9 deals with the tax of persons in receipt of salary or wages. Subclause 3 of Clause 9 allows a contractor to lodge his returns and then be assessed in accordance with the provisions of Clause 5, which provides for deductions on account of expenses necessary in arriving at his income. Then there is the proviso to Clause 9 to which I direct the attention of the Committee. I want members to realise that the Bill will be operated under exactly the same conditions and along the same lines as the hospital tax. There has not been the slightest trouble in connection with the hospital tax and the Bill will work in the same way.

Hon. J. NICHOLSON: I am glad to have the Minister's assurance, but if we agree to the Bill in its present form we will find that though the intentions of the Commissioner may be as indicated by the Minister, the real position will be quite different. The definition of "salary or wages" includes a reference to commission paid to agents. The commission would come within the ordinary definition of income and if the reference to commission were struck out, there would be no question as to how it would be dealt with. The clause requires further consideration in conjunction with Clause 9, to which the Minister referred. I move an amendment—

That in line 3 of the definition of "salary or wages" the words "and commission paid to agents" be struck out.

The CHIEF SECRETARY: The whole essence of the Bill is to be found in the principle of taxation at the source. Mr. Nicholson wants to break away from that at the very outset. If we commence adopting that course, where will it end? I give the Committee the assurance first of the Government and secondly of the Commissioner of Taxation that the Bill will operate in exactly the same way as the hospital tax legislation, and there is nothing that members need be afraid of.

Hon. H. SEDDON: I accepted the Minister's assurance, but I am afraid we

should look into the Bill further. A new element has been imported. The definition of salary or wages which includes commission paid to agents, sets up different conditions and places the agent on the same footing as the ordinary wages or salaried man. That will mean that the principal will have to deduct from the agent's commission, the amount of the tax. Should an agent sell a house, he would deduct his commission and forward the balance to the principal. In that instance, how could there be taxation at the source because the commission would already be deducted when the principal received his money. The position should be looked into further.

Hon. E. H. H. HALL: I am not impressed by Mr. Seddon's remarks. The commission agent should be treated on the same footing as anyone else, and he should pay the tax as others will have to do.

Hon. J. M. MACFARLANE: I agree that there should be no exceptions, but it will be difficult to apply the tax in some instances. I appreciate the anxiety Mr. Seddon feels regarding commission agents and I do not know how the Government will be able to apply the legislation at times. For instance, a sharebroker carries out his business on commission and the principal is never seen at all. How will the tax be paid in that instance?

The CHIEF SECRETARY: I would like to have additional information before the clause is further proceeded with and I move—

That the consideration of the clause be postponed.

Motion put and passed.

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

Hon. J. M. DREW: I move an amendment—

That in lines 2 and 3 of Subclause 2 "the Consolidated Revenue fund for the use of His Majesty" be struck out and the following words inserted in lieu:—"an Unemployment Trust Fund Account, to be kept in the Treasury; and, subject to the payment to the Commissioner of the cost of collection, the amount for the time being to the credit of such account shall be applied to the provision of work for unemployed persons."

If the amendment be agreed to it will mean that the Bill will be more acceptable to the people. It will mean that the proceeds of the tax will be paid into a trust fund from

which the Treasurer will be able to reimburse himself for moneys spent on sustenance work. If the tax is to be raised merely to assist the Treasurer to reduce the deficit, there is no justification for the Bill at all. I do not think any hon. member would be able to justify himself to his constituents if he agreed to the Bill in its present form. On the other hand, if we designate the impost as an unemployment tax, it will not be so obnoxious to the people.

Hon. G. W. Miles: A rose by any other name will smell as sweet.

Hon. J. M. DREW: Very often, but not always. My action is entirely in the interests of the Government, and if my intentions were hostile. I would allow the Bill to remain in its present condition. During my second-reading speech I quoted from a circular issued by the Government in which they said that no fresh applications for sustenance would be received from single men and, as a general policy, no fresh applications for sustenance would be received from married men. The passing of the amendment should assure the withdrawal of that particular circular. Even if the amendment be carried, the Bill to my mind will still be wrong in principle because the rate fixed is not more for the largest income earner than it is for the part-time worker, unmarried, earning £1 5s. a week, or for the married man with a family of, say, eight children, who may be earning £2 5s. a week.

Hon. E. H. H. HALL: I am sorry I cannot support the amendment, because if it is carried the fund will be earmarked for what is popularly and generally known as the unemployed. No provision will be made for necessitous farmers.

Hon. G. W. MILES: I would like the Chairman's ruling as to whether this amendment is in conformity with the Title of the Bill.

The CHAIRMAN: The amendment is relative to the Bill. It hardly squares with the Title of the Bill, but it is the duty of the hon. member who secures the amendment to move to amend the Title accordingly.

Hon. J. M. MACFARLANE: Is your ruling that the amendment is relative to the Title of the Bill?

The CHAIRMAN: It is relative to the subject matter of the Bill.

The CHIEF SECRETARY: I trust the Committee will not agree to the amendment. Once an unemployment Bill is passed, it will be with us for ever. I think that is wrong.

Money has already been paid out and will be paid out of Consolidated Revenue in excess of any amount likely to be collected under this Bill.

Hon. G. FRASER: Then the Minister ought to have no objection to this amendment. The measure will yield only £300,000, or six months' unemployment relief. I shall support the amendment. I want to see that the money raised under this Bill will be expended for the purpose for which it was raised.

Hon. J. M. DREW: The Chief Secretary is certainly logical, but I have a clear recollection of a public statement made by the Treasurer almost simultaneously with the introduction of the Bill. The Treasurer said it was for the purpose of relieving unemployment. The Chief Secretary says it was not, and he is supported by the Bill itself. It would not be necessary for me to move my amendment if I agreed with the Bill.

Hon. V. HAMERSLEY: I am surprised at Mr. Drew bringing forward the amendment, because he was a member of a previous Government which brought in a measure of a similar nature in similar circumstances. If we foolishly earmark a large sum of money for the unemployed and impose a tax upon the people who are at work to provide it, it will be putting a premium on unemployment. People will leave work in order to share in the fund.

Hon. G. Fraser: You have a very poor opinion of the people of Western Australia.

Hon. V. HAMERSLEY: It would be a great mistake if the amendment were carried, and I shall oppose it.

Hon. G. FRASER: Evidently Mr. Hamersley does not know very much about the working of the unemployment department, or he would not make the statement he has just made. The department work under certain regulations, one of which provides that if a person leaves his employment he cannot obtain sustenance. If he leaves it without good reason, there is no sustenance for him. Last week a man working in the country had £2 per week and living in a tent with his wife had to bring his wife to town for medical attention. He was refused sustenance because he had given up his job at £2 per week.

The CHAIRMAN: The amendment is to strike out certain words and insert other words, but it seems to me the words proposed to be inserted are incomplete. "The amount to the credit of such account shall

be applied to the provision of work for unemployed persons." By whom shall it be applied? There is nothing to say who shall apply it.

Hon. J. M. DREW: That is quite right. I intend to supply the omission.

Hon. C. B. WILLIAMS: Whether the tax be called a tax for the relief of unemployment or whether it is to be put into Consolidated Revenue to make up the leeway caused by unemployment relief does not matter to me, but the remarks of Mr. Hamersley do matter. I cannot understand how any member of the House could suggest that any person earning any sort of living would leave his occupation to go on the dole. The hon. member's remarks are nothing short of an insult to the workers of the country. I realise that even without the amendment the money will go to make up the leeway occasioned by the disbursement of other money on unemployment relief. Mr. Drew, from a tactical point of view, is making a mistake in moving his amendment.

Hon. J. M. DREW: Mr. Hamersley said that in 1914 I introduced a Bill for the relief of unemployment, an unemployment tax Bill. No such Bill was ever introduced. On behalf of the Labour Government I did introduce a Bill for several purposes, among them being the relief of unemployed and of distressed farmers. The greatest drought we have known struck the State, and the Government had to come to the assistance of the farmers, so that Bill was introduced. But it was not a Bill taxing every man and woman earning £52 a year, but was for a tax on a graduated scale with fair exemptions. There is no comparison whatever between that Bill and the one now before the Committee. As Mr. Williams said, it was rather foolish of me to move this amendment. It would have been all right if I were on the same side as the Government, but I wish to protect the Government, who in the past to a certain extent have done a fair thing by the unemployed. I want to relieve the Government of the odium that must fasten to them unless my amendment is agreed to.

Hon. H. SEDDON: I do not think the amendment will make very much difference, because the sum to be raised by the tax is by no means all that will be required for the unemployed. Whether or not the amendment be agreed to, the money

will have to be found and used for the relief of the unemployed.

Hon. E. H. HARRIS: Since it is generally understood that more than the sum proposed to be raised by the tax will be necessary for the relief of unemployed, will not the amendment, if agreed to, leave a loophole for the present Government, or some other Government, to say, "You can have sustenance, but only up to £300,000 as provided in the Bill." If the amendment be carried, the Government will be able to shelter themselves behind it.

Amendment put and negatived.

Clause put and passed.

Clause 4—Exemptions:

Hon. J. M. DREW: I move an amendment—

That a new paragraph be inserted to read as paragraph (b) as follows:—"in receipt of salary or wages paid by way of sustenance for themselves or for themselves and their families."

The object is to exempt from the tax those engaged on sustenance work. Single men on such work earn about 25s. a week when they are working, and married men from £2 to £3, according to their families—again when they are working. The total earnings in the year may not reach £52 in the case of single men or £104 in the case of married men. In both cases the tax will have been deducted from the earnings. The earners may apply for a refund at the end of next June, but that would necessitate keeping in close touch with the Commissioner of Taxation. It is not reasonable to expect that any application for a refund would be made.

The CHIEF SECRETARY: This amendment will not give Mr. Drew what he desires to achieve. Sustenance paid to a man for his wife and family is not a wage given for services rendered.

Hon. J. M. DREW: Salary or wages paid by way of sustenance represents payment for services rendered.

Hon. G. FRASER: The amendment does not go far enough. It ought to read, "Paid by way of sustenance or relief." The man who gets £1 a week above sustenance on a country job is not deemed to be on sustenance. He is termed a relief worker.

The CHIEF SECRETARY: I am strongly opposed to the amendment. Why should a person in receipt of sustenance not pay

the same as one who is receiving the same wage in some other way?

Hon. J. M. MACFARLANE: I should like to see some further relief afforded by these exemptions. Single men receiving up to 25s. and married men receiving up to £2 10s. could perhaps be exempt.

Hon. E. H. HARRIS: Why repeat the words "salary or wages" when they are already in the clause?

Hon. J. M. DREW: These persons will be in receipt of salary or wages paid by way of sustenance. My amendment provides for the creation of a new paragraph.

Hon. E. H. GRAY: Special consideration should be given to sustenance men, most of whom are sent to the country and have their homes broken up while they are away. Men on part time are better off because their domestic arrangements are not so seriously interfered with. This amendment would have a very good effect.

Hon. Sir CHARLES NATHAN: I am fully in sympathy with Mr. Drew's object, though I cannot support the amendment as it is worded. I strongly recommend that the Minister should consider the principle involved. It cannot apply to more than 11,000 people, who are receiving sustenance that hardly amounts to more than the bread line. I do not think a reasonable concession to such people would seriously affect the total proceeds the Treasurer hopes to derive from the tax.

Hon. W. H. KITSON: I was expecting to hear from those members who profess to have sympathy for sustenance workers. The amount involved by the amendment is not a large one. It will apply only to married men with four children or more. The number involved is only a small percentage of the total number of unemployed in receipt of sustenance. The amendment would also apply to single men in receipt of 25s. 2d. a week, if the work they are employed on is regarded as sustenance work.

Hon. J. M. Macfarlane: The Minister should either defer consideration of the clause and consult his colleagues, or else report progress.

Hon. J. NICHOLSON: I should like to hear from the Minister what the cost of passing this amendment would amount to.

The Chief Secretary: I cannot tell you.

Hon. J. NICHOLSON: Mr. Drew has made his amendment very general. It would apply to both married and unmarried people. There is another point to which probably

Mr. Drew will give a little consideration. There is no definition in the Bill of the word "sustenance." Strictly speaking, if one came to construe it in a court of law it would be said that all wages or salaries were paid for sustenance. Of course we know what is meant by Mr. Drew, but it is just as well to make it clear by a short definition of the word.

Progress reported.

House adjourned at 10.50 p.m.

Legislative Assembly,

Wednesday, 9th November, 1932.

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

QUESTION—COLLIE COAL.

Mr. MARSHALL asked the Minister for Mines: What was the monthly analytical test of coal supplied to Government departments from each local mine respectively from the 30th December, 1931, to the 30th June, 1932?

The MINISTER FOR MINES replied: Presuming that the calorific values are required they are expressed hereunder in British thermal units as follows:—

Co-operative Mines—January, 10,316; February, 10,106; March, 10,092; April, 10,557; May, 10,186; June, 10,313.

Proprietary Mine—January, 9,808; February, 9,584; March, 9,445; April, 9,567; May, 9,481; June, 9,457.

Stockton Mine—January, 9,313; February, 9,230; March, 9,570; April, 9,282; May, 9,221; June, 9,232.

Cardiff Mine—January, 8,966; February, 9,240; March, 9,080; April, 9,153; May, 9,024; June, 9,030.

Griffin Mine—January, 10,447; February, 10,224; March, 10,182; April, 10,234; May, 10,278; June, 10,092.

QUESTION—SLEEPER CONTRACT.

Mr. WILSON asked the Premier: 1, Did the Deputy Premier send the following message to him in Melbourne:—"Ascertain from Commissioner Commonwealth Railways the cause of delay, if any, for payment of sleepers on account of Sleigh's contract? 2, If so, what was the nature of the reply received by the Deputy Premier? 3, Is he aware that the cutters have satisfactorily cut all the sleeper orders given them by Sleigh's agent in Western Australia, and that the sleepers were shipped some time ago, and so far no money payments have been made for them? 4, Is it a fact that Sleigh's sleeper contract owes to the Forests Department money for royalty for sleepers cut under the contract? 5, Is he aware that Sleigh's agent in Western Australia is getting some of the cutters to sign affidavits that they have been paid, in order to get Sleigh's money from the Commonwealth Railway Department, when, in fact, the men have received no payments whatever? 6, Will he take steps to induce the Commonwealth Railways to cancel Sleigh's contract for non-fulfilment of the provisions, and pay the cutters out of the money owing under the contract for the quota of sleepers cut by each man?

The PREMIER replied: 1, Yes. 2, The Commonwealth Railways advised that the contract provided for the submission by Sleigh of a declaration that all accounts had been paid, and on submission of that declaration payment would be made. 3, No. The matter is not the concern of the State Government as the contract is between Sleigh and the Commonwealth Railways Commissioner. 4, Monies are owing to the Forests Department by permit holders who have supplied sleepers under this contract. 5, Answered by 3. 6, The State Govern-