

# Legislative Council,

Thursday, 30th October, 1930.

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

## ANATOMY BILL SELECT COMMITTEE.

*Report Presented.*

**HON. A. LOVEKIN** (Metropolitan) [4.33]: I desire to present the report of the select committee on the Anatomy Bill. The committee propose to lay on the Table a typed copy of the evidence and to distribute several other such copies, but for economic reasons the committee thought it would not be wise to print the whole of the evidence, some of which is not relevant. Embodied in the report is a precis of the evidence on the material points. If members should want to have the whole of the evidence printed, it is open to them to move accordingly. I move—

That the report of the select committee be received.

Question put and passed; report received and ordered to be printed.

## QUESTION—WYNDHAM MEAT WORKS.

*Employees, Wages and Costs.*

Hon. J. J. HOLMES asked the Minister for Country Water Supplies: Will he supply the following information:—1, The number of permanent employees engaged during the year ended 31st December, 1929, and the amount paid to each? 2, The number of men employed in the works for the operating season during the same period? 3, The number of men employed during the period when the works were not operating? 4, The amount of wages earned by slaughtermen and other employees during the operat-

ing season? 5, The same when not operating? 6, The wages paid to the workers during transport from Fremantle to Wyndham and return? 7, The average cost of transport for these employees? 8, The number of weeks each man was employed, and the number of weeks occupied in transport, or waiting for transport? 9, The amount paid to workers for overtime, and to whom paid? 10, The amount of commissions paid, and to whom paid?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: Particulars in reply to the question have been laid on the Table of the House.

## QUESTION—NOTE ISSUE.

*Premier's Reported Views.*

Hon. H. SEDDON asked the Minister for Country Water Supplies: 1, Is he aware of the statement attributed to the Premier at Jennapullin, as published in the "West Australian" of the 27th inst., containing the following:—"It would be quite a reasonable action for the Commonwealth Government to issue notes to cover an advance on wheat, the notes to be destroyed when the wheat was sold abroad"? 2, Did the Premier, the Hon. Sir James Mitchell, make that statement? 3, Does the Hon. Sir James Mitchell advocate inflation of the note issue?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1 and 2, Yes. 3, Yes, against wheat, and to a limited extent. At Jennapullin he mentioned 1s. per bushel.

## QUESTION—UNEMPLOYMENT RELIEF.

Hon. E. H. H. HALL asked the Minister for Country Water Supplies: 1, What was the total amount spent by the Government in assisting the unemployed in the metropolitan area during the months of June, July, August and September, 1929, and the corresponding months in 1930? 2, What amount was spent on relief of married unemployed in the metropolitan area during August and September, 1930? 3, What amount was spent during the same two months on relief of married unemployed in the metropolitan area and at Blackboy Hill?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, 1929—June £3,984, July £1,580, August £2,186, September £3,638, total £11,388; 1930—June £17,529, July £16,656, August £18,123, September £23,660, total £75,968. 2, August £15,850, September £20,386. 3, August £5,191, September £5,309.

### BILL—PARLIAMENTARY ALLOWANCES AMENDMENT.

#### *Second Reading.*

Debate resumed from the previous day.

**HON. E. H. GRAY** (West) [4.37]: I desire strongly to oppose the passing of this measure. Various speakers against the Bill have put up a good case why it should not be passed. I wish the passing of such a Bill would set that example and do everything that sincere members of the community desire; but I think it a farce to even imagine that so paltry a Bill will in any way meet the situation. Those of us who are in close touch with the position of the unemployed know that very real sacrifices will have to be made by those who can afford to make them in order to meet the position, which everyone says is going to be worse during the coming year. To me the remarkable thing is that the unemployed themselves have sat so quietly and behaved so well during the last few months. Can anyone imagine the condition of the married men of this State who are out of work? Can anyone imagine how the sum of money which is being put forward by the Government on the Estimates in another place is in any way going to meet the just wants of the people? Those members who have spoken to the debate are sure the position is going to be worse than it already is. Therefore, the money provided by the Government will not meet the position. The deplorable thing about the Bill and the speeches made by people interested in forcing down the standard of living of the workers is that the depression is being used to push the workers still further down. There can be no question about that. Everybody is emphasising the necessity to readjust things and push wages down. That is what it means. They want the worker to accept less.

Hon. J. Nicholson: Who said so?

Hon. E. H. GRAY: It is the only construction one can put upon the remarks made at public meetings, in this Chamber, and in the Press.

Hon. J. Nicholson: Who said that?

Hon. E. H. GRAY: I strongly believe in the opinions expressed by Mr. Drew, Mr. Lovekin, and Mr. Kitson regarding the burden being thrown upon those in the community who are best able to carry it.

Hon. E. H. H. Hall: That is going to be done.

Hon. J. Cornell: It is very doubtful whether it is.

Hon. E. H. GRAY: Then if it is going to be done, where is the necessity for the Bill? I expressed my opinion weeks ago to a local authority who wrote to me asking my views as to the desirability of members reducing their salaries. By way of reply I said I thought a graduated tax for everybody should be introduced, a tax for wage-earners and salary-earners, under which wealthy people would pay double for a short period, rather than that the workers should submit to a general reduction in wages right down the scale of industry. I expressed that opinion long before this Bill was introduced. Under that scheme everybody would be better off, because if we had a graduated tax for a limited period and made everybody pay according to his means, the tax could easily be lifted when opportunity arose. But once the worker agrees to accept the doctrine of those who are striving to push him down and insist upon his accepting lower wages, it will take years and years to build up the standard of living and culture and comfort to which the worker is entitled. Surely it is not beyond the intelligence of the leaders of the State to ascertain what sum of money is required to adjust the position, and then to impose the graduated tax I speak of. That is the only way in which we can meet the position.

Hon. E. H. Harris: Would you exempt members of Parliament from that tax?

Hon. E. H. GRAY: No, I believe everybody who can afford to pay should be called upon to pay, in order not only to balance the ledger but also to give a fair deal to the hundreds who are out of work. They are not getting a fair deal now, although many people think they are. It is to the credit of those people who are undergoing severe

hardship that they are remaining so quiet. I do not think I should be so quiet if I were unemployed. And no doubt in a few months' time we shall be faced with a ragged army of men, women and children, which will be a disgrace to our civilisation. The remarkable thing about the present crisis is that although there are in this Chamber members who are fairly decent landlords, there has not been any suggestion made for a 25 per cent. reduction in rents. That would be a practical step for members of this Chamber to make towards the solution of the present trouble. And some of them, at least, could afford to do it. Why should member after member stand up here and say we must pass the Bill as an example to the people? It would be a far better example, and would represent a real sacrifice if property owners in this Chamber were to say, "We will be prepared to lead a movement for a 25 per cent. reduction in rents." Then people would say that members of Parliament were genuine in their desire to fix up the present muddle. That would be a lead indeed. Why should we pretend to be making a sacrifice by giving up 10 per cent. of our salaries? It is only a mere pretence. I am not reflecting on members, but I do think the man in the street will look at it in that way. We should do big things. Big things would have an enormous effect upon the lives of others in Western Australia. Those who are vigorously supporting this measure should take that into consideration, and start a movement for reducing rents by 25 per cent. That would affect every home in the metropolitan area. There are thousands of people paying 40 per cent. more than they should for the houses they live in.

Hon. A. Lovekin: Some of the big places are not bringing in three per cent.

Hon. E. H. GRAY: I know of hundreds of people who are paying between 30 and 40 per cent. more than they should for very questionable cottages. I could give dozens of instances of that sort of thing. These rentals absorb between 25 and 30 per cent. of a man's pay before he can get anything like a decent place to live in. We should discuss that phase of the question instead of making a paltry reduction in our salaries. This Bill may be misconstrued in the ranks of the people I represent. I do not want to be connected with any movement or support any measure that will be an indication to the

workers to follow our example, and be prepared to accept a big percentage reduction in their wages.

Hon. J. Cornell: Owners will reduce rents only when they are forced to do so, not before.

Hon. E. H. GRAY: That is a very appropriate remark. We should force the landlords to bring down rents.

Hon. J. Nicholson: Circumstances are forcing them now.

Hon. E. H. GRAY: Those who have let their houses are charging big rentals. Rents in the main streets of Fremantle were recently reduced by a small percentage. This was held as a tremendous achievement on the part of the local business people, but it is only a paltry reduction and not nearly big enough in the circumstances. I should like to see Mr. Holmes leading a movement of this kind.

Hon. J. J. Holmes: I have led a movement for a reduction in rents.

Hon. E. H. GRAY: Mr. Holmes led a movement to organise the shop assistants. He could make history again by leading another in the metropolitan area for a 30 per cent. reduction in rents.

Hon. J. J. Holmes: I have led the movement already. I made reductions months ago, before you woke up.

Hon. E. H. GRAY: I do not think so.

Hon. J. M. Macfarlane: You might take his word for it.

Hon. E. H. GRAY: The rents of Mr. Holmes' properties in Fremantle have not been reduced.

Hon. J. J. Holmes: Fortunately I have only one there now.

Hon. E. H. GRAY: I know of one house belonging to the hon. member, the rental of which has not been reduced.

The PRESIDENT: These remarks are rather personal.

Hon. E. H. GRAY: Mr. Holmes has a reputation which carries considerable weight amongst the capitalists of the community. He could make history if he led a movement for a reduction of rents. If he were supported by Mr. Lovekin, he would cause a sensation in Western Australia. This House could set an example by asking all landlords at once to reduce their rents.

Hon. A. Lovekin: I have no tenants.

Hon. E. H. Harris: Have the Trades Hall set a good example by reducing their rents to the unions which occupy rooms there?

Hon. E. H. GRAY: I know nothing about that.

Hon. E. H. Harris: You ought to know.

Hon. E. H. GRAY: If the rentals charged in the city were on a par with those charged by Trades Hall, people would not have much to complain of.

Hon. J. Cornell: Do the Trades Hall authorities let cottages to workers?

Hon. E. H. GRAY: No. High rentals represent a big question to the people. There has been no movement of any magnitude by the other side who are trying to force down wages. There should be a big reduction in rentals. If that were brought about, there would also be a reduction in the rates. I am asserting a truth which cannot be contradicted when I say that the rents in Perth, Fremantle and suburbs are too high, and absorb too much of the workers' wages.

Hon. A. Lovekin: When they build houses they might lay a few more bricks per day to bring down the cost.

Hon. E. H. GRAY: Many houses in Fremantle have been built by prison labour. The hon. member's argument regarding bricklayers does not, therefore, apply to them. Some of these houses were built long before Mr. Holmes's people arrived at the port and are being let at as high a figure as 25s. a week. Salaries and wages should not be reduced, but rents should come down. Afterwards we could see what we could do. We have only to read the newspapers to see that organised employers are tumbling over themselves to bring down wages through the Arbitration Court.

Hon. Sir William Lathlain: But have they been reduced?

Hon. E. H. GRAY: They have not been reduced where they are protected by awards. On the other hand many girls who were receiving 25s. a week are now only getting 5s., although they are glad enough to have the work to do. People in good circumstances are exploiting these unfortunate girls by paying them scandalously low wages. Wherever people have not been protected by their organisations they have been exploited every day in the week. I could give innumerable concrete examples of this. If rumour is to be believed it is possible the Salaries Tax Bill will be dropped. The Premier will be wise if he does drop that Bill. It cannot become law. I am certain it will not be carried as it is now framed.

Ministerial salaries come under that Bill and would be taxed accordingly. How is it proposed to deal with that question? Will the Government have the effrontery to reduce the salaries of members, of the President, the Speaker, and the Chairmen of Committees and allow Ministers to go scot free? It is fair to ask the Minister to make an explanation on the point. I think I have expressed my opinions forcibly on this matter. I am opposed to the Bill, because it is likely to create a false impression. I am prepared to do far more than this Bill provides in the endeavour to rectify the sufferings of hundreds of people in the community. I am prepared to give the best of my time and ability and as much money as I can spare to help in this direction. The Bill is misleading and will be misunderstood. It is not fair to members of Parliament. Many of them devote all their time to their political duties, and are not paid any too much for the work they do. I have not been able to save any money since I became a member. We should be paid a sufficient allowance to uphold the dignity of office, and carry out our duties as representatives of the people.

Hon. E. H. Harris: Then you are worrying about the £60 reduction.

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

Hon. E. H. Harris: You have said so.

The PRESIDENT: Order!

Hon. E. H. GRAY: It is a fair thing that we should be remunerated in such a way that we can go anywhere and uphold the dignity of the position. Mr. Kitson has said that members are often criticised by people who are themselves trying to get into Parliament. My opinion is that we hold a very responsible position. Most members of all parties realise that they hold an honourable position and that they must live up to it. I have honestly tried to carry out my ideals of what a member should be. The allowance we are paid is small enough in all conscience. I oppose the second reading of the Bill.

HON. G. FRASER (West) [4.58]: I oppose the second reading of the Bill for many reasons. The wrong method has been followed by the Government. Had they come forward with a super tax as suggested yesterday by Mr. Cornell there would have been no opposition from mem-

bers in either Chamber. To single out members of Parliament and ask them to make a sacrifice is the wrong thing to do. Mr. Miles made a very vigorous speech yesterday. He was in his best form and attacked all and sundry. One of the statements was that we had to give a lead.

Hon. G. W. Miles: I did not say we had to give a lead. I said the lead had already been given by private employers. Others have said we should give the lead.

Hon. G. FRASER: I may have confused the remarks he made yesterday with those he made on the Address-in-reply.

Hon. G. W. Miles: We should have given a lead.

Hon. G. FRASER: The hon. member said that thousands of employees had already had their wages reduced. I must accept his word. The only people who have had their wages reduced are those who are not covered by arbitration awards. To whom then should we give the lead, if those who are not covered by arbitration awards have already been reduced? Are we to give a lead to the Arbitration Court?

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

Hon. G. FRASER: That is all very well.

Hon. G. W. Miles: It will come to that yet.

Hon. G. FRASER: I want to find out to whom we are to give the lead.

Hon. J. Cornell: To the metropolitan Press.

The PRESIDENT: It is not in order to provoke interjections.

Hon. G. FRASER: I am sorry if I am provoking them. I am merely seeking for information.

The PRESIDENT: This is not question time.

Hon. G. FRASER: I am trying to find out to whom the hon. member is referring when he interjects about giving a lead. I hope it was not the Arbitration Court that he wants us to give our lead to. It would be quite wrong for anyone in the community to give that court, or any other tribunal, a lead in any matter. Tribunals decide issues on evidence before them. Mr. Miles also told us that banking institutions and other such bodies should suffer reductions, but he does not do anything that would bring those people into line. I do not believe in members of Parliament

being singled out for a particular sacrifice.

Hon. J. J. Holmes: You were singled out for an increase a few years back.

Hon. G. FRASER: I was not a member of the Chamber at the time. When I came here I was elected for a term of six years at £600 a year, and whilst Mr. Miles held up his hands in horror some time back, when it was suggested that interest rates should be reduced, and he declared that he would not have repudiation, he does not mind repudiation taking place in connection with parliamentary allowances, or workers' wages.

Hon. G. W. Miles: That will not hold water.

Hon. G. FRASER: I believe that hon. members did increase their salaries, but I am only speaking of the position as I know it. Several other hon. members are in the same position as that which I occupy in this Chamber in respect of the allowance. Now we find that before the contract has expired the allowance is to be cut down. I am quite prepared with other members of the community to bear my share of the sacrifice, but I do not believe in being singled out for treatment that is different from that being meted out to others. It has been mentioned that it is intended to impose reductions in the salaries of members of the Public Service, but we find that the two proposals do not dovetail. Those members of the service who are in receipt of a salary equal to our allowance are to be subjected to a reduction at the rate of 7½ per cent. against our 10 per cent. There is no equity in the proposal. The civil servants are in an entrenched position; they have no calls on their purse and no election expenses to incur. Yet they are to forfeit 2½ per cent. less than members of Parliament. Mr. Gray evidently has some inside information. I do not know whether it is correct or not; if it is correct, the only thing for the Government to do is to withhold the measure we are now discussing—

Hon. J. Cornell: We are being cut down at the rate of £60 a year and the Government engineers are getting an increase up to £100.

Hon. G. FRASER: Yes, inconsistencies all along the line. One would not object to the reduction of £60 if the money were to be devoted to some good cause. The Government do not propose to apply the

money to any particular object; they will merely stop paying it to us. If it were to be handed over to a fund, as suggested by Mr. Drew, from which sum somebody would receive a benefit, so much objection would not be raised. There are many other ways by which the Government could save a much larger amount than they will save by making this reduction in our allowance. Mr. Lovekin referred to the matter of printing. Members do object to having their allowances reduced when they find that money is being squandered in other directions by the Government. The proposal to make the reduction retrospective to the 1st October is something new for the Government to launch out upon. I know that on most subjects they are very much against anything of a retrospective nature. Just now, however, they are not so particular.

Hon. H. Seddon: Have you never heard of a retrospective award?

Hon. G. FRASER: Yes, but I am mentioning the fact that the present Government have always taken exception to that kind of thing being adopted. At the present time, however, the boot is on the other foot.

Hon. J. J. Holmes: You are now helping to make it retrospective.

Hon. G. FRASER: I do not know that I am. If the Bill had gone through on the day on which it was introduced, it would still have been retrospective. It was not read the first time until the 16th October. I notice that Mr. Holmes is quite prepared to make it retrospective to the 1st July. Perhaps on some future occasion I shall have the opportunity to remind him of that. I merely rose to say that I object to the principle embodied in the Bill; I object to members of Parliament being singled out to give a lead to others to reduce wages. It appears to me that, as things are going, we shall be giving a lead; we shall be in the vanguard, but there will not be any army following if Mr. Gray's statement is correct. Should the salaries tax measure come before us, there will still be a large section of the community left untouched. One of the greatest bar-rackers for the reduction of members salaries has been the Press of the metropolitan area. I understand the "West Australian" last year made a profit of over £80,000, and I am informed also that company is now buying newsprint at a quarter the price that

was paid during war time. It was during the war period that the price of the paper was increased to 2d. per copy. Seeing that that journal is paying now so much less for its newsprint, should it not give a lead to the community by reducing the price of its newspaper? Further than that, I am informed by a business person—the information may or may not be correct, but I understand it is authentic—that in addition to keeping up the price of the paper, the advertising rates on all new business have been increased by 25 per cent.

Hon. J. M. Macfarlane: That is quite right.

Hon. G. FRASER: That is the sort of thing we get from the metropolitan Press. Instead of asking others to give a lead, why does not the "West Australian" itself give a lead to the community by reducing its charges instead of increasing them. I know that a good many members have been stampeded into voting for the Bill because of certain articles that have appeared in the Press. If one tells a man something, often enough, he will grow to believe it himself. If a person looks sick, and someone tells him that, and then another person comes along and repeats it, the unfortunate individual will proceed to consult a doctor. The "West Australian" has adopted the policy of telling members of Parliament that they must reduce their salaries, and this has been told so often that some members now really believe that that course must be followed.

Hon. J. Nicholson: And you are telling us we should not believe it.

Hon. G. FRASER: I am telling the hon. member that this is not the method by which it should be done.

Hon. J. J. Holmes: How would you do it?

Hon. G. FRASER: By a supertax on incomes.

Hon. J. J. Holmes: All incomes?

Hon. G. FRASER: Yes, all taxable incomes. I do not believe in being singled out as an Aunt Sally.

Hon. J. Nicholson: Don't you think we should set an example?

Hon. G. FRASER: I am quite prepared to pay my share along with others, but I do not see why we should be asked to set an example.

Hon. J. Nicholson: Quite a number of firms have made reductions.

Hon. G. FRASER: I have yet to learn that any of the firms have approached the court and asked for a reduction of awards. There have been several applications for the suspension of certain portions of awards in connection with part-time work, but I am not aware that there has been any appeal to the court for a reduction of wages. While I am quite prepared, as I have already said, to bear my share of the burden, I am not prepared to agree to a measure such as the one before us, although I believe it will go through. All the same, I hope the Government will see their way clear to meet the existing condition of things in other ways, and that they will introduce another Bill. I hope also that what Mr. Gray has told the House with regard to the other measure is correct. If it does come before this House, the Minister must not blush when he introduces it.

HON. E. H. HARRIS (North-East; [5.15]): I have listened with great attention to the organised barrage put up against the Bill by the Labour members in this House. They and their friends in another place seem to be inspired with the laudable object of retaining their £600 in order to content their fellow-workers who are on the basic wage of £225. Labour members in both Chambers have adopted the attitude that if we reduce our salaries, we imply concurrence in reducing the wages of men in other walks of life.

Hon. W. H. Kitson: That argument has been used dozens of times in this Chamber.

Hon. E. H. HARRIS: I say it is only camouflage for the workers.

Hon. G. Fraser: Camouflage by the members who put it up?

Hon. E. H. HARRIS: The Government should be congratulated on the political tactics they have adopted.

Hon. H. Seddon: For once.

Hon. E. H. HARRIS: Yes. It does not matter what is proposed, the Opposition will still beat the drum for all they are worth. Had the Government introduced a Bill proposing a supertax, such as some members have suggested, a tax that would have hit everyone in receipt of the basic wage or more, they would have been attacked equally as vigorously as they have been for introducing this Bill.

Hon. G. Fraser: Bring it in and see.

Hon. E. H. HARRIS: The hon. member has told us he has confidential information that the Salaries Tax Bill is to be withdrawn. That Bill, which has been characterised as unfair and which Mr. Drew last night said would affect only 2 per cent. of the people, has been strongly attacked in another place, and practically the whole basis of the opposition is that the measure is unfair. Opponents have all said that they believe in spreading the burden over the whole of the people. I understand the Government are likely to take them at their word and to withdraw that Bill in order that a tax might be imposed upon the whole of the people. Consequently, unless those members repudiate the speeches they have made, they will be pledged to support a measure of general taxation. I am amazed that opponents of the Bill now before us have not resurrected one point. The salary of a private member is £600 and will be reduced by £60. I agree with that. Another Bill to be considered later contains a schedule—

The PRESIDENT: The hon. member cannot discuss another Bill. Incidental reference may be made to it, but he cannot enter into details.

Hon. E. H. HARRIS: I intend to make only incidental reference to it. Members of Parliament and Ministers of the Crown, it is understood, are to be taxed 10 per cent., but the whole of a member's salary will be taxed 10 per cent., while the other £900 odd that a Minister receives will be taxed at the rate of only 8¼ per cent.

Hon. J. J. Holmes: Where do you find that?

Hon. E. H. HARRIS: I am surprised that members who have been claiming that the incidence of the tax is unfair have not directed attention to the point.

Hon. G. Fraser: We do not like to be personal.

Hon. E. H. HARRIS: There is no question of being personal. A member receiving £600 will pay 10 per cent., but a Minister receiving £1,500 will pay a different rate.

Hon. J. Cornell: A Minister receives £1,000 a year.

Hon. E. H. HARRIS: And he would pay 8¼ per cent. on the extra £900 odd. Questions have been asked whether Government servants, who draw extra emoluments for various duties, will be taxed on

the aggregate of their salaries. The Minister can put me right if I am wrong.

Hon. J. J. Holmes: You are wrong. The Ministerial salary is more than £1,000.

Hon. E. H. HARRIS: I understand a Minister receives £900, and £600 as a private member.

Hon. J. Cornell: No; a Minister gets £500 as a private member.

Hon. E. H. HARRIS: I am looking at the two Bills and I wish to be quite clear on that point. I support the second reading. Had the Government introduced the measure earlier, or made it retrospective, it would have been to the advantage of the State, and would have reflected greater credit upon the Government and their efforts to balance the Budget.

**HON. H. J. YELLAND** (East) [5.22] I did not intend to speak on this Bill, but it is as well not to give a silent vote. I shall support the second reading because the exigencies of the financial position demand that a lead should be given by those who have the interests of the State at heart.

Hon. G. Fraser: To whom are you giving the lead?

Hon. H. J. YELLAND: A good deal has been said about the Government taking the lead, they have been abused for so doing, because it has been said they have done it with a view to bringing about a general reduction of wages. A reduction of wages has been caused by the working man himself. He has been asking for it. As far back as 12 months ago, when passing through a certain part of the State, I met a man who was begging for food and shelter for himself, his wife and two little children. He said he was prepared to give the whole of his services in return for food and shelter for himself and his family. The man who was approached was not in a position to pay wages, but the applicant named his own conditions. Another instance came under my notice recently. A man asked for work and was told there was no work available. He replied that he was prepared to work for nothing. The man approached said he was already employing two men under those conditions and it was impossible for him to keep any more. Thus men are prepared to accept low wages if work can be obtained. I do not think some members realise the seriousness of the position in the back country. It is because of the disastrous position in the wheat and wool markets that a reduction of

salaries is incumbent upon the whole of the community. Wool and wheat, the two commodities we sell overseas to pay our national debts, are being produced at unprofitable prices. How can we meet the obligations devolving upon us when the more wheat we produce, the poorer we become, and the more wool we grow, the less return we get pro rata to the work done? We have to sell our commodities in the markets of the world. Therefore we must have conditions commensurate with those ruling in other countries with whose produce we have to compete. If members can show how we can maintain the present high standard of living, with which Australia has been blessed or cursed for many years, and still compete in the markets of the world, I shall be glad to have the information, so that we can act upon it.

Hon. G. Fraser: Is there no depression in the low-wage countries?

Hon. H. J. YELLAND: Yes, but the commodities we are exporting are costing more to produce than we are getting for them. Therefore it becomes essential to establish a proper proportion between the cost of production and the cost of living. The cost of living has decreased and it will fall still lower. If it comes down, wages must come down also, for the simple reason that wages have been increased by the Arbitration Court in accordance with the increase in the cost of living.

Hon. W. H. Kitson: But wages have been increased long after living has increased.

Hon. H. J. YELLAND: Now that the cost of living is falling, workers must expect a reduction of wages, as well as lower costs in other directions. A general reduction must of necessity take place. The Government have adopted the proper steps by beginning at the top and making a reduction there. Reduction lower down the scale is inevitable. People themselves are asking for it in order that they may get work. As that is inevitable, this reduction at the top is the only logical way in which the Government can attack the problem.

Hon. W. H. Kitson: Would you agree to all people outside of Parliament receiving £600 a year being taxed £60 a year?

Hon. H. J. YELLAND: That would be quite outside the power of the Government unless a tax were imposed. As to the salaries of Parliamentarians and of civil servants, I regard the Government of the day as the employers, and employers have the



right to increase or reduce wages. To no one but the Government can we turn for reduction of Parliamentary salaries or reduction of Public Service salaries, except such Public Service salaries as are subject to the Arbitration Court, and in that case it is the Government's duty to appeal to the court in the ordinary way. The Government, as employers, have taken the same stand as the private employer must take if he is to meet the obligations thrust upon him. It has been suggested that by this Bill members of Parliament, as a body, are being attacked. My argument so far carries exactly the same weight in this respect, because when an increase was desired no one but the Government of the day, with the consent of Parliament, could grant the increase. Naturally, the decrease, if it is to be made, must be made through the same channel.

Hon. J. Cornell: This is not a decrease, but a tax.

Hon. H. J. YELLAND: It is a temporary decrease. We have not been singled out for reduction any more than we were singled out for an increase some three or four years ago. I shall not follow hon. members in their arguments as to rents. We recognise that to-day rents are too high. It is astounding to learn that in Fremantle human beings inhabit dwellings that are only fit to house pigs. Are they fit to house pigs? Putting it that way, one may arrive at a somewhat better idea of the standard of the housing. If it is not up to standard, redress can be obtained by appealing to the health authorities, who have the right of condemnation. Rents undoubtedly are too high at present, but that is due to the high cost of production of houses.

Hon. E. H. Gray: Many of those houses were built 50 years ago.

Hon. G. Fraser: Yes, by convicts.

Hon. H. J. YELLAND: If those houses were sold to-day, they would be sold upon the basis of what it would cost to erect them to-day. I support the Bill, and hope that the lead given by the Government will be approved by this Chamber, and that the lead will be followed by other employers, so that each and all of us shall stand together solidly in order to meet the difficulties through which the nation is now passing.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [5.33]: In reply to Mr. Cor-

nell's inquiry as to the non-inclusion in this measure of Ministerial salaries, I am informed by the drafting officer that it was found impossible, because of the Constitution Acts, to frame a suitable clause to cover them in this Bill and it is considered that they are more suitably dealt with in another measure. Mr. Harris said he had been informed that £600 of Ministers' emoluments would be reduced by 10 per cent., and the balance by 8¾ per cent. That information is entirely incorrect. The reduction of 10 per cent. will apply to the whole of Ministers' emoluments. It is not in the least likely that Ministers would ask private members to bear a reduction which they themselves would not bear fully. The reduction in the emoluments of Ministers will take effect from the same date as the reduction in hon. members' allowances. At any rate, the result to the Treasury will be the same whether the reduction is made in this or the other Bill.

Mr. Harris also stated that the Bill was a special tax on a special set of people. In making that statement he overlooked the fact that the general community is already taxed to the extent of the burden of the present depression, and that measures covering other sources of revenue have yet to be considered by this Chamber.

To Mr. Drew I would reply that the amounts at stake in this Bill and the Salaries Tax Bill will be very acceptable to the Treasury, or at least to the present Administration. There would have been justification for opposition to this Bill if a greater percentage reduction had been asked for. Because of the lightness of the rate, the sum total of the reduction should not be looked upon as paltry. If it is so viewed, why oppose the passage of the Bill?

If the estimates are realised, the Bills under consideration in both Houses will improve the state of the Treasury by £195,245. No one can deny that that amount will be a lengthy span in bridging the gap between revenue and expenditure.

There has been no delay in bringing forward this Bill. The Budget was delivered on the 23rd September, and since then the drafting officers have been preparing the various proposals. In the form of money Bills, those proposals are now in various stages of consideration in both Houses, and my impression of the previously expressed anxiety of hon. members to meet the situa-

tion was that the Bills, including the traffic Bill, would be quickly placed on the statute-book. Mr. Holmes, Mr. Drew, and Mr. Cornell have claimed that the Bill does not go far enough. In a way I was pleased to hear them express that opinion. As they have thus committed themselves, I trust the taxing and other revenue Bills to come will receive favourable and expeditious consideration.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Reduction of allowances:

Hon. G. W. MILES: I move an amendment—

That in the last line the word "ten" be struck out, and "twenty" inserted in lieu.

I was challenged last night to move a greater reduction. Accordingly I move a reduction of 20 per cent. instead of 10 per cent. I think there is power to do it, because the reduction does not represent a tax on the people.

Hon. J. NICHOLSON: I am quite prepared to support the idea of the amendment, but for various reasons I hesitate to do so. The Bill is a peculiar Bill, and has reached us in a certain form. If we make the amendment proposed, the measure will have to go back to another place and once more run the gauntlet there.

The MINISTER FOR COUNTRY WATER SUPPLIES: On a point of order. Is the amendment in order? I think it is not.

The CHAIRMAN: I would welcome expressions of opinion as to whether the amendment is in order.

The MINISTER FOR COUNTRY WATER SUPPLIES: Has this Chamber power to deal with money questions?

The CHAIRMAN: I will look up the point.

Hon. J. NICHOLSON: If it were merely a question of doing what we are prepared to do for the State in times like these, I would gladly support a reduction of £200, bringing us back to the remuneration of

members before the last increase. By far the better course would be to introduce, later, a Bill imposing further reductions. We had better leave this measure as it is.

Hon. A. LOVEKIN: I am not sure that the amendment is in order. Section 46, Subsection 2, of the Constitution reads—

The Legislative Council may not amend Loan Bills, or Bills imposing taxation, or Bills appropriating revenue or moneys for the ordinary annual services of the Government.

This Bill is to enable the Treasurer to balance the Budget; that is, to provide moneys for the ordinary annual services of the Government. It seems to me to come within the subsection I have quoted. True, we shall not be imposing any further burden upon the people by passing the amendment; but the Bill is one which we may not amend. We can request amendments.

Hon. G. W. MILES: How can the hon. member regard the amendment in such a light? The clause will save the Government another £4,000 per annum. Mr. Drew has pointed out that this is a parliamentary amount. We can assist the Treasurer by extending the contemplated saving by making it £8,000, instead of £4,000.

Hon. E. H. Gray: You are twisting Mr. Drew's argument!

Hon. G. W. MILES: I am not. He said it was a paltry amount. Surely we would be in order in increasing the saving proposed.

Hon. J. J. HOLMES: I would like to see a 33 1/3rd per cent. reduction so as to restore the salaries to £400 per annum. When the State was prosperous, members of Parliament, without rhyme or reason, so far as I can see, voted themselves another £200. If we were to reduce salaries to £400 again, we could increase them to £60 when the State is again prosperous. We can read between the lines. There was some difficulty in securing the passage of the Bill in the Legislative Assembly, and opportunity had to be taken to secure a general muster of Government members in order to pass it. If we send the Bill back with a requested amendment, the measure may disappear; and that may suit a number of people. It would be wiser to accept what we can get from members of Parliament at present and then later on, if it is found that the saving is not sufficient, I should think the Government would

introduce additional legislation to secure a further reduction in Parliamentary salaries.

The CHAIRMAN: The point has been raised as to whether the amendment is in order. Subsection 2 of Section 46 of the Constitution Act Amendment Act has no bearing on the position inasmuch as an amendment has been made to a Land Tax and Income Tax Bill in this Chamber in the form of a requested reduction of the land tax from 2d. to 1d. The amendment must take the form of a request to the Legislative Assembly. Subsection 3 of the section says—

The Legislative Council may not amend any Bill so as to increase any proposed charge or burden on the people.

The Bill discloses a rather extraordinary feature. It imposes a special tax on members of Parliament and Mr. Miles has moved to increase the tax from 10 per cent. to 20 per cent. Are members of Parliament "the people"?

Hon. G. W. Miles: No.

Hon. J. J. Holmes: They are the representatives of the people.

The CHAIRMAN: Members of Parliament are some of the people. The effect of the amendment will not be to increase any charge or burden on the people. The object is to reduce a charge or burden on the general taxpayers, who pay members of Parliament. I rule that the amendment is in order.

Hon. A. LOVEKIN: With all due respect, it is not a question of imposing a charge on the people. Subsection 2 provides that the Council may not amend certain Bills, including those that appropriate money for the ordinary annual services of the Government.

The CHAIRMAN: Will the hon. member read Subsection 4?

Hon. A. LOVEKIN: That provides for the Council returning a Bill with requested amendments.

The CHAIRMAN: And that is what would happen if the amendment moved by Mr. Miles were agreed to.

Hon. A. LOVEKIN: I beg your pardon, Mr. Chairman. I misunderstood the position.

*Amendment put and negatived.*

*Clause put and passed.*

*Clause 3—agreed to.*

#### Clause 4—Operation of Act:

Hon. G. W. MILES: I hope the Committee will delete part of the clause. When we passed the legislation to increase our salaries, no such clause was embodied in the measure. The clause provides for the Bill to have effect as from the 1st October, 1930, and also that it shall continue in operation until the 30th September next and no longer. I object to the latter portion of the clause and it should be deleted. I move an amendment—

That all the words after "October, 1930," be struck out.

Hon. A. LOVEKIN: I hope Mr. Miles will not press the amendment for the reasons already advanced by Mr. Holmes. If we send the Bill back with such an amendment, we may lose the measure altogether. It would not be worth it. It is good policy to get what we can and then later on, unless circumstances should change, we may have an opportunity of getting back to the £400 a year basis. To jeopardise the passage of the Bill by such an amendment, would be most unwise.

Hon. J. J. HOLMES: I also suggest to Mr. Miles that the amendment be withdrawn.

Hon. E. H. Gray: You are getting the wind up a bit.

Hon. G. W. Miles: You cannot trust them.

Hon. J. J. HOLMES: The Bill will have to come before us 12 months hence, and if I can visualise the position correctly, members of Parliament will have to take less then. I am prepared to let the Bill pass as it stands with the firm conviction that in 12 months' time we will be asked to agree to a further reduction.

*Amendment put and negatived.*

*Clause put and passed.*

*Title—agreed to*

*Bill reported without amendment and the report adopted.*

#### BILL—LAND TAX AND INCOME TAX.

##### *Second Reading.*

*Debate resumed from the previous day.*

HON. H. SEDDON (North-East) [5.56]: I wish to say a few words regarding the Bill because there are a few figures that should be referred to. I consider it will

scarcely be adequate to meet the necessity for straightening the finances during the coming year. Any suggestion made to reduce taxation should, I think, be very carefully considered. The whole of our revenue will be affected and any suggestion to reduce taxation will necessarily affect the position. There is not the slightest doubt there will be a serious shortage in land tax and income tax collections this year.

Hon. A. Lovekin: In income tax collections, particularly.

Hon. H. SEDDON: There is not the slightest doubt that incomes have been seriously reduced. First of all, there has been a reduction because of lower prices, and then there is also the reduction caused through broken time and unemployment. The position regarding income taxation must be taken into consideration in conjunction with the statutory deductions. It is quite possible that many more incomes than heretofore will be brought below the taxable margin. The reduction allowed for in the Estimates under the headings of income tax and dividend duties, amounts to £150,000, which represents about 20 per cent. of the amount received last year. Hon. members will agree with me when I say that the Budget has been framed optimistically seeing that a reduction of 20 per cent. only in regard to the two items I have mentioned, is all that is provided for. As has been pointed out already, if incomes fall generally, and there is no alteration in the Land and Income Tax Assessment Act, the statutory deductions will still stand, and in that event the Budget items I have referred to will be much over-estimated. I cannot support Mr. Stewart in his request for a reduction in the land tax. There is not the slightest doubt that the farmers have experienced bad times, and obviously the hon. member is actuated by a desire to relieve their disabilities. After all, we have to recognise that every section is having a bad time, and therefore to ask that one section should be relieved of taxation, when we have to contemplate increased taxation on every section of the community, can only be characterised as an anomaly. Already, under the Traffic Act, we have given considerable relief to the farmer. A Bill we will shortly have to discuss makes arrangements for the farmer to be relieved from undue pressure which is likely to be put upon him to meet his obligations. The Gov-

ernment would be quite justified in eliminating the 33-1/3 reduction contained in the Bill. That could easily be wiped out at the present time, and such a step would be fully justified. It would be of considerable benefit to the community if arrangements could be effected for collections of the tax to be made monthly, instead of annually. I think most business men, when they receive their income tax assessments, find that the payment of the amount in one sum usually affects considerably their operations for the time being. If the payment of the tax were spread over the year it would be all to the good and would save a great deal of the disorganisation experienced in the early part of the year, when we receive the assessments.

Hon. G. W. Miles: How do you propose to do it? Would you make the sum payable in monthly instalments, or would you have the taxpayer put in his returns monthly?

Hon. H. SEDDON: It could be done easily enough. And if the assessment were payable in 12 monthly instalments, the revenue would thereby be distributed over the whole of the year, and it would be beneficial to everybody. Perhaps the system of annual assessments and payments is quite all right for those who receive their income annually, as the farmer does, but for the general run of the people monthly payments would be far easier. Then there is the question of the spread of taxation, which I cannot but regard as being wise. We might well extend the incidence of taxation to cover every person earning wages, for all should be called upon to contribute something towards the cost of maintaining the State. This would induce a sense of responsibility which is painfully absent at the present time. There is in the minds of a considerable section of the community the idea that because they do not have to pay income tax they are escaping taxation. Frequently wild ideas are put forward involving the State in heavy expenditure, and they are only too frequently accepted because the idea in the minds of many people is that they are escaping the consequences since the charge will come on the other fellow. The Government would have been wise had they increased the spread of the Land Tax and Income Tax Bill and introduced amendments to the Land and Income Tax Assess-

ment Bill; because, so far as we can see from the figures, receipts from the items included in the Bill will be materially reduced during the present year.

**HON. A. LOVEKIN** (Metropolitan) [6.5]: I have risen only because of the suggestion made by Mr. Seddon that to collect this tax monthly would be a great convenience to taxpayers. I am quite sure it would be very costly, for some taxpayers have to pay only 13s. 6d. a year. Obviously, to collect that amount in twelve instalments would involve a lot of costly work in the department. But I think it is time we got back to the Land and Income Tax Assessment Act as it stands, and allowed this tax to be paid in two half-yearly moieties. Indeed, that is the law now. The concluding clause in this Bill, Clause 6, suspends Section 55 of the Land and Income Tax Assessment Act. Of course it is not in accordance with the Constitution to have a taxing measure such as this repealing a section in another Act. The Constitution provides that in a taxing Bill there shall be the tax and nothing but the tax. When the proper time arrives, I will draw the attention of the Committee to Clause 6 in the Bill, that amending Section 55 of the Assessment Act, and ask is not that clause *ultra vires*? If we were to reject that clause we would get back to the half-yearly payments, which in difficult times such as the present would be only fair. The point is not new to me: I have been aware of it all along, but I have not taken much notice of it because in my view it was there for what it was worth. Anybody not choosing to pay his income taxation in one sum is at liberty to pay it in two moieties; and if the department were to proceed against him, the department probably would find itself in the position of having to pay the cost of the proceedings. At such a time as this it would be only a fair thing to the community if we were to make it clear that the tax is payable in two moieties. If Clause 6 in the Bill is negatived, the tax will be payable in two moieties, as indeed legally it is now. In Committee I will take the point that Clause 6 is *ultra vires*.

**HON. J. NICHOLSON** (Metropolitan) [6.7]: I will support the Bill. Many of

the suggestions made by Mr. Seddon are worthy of the closest and best consideration of the Government. I agree with what Mr. Seddon said about the suggestions made yesterday by Mr. Stewart. No doubt Mr. Stewart's proposals could be adopted with advantage in a place like New Zealand, but it would be very difficult to carry them into full effect in the present state of development in Western Australia. Probably in future years those ideas will be carried out in their entirety. Whilst dealing with the valuation of land, I would remind members that under one of the Land and Income Tax Assessment Acts there is a provision that values shall be fixed for five years. I should like to know from the Minister whether he does not think that some amendment should be provided with regard to this fixity of valuations for five years. It works hardship, not only on the Government, but also on the individual taxpayer. Indeed, I believe it has operated in a harmful way on many. Let us assume that values were fixed last year or the year before. For five years those are to be the fixed values, irrespective of the fact that the land may have considerably depreciated in actual value. On the other hand, in other periods land values might well rise. I agree that we should have a separate valuation department, as obtains in the other States, not necessarily a branch of the Taxation Department. This proposed department would work beneficially for the community, and could deal with values in a more thorough way than is possible at present.

**Hon. A. Lovekin**: Are not our valuations fixed jointly with those of the Federal department?

**Hon. J. NICHOLSON**: It may be a joint scheme, but it would be better if we had an independent valuation department in this State, so that the values could have the test of a scientific determination, instead of the present system. It would be of benefit in many ways.

**Hon. A. Lovekin**: That is what they say they have now.

**Hon. J. J. Holmes**: The State values for five years, whereas the Commonwealth can value at any time.

**Hon. J. NICHOLSON**: The Federal Government can come in and value on one basis, whilst the State, unfortunately, has

fixed that value for five years, either in favour of the taxpayer or against him, according to the occasion when the valuation was made. I have made these observations because I hope the Minister will talk over the matter with his colleagues. Meanwhile I will support the Bill.

On motion by Hon. G. W. Miles, debate adjourned.

*House adjourned at 6.12 p.m.*

## Legislative Assembly.

*Thursday, 30th October, 1930.*

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

### LEAVE OF ABSENCE.

On motion by Mr. Wells, leave of absence for two months granted to Mr. Teesdale (Roebourne) on the ground of ill-health.

### BILL—COLLIE RECREATION AND PARK LANDS RESERVE.

Introduced by the Minister for Lands and read a first time.

### MOTION—COST OF LIVING.

*To Inquire by Select Committee.*

MR. MILLINGTON (Mt. Hawthorn) [4.36]: I move—

That a select committee be appointed to inquire into the cost of the necessaries of life, particularly in regard to the disparity in the price received by producers for primary products and the price charged to consumers.

This motion has a two-fold object, one that an inquiry be held into the unnecessarily high prices charged for the necessaries of life mainly owing to the high cost of distribution, and the other the unjustifiable burden that is placed upon industry. I propose to deal with the question from those two standpoints. There has been a general demand in recent months that the cost of production should be reduced. Side by side with that there has been a demand that wages should be reduced. Some people go so far as to suggest that the Arbitration Court should go into recess and that the awards of the court should be scrapped. The position is so desperate that all sorts of remedies have been suggested. Therefore I contend we are justified in turning the searchlight upon every section of expenditure involved not only in the production but in the distribution of the necessaries of life. It is imperative for us to face the problems confronting us. They persist, and any attempt to get by them or over them must fail. People engaged in industry, when they begin to suffer, demand some sacrifice by other sections of the community. It seems to me that one section is attempting to blame and to pass the responsibility on to others. That is not to be wondered at, because people in trouble naturally look for a way out and, if they are bearing an undue burden, they naturally desire that other people shall be called upon to share the load. At present a vast number of people are unemployed, and throughout all industry there is a rationing of work, which means that industry generally has been shrinking. If we could only get up-to-date statistics, I am afraid they would reveal a very serious diminution in the number of people employed in our primary and secondary industries. Therefore anything that has a bearing upon the present position of industry is of interest, and anything that might relieve the burden is worthy of investigation and consideration. The demand for our products is declining on account of the decreased spending capacity