

fire brigade control. The suggestion is absurd, and I am surprised that the Leader of the Opposition should make it.

Mr. Latham: When you were a young fellow you did not invite one of your employees to join your board of directors.

Mr. LAMBERT: On all the executives on which I served I have had an outlook both from the employers' and employees' point of view, and such point of view has been properly expressed. There was no need to call in an army either of employers or of employees when the right viewpoint had to be expressed. I am sorry to have heard such a lamentable speech from the Leader of the Opposition. I thought he would have found some semblance of excuse for opposing the second reading of the Bill. In his present position he must put up some opposition to everything that is suggested.

Mr. Latham: That is something new.

Mr. LAMBERT: His remarks suggested he considered that was a function of the Leader of His Majesty's Opposition.

Mr. Latham: I do not put up opposition on this side of the House, and then change my views afterwards.

Mr. LAMBERT: I do not know to what the hon. member is referring. The time has arrived when executives in control of our railways, fire brigades, or other activities in which public expenditure is involved, should have serving upon them one representative of the employees who has a practical everyday knowledge of the problems associated with the industry concerned. Such a principle operates in the big executives in America and Great Britain, and has been found to lead to the very much more successful operation of the industries concerned.

Mr. Latham: They have advisory councils there.

Mr. LAMBERT: Many of the employees are serving on the boards of directors.

Mr. Latham: If they are shareholders!

Mr. LAMBERT: Are we not shareholders?

Mr. Latham: You have two representatives on this board.

Mr. LAMBERT: The hon. member means the Government representatives. I am speaking of the employees engaged in fire fighting.

Mr. Latham: Do not the Government represent them?

Mr. LAMBERT: I am speaking of the employees. The nominees of the Government may express quite a different view

from that of an employee actually engaged in the industry, and one who has spent his whole life in it. I regret the speech of the Leader of the Opposition.

Mr. Latham: I am giving you the opportunity to stonewall the Minister's Bill.

Mr. LAMBERT: There is a sharp principle at stake in this. Probably this is the first instalment of a principle that will be enlarged considerably as the years go by. Our railways, the fire brigades board, and other activities in which the taxpayers themselves are greatly interested from the financial point of view, would greatly benefit by the everyday experience of one man who is elected by the employees of the industry concerned to represent them on the executive. Elsewhere in the world men who have been drawn from the rank and file have proved most useful on boards of advice or executives. This principle should certainly find application in all Governmental activities.

Question put and passed.

Bill read a second time.

House adjourned at 10.28 p.m.

Legislative Council,

Tuesday, 26th September, 1933.

	PAGE
Assent to Bill	1045
Leave of absence	1040
Paper: Session, Joint Committee's proceedings ...	1046
Bill: Financial Emergency Act, Standing Orders suspension, Com., recom.	1046

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

ASSENT TO BILL.

Message from the Lient-Governor received and read, notifying assent to the Fremantle Municipal Tramways and Electric Lighting Act Amendment Bill.

LEAVE OF ABSENCE.

On motion by Hon. J. Nicholson, leave of absence for six consecutive sittings granted to Hon. J. M. Macfarlane (Metropolitan-Suburban) on the ground of urgent private business.

On motion by Hon. E. Rose, leave of absence for twelve consecutive sittings granted to Hon. J. Ewing (South-West) on the ground of ill-health.

PAPERS—SECESSION, JOINT COMMITTEE'S PROCEEDINGS.

HON. H. SEDDON (North-East) [4.35]: I move—

That a copy of the report of proceedings of all meetings of the Joint Select Committee appointed by both Houses to recommend action to be taken on the question of Secession, together with a record of the attendances at meetings of members of that Committee; also copies of—(a) report of any evidence taken; (b) correspondence or other papers arising out of or dealing with negotiations in connection with the arranging of the personnel of the Committee, recommended by the said Committee to prepare a case for Secession, and a dutiful address thereon for presentation to His Majesty and the Imperial Parliament, be laid upon the Table of the House.

I consider it unnecessary to do more than formally move the motion.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.37]: I have received the following statement from the clerk of the Joint Select Committee:—

The full proceedings of the Committee are contained in the report, printed copies of which will be distributed to hon. members to-day. The Committee neither received nor conducted any correspondence with any public body or person.

Question put and passed.

BILL—FINANCIAL EMERGENCY TAX.*Standing Orders Suspension.*

The CHIEF SECRETARY: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Financial Emergency Tax Bill to pass the Committee and report stages at the present sitting.

The object is that if the Bill goes through Committee, a message may be transmitted to the Legislative Assembly to-day; and

then, if necessary, it will be possible to consider the report from Committee to-day instead of placing it on the Notice Paper for to-morrow.

Hon. C. F. BAXTER: I second the Chief Secretary's motion. In my opinion it is highly necessary that the Standing Orders should be suspended as suggested, so that the measure may be passed through its remaining stages and brought into operation as speedily as possible. Every day lost means a loss of revenue.

Hon. J. CORNELL: I confirm what the Chief Secretary and Mr. Baxter have said. If the Bill is amended and it is desired that it be recommitted, it cannot be recommitted to-day unless the motion is carried. The passing of the motion does not in any way take the control of the Bill out of the hands of the House.

Hon. V. HAMERSLEY: I have been absent, and do not know exactly what stage the Bill has reached. I am surprised at the motion. What is the immediate urgency for rushing the Bill through to-day?

The CHIEF SECRETARY: The Bill will not be rushed through to-day. If the motion is carried, adoption of the report from Committee—assuming that the Bill passes the Committee stage—will be moved to-day instead of being moved to-morrow; and that will enable a message to be sent to the Legislative Assembly.

Hon. J. Nicholson: That will be very much better.

Hon. J. J. HOLMES: If we suspend the Standing Orders, shall we be able to recommit the Bill if we so desire?

The Chief Secretary: Yes.

Hon. J. J. HOLMES: That will be a distinct advantage.

Question put and passed.

The PRESIDENT: There being more than an absolute majority of members present, and there being not a voice in dissent, I declare the motion carried.

In Committee.

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

Clause 1—Short title:

Hon. C. F. BAXTER: I move an amendment—

That the following be added to Subclause 1:—"and shall come into operation on a date to be fixed by proclamation."

In view of the controversy which has already taken place, I do not think it necessary to go beyond moving the amendment.

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

Clause 2—Imposition of financial emergency tax:

Hon. W. J. MANN: Previously the Committee agreed that the duration of the assessment Bill should be until the 31st October, 1934. I think that date should be uniform in both Bills, and therefore I move an amendment—

That the thirtieth day of June, in line 1, be struck out, and thirty-first of October inserted in lieu.

Amendment put and passed.

Hon. C. F. BAXTER: I move a further amendment—

That in paragraph (a) the words "fourpence, fivepence, sixpence, eightpence, and ninepence" be struck out, and "threepence, fourpence, fivepence, sixpence, sevenpence, and eightpence" be inserted in lieu.

My reason is that the starting point in the clause is too high. I am confident the amount required by the Government will be raised from a tax starting at threepence. Last year the tax was based on a flat rate of 4½d., and it is clear that the proposed tax, starting at 3d., will raise more than was raised by last year's tax. The Premier has said that about £400,000 is necessary. From the figures I have seen, it is clear that so much will be realised from a starting point of 3d.

The CHAIRMAN: The hon. member desires that fourpence, fivepence, sixpence and eightpence shall remain in, and he wishes to add threepence and sevenpence. That being so, it would be simpler if he were to submit his amendment in that form.

Hon. C. F. BAXTER: Very well. To begin with I will move an amendment—

That in line 1 of paragraph (a) "threepence" be inserted before "fourpence."

Hon. H. SEDDON: If the amendment be carried, and it be desired later to reduce the starting point to twopence, it will mean recommitting the Bill. Would it not be better to start at twopence now, so that we shall be able to get in the various grades we may desire?

The CHAIRMAN: I understand it is the desire of Mr. Baxter that the Committee proceed with the Bill as if the original

assessments squared with this Bill. Mr. Seddon desires a still lower starting point, which would entrench on the exemptions. Nevertheless, the exemptions we have in mind may not be the exemptions ultimately agreed upon by the two Houses.

Hon. H. Seddon: At all events, I take it we shall be able to do it on recommitment if so desired.

Hon. J. NICHOLSON: Mr. Seddon's suggestion, if adopted, would save the recommitment of the Bill for the purpose of inserting twopence. If the tax were to begin at the lower point, it would mean lightening the burden, as desired by many of the members who spoke on the second reading.

The CHAIRMAN: Mr. Baxter, I understand, also desires that the tax should begin at twopence, but for the time being wishes to leave aside the question of reduced assessment until that assessment is agreed to. It is only looking for trouble to frame amendments in the light of what might be, but if Mr. Nicholson considers that twopence is high enough for a starting point, perhaps Mr. Baxter would give way and let either Mr. Nicholson or Mr. Seddon move the twopence. The Council, on the other Bill, considered the exemptions should be reduced. For the time being the Council has finished with that Bill, which is now in the hands of another place, and sooner or later agreement must be arrived at on the assessments. Whether finality will be arrived at by modification in the Assembly, or by a conference, the obligation for the next move rests, not with this Committee, but with another place.

Hon. C. F. BAXTER: There are two important features about the Bill: One is the necessity to get it through in good time, because a lot of revenue is being lost, and the other is to see that the tax produces the required money. If I were to make my amendment "twopence," the tax would not realise as much as it will from the starting point of threepence, so I do not think it would be wise to come below that figure. The Committee would be well advised not to make the tax any lower than my amendment suggests.

Hon. J. J. HOLMES: We cannot part with this Bill unless we find some means whereby we can make it harmonise with the amended assessment Bill.

The CHAIRMAN: There can be only one line of action. If we amend this Bill and

reduce the tax on the assumption of the exemptions made by this Chamber being assented to by another place, then another place will not be able to move until such time as there is finality arrived at in respect of the Assessment Bill. With finality on that Bill we can arrive at finality on the tax Bill.

Hon. J. J. Holmes: The tax Bill provides for five grades, and Mr. Baxter's amendments provide for six grades.

The CHAIRMAN: Starting at 3d. and finishing at 8d.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That after "sixpence" the words "sevenpence and" be inserted.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in line 2 of the paragraph the words "and ninepence" be struck out.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in line 1 of sub-paragraph (i.) the word "fourpence" be struck out and "threepence" inserted in lieu.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in line 3 of sub-paragraph (i.) "one hundred and eighty-two pounds per annum" be struck out and "one hundred and four" be inserted in lieu.

Hon. G. W. Miles: Should not we substitute £156 in place of £182?

The CHAIRMAN: If another place agrees to the Council's reduced exemptions or eventually agrees upon an alternative exemption, this wording will have to be altered. I understand the hon. member accepts the original assessment pending an agreement between the two Houses, and all he proposes now is to reduce the tax 1d. at the starting point, and make other adjustments to the Bill. What the exemption is to be is at the present time merely supposition. It does not follow that what we have sent to another place will be accepted. According to whatever is agreed upon, so will the Bills have to be adjusted.

Hon. J. NICHOLSON: Can we move an amendment to make it consistent with the

starting point in the Assessment Bill? The two Bills should be made to harmonise.

Hon. A. THOMSON: It seems to me that we are wasting our time in discussing amendments to the Bill. We should know what the Legislative Assembly intend doing regarding our amendments to the assessment Bill. Is it not possible to have a conference, official or otherwise, with members of another place, so that we may judge how far they are prepared to meet us? I agree with the Chairman's statement regarding the powers of the Council. No private member is able to move an amendment that will impose taxation on the people, and that is what the amendments amount to. I do not know what means can be adopted to ascertain what the intentions of the Assembly may be. I do not know whether the Chief Secretary is in a position to make a statement to the Committee. It is the desire of members to assist the Government to obtain the necessary taxation, although we do not agree on the means. Cannot both Houses arrive at some agreement before we proceed with the amendments to the tax Bill? The Budget indicates that the Government do not propose to increase taxation and, in those circumstances, it might be possible, by means of some compromise with the Assembly, for the Council to frame the amendments so that the Government will secure the return they so badly need. I suggest that the Committee stage be postponed to enable a friendly chat to be held with representatives of the Assembly with a view to finding a way out of the difficulty.

The CHIEF SECRETARY: Mr. Baxter, in moving the amendments in the form he has adopted, has followed the only constitutional course available to get over the difficulty. I do not agree with his amendments, but I have not attempted any obstruction because I can see the possibility of arriving at a satisfactory conclusion. Mr. Baxter does not desire to infringe the provisions of the Constitution Act and has framed his amendments accordingly. The means he is adopting represent the only way by which the Bill can be passed to reflect, even in a remote way, the ideas of members of this Chamber.

Hon. H. SEDDON: As the Chief Secretary has pointed out, the course adopted by Mr. Baxter enables him to comply with the Standing Orders and to keep within the four corners of the Bill. The effect of his amendments will be to reduce the amount

of taxation that the Government will receive. Having accomplished that, there are possibly other steps that can be taken constitutionally towards giving effect to our desires. It would facilitate matters if Mr. Baxter were to proceed with his amendments and later we could seek advice regarding the best means to be adopted to make up the money that will be lost to the Government as the result of the amendments to the Bill.

The CHAIRMAN: It must be remembered that we have finished with the assessment Bill and the next step regarding that measure rests with the Legislative Assembly. We can proceed with the tax Bill on the assumption that the amendments to the assessment Bill provide an indication to the Government that the Council consider the rate should be lower on the old assessment, and that there should be a greater spread in the incidence of the taxation.

Hon. J. J. HOLMES: My point is that we have not finished with the assessment Bill.

The CHAIRMAN: For the time being, we have finished with it.

Hon. J. J. HOLMES: In the assessment Bill we provided for the tax to apply on the basis of £52 and £156 and now in the tax Bill we are to provide for a basis of £104.

The CHAIRMAN: The Committee are on perfectly safe ground in proceeding as they are doing. There can be no argument by the Assembly that the Government do not want the tax Bill and the assessment Bill passed. They do, because they want the money. If the Assembly return the assessment Bill with all our amendments disagreed to, a member can move that the Bill be laid aside or a request may be made for a conference. If we send the tax Bill to the Assembly, and the measure is returned to us with all the amendments disagreed to, a member can move that the Council's amendments be pressed. That message will be sent to the Assembly, and presumably a conference will be sought, at which conference the position will be discussed, a compromise or agreement arrived at, and the Bill will then be agreed to in its amended form. It is the Council's business to proceed with the Bill and amend it so as to indicate in what form we consider it should be passed. The position will straighten itself out in due course. We had better proceed with the amendments. Sub-paragraph

(ii) will be consequentially amended following upon the amendment the Committee have agreed to. I understand Mr. Baxter does not desire to go on with the amendment he has moved.

Hon. C. F. BAXTER: That is so.

Amendment by leave withdrawn.

Hon. G. W. MILES: I presume the Leader of the House is aware that we made the amount £156 in the assessment Bill and that we are desirous of the tax Bill being amended accordingly, although we cannot amend it under the Standing Orders.

The CHIEF SECRETARY: I understand that is the position.

The CHAIRMAN: Then in sub-paragraph (ii) the "fourpence" becomes "three-pence."

Hon. C. F. BAXTER: I move an amendment—

That in line 1 of sub-paragraph (iii) "five-pence" be struck out, and "fourpence" inserted in lieu.

Amendment put and passed.

The CHAIRMAN: Sub-paragraph (iv) will be consequentially amended.

Hon. C. F. BAXTER: I move an amendment—

That in sub-paragraph (v) "sixpence" be struck out, and the word "fivepence" inserted in lieu.

Hon. H. SEDDON: How can Mr. Baxter justify the substitution of 5d. for 6d. when the income is practically £6 per week for a single man?

Hon. C. F. BAXTER: A single man on £182 has been reduced from 5d. to 4d. and a single man in this grade should be reduced from 6d. to 5d.

Hon. H. SEDDON: A single man in receipt of £6 a week could well afford to pay 6d., but something might be said in support of extending relief to married men.

Amendment put and negatived.

Hon. C. F. BAXTER: I move an amendment—

That in sub-paragraph (vi) "sixpence" be struck out, and the word "fivepence" inserted in lieu.

Married men should have some relief. They are not being given the relief to which they are entitled in view of their respon-

sibilities as compared with those of single men.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in sub-paragraph (vii) "eightpence" be struck out, and the word "sevenpence" inserted in lieu.

Hon. J. NICHOLSON: This sub-paragraph does not distinguish between single and married men. Has Mr. Baxter any proposal to make regarding the sub-paragraph? Why should there be a uniform rate for married men and single men in this grade, whereas for those on lower grades a differentiation has been made?

Hon. C. F. BAXTER: I do not intend to move for any alteration at this stage, but the hon. member may move an amendment if he so desires.

Hon. G. FRASER: Does Mr. Baxter realise that he is proposing to jump the rate from 5d. to 7d. for two consecutive grades?

Hon. C. F. Baxter: Yes.

Hon. W. J. MANN: We should preserve throughout the advantage accorded to married men, otherwise the measure will be lopsided.

Hon. J. NICHOLSON: I agree that we should give some encouragement to married men. They have the responsibilities and are deserving of relief.

Hon. R. G. MOORE: It would be better to leave the sub-paragraph as it is, and insert an entirely new one dealing with married men.

Hon. H. SEDDON: I intend to vote against the amendment, and hope the Committee will allow "eightpence" to stand.

Hon. T. MOORE: Is it desired to exempt single men in receipt of £416 a year?

Hon. C. F. Baxter: No.

Hon. T. MOORE: That is what the hon. member is doing.

Hon. J. NICHOLSON: Sub-paragraph (iii) contains these words, "and paragraph (ii) hereof does not apply." We should work those words into this particular sub-paragraph.

Hon. J. J. HOLMES: It is agreed that single men shall pay eightpence and married men shall pay sevenpence. Surely Mr. Nicholson can draft an amendment to provide for that.

Hon. R. G. MOORE: All the words after "more" should be struck out. We could then deal with married men at sevenpence as a separate matter.

Hon. C. F. BAXTER: The jump from fivepence to sevenpence is too great. It would be better to strike out the eightpence and insert sevenpence, and then amend the paragraph to contain a reference to sub-paragraph (ii), as suggested by Mr. Nicholson.

Hon. R. G. Moore: The Bill itself provides for a jump from sixpence to eightpence.

The CHAIRMAN: The point to decide is whether the Committee are going to finish at eightpence as the maximum rate. I suggest Mr. Baxter withdraws his amendment, and after the rate has been amended the Bill can be recommitted to cover married men.

Hon. C. F. BAXTER: I will withdraw the amendment for the time being.

Amendment, by leave, withdrawn.

Hon. C. F. BAXTER: I move an amendment—

That in paragraph (b), after the words "at the rate of," the word "threepence" be inserted, and after "sixpence" the words "sevenpence and" be inserted.

Amendment put and passed.

On motions by Hon. C. F. Baxter, in sub-paragraph (i) of paragraph (b) "fourpence" struck out and "threepence" inserted in lieu, and in sub-paragraph (iv) of paragraph (b) "fivepence" struck out and "fourpence" inserted in lieu, and in sub-paragraph (vi) of paragraph (b) "sixpence" struck out and "fivepence" inserted in lieu.

Hon. J. NICHOLSON: I move an amendment—

That the following be inserted, to stand as paragraph (d):—"At the rate of fourpence in respect of every pound of interest received from its investments by every life assurance company or society which is liable for taxation under the said Act in accordance with Section 8 thereof."

Paragraph (c) meets the position as regards any insurance company not being a life assurance company. A fire insurance company gets off with a rate which is really equal to about 2d. in the pound; at the same time, I raise no objection to that. Life assurance companies have always been regarded by the Legislature as more or less

in the nature of friendly societies, which are invariably treated generously in the matter of taxation. Life assurance companies are of great benefit to the State. Large proportions of Government loans are taken up through them. The omission of life assurance companies from paragraph (c) rather surprises me. Having regard to the fact that life assurance companies are the means of sustaining the Government and helping forward the development of the State through loans, I hold that some consideration should be extended to them, as apparently has been given to fire insurance companies. Mr. Piesse and Mr. Bolton, I understand, have interested themselves in this matter previously; I have come into it only this afternoon. Both those hon. members are absent on account of illness.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: Mr. Nicholson explained that this matter was brought under his notice only this afternoon, and that he was not closely in touch with it. I understand the fire insurance companies pay tax on their premiums, and that while they might have perhaps £100,000 in premiums in a year, at the same time they might also have a fire costing them £50,000, notwithstanding which they still pay on the £100,000. The life assurance companies pay on the interest they receive from their investments. They collect, perhaps, 6d. per week from each of thousands of people, who are deserving of consideration because they are making provision for their old age, instead of drifting into the Old Men's Home. What the life assurance companies are afraid of in the Bill is that they will be called upon to pay the higher rate, whatever it may be. They say it is not fair, because they are rendering a service to a section of the community who are highly deserving of the consideration of the House.

Hon. J. NICHOLSON: I am obliged to Mr. Holmes for his elucidation of the position. These companies would be made liable for the tax at the higher rate. I understand they have been paying 4½d. in the £ under last year's Act. Their position is very much like that of friendly societies, who are given special treatment, and the life assurance companies say they should receive the same kindly consideration from the Legislature. They have been very helpful to a large section of the people, and if we

tax them unduly it will be lessening their ability to render a valuable service to the community. All that my amendment seeks is fair consideration for those companies.

The CHAIRMAN: Whereabouts in the Bill are they taxed?

Hon. J. NICHOLSON: They come under the principal Act.

The CHAIRMAN: Does the hon. member desire to exempt them from the taxation?

Hon. J. NICHOLSON: No, merely to limit their liability.

The CHAIRMAN: Then what does the hon. member mean?

Hon. J. J. HOLMES: Up to the 30th June, when last year's Act expired, they were paying 4½d. in the pound. With the multiplication of the small amounts they collect from individuals, the life assurance companies are afraid they will be called upon to pay the higher amount, whichever it may be.

The CHAIRMAN: If Mr. Nicholson wished to ease them of their taxation, he should have done so under the assessment Bill. The Bill before us merely imposes a tax, and in paragraph (c) life assurance companies are exempt from the Bill. The proposed easement cannot be affected in this Bill.

Hon. J. NICHOLSON: Surely it should be competent in dealing with a tax Bill to state what tax shall be levied on life assurance companies.

The CHAIRMAN: There the hon. member is up against the Constitution Act, which provides for the Council requesting the omission of anything in a Bill like this. The hon. member is seeking to introduce new matter into the Bill.

Hon. V. HAMERSLEY: But surely in paragraph (c)——

The CHAIRMAN: That imposes a tax on certain companies other than life assurance companies.

Hon. V. HAMERSLEY: Can we not strike out the reference to life assurance companies?

The CHAIRMAN: If that were done, they might be even worse off than at present.

Hon. J. NICHOLSON: The Bill fixes the rates of tax.

The CHAIRMAN: Under the Bill, life insurance companies may be liable to pay tax up to 8d. in the £. The hon. member desires that they should be taxed only 4d. in the £, but the proposed easement cannot be pro-

vided in the Bill; it should have been provided in the assessment Bill. But both Houses probably will meet in conference on the assessment Bill, and if any glaring anomaly is pointed out the difficulty may be overcome at the conference, for such a conference does not always confine itself to the matters already in dispute between the two Houses.

Hon. J. NICHOLSON: Section 8 of the principal Act says that the tax has to be at a rate fixed by Parliament. There is only one Bill that can deal with fixing the rate and that is the tax Bill. What I am asking you, Mr. Chairman, to consider is, in place of the companies having to pay up to 8d. or 9d., to make it clear that they shall pay a tax at the rate of 4d.

The CHAIRMAN: According to the hon. member, in addition to taxing salaries and wages with certain exemptions, the Bill includes life assurance companies, and it also taxes insurance or assurance business, and, according to the hon. member, wages, salaries, dividends, etc., are all taxed. Now he wants to introduce another tax amounting to 4d. on life assurance companies. If the hon. member wants to say that they shall not be taxed beyond 4d., then he should provide for an exemption and not a tax.

Hon. J. J. HOLMES: At the present time these companies are not taxed; they were taxed 4½d. up to June. If we fix 8d. or 9d., they claim that the same conditions will apply as under the Act that expired on the 30th June last, and under which they paid 4½d. Under the present Bill, they will pay a higher rate, whatever it may be.

Hon. J. NICHOLSON: All that is wanted is simply to limit the amount. We are entitled to fix the rate payable by the life insurance companies.

The CHAIRMAN: You have fixed the rate.

Hon. J. NICHOLSON: I am doing no more than has been done by the graduation process, as set out here; I am asking you to do no more than the Bill has sought to do in regard to fire insurance companies.

The CHAIRMAN: I will accept an amendment "not being a life insurance company." I remind members that both the assessment Bill and this Bill came down together. Mr. Nicholson says that the tax Bill gives assurance companies a consideration it does not give life insurance companies. As both Bills were here at the same

time, that consideration could have been given to the companies in the assessment Bill.

Hon. J. J. HOLMES: Where the income is £416 per annum or more, the rate to be paid shall be 9d. in the pound. When we come to life assurance companies, we are dealing with their income, and they have an income of more than £416 per annum. They pay a higher rate, and they claim that to be an injustice. If you, Mr. Chairman, suggest it is a matter for the assessment Bill, and not for the tax Bill, that might be considered later. You are aware, I suppose, that clearing is all done by contract, that a man may earn in fine weather £10 or £12 a week and in wet weather he may not earn anything at all. I just want this on record. In accordance with the provisions of any award made by a Federal or a State court, an employee engaged on piece-work rates signs a contract in the form prescribed by the court, and the weekly earnings of such employee are considered as the average weekly earnings of the employee during the period of the whole contract.

Hon. R. G. MOORE: Would it be in order to strike out the words "not being a life assurance company"?

Hon. J. J. Holmes: You would be taxing their premiums then, and not their profits.

Hon. J. NICHOLSON: I think I have made it clear that the principal Act shows that it was intended whatever the rates were to be fixed in respect of these particular people, they would be at such a rate as might be fixed by Parliament, and there is nothing to hinder the fixing of the rate for one particular section at so much and another at so much, just as has been done in the Bill before us.

Hon. J. J. Holmes: The Bill without amendment fixes the rate at 9d.

The CHAIRMAN: The difficulty is that Mr. Nicholson desires to introduce a new subclause altogether.

Hon. J. NICHOLSON: The amendment merely seeks to fix the rate that shall be applicable to life assurance companies.

The CHAIRMAN: And you seek to limit the rate. Under the Act the companies were taxed at the rate of 4½d. in the pound.

Hon. J. NICHOLSON: That was a flat rate.

The CHAIRMAN: And now because the rate proposed is graduated, the hon. member desires to make the rate 4d.

Hon. J. NICHOLSON: Yes.

The CHAIRMAN: I submit that the hon. member's amendment is not one that will amend anything that appears in the Bill. It seeks to impose a new rate in respect of interest received by life assurance companies or societies. That represents a totally new matter to which there is no reference in the Bill except a passing one in paragraph (c).

Hon. V. Hamersley: Mr. Nicholson's amendment should be added to paragraph (c).

The CHAIRMAN: But Mr. Nicholson desires it to be moved as a new clause.

Hon. J. J. HOLMES: There is no reference to Jones, Brown or Smith in the Bill, but if they receive £416 a year, they are taxable at the rate of 9d. in the pound. We may assume that one of the life assurance companies is named Brown, and having an income of more than £416 a year, the company will be taxable at the rate of 9d. in the pound. That is not what the Committee desire. I think we could add Mr. Nicholson's amendment as a proviso to paragraph (c), but I think the rate should be 4½d., which the companies paid under the Act, and not 4d. as it appears in Mr. Nicholson's amendment.

The CHAIRMAN: That would be adding a proviso to deal with the life assurance companies in the manner indicated to a clause that already exempts life assurance companies.

Hon. J. Nicholson: That is only in connection with premiums. My amendment will deal with incomes.

Hon. J. J. HOLMES: Paragraph (c) does not provide an exemption regarding life assurance companies. It merely provides a line of demarcation between life assurance companies and fire insurance companies, and this means that if the incomes of the life assurance companies are more than £416 a year, which we know they are, the higher rate will have to be paid.

The CHAIRMAN: I still adhere to my opinion that the amendment introduces new matter, something not mentioned in the Bill.

Hon. J. Nicholson: Life assurance companies will be taxed.

The CHAIRMAN: And your amendment will reduce the tax to 4d.

Hon. G. W. MILES: Why cannot we insert an amendment dealing with the life assurance companies, just as we provided for the married man as against the single man?

The CHAIRMAN: All the Committee did was to say that where the Bill provided the married men should pay at the rate of 6d., they should be asked to pay 5d. In that instance the Committee amended something that already appeared in the Bill. Mr. Nicholson's amendment deals with something that does not appear in the Bill.

Hon. G. W. MILES: The Bill says that people in receipt of more than a certain amount shall pay at the rate of 9d. in the pound. All we say is that the section dealt with in the amendment will not pay more than 4d. in the pound.

The CHAIRMAN: We are bound by what is in the Bill under consideration. We can strike out any item that appears in the Bill. We cannot increase the amounts but we can decrease them.

Hon. J. Nicholson: That is what we are seeking to do.

The CHAIRMAN: No, you are not. It is argued that certain persons can be taxed from 3d. to 8d. in the pound. Mr. Nicholson proposes that a section of those concerned shall not be taxed beyond 4d. in the pound. If there appeared something in paragraph (c) setting out that the companies would be taxed at the rate of 6d. in the pound, I would accept an amendment to provide that the tax should not be more than 2d. in the pound.

Hon. J. J. HOLMES: We know that life assurance companies have incomes over £416 a year.

The CHAIRMAN: So have those referred to in paragraph (c).

Hon. J. J. HOLMES: No, they are taxed on their premiums; the amendment refers to a tax on income. If those in receipt of £416 generally are taxed at the rate of 9d. in the pound, surely we can say that life assurance companies, in view of the work they are doing in the community, shall be taxed at the rate of 4½d. in the pound and not 9d.

The CHAIRMAN: Well, I still think that the amendment is not permissible.

Hon. J. NICHOLSON: Section 46, Subsection (1), of the Constitution Act Amendment Act provides that the Legislative Council may return to the Assembly any Bill that the Council may not amend, requesting by message the omission or amendment of any item or provision. We are seeking to amend a provision.

The CHAIRMAN: Point to it in the Bill.

Hon. J. NICHOLSON: Under the general provisions of the Bill, life assurance companies are liable to pay the tax at a rate of 9d. in the pound. We seek the incorporation of some words that will amend the liability set out in the Bill.

The CHAIRMAN: All taxpayers covered by paragraph (a), who are in receipt of the necessary income, are liable to pay at the rate of 9d. in the pound. You want some of them to be liable to pay 4d. in the pound only.

Hon. J. NICHOLSON: Exactly, and therefore my amendment is an amendment to something that appears in the Bill. I am following out the same principle as is indicated with regard to fire insurance companies.

The CHAIRMAN: No, you are not. If you were, you could amend the clause.

Hon. J. NICHOLSON: We will stultify ourselves if we are not permitted to make the amendments and request the Assembly to agree to our proposals. If we cannot do that we shall be hide-bound and never be able to take action such as we may desire.

The CHAIRMAN: We shall not be more hide-bound than we have been ever since I have been in this House.

Hon. J. NICHOLSON: If we cannot move the amendments we cannot proffer our requests to the Assembly. We should be given the latitude we are entitled to in order to bring matters before the Assembly. We will be handicapped.

The CHAIRMAN: I have pointed out that Mr. Baxter agreed to confine his amendments to the Bill before us and not to introduce any new matter. Mr. Nicholson seeks to introduce new matter.

Hon. J. NICHOLSON: It is not new matter; it is matter dealt with in the Bill.

The CHAIRMAN: Implied, but not expressed matter.

Hon. J. NICHOLSON: Every company or class of company could not be mentioned. The tax Bill simply fixes a rate that affects every taxpayer, unless it be stated in the tax Bill that the rate chargeable on certain classes shall be different.

The CHAIRMAN: Subsection 1 of Section 46 of the Constitution provides that Bills appropriating revenue or moneys or imposing taxation shall not originate in the Council. The hon. member is proposing to tax insurance companies and nothing else.

Hon. G. W. Miles: No, to exempt them.

Hon. J. NICHOLSON: It is an exemption.

The CHAIRMAN: The amendment seeks to exempt one class and tax another. I do not wish to burk discussion, but I cannot accept the amendment. If the hon. member disagrees, he may move to dissent.

Dissent from Chairman's Ruling.

Hon. J. Nicholson: I am reluctant to follow that course, but in order that the fullest consideration might be given to a matter of such importance, I move—

That the Committee dissents from the Chairman's ruling.

[The President took the Chair.]

The Chairman reported the dissent.

Hon. J. Nicholson: It is desirable that the point should receive further consideration. If too restrictive an interpretation be placed upon the section on which the Chairman relies, it will unduly curb the right that I claim we possess to deal with such measures as tax Bills. The Chairman has said that as my amendment was not an amendment to a provision in the Bill, he could not accept it. It is an amendment to a provision in the Bill. Under the general provisions of the Bill, life assurance companies are liable to the full rate of tax. All that I desire is to limit the liability, because, under the Financial Emergency Tax Assessment Act, the rate of tax is a rate that must be fixed by a Parliament. There is nothing to hinder us from reducing the tax on the whole or on part of the people, and I claim to be within my rights in moving to limit the rate of tax payable by life assurance companies. If we deny ourselves that right, our opportunities to make suggestions to another place will be gone.

Hon. J. J. Holmes: Could not the amendment be moved as a proviso?

Hon. J. Cornell: First of all it was moved as a separate paragraph, and then was suggested that it be prefaced with the words "Provided that" and added to paragraph (c). I ruled that a proviso would have the same material effect as a paragraph.

Hon. R. G. Moore: The amendment could not be moved under the assessment Bill, because that measure does not deal with the rate of tax. The rate has to be

fixed by Parliament. This Bill fixes the rate of tax, and if we cannot provide for life assurance companies under this Bill, we cannot do it at all.

Hon. H. Seddon: The assessment Act provides that every company shall be liable to the tax, life assurance companies paying on the interest received from investments.

Hon. J. Nicholson: At a rate to be fixed by Parliament.

Hon. H. Seddon: Yes, and it is in accordance with that provision that the amendment would operate.

Hon. V. Hamersley: It was agreed that the tax Bill was the only opportunity presenting itself for us to deal with this matter. We are attempting to bring this in on behalf of those people who have policies in existence to the extent of £153,464. The average amounts assured are £333. These are all small contributors, who would be paying on the lowest rate in cases where they are paying individually. When their moneys are clubbed together, showing their thrift, they will, under the Bill, have to pay on the highest rate. We are surely right in endeavouring to look after the interests of all those people who should only be paying on the lowest rate.

The President: The merits of the amendment have nothing to do with the question of whether or not it is in accordance with the provisions of the Constitution that limits the power of this House regarding Bills that the Council may not amend. It seems to me this is introducing new matter, and I would not like to accept the responsibility of sending the amendment, if it were carried, to the Legislative Assembly. I must, therefore, support the Chairman of Committees in his ruling that the amendment is out of order. If members of the Council think otherwise, and disagree with my ruling, they will have to accept the responsibility of sending such a proposal to the Legislative Assembly, if it be carried. I uphold the ruling of the Chairman of Committees. If there is any objection to my ruling, this is the time to enter it. If not, the Committee stage will be resumed.

Committee Resumed.

The CHAIRMAN: The question is that the clause, as amended, be agreed to.

Clause, as amended, put and passed.

Clause 3—Operation of this Act in relation to assessment of tax in respect of salary or wages for the year ending 30th day of June, 1934.

The CHIEF SECRETARY: I move an amendment—

That in line 3 the word "year" be struck out and "period" inserted in lieu, and the word "thirtieth" be struck out and "thirty-first" inserted in lieu.

Hon. H. Seddon: Why does the Chief Secretary move this amendment?

The CHIEF SECRETARY: This Bill in the early stages was made to expire on the 31st September, 1934, but the necessity for amending Clause 3 was overlooked. My object is to bring the clause into line with the rest of the Bill.

Amendment put and passed.

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

That in line 4 the word "June" be struck out and "October" inserted in lieu.

Amendment put and passed.

Hon. C. F. BAXTER: I move an amendment—

That in line 6 all the words after "received" be struck out and "after the commencement of this Act" be inserted in lieu.

Amendment put and passed.

Hon. W. J. MANN: This clause seems to cover only wages and salaries. I can see no provision for incomes. Will the person who receives an income pay tax on it for the whole year, or only from the time this Bill is proclaimed an Act?

The CHIEF SECRETARY: The Bill has been amended to operate only from the date of proclamation. I take it that incomes are covered as well as wages and salaries.

Clause, as amended, put and passed.

Bill reported with amendments.

Recommittal.

On motion by Hon. C. F. Baxter, Bill recommitted for the purpose of further considering Clauses 2 and 3.

In Committee.

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

Clause 2—Imposition of financial emergency tax:

Hon. H. SEDDON: I think we have gone a little too far as regards rates of exemption for single men. I would like to see the

original exemptions restored. I move an amendment—

That in paragraph (a), line 2, the words "and ninepence" be reinserted.

Amendment put and passed.

On further motions by Hon. H. Seddon, in sub-paragraph (i) of paragraph (a) "threepence" struck out and "fourpence" inserted, and in sub-paragraph (iii) of paragraph (a) "fourpence" struck out and "fivepence" inserted.

On motion by Hon. J. Nicholson, the words "and sub-paragraph (iv) hereof does not apply" added to sub-paragraph (v).

Hon. C. F. BAXTER: I move an amendment—

That in sub-paragraph (vii) of paragraph (a) "eightpence" be struck out and "sevenpence" inserted in lieu.

Hon. H. SEDDON: I oppose the amendment, because I consider the sub-paragraph right as it stands. We are retaining the principle of the Bill as it originally stood with regard to single men.

Amendment put and negatived.

Hon. H. SEDDON: I move an amendment—

That the following be inserted, to stand as sub-paragraph (viii):—"Sevenpence in the pound where the income is £364 per annum or more and is less than £416 per annum in the case of a person of the kind mentioned in sub-paragraph (iv)."

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That the following be inserted, to stand as sub-paragraph (ix):—"Eightpence in the pound where the income is £416 per annum or more in the case of a person of the kind mentioned in paragraph (iv) hereof."

Amendment put and passed.

Hon. H. SEDDON: If we re-number sub-paragraph (viii) to sub-paragraph (x) I think we can attain our objective. Also I think we shall have to amend paragraph (v) in the same way.

On motions by Hon. H. Seddon the words "and ninepence" were reinserted in Paragraph (b) and the words "fourpence" in sub-paragraph (i) and "fivepence" in paragraph (iii).

On motion by Hon. J. Nicholson, the words "and paragraph (iv.) hereof does

not apply," were added to sub-paragraph (v.)

On motion by Hon. H. Seddon the following new sub-paragraphs were inserted after sub-paragraph (vii.):—

(viii) Sevenpence in the pound where the amount of the salary or wages is seven pounds per week or more and is less than eight pounds per week, in the case of a person of the kind mentioned in paragraph (iv) hereof.

(ix) Eightpence in the pound where the amount of the salary or wages is eight pounds per week or more, in the case of a person of the kind mentioned in paragraph (iv) hereof.

The CHAIRMAN: Then sub-paragraph (viii) will become sub-paragraph (x). It will be necessary to reinsert sub-paragraph (ix) that has been struck out. In view of the earlier discussion I think, unless objection be taken, the alterations made on re-committal can be treated as consequential; because we are going back to where we started. The question is that Clause 2, as further amended, be agreed to.

Hon. C. F. BAXTER: Unfortunately, it is not competent for the Committee to put the clause into its desired shape. The assessment Bill has been amended to include those persons of £52 and £104. It puts us in an invidious position with another place, but I hope they will take notice of what has been said in this Committee. The only figures obtainable bring in another 5½ thousand taxpayers, and I see no justification for exempting those persons with incomes of from £1 a week upwards. I hope before these two Bills are finally passed, those in receipt of £1 per week or upwards, with whom we cannot deal here, will be brought under the tax and made to realise their responsibilities.

Hon. H. SEDDON: I support the hon. member's remarks. It seems to me most unfortunate that we cannot deal with this question in this Committee.

Clause 2, as further amended, put and passed.

Clause 3—Operation of this Act in relation to assessment on tax in respect of salary or wages for the year ending 30th day of June, 1934:

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

That before "salary," in line 3, the word "income" be inserted.

Amendment put and passed.

Hon. J. J. HOLMES: Before you report the Bill to the House, Mr. Chairman, I should like to point out that the Bill should again be recommitteed to alter the word "year" in the first line of Clause 2 and substitute "period." The clause begins "For the year ending the 30th day of June, 1934." In the latter part of the Bill we have made it read "For the period ending." It would be better to insert the word "period" at the beginning of Clause 2.

The Chief Secretary: I agree that the word "period" would be better.

The HONORARY MINISTER: Clause 3 covers the hon. member's point. It sets out that such tax shall be charged and paid in respect of salary or wages received on and after the 1st August, 1933.

Hon. J. J. HOLMES: It would be advisable to substitute "period" for "year" because we have altered the period. We are now about to part with the Bill and it would be better, before doing so, to make the amendment.

Bill again reported with further amendments.

Recommittal.

On motion by Hon. J. J. Holmes, Bill again recommitteed for the purpose of further considering Clause 2.

In Committee.

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

Clause 2—Imposition of financial emergency tax:

Hon. J. J. HOLMES: I move an amendment—

That in line 1 the word "year" be struck out and "period" inserted in lieu.

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

The HONORARY MINISTER: The word "year" appears also in the third line of the clause.

The CHAIRMAN: That will be consequentially amended.

Bill again reported with a further amendment.

House adjourned at 9.25 p.m.

Legislative Assembly,

Tuesday, 26th September, 1933.

	PAOB
Questions: Primary Producers' Bank, interest on mortgages	1057
Tramways, traffic and penny sections	1057
Assent to Bill	1058
Bill: Supply (No. 2), £1,201,000, all stages	1058
Metropolitan Whole Milk Act Amendment, report	1058
Wiluna Water Board Loan Guarantee, 2s., Com. report	1058
Fruit Cases Act Amendment, 2s.	1062
Police Act Amendment, recom.	1067
Financial Emergency Tax Assessment, Council's amendments, Com.	1084
Annual Estimates, Committee of Supply	1089

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

QUESTION—PRIMARY PRODUCERS' BANK.

Interest on Mortgages.

Mr. STUBBS asked the Premier: 1, Is he aware that the liquidator of the Primary Producers' Bank is harassing the clients of the bank in this State by demanding the payment of 8 per cent. on their mortgages, a much greater rate of interest than that demanded by the trading banks? 2, If so, can action be taken against him to compel him to reduce the interest rate to that charged by the trading banks?

The PREMIER replied: 1 and 2, I am not aware of it, but if the facts are as stated in the hon. member's question, the only action which could be taken would be under the Financial Emergency Act. This Act does not apply to mortgages given by banks, except that the Government may, by proclamation, declare any such mortgage shall be subject to the provisions of the Act. It is probable that under the interpretation of the Act each mortgage would have to be dealt with specifically.

QUESTION—TRAMWAYS, TRAFFIC AND PENNY SECTIONS.

Mr. CROSS asked the Minister for Railways: 1, What was the average number of passengers per trip carried on Bulwer-street-North Perth, Mt. Lawley-North Perth, Kensington-street and Claremont lines respectively for the year ended the 30th June, 1933? 2, Where are existing 1d. sections located on the tramway system? 3, When