

Hon. P. COLLIER: On the evidence presented, he has to decide whether a man is guilty or not guilty.

Mr. Money: You agree that a man should be qualified for the work he is doing?

Hon. P. COLLIER: Yes. A judge is qualified for the work of the law. It would be better to have on the appeal board professional men. Neither the Public Service Commissioner nor his assistant is a professional man. Not one of the three members of the appeal board was a professional man. I must enter my protest against asking these professional engineers to give the service we demand of them for such a paltry salary as £384 per annum.

Vote put and passed.

Progress reported.

#### BILL—ESPERANCE-NORTHWARDS RAILWAY EXTENSION.

Returned from the Council without amendment.

*House adjourned at 11 p.m.*

## Legislative Council,

*Thursday, 14th December, 1922.*

	PAGE
Bills: Agricultural Seeds, report ... ..	2221
Dog Act Amendment, Com. ... ..	2221
Land and Income Tax Assessment Amendment, 2d. ... ..	2221
Land Tax and Income Tax, 2d. ... ..	2230
Licensing Act Amendment, Assembly's message	2231

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

#### BILLS (2)—REPORTS OF COMMITTEE ADOPTED.

- 1, Agricultural Seeds.
- 2, Dog Act Amendment.

#### BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

Second Reading.

The MINISTER FOR EDUCATION: (Hon. H. P. Colebatch—East) [4.35]: In moving the second reading of this Bill I should like to take the opportunity of inti-

imating to hon. members that it is now clearly impossible to finish the business of the session before Christmas. It will be necessary for Parliament to reassemble early in the new year. That being the case, I take it that hon. members will desire to adjourn for the Christmas holidays at all events a day or two before Christmas Eve. The business that it is important should be completed before we adjourn is that business which will seriously affect the revenue of the State if it is not completed before the new year; that is, the Land and Income Tax Assessment Bill, the Land Tax and Income Tax Bill, and the Licensing Act Amendment Bill. Hon. members will recognise that if these taxation Bills are not completed before the Christmas adjournment, the Taxation Department will be given very little opportunity of getting out their assessments in time for the revenue to come in during the financial year. Last year's revenue suffered very severely for that reason. In view of the unfortunate mistakes which were made in the Land and Income Assessment Act of last session, I do not propose to ask the Council to suspend its Standing Orders unless we find at the close that the suspension may enable us to do in a day what would otherwise take two days, and, further, unless we are satisfied with what has been done. In such circumstances I should regard a suspension of the Standing Orders as a favour, and also a step which would promote the convenience of hon. members. At all events, we have to-day, and Tuesday, Wednesday, and Thursday of next week. After the second reading of the Bill has been moved, and, if hon. members so desire, debated, there will be time during the week-end for the consideration of the measure, and on Tuesday we can go into Committee. This Land and Income Tax Assessment Amendment Bill in the first instance embodies a provision which was included in the tax Bill itself last session. That is the provision regarding the incomes chargeable of persons who receive incomes in the shape of dividends. Hon. members will be familiar with that provision. Its purpose is to ensure that where the income of a person derived from dividends puts him on a scale which would entitle him to pay a higher rate of taxation than the 1s. 3d. dividend duty, he shall pay that higher rate. I do not think there is any need to debate the clause. It is in the same terms as the clause in the taxation Act of last year. When that taxation measure was before the House, a proviso to Section 16 was inserted, I think at the instance of Mr. Holmes, in the following terms:—

Provided that, in any assessment made under this section, a deduction shall be allowed for interest incurred by the person in the production of the income derived from dividends.

It will be noticed that that proviso does not appear in the present Bill. The reason is that last year we also made an amendment of the Land and Income Tax Assessment Act, alter-

ing paragraph (1), which provides for deductions, to read—

Losses, outgoing, interest on mortgages and loans, and expenses actually incurred in Western Australia by the taxpayer in the production or protection (where such cannot be insured against) of his income; that is, income which is not exempt from income tax under Section 19 of this Act.

It was urged that the right to make all those deductions covered the position, and that there was really no need for the insertion of the proviso.

Hon. J. J. Holmes: The Taxation Department would not admit that, at the time, though.

**THE MINISTER FOR EDUCATION:** The Taxation Department admit it, and not only that, but they point out that Section 16 is the section imposing taxation, and that Section 30 is the section providing for deductions, and that therefore it would be entirely out of place to put in Section 16, in regard to one particular source of income, a deduction, whereas all other deductions are included under Section 30. The Solicitor General goes so far as to say—

It would be wrong to add the proviso to the subsections as inserted in Section 16 of the Assessment Act, because to make such provision in the subsections dealing with the taxation of income consisting partly of dividend duty, instead of in Section 30, which relates to deductions from income generally, would lead to an inference that the deduction of interest on expenditure in the production of income derived from dividends, by implication excluded the provision in respect of income derived from other sources. In other words, the proviso should not be added to a subsection of Section 16 of the Assessment Act, which specifies the incomes which are liable to taxation, but should be (as it already is) a provision of Section 30, which relates to the deductions from taxable incomes generally.

With the exception of that proviso, Clause 2 of the Bill merely embodies permanently in the assessment Act a provision that has previously been in the taxation Act. There is a new proviso to Section 16 proposed by this Bill, as follows:—

Provided also that any male person over 65 years, or female person over 60 years, who has an income not exceeding £250 a year earned by personal exertion but no other income shall be exempt from taxation.

That is giving a special exemption in the case of income derived from personal exertion, not exceeding £250, to aged persons. Clause 3 proposes to amend Section 19 of the principal Act. This is purely consequential on the inclusion in the principal Act of the provisions of Clause 2. Paragraph (3) of Section 19 of the principal Act provides that "the dividends and profits of the companies subject to duty under the Dividend Duties Act, 1902, or any amendment

thereof" shall be exempt from income tax. Clause 3 provides that "subject to Subsections 2a and 2b of Section 16 of the principal Act, and to any exception that may be declared from time to time by Parliament" shall be added to paragraph (3) of Section 19. Clause 4 is an entirely new clause. The first paragraph of it allows a deduction up to £15 for travelling expenses. It says—

Such expenses shall include the cost of travelling from the place of living of the taxpayer to the place where his income is earned or produced, not exceeding £15 in any year.

That is a deduction which will apply to a very large number of taxpayers, and is estimated to involve a decrease in revenue of some £2,000 or £3,000. There is a paragraph in Clause 4 in which travelling expenses of members of Parliament, which can be deducted, are definitely fixed at £50 for members representing metropolitan and metropolitan-suburban electorates and of the West Province or of any electoral district therein, and £100 for members of Parliament representing outside districts.

Hon. R. J. Lynn: It should be struck out.

**THE MINISTER FOR EDUCATION:** I am inclined to agree with the hon. member. I understand there is a somewhat similar provision in the Federal Act. The unfortunate position regarding this Chamber is that we cannot make amendments to money Bills. We can request amendments, but even then our requests are limited in certain directions.

Hon. A. Lovekin: Is this a money Bill within the meaning of the Constitution Act?

**THE MINISTER FOR EDUCATION:** Last session we agreed to an amendment of the Constitution Act in which the following subsection appears—

The Legislative Council may at any stage return to the Legislative Assembly any Bill which the Legislative Council may not amend, requesting by message the omission or amendment of any item or provision therein: Provided that any such request does not increase any proposed charge or burden on the people.

It will be seen from that subsection that it is doubtful if we can request any amendment which involves the omission of any exemption or deduction from income. At any rate, I do not feel bound to say anything in defence of the provision in the Bill. Clause 5 amends Section 30 of the principal Act by adding a new subsection providing that money up to £40 per annum may be deducted for each dependant actually expended during the year by a taxpayer in or towards the support of dependants. That is in keeping with the amendment made last year when we increased the deduction for each child to £40. Now a similar deduction may be made for each dependant.

Hon. J. A. Greig: What is the meaning of the word "dependant" under that clause?

The MINISTER FOR EDUCATION: I do not remember it, but there is a definition in the principal Act.

Hon. H. Stewart: It is defined there.

The MINISTER FOR EDUCATION: Clause 6 is very important. In the past there has been an exemption up to £156 for married persons and to £100 for single persons. Directly the amount of that exemption was passed, then the individual had to pay taxation on the whole of the taxable income. The clause proposes to amend the existing law by increasing the exemption from £156 to £200 in the case of a married man and leaving it at £100 for a single man without dependants. It also continues that exemption on a sliding scale in the form of deductions, which disappear at the rate of £2 for every £1 of additional income over £200, or over £100 in the case of the single man. The effect will be that the exemption will disappear altogether at £300. The effect so far as the taxpayers are concerned, is that a married person who has a taxable income of £200, on which he now pays £2 3s. 4d., will be exempt altogether under the amendment. In the case of the person with an income of £201, the £1 will wipe out the £2, leaving £198 to be exempt, and £3 as chargeable income, on which he will pay the minimum rate of tax of 2s. 6d., instead of £2 3s. 8d. as in the past. In the case of an income of £204, the taxpayer will pay the minimum tax of 2s. 6d. instead of £2 4s. 7d. as in the past; on £210, he will pay 5s. instead of £2 6s. 7d.; on £250, he will pay £1 9s. 4d. instead of £3 0s. 5d. and so on. The taxpayer will escape more lightly up to £290 on which he will pay £3 11s. 8d. instead of £3 15s. 11d. as he does under the existing provision. Not until the individual gets £300 does he pay as much under the new scale as he would do under the old arrangement. Personally I think there is a good deal to be said for the exemption in favour of a person receiving under £200 a year, but in addition to that, there is a large number of deductions which, of course, are applied until the taxable income is ascertained. There are many of these deductions with the result that a man may be in receipt of quite a good income and yet pay no tax.

Hon. H. Stewart: He may get up to £400 or £500 a year and not pay anything.

The MINISTER FOR EDUCATION: If we make a comparison with the other States, we find that people with small incomes will pay less taxation in Western Australia than in any other part of the Commonwealth.

Hon. A. Lovekin: Less than in Victoria?

The MINISTER FOR EDUCATION: Yes. In Victoria there is an exemption of £200, but it applies only when the income does not exceed the general exemption. Therefore, the man who has a taxable income of £210, instead of paying on the £10 will pay on the full £210. In addition to that, the tax starts in Victoria at 3d. in the pound on

incomes up to £500, whereas in Western Australia we start with 2d. in the pound. This means that the person receiving a small income in Victoria will pay much more than he would do in Western Australia. Our taxation will be more in accord with that of the Commonwealth than with any other State. The Federal exemption is £200, and that is carried on. Instead of disappearing at the rate of £2 for every £1 of additional income as proposed in the Bill, it disappears at the rate of £1 for every £3 of additional income. That means that the Federal tax only disappears when the taxable income is £800.

Hon. A. Lovekin: Their taxation starts at 5d. in the pound, whereas ours starts at 2d. in the pound.

The MINISTER FOR EDUCATION: That is so; it is heavier than our taxation. In New South Wales there is an exemption of £250, which is treated as a general deduction from all small incomes, but in that State they allow £50 for each child under 18 years of age, which is more generous than the provisions of our Act. However, they start at 1s. in the pound when the income does not exceed £250. In these circumstances, some people with small incomes may escape more lightly in New South Wales than here, while others may pay a little more. That, however, is the only instance where another State may not exact less than we do. In South Australia there is a general exemption of £150 which applies to all small incomes, but there the allowance for children is only £15, and that applies to children under 15 years of age, and when the income does not exceed £550. The rate of taxation there starts at 5d. in the pound up to £400. Thus, it will be seen that in South Australia persons with small incomes will pay more than in Western Australia. In Queensland there is an exemption of £200, and the allowance for children is only £26, instead of £40 as in Western Australia. In that State the tax starts at 6d. in the pound. Here again it will be seen that the person with a small income will pay a heavier tax than in Western Australia. Generally speaking, it may be said that, as far as the persons with small incomes are concerned, they escape more lightly in Western Australia than anywhere else, with the exception perhaps of in New South Wales. Even there, some may pay a little more, while others pay a little less. In this State, however, the alteration will involve a decrease in taxation of something like £30,000.

Hon. A. Lovekin: That is wrong.

The MINISTER FOR EDUCATION: The hon. member may say it is wrong, but the Deputy Commissioner of Taxation made up the return setting out that loss. After being told that he was wrong, he went into the matter again and he saw me this afternoon, when he told me that he was willing to stake his reputation on the accuracy of the figures.

Hon. J. J. Holmes: Can we afford to lose £30,000 in taxation?

The MINISTER FOR EDUCATION: We do not propose to do so. We propose to make someone else pay.

Hon. J. J. Holmes: In what way?

The MINISTER FOR EDUCATION: I cannot discuss the Land Tax and Income Tax Bill at the present stage, but provision is made for it in that measure, and that makes up the estimated loss resulting from the passing of the clause under discussion. In the group of taxpayers in receipt of from £101 to £200, the taxpayers concerned pay at present £20,859. This group includes 14,247 taxpayers with an average income of £152. Of these, 6,247 are married and contribute an average of £1 9s. 3d. or a total of £9,136. The whole of that will be lost under this clause. Of the 8,000 single persons, half of them would pay at the rate of £1 9s. 3d. returning £5,850. All that will be lost. As to the balance of 4,000, paying at the rate of 2d., they will contribute £1,333 which will not be lost. This will bring the total loss in that group to £4,517, or a total for the whole of that class receiving from £101 to £200, of £13,653. The next group represents people in receipt of from £201 to £300. The present tax received from them amounts to £33,582, which is contributed by 13,473 taxpayers, contributing an average amount of £2 10s.

Hon. A. Lovekin: The average would be £2 9s. 10d. and not £2 10s.

The MINISTER FOR EDUCATION: The figures I have are £2 10s. On that basis 8,000 taxpayers contribute £20,000 and an additional 8,000 at 10s. pay £4,000 so that this will represent a loss of £16,000, out of the £33,582 at present collected.

Hon. A. Lovekin: That does not agree with the published figures regarding these assessments.

The MINISTER FOR EDUCATION: I think it does. That makes the total loss up to £29,653. Clause 7 amends Section 34 of the principal Act which was inserted in the measure we passed last year. Section 9 of the Act of last year read as follows:—

The Commissioner may order a refund of any excess of tax that may have been paid in respect of any assessment, if an application for a refund of any excess of tax is made within two years of the date of the payment of such tax.

It is proposed to extend the time to three years, but not three years from the time of the demand but from the time when the tax was due.

Hon. A. Lovekin: We passed that provision last year, but it was one of our amendments that was lost.

The MINISTER FOR EDUCATION: It is now proposed to insert it in the Act. Clause 8 provides that Section 54 of the principal Act shall be amended by omitting the "before the expiration of 30 days." We have since made an amendment to our exist-

ing Act which sets out in Section 53 that the time shall be 30 days after service of the notice. As the legislation stands to-day, we give two periods of 30 days. We provide for the tax being due 30 days after service by post, of the notice of assessment. Undoubtedly when we made that amendment we should have struck out the other 30 days period provided in Section 54. The combined taxation notice is issued, and the Commonwealth one is due within 30 days; whereas in respect of the State notice the taxpayer has 30 days grace and, because of Section 54 another 30 days grace on top of it. It has been a mistake. A different method of putting up the 30 days grace was provided, but both have been left in.

Hon. J. J. Holmes: Then the fines imposed have been illegally imposed.

The MINISTER FOR EDUCATION: I do not think any fines have been imposed for exceeding the first period of 30 days grace. Those are all the provisions of the Bill. I move—

That the Bill be now read a second time.

Hon. R. J. LYNN (West) [5.2]: I fully realise the necessity for obtaining revenue in order to meet the current expenses of the State, for I recognise that it is not good policy for a person or a company or a State to continue trading and showing deficits month after month. At the same time, I recognise also that if as a State we are going to permit hundreds of persons to escape some slight taxation and, in order to make up the deficiency, pile it on to the shoulders of other taxpayers or companies operating in the State, such a policy will drive trade and industry out of the State.

Hon. H. Boan: Hear, hear!

Hon. R. J. LYNN: The people are sick and tired and sad as the result of taxation. So incensed are some that to ask to have money invested in the State, or indeed in Australia, is to risk a blank refusal on the score of the taxation imposed. We are borrowing large sums of money for the development of the State, and are spending millions in the settling of people on the land. That will be of no advantage to the State unless at the same time we encourage the expenditure of private capital also in the development of industries. Clause 2 contains a most dangerous amendment to the Act. If carried it will mean the searing away of capital. Many companies in the old world with money invested in Western Australia are quite willing to pay the dividend duty of 1s. 3d. in the pound; but if we are now going to ask them to pay a flat rate of 4s. or even more in the pound, in addition to the Federal taxation, to say nothing of taxation in England where the capital comes from, we must not be surprised if we get no money whatever for investment in Western Australia. I confess I have not the capacity to interpret our own Taxation Assessment Act. There are but very few men who thoroughly understand it. Recently I submitted it to a legal man of

high standing. I fully expected that his interpretation would require some consideration. That interpretation occupied 12 sheets of foolscap. I shall be pleased to allow any member to scan that legal opinion for which I paid, never thinking that this Clause 2 would come along, which cannot be anything but inimical to the interests of the State. We must have revenue, and I am anxious to assist the Government to obtain it; but it must be obtained equitably, not at the cost of freezing out established industries and preventing additional capital from being invested in the State. The Bill should be referred to a select committee and its every clause thoroughly investigated. It would be impossible for me to vote for the Bill without knowing more of its contents. The amendment to Section 2 of the Act means that if the dividend duty payable amounts to £1,000, the whole of those shares being in a foreign company, the taxpayer will be called upon to pay the full rate on that £1,000.

The Minister for Education: Less what has been paid already.

Hon. R. J. LYNN: But you are going to ask him to pay 4s. here and 6s. to the Commonwealth, and will then take off 1s. 3d. In other words the taxation is to be increased 300 per cent.

The Minister for Education: But it is the present law. This is a reprint of the Taxation Act passed last year.

Hon. R. J. LYNN: Well, as I say, I have submitted that Taxation Act to a solicitor, and the interpretation I got ran into 12 pages of closely written foolscap which, I confess, left me just as much confused as I was before.

Hon. A. Lovekin: Still you were told to pay.

Hon. R. J. LYNN: Yes, I was. The nigger in the woodpile is that we have relieved some people of certain burdens and it is now proposed to recoup that amount by heaping an extra burden on those already paying a great deal, those who in many instances are actually poorer than are those others exempted under the Bill. It is proposed that the larger people operating in the State shall be called upon to vindicate the generosity of members of another place who have exempted themselves from taxation; because a member of Parliament, with his £400 per annum and the deductions granted him for his two or three children, will now be relieved of taxation altogether. I think he should be made to pay some taxation. A member of Parliament, unless he is called upon to pay taxation and carry some of the responsibilities of the State, does not quite understand what taxation means. Those members who granted this exemption are real socialists, prepared to give away anything so long as it does not belong to them. I suggest that we decline to make that amendment. I ask hon. members to consider whence this additional revenue is to come. If it will create an additional burden on the established firms and industries of the State, we should not agree

to the imposition of that burden. Taxation in Australia is so great that those interested in industries in other parts of the world are by no means anxious to invest money in the Commonwealth. I admit that the average investor in the Old Country regards Australia very favourably. At the same time, I have heard in the Old Country criticism of Australian taxation which would make stand on end the hair of any man who has the development of Australia at heart. I am not urging hon. members to reduce the amount asked for by the Government, for I realise that they require even more than the Bill will give them. But the burden should be equitably distributed.

Hon. A. Lovekin: They are going to make 100 per cent. profit on this deal.

Hon. R. J. LYNN: I think they will make 300 per cent. profit. The Bill should be deferred until members are satisfied that the 1s. 3d. in the pound does not mean 4s. in the pound and an increase of 300 per cent.

The Minister for Education: It is exactly the same as last year.

Hon. R. J. LYNN: A corporation in the Old Country might invest certain money in another company operating in Western Australia, knowing that 1s. 3d. in the pound is the dividend tax. Suppose they made £5,000 and the flat rate is to be 4s. on £5,000, are they to be called upon to pay 4s. in the pound less the 1s. 3d. dividend duty?

The Minister for Education: We would have no knowledge of what the income was. The company would pay the 1s. 3d.

Hon. R. J. LYNN: And that is all the Government would ask?

The Minister for Education: We should never hear of any more. The company would make no return.

Hon. R. J. LYNN: But the Federal authorities have a method of appointing one of the staff as a public officer. They ask for the public officer in the State and, if the company have none, they appoint one of the staff as public officer and give notice to him that the dividend tax must be collected by him.

The Minister for Education: But the Federal system is different from ours.

Hon. R. J. LYNN: The State and Federal authorities are working together, and the State officials are becoming contaminated. Whilst equity was generally observed in the State administration, the Federal department care not how they obtain the amount of the tax so long as they get it. They would even go to the extent of ruining a man. Within the last 12 or 18 months the Federal Department pressed a man to sell his household belongings in order to pay his taxation. He held certain shares which the department said were of a certain face value, and on that face value he was taxed. He had to realise on his furniture and take a furnished house in order to raise the money for the tax. This is the sort of thing we have to put up with to-day.

When a member of the company's staff is appointed public officer, he must collect the dividend tax before remitting the dividend to his principals. The people in the Old Country are informed that a public officer has been appointed for this purpose, and they do not know either the man or his name. There is no doubt in my mind that since the Federal and State Departments have been combined for the collection of taxation, a public officer will be appointed and this additional impost will be levied. I could quote instances of companies, who, having undertaken development work to keep their concerns going, have been called upon to pay thousands of pounds in taxation and have had to borrow the money to pay it, simply because the Taxation Department ruled that the outlay was capital expenditure. I know of other instances where heavy losses have been sustained. The old Co-operative mine at Collie—I am coming near home, but I am certain of the facts—had a fall of earth four or five years ago and lost thousands of pounds worth of plant. The sumps were filled, and the big pumps, fittings, motors and a considerable amount of other machinery down below was lost. During that year the company made a certain surplus on paper but nothing in comparison with the loss sustained. The Taxation Department said, "It is extremely unfortunate, but that is loss of capital. You must pay on the surplus." Money had to be raised by means of a further overdraft to pay the Taxation Department. I know of a firm who were driven into liquidation because of the methods adopted by the department. Doubtless there are plenty of people who would endeavour to evade taxation, and harsh methods might be justified to obtain legitimate taxation, but there are instances where a sense of equity and fairness should be exhibited and where it is lacking. I submit this amendment means that whereas in the past 1s. 3d. has been paid as dividend duty, overseas investors in our gold and coal mining industries will in future be called upon to pay 4s., less the amount of dividend duty—1s. 3d.—paid by the company. It will mean an additional impost of 2s. 9d. in the pound on mining shares.

Hon. A. Lovekin: They would be non-resident taxpayers under the Act.

Hon. G. W. Miles: And would have to pay the absence tax on top of that.

Hon. R. J. LYNN: They might come under the provision which imposes an additional 50 per cent., and that would bring their taxation up to 6s. in the pound. Anything which tends to create higher taxation in Australia will have a very detrimental effect on our industries. We in Western Australia are admittedly a very small community, but news of any move to impose an additional burden on people who have invested their money in the State is immediately flashed across the water and posted in the financial institutions of the world's metropolis.

The Minister for Education: I can assure you there is nothing new in the clause.

Hon. J. Nicholson: Then why re-enact it?

The Minister for Education: It was only enacted in the taxation Bill of last year.

Hon. H. Stewart: Why not leave it in the tax Bill this year? That measure has to be brought down every year.

Hon. R. J. LYNN: Within the last fortnight the Fremantle Harbour Trust have imposed an additional charge on shipping, equivalent to about 10d. per ton on all the wheat to be shipped from Fremantle this season.

Hon. G. W. Miles: The farmer will pay that eventually.

Hon. R. J. LYNN: Undoubtedly, because it will be reflected in subsequent freights. Already nine ships have been chartered to load wheat in Western Australia, and these ships accepted their charters under the conditions then existing at the port. When these steamers arrive here and are called upon to pay 10d. per ton in excess of the rate prevailing when their charters were fixed, it will leave a very bad flavour. They would not mind paying 1s. 8d. a ton so long as they knew the charge before fixing the charter. They would include it in the freight quote. These nine vessels, however, after having fixed their charters, are to be called upon to pay the higher dues, and the extra expense will be a dead loss to them. The same thing will happen in respect to this taxation. When companies invested their money in this State, they did so with a knowledge that the dividend duties tax was 1s. 3d. in the pound. After having invested their money here, they are to be called upon to pay the State 4s. in the pound, and doubtless the Federal authorities will not be slow to follow suit. These people will say that investments in Western Australia are of no value to them, and will complain of having been robbed. If my figures are correct they will have to pay an increase of 300 per cent. Investments under such conditions will be of no value to them because, when taxation in the Old Country is added, there will remain insufficient to pay fair interest on the money. I have spoken in this strain not in any critical spirit, because I realise that the Government must have money, but because I desire members to thoroughly understand the effect increased taxation will probably have on the State and on the Commonwealth. In respect of all the expenditure on which we are embarking to-day, we shall have to pay interest and sinking fund, and unless we have private capital invested, industries springing up and the State developed to a much greater extent than it is to-day, the burden will become too heavy for us. We cannot afford to drive capital out of the State. We should encourage capital to come here, and if by any means we can lighten the burden of taxation and attract additional capital, we shall be infinitely better off. I would prefer that people be allowed to bring their capital into the State and by industry and thrift, earn interest and dividends upon it, rather than have the State borrowing money and burdening the people with a big interest bill. I hope that before the measure is passed, every member will insist on thoroughly understanding its provisions, but I

would like to see it referred to a select committee for investigation and report.

Hon. J. J. HOLMES (North) [5.29]: It is not our fault that the Treasurer finds himself in a dead end as it were be reaching this period of the year without having his taxation measures passed. It is no fault of the Leader of this House, either, because when such measures reach us, he invariably does his best to get them passed as quickly as possible. These taxation proposals are of such importance that it is not fair to ask us to rush them through. In view of the fact, however, that it is necessary to pass some measure of taxation, I am prepared to assist the Minister to a reasonable extent. He is not responsible for the position of affairs. We remember that the general elections were put forward six months to give the Treasurer ample time to prepare his financial proposals for Parliament. It leaves a worse taste in our mouths when we recollect that this is the Treasurer who, after getting that six months' extension, carried on the business of the country into the new year, and is now asking us, on the eve of the Christmas holidays, to facilitate the passing of these important measures. Mr. Lynn said we were increasing local taxation, and the Leader of the House made the significant remark that the Federal people were reducing it. If it is known that immediately the Federal people reduce taxation the State increases it, the Federal authorities will make no further reductions. We know that the Federal people are out to take advantage of the State in every possible way, and if, when they reduce taxation the State increases its taxation we shall not get much sympathy or reduced taxation from the Federal authorities.

The Minister for Education: Last year the Federal people proposed to drop the amusement tax so that the States could take it.

Hon. A. J. H. Saw: They do not single us out for taxation.

Hon. J. J. HOLMES: No, they tax all the States alike. They have at last realised that they have to reduce taxation in order to encourage development, and are beginning to take a broader view of the situation.

Hon. J. Duffell: They realise they have already gone too far.

Hon. J. J. HOLMES: Very few people realise what the taxation means unless they sit down and analyse their business concerns. With some of us it is often a question of whether it is worth while going on with some of our undertakings. We have the Federal and State income tax, two lots of land taxes, a municipal tax of 3s., a tax of 2s. 9d. for water supply, etc., a road board tax, a vermin tax, and so on.

Hon. J. Mills: And a dog tax.

Hon. J. J. HOLMES: We have had enough of dogs for the present. When we analyse the position, see what the gross income is and what net income is left, some of us think it is better not to develop at all, but continue the ventures that are most profitable and

leave the rest alone. I gather from the Leader of the House that overseas companies would be in an advantageous position. He says we will never know what their income is, and that consequently they may not be called upon to pay more than 1s. 3d. in the round. We shall, however, know what the local companies' taxes are, and they will be placed at a disadvantage as compared with the overseas companies. Capital must be encouraged to come here. The charters in the case of shipping companies referred to by Mr. Lynn should be charged at the old Harbour Trust rate and not at the new rate. The present proposal is inequitable. We must keep faith with the overseas people if we are to develop this country. We cannot go on without borrowed money, and must look to the overseas people for it. I am not opposed to increased taxation. We know we have gone back to the extent of six millions of money, and that sooner or later it must be made good. When a responsible Government comes into office I shall be prepared to give my quota towards paying off the deficit, whatever that quota may be. When we peruse the records that have been laid on the Table of the House we must agree that at the present time we have anything but a responsible Government. It would be ridiculous to suggest to the contrary. I gather from the Leader of the House it is proposed to rebate taxation to the amount of £30,000 to one section of the community, and collect it from another section. The people to whom it is proposed to make this rebate are the irresponsible citizens of the country, those who wanted borrowed money, and wanted it spent in all directions, in order that they might participate in the expenditure. These irresponsible people have created this irresponsible Government. It is to relieve these irresponsible people of £30,000 taxation and saddle it upon the responsible section of the community that we now have this Bill. Those who want reduced taxation are the people who have little or no vested interests in the country. They came here because loan money was being spent. They made the best possible use of it in their own interests. As Mr. Miles will probably point out, in the expenditure of that money they will not work under the contract system if they can help it, because they might be expected to give some value for what they receive. On the other hand they propose to participate in the plunder and avoid taxation, and when the money is spent will clear out of the country leaving those who have vested interests here to shoulder the responsibility and pay the taxes. While these people are here, and earning good money, as they are doing, they should pay their quota no matter how small it may be. When a tax is placed upon every section of the community it has a sobering effect. People realise that if there is reckless and unwarranted expenditure, they must contribute their share towards it. I do not mind giving the Government some amount of money by way of taxation, provided it is imposed on an equitable basis, but I am not prepared to

give increased powers of taxation to a Government that has been carrying on in the way this Government has been doing during the last three or four years. Last year a select committee sat for many days and hours analysing the position of the State Steamship Service. A report was put up with recommendations as to what should be done. That report has been placed by the Government in the waste paper basket. The loss on the State Steamship Service last year was £105,000, or £2,000 a week. When there is a proper adjustment of accounts it may be considerably more. A Government that is squandering money in this way has no right to ask Parliament for any increase in taxation. Some four or five years ago, when I pointed out that the deficit was £2,000 a day, I received one of the severest tongue bungs that any man has had in Western Australia. The Leader of the House referred to me as a disgrace to the country which gave me birth and as a traitor to my country, and Heaven knows what else. The deficit was £2,000 a day then, and it has not been less than £2,000 a day ever since. For last month it was at the rate of £6,500 a day. If four or five years ago I was a traitor for drawing attention to the daily deficit of £2,000 a day, what must be said of the Leader of the House, who is one of those by whom the deficit has been lifted to £6,500 a day? If I was a disgrace to the country when I referred to the £2,000 a day deficit, he must be three times the disgrace I was, seeing that he has been instrumental in the deficit growing to £6,500 a day. For the first five months of the year the deficit has been not £2,000 a day but £3,500. During the period I am speaking of the deficit has grown to six million pounds.

Hon. G. W. Miles: It may be nearer nine millions when the trading concerns are taken into account.

Hon. J. J. HOLMES: It may well be eight millions. If we sold the trading concerns we would lose a million of money, and that is probably one reason why they are not sold. These represent one of the problems which the Government are up against. The present occupants of the Treasury bench have been instrumental in creating a great proportion of the six million deficit. They have been allowed to blunder on. They now propose to relieve a large section of the community of taxation and place the burden upon the shoulders of someone else. They take this money out of profitable avenues and spend it in unprofitable avenues, and, as it were, squander it. The result must be confusion worse confounded. The Auditor General's report is a most interesting document. One does not need to go far outside it to see whether we are drifting. I find from that report that in November, 1921, the Government negotiated a loan of three millions of money at 6 per cent. and repayable in 1930-40. I do not know how it is repayable; particulars as to that are not given in the Auditor General's report. The cost of floating the three millions, together with discount, totalled some £202,000. The Auditor General points out that payment of

composition duty amounting to £37,000 had been postponed. That amount should be added to the other £202,000, but has not been added. The result is that we borrowed three millions of money, but we got only two and three-quarter millions. We have to repay the three millions when the loan falls due and have to pay 6 per cent. interest on the three millions till 1930-40. Hon. members will see what a bad bargain that is. The next borrowing was in April, 1922, six months later, when a loan of two millions was negotiated, and on this the Government agreed to pay 5 per cent. interest.

The Minister for Education: The price of money went down.

Hon. J. J. HOLMES: Yes; but what happened was that the Government, through bad finance, were right up against it, and that the people at the other end of the world knew of this, and took advantage of their knowledge to make us pay 6 per cent. on the previous loan of three millions of money, giving us in effect two and three-quarter millions. This is all brought about by frenzied finance. People in the old world are not fools. Some of them know more of what is going on in this country than we know. A Government borrowing £2,000 a day to pay current expenses might almost have the word "Bankruptcy" written over their door. The people of the Old Country know it. During the first five months of the current financial year the Government have been borrowing £3,500 a day to pay expenses, and the men in the old world say, "These are the people we can squeeze," and they squeeze us. The last loan of two millions cost £140,000 to negotiate. From the Auditor General's report it appears that the Government are borrowing money anywhere and everywhere. They borrowed £80,000 from the insurance companies, and on that they have to pay 6½ per cent. interest until 1947. I do not think there are many businesses in this State which could borrow money at 6½ per cent. for 25 years and expect to make a profit. When the money market is falling we pay a higher rate of interest, and we must continue to pay it for 25 years. The Auditor General's report is illuminating, and interesting, and astounding, and appalling. According to that document the Government issued some £61,000 worth of debentures at 5½ per cent. to the Portland Cement Company in order to pay for that appalling Lake Clifton railway. I should be surprised and pleased to learn that that railway is earning anything more than axle grease. I find, further, that the Government have borrowed £400,000 from the Wheat Marketing Scheme, and without authority.

The Minister for Education: It was covered. The amount was borrowed for a short period at a very cheap rate of interest.

Hon. J. J. HOLMES: The Auditor General says there was no authority to do it. That officer also points out that on the 30th June, 1922 the following accounts were overdrawn:—State Implement Works, £73,000; State



Quarries, £2,100; State Sawmills, £38,000; State Steamship Service, £138,000; Wyndham Meat Works, £264,000—a total approximately of £517,000 overdrawn. On page 9 of the Auditor General's report it is stated—

There is no authority for the above overdrafts. The regulations under the State Trading Concerns Act provide that when the working capital and receipts are insufficient to meet expenditure, the "Advance to Treasurer" appropriation may be drawn upon for the deficiency. The Solicitor General has stated that either such appropriation or a vote of Parliament must be used.

So far as I am able to judge from the report, the Government were not able to use the Treasurer's Advance Account because Parliament had given the Treasurer only £400,000 to spend and he had spent that amount and considerably more. So we are financing State trading concerns overdrafts of over half a million sterling and this is contrary to the law of the country. The investments of the Government Savings Bank should be in 18-carat securities, especially as we have the Commonwealth Savings Bank competing with us. Now, the Auditor General says that certain securities held by the State Savings Bank are not within the provisions of the Government Savings Bank Act. Is the explanation that the Government have already lodged all the 18-carat securities they possess, and must now put in some other security in order that they may get hold of the trust funds? One regrets having to speak in this manner but the position has become really appalling. We have a Government that will borrow money anywhere at any price in order to carry on without making any effort to face the position. The only proposal to clear the finances of this country, according to the Bill before us, is to relieve the irresponsible section, whose responsibility has consisted in pushing Ministries into power and into all sorts of enterprises, to the extent of £30,000 and to victimise the responsible people to the same extent. The revenue of the country will not be increased one iota. We all know that a State cannot become bankrupt. A State will go on, but it must meet its liabilities, and the only way of doing that is to tax its industries and its people. How 340,000 people are to meet all this State's liabilities and carry on is a matter which has got me somewhat worried. The way we seem to be walking is the straight path to unification. I cannot see how 340,000 people are to get the finances of this country squared. It could have been done at the time the present Government came into power, when they said that their motto was, "Government by Parliament, economy, and production." That is the motto the country wanted the Government to live up to. But there has never been any attempt at government by Parliament, or at sound finance, or at economy. There has been an attempt at production but not an attempt on the part of the Government. It has been an attempt on the part of the individual citizens of Western Australia. Let us glance at the position of affairs in 1912 and at the

position in 1922, according to the "Statistical Abstract." In 1912 we had a population of 300,000; in 1922 we have a population of 340,000. In 1912 our net indebtedness was 27 millions sterling; in 1922 it is 46 millions. Our net indebtedness has gone up by 19 millions in those 10 years, and we have added only 40,000 to the number of our people.

Hon. A. Lovekin: What about the Treasury bills which are not included in those figures?

Hon. J. J. HOLMES: One could make the position appear ever so much worse, if one so desired. I know that the position would look ever so much worse if the Treasury bills were included. Our per capita indebtedness was £86 in 1912; in 1922 it is £137, having gone up by £51 per head. I should say our per capita indebtedness is about the highest in the world. With all this going on, I am not prepared to give any irresponsible Government any increase of taxation whatever. When we get a responsible Government—we shall get one, as sure as sunrise—to straighten the finances of the country, and to face the position, I will give that Government any taxation necessary to balance the ledger. But I will not be a party to giving the present Government increased taxation to squander. We have to reserve our avenues of taxation for the day of reckoning, which is coming. If we exhaust our reserves of taxation to-day, we shall have nothing when the day of reckoning arrives. That will be the time to grant increased taxation.

Hon. A. J. H. Saw: But this Bill is to diminish taxation, is it not?

Hon. J. J. HOLMES: No. It is only a Bill for shifting taxation from the irresponsible section, the section which, as soon as the climax comes, will put on their hats and clear out. If the records are right, as fast as we are bringing people into the country they are clearing out.

The Minister for Education: That was the case 12 months ago. It is not so now.

Hon. J. J. HOLMES: I am pleased to know that the people are staying here. I am not surprised at their staying. They have come when we are spending public money on land settlement at the rate of £50,000 a week. I was surprised to hear that any were clearing out. They are stopping here now under conditions which they will never find anywhere else. I should say that as long as they remain in the South-West on Government pay, they will regard the South-West as a land flowing with milk and honey. But somebody will have to foot the bill. While these people are here, and are earning good money, they should be made to pay their share of taxation. They are here participating in the expenditure of public money, working under conditions which they cannot get anywhere else, and they should pay their quota towards the taxation of the country.

Hon. H. Stewart: How can we make them do it?

Hon. J. J. HOLMES: The only way to do it is to refuse to pass the Bill. There is no one more anxious than I am to conserve the position.

Hon. H. Stewart: Was it the Treasurer's fault that this alteration was made?

Hon. J. J. HOLMES: I do not think it was the Treasurer's fault, but after all he is the Treasurer and is in charge of the Government. He came into power with talk about government by Parliament, economy, production, sound finance and so on.

Hon. G. W. Miles: And also there was something about getting rid of the State trading concerns.

Hon. J. J. HOLMES: If, in order to please one section of the community, the Premier can throw away £30,000, what position are we coming to?

Hon. G. W. Miles: It is developing into the Mitchell Labour Government.

Hon. J. J. HOLMES: I do not know what it is developing into. I do not know that what I say makes any difference, but for the past five years I have been preaching the gospel that the present progress of events will force the State into unification and will result in our people and industries being taxed into the bankruptcy court. Only a year ago, Mr. Miles said, in effect, that I was talking through my hat, but now, I see, he has been converted to my views.

Hon. H. Stewart: Look at the scheme he was associated with in connection with development!

Hon. J. J. HOLMES: Those who can afford to pay taxation should pay now, and those who can will have to pay at some future time when a distinct effort is made by some Government to square the deficit. I hope hon. members will agree that there shall be no increased taxation provided for the present Government. There will be none so far as I am concerned. I cannot be a party to giving additional taxation to a Government that could throw away £105,000 last year trying to carry on an obsolete steamer-service or could ask to be relieved of the expenditure of £100,000 for hospital purposes by Parliament agreeing to a special impost upon the people of a further £100,000 in order to give them that much extra to spend! Consequently my vote will be cast against relieving any section of the community of taxation that is necessary, because of their recklessness. My vote will be given with the object of protecting, instead of exhausting, the avenues of taxation, in order to conserve our resources against that time when those avenues will be necessary to rectify our financial position.

On motion by Hon. A. Lovekin debate adjourned.

## BILL—LAND TAX AND INCOME TAX.

### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [6.4]: This is the usual annual taxation Bill. The only difference, as compared with the Bill of last year, is that the rate of tax has been increased from .006d. to .007d. The object of that increase is to make up the £30,000 that will be lost if the Land and Income Tax Assessment Act Amendment Bill be passed. In introducing the Assessment Bill, I gave the House the effect of the two methods on persons having income up to £300, and have shown that those in receipt of under £300 will be relieved, in some cases of considerable amounts, of an aggregate of £30,000. An individual receiving £300 will pay, on the increased scale of .007d., with the exemptions allowable under the measure, 5s. more than under the old system of taxation. On incomes above £300 the exemptions no longer apply and the taxpayer will pay the increased rate of .007d. References were made by Mr. Holmes to the reduction in the Federal tax, and he said that if the State Government increased taxation every time the Federal Government decreased their taxation, the Federal authorities would cease to give relief. I do not think that will be the case. As a matter of fact, the year before last the Federal Government proposed to abandon altogether the amusement tax with the full knowledge that the States would adopt that form of taxation themselves. Unfortunately, the Senate would not allow the Government to abandon that form of taxation, which is undoubtedly a tax the State should be allowed to collect.

Hon. J. J. Holmes: I thought the Senate was the State's House.

The MINISTER FOR EDUCATION: We all thought that at one time.

Hon. F. A. Baglin: But it is not that now.

The MINISTER FOR EDUCATION: The Federal super tax this year has been fixed at 53½ per cent., as against the previous rate of 70 per cent. That is a very considerable reduction. The effect of that alteration in connection with Federal income tax will be that a person getting an income of £300 a year will pay about 17s. less under the new Federal tax than under the old one. Taking as an instance an income of £600, the tax paid at the rate of .007d. as against .006d. will mean that the individual will have to pay £1 5s. extra to the State; whereas, on an income of £600, the taxpayer previously paid £22 7s. 11d. to the Commonwealth, he will pay under this year's measure, £20 2s. 11d. Thus he will be relieved of £2 5s. in connection with the Federal tax and he will pay only £1 5s. additional tax to the State. When we come to the larger incomes, we find that in some cases the relief to the individual in connection with Federal tax will be slightly less than the extra amount he will have to pay to the State. Taking a large income, such as £2,000, it will mean that the taxpayer will be relieved of about £25 in connection with the Federal tax but he will have

to pay £18 extra as State taxation, so that he will benefit a bit there. A man having an income of £5,000, will pay £100 extra as State taxation and he will be relieved of about £80 Federal taxation. The practical effect of the alteration from a rate of .006d. to one of .007d. will be that the State will pick up the amount that the Federal Government lose. Calculations have been made by the State Commissioner of Taxation as to the difference the imposition of the rate of .007d. will mean as compared with the rate of .006d. These show that respecting persons receiving incomes of from £101 to £200, the difference in the total amount of the tax will be £396; respecting those receiving from £201 to £300, the difference will be £1,897. So it goes on until in respect of those people receiving incomes of £5,001 and over, the difference will be £6,428. The total increase is shown as £35,661. From that, deductions will have to be made on account of the exemption of £200, reducible by £2 for every £1 of income above that amount, and this will represent about £3,000. This means that the total increase in taxation obtained by the rate of .007d., instead of one of .006d., will be approximately £32,000.

Hon. A. Lovekin: You work it out on his own figures and you will see that he is wrong!

**THE MINISTER FOR EDUCATION:** I can only say that the Commissioner of Taxation went into these calculations again after having been told that it had been asserted that they were wrong. He saw me a few minutes before I came to the House and told me he was prepared to pledge his reputation on the accuracy of the figures.

Hon. A. Lovekin: Well, Mr. Horne worked them out this afternoon.

Hon. H. Stewart: I thought it was stated that the alteration in another place meant a loss of £70,000.

**THE MINISTER FOR EDUCATION:** That loss was represented by the amendment which followed the Federal practice and carried the exemption upwards at a rate of £1 for every £3 additional income received and that exemption was carried on till an income of £800 was received. That amendment was carried originally, but when the Bill was re-committed in another place it was modified. The proposal now before this House in the Bill represents a loss of about £30,000 and the loss in connection with the general allowances for travelling expenses represents another £2,000. The increase in the rate to .007d. makes up the amount that would be lost owing to the amendment in the Assessment Bill. A question was asked as to why a certain provision was not included in earlier taxation Bills.

Hon. H. Stewart: Well, it was.

**THE MINISTER FOR EDUCATION:** That is so. In any case it is included in the present Bill, because it may not be agreed to in the Assessment Bill and we must have this provision. We considered that this should be made permanent in our legislation. Before I reply to the debate on the Bill, I will go more

extensively into the question Mr. Lynn asked as to how it applied to people in other parts of the world who made investments in Western Australia. I will not deal with the point now, because we are here re-enacting the same provisions as in the Taxation Bill of last year. Hon. members need no argument to convince them of the necessity for some such provision because, without it, a person with a large income could turn his business into a limited liability company, pay dividends and receive the whole benefit but only pay 1s. 3d. in the pound taxation; on the other hand, another person trading as an individual or as a firm, perhaps in the same class of business, would pay 4s. in the pound.

Hon. J. J. Holmes: I thought we rectified that last year.

**THE MINISTER FOR EDUCATION:** So we did and this provision is exactly the same as the one brought forward last year. The super tax is the same as that enacted last year. There is a slight alteration in Clause 7 which, however, has found a place in Taxation Bills on previous occasions. I do not know off-hand if it appeared in last year's Bill or not. The clause reads—

Section 56 of the Land and Income Tax Assessment Act, 1907, shall not apply to the land tax or income tax to be levied and collected for the financial year ending the 30th day of June, 1923.

The reason for that is that Section 56 gives the taxpayer the privilege, in the event of the amount payable being more than 20s., of paying the tax in two equal half-yearly instalments. This year, however, the assessment notices will be issued so late in the year that the financial year will be practically over. In those circumstances it is only right that the tax should be paid in one instalment. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon debate adjourned.

*Sitting suspended from 6.15 to 7.30 p.m.*

## BILL—LICENSING ACT AMENDMENT.

### Assembly's Message.

A message having been received from the Assembly notifying that it had agreed to Nos. 1, 2, 4, 6, 8, 10 to 24 inclusive, 28, 29, 31 to 36 inclusive, 38 to 41 inclusive, 43, 45, 46, 48, 51 to 53 inclusive, 55, 57 to 65 inclusive of the amendments made by the Council in the Bill; that it had disagreed to Nos. 3, 5, 7, 27, 30, 42, 44, 47, 49, 50, 54 and 56; and had agreed to Nos. 9, 25, 26, and 37 subject to modifications in which the Assembly desired the concurrence of the Council, the Message was now considered.

In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

The CHAIRMAN: We will take first those amendments to which the Assembly has disagreed.

No. 3.—Insert a new clause, to follow Clause 9, as follows: "Subsection (1) of Section 32 of the principal Act is amended by omitting the words 'more than 35 per centum of proof spirit,' and inserting in place thereof, 'any higher percentage proof spirit than is prescribed by the Food and Drug Regulations under the Health Act, 1911-1919'":

The MINISTER FOR EDUCATION: Of the amendments sent back, many are of but trifling importance. As to this first amendment, I think Mr. Seddon, the mover, will agree that its rejection is desirable. The hon. member's object was that the alcoholic strength of wine should be reduced. The effect of his amendment might have been to increase that strength; it could not have reduced it more than it will be reduced without his amendment, for the reason that had his amendment been agreed to by the Assembly, if the regulations under the Health Act increased the strength, the strength would have gone up; whereas without the amendment if there be under the health regulations an increase in strength, the alcoholic strength of wine will not go up, because it will still be subject to the Licensing Act. On the other hand, without the amendment if under the health regulations there be a decrease in strength that decrease will have to be observed in respect of wine. I move—

That the amendment be not insisted on.

Question put and passed; the Council's amendment not insisted on.

No. 5.—Clause 13, strike out "two gallons" and insert "one gallon":

The MINISTER FOR EDUCATION: It has always seemed to me undesirable that the holder of a wine and spirit merchant's license should be allowed to compete in the retail trade with the holder of the gallon license. The effect of retaining the provision for two gallons will be that if the spirit merchant desires to enter into retail competition he will have to retail by the two gallons. I move—

That the amendment be not insisted on.

Question put and passed; the Council's amendment not insisted on.

No. 7.—Clause 16, strike out "paragraphs are" and insert "subsection is." Strike out Subclause (3):

The MINISTER FOR EDUCATION: In the Bill as it was sent up to us Clause 16, which we have since made Clause 19, contained in Subclause (3) the provision that racing clubs and agricultural societies and sports organisation could apply for temporary licenses under which to retail liquor at their shows or meetings. We struck out that provision. Another place objects to its being struck out, because it is considered desirable that race clubs and agricultural societies

should be permitted to hold temporary licenses. I move—

That the amendment be not insisted on.

Hon. J. NICHOLSON: The amendment was a perfectly reasonable one. The Bill as it reached us contained a provision giving power to the court to grant temporary licenses to race clubs, agricultural societies and similar organisations. However, members here thought that would lead to abuse and so they struck it out. I am not convinced that it would be wise to reinstate that provision. I have regarded the Bill as a means of tightening up the liquor provisions. As opposed to that, the subclause which we struck out would make them very much wider.

Hon. A. BURVILL: The amendment should be insisted upon. A race club can get the local licensee to accept the responsibility of the booth, which is the proper thing to do.

Hon. V. HAMERSLEY: Many of the racing and agricultural show organisations have the greatest difficulty in inducing local licensees to cater for sports meetings and agricultural shows. Usually what a club does is to borrow a license from a licensee. It is ridiculous that such clubs should not be allowed to hold a license and accept the full responsibility. I should like to see the provision remain in the Bill.

Hon. J. J. HOLMES: Mr. Hamersley's contention might be all right if it were not that Subclause 2 provides that any and all licensees may be granted temporary licenses, even for districts beyond their own.

The Minister for Education: It is sometimes hard to get them to apply.

Hon. J. J. HOLMES: I do not know about that. I am inclined to think that where the carcass is there also will the eagles be gathered together. What the Bill is supposed to aim at is the having of the trade in the hands of reputable people. A licensee having a temporary license has to accept the responsibility if any trouble occurs. We know what will happen in these clubs when a lot of liquor is left over. Anybody and everybody will drop in and purchase it from the club. If a licensee were providing for a race club, anything left over would be sold to the local publican or taken back. If we insist upon our amendment, we shall have accomplished something towards keeping the trade in reputable hands.

Hon. A. J. H. SAW: I hope the Committee will stick to their guns. I supported the deletion of Subclause 3 so that the publican would be allowed to ply his trade for a reason which so far has not been mentioned. If the sporting clubs particularly are permitted to take the extra profit from the sale of liquor in booths conducted by themselves, there will be a great temptation for many clubs which at present do not have liquor booths to apply for

licenses for their sports meetings. Thus, instead of diminishing drinking, which we imagine is one of the motives underlying the Bill—

Hon. J. J. Holmes: Imagine!

Hon. A. J. H. SAW: If it were not disorderly to reflect upon Parliament, I should say that this purpose has been defeated. If the subclause is retained, a good number of clubs will undoubtedly apply for the right to have booths, and this will be detrimental to the sobriety of the community.

Hon. F. A. BAGLIN: I cannot follow the argument of Dr. Saw. If it is not a good proposition for a race club to have a liquor booth for profit, it is not a good thing for a licensee to retail liquor for profit.

Hon. J. Nicholson: The licensee has an obligation and the other fellow has not.

Hon. F. A. BAGLIN: Mr. Holmes spoke about reputable people. Does he mean to say that people conducting sports gatherings are not more reputable than some licensees? Of course they are. It would be preferable to have the control of these booths in the hands of the race clubs than in the hands of some licensees. A man who belongs to a golf club has a right to get a drink, the club having a license. That is because golfers are a classy set of people and so reputable that it would be almost sacrilege to suggest that they would do anything wrong. If it is fair for a golf club to get a license, surely it is fair that race clubs, or the Labour movement, should be able to get a license for their gatherings. I support the Minister.

Hon. H. STEWART: The gatherings of most of the sports clubs are characterised by harmony, but if this provision is retained, strife would be imported in many instances. Clubs are able to conduct their sports successfully at present, and we should not risk the importation of dissension.

Hon. V. HAMERSLEY: The subclause would not have the effect suggested by Mr. Stewart, because the board would have to be satisfied that there would be sufficient people in attendance to warrant the granting of a license.

Hon. J. J. Holmes: The more people, the more trouble.

Hon. V. HAMERSLEY: Many country centres hold a sports day each year, and the organisers are involved in a good deal of expense. Consequently they are out to do their best for the organisation. When they try to sell the booth, they may get a bid of £5, whereas with a license they could make much more. These organisations should have an opportunity to run a booth for themselves. It would be under the control of the board. If there was any abuse, subsequent applications would be refused. Unless we retain the subclause, we shall be creating a still greater monopoly for licensed houses.

Hon. F. E. S. WILLMOTT: My experience has been rather different from Mr.

Hamersley's. I have found that when an organisation has called for tenders and the local licensees have put their heads together and decided not to tender more than £5 for a booth worth £25, the organisation is bitten only once. At the next meeting good care is taken to see that licensees outside of the locality are notified, with the result that if local licensees do not make a fair offer, an outside man will step in. I have frequently known outside men to tender four times as much as local licensees.

Hon. V. Hamersley: There are centres where that cannot be done.

Hon. F. E. S. WILLMOTT: I am speaking of what I know. We should allow those people who hold licenses and know the business to tender for these gatherings. The clubs can always protect themselves by advising outside licensees to submit tenders.

Hon. J. J. HOLMES: The point raised by Mr. Hamersley would have some weight if these organisations were formed with the object of making money out of the sale of liquor, but they are formed for entirely different purposes. It is the publican's business to make money out of liquor. It is the business of sporting clubs and agricultural societies to conduct their own affairs. If an agricultural society desires a license, the man to call in is a licensee.

Hon. F. A. Baglin: Such an organisation should not call for tenders, but should give the right away.

Hon. J. J. HOLMES: Why?

Hon. F. A. Baglin: You say sports clubs should not make a profit out of liquor.

Hon. J. J. HOLMES: It is not the business of an agricultural society to sell beer. If this business is left to licensed persons, the court will have some control over them. If a license is granted to the secretary of a society and some irregularity occurs, in the following year there will be another secretary to apply for a license. If a publican misconducts a booth, there will be a black mark against him, and he is under an obligation to protect his business.

Hon. V. HAMERSLEY: These organisations have to undertake great responsibility. They have to guarantee the Railway Department in some instances £50 and £70 to take the people to the grounds. One society received a bid of £5 or £10 for the booth.

Hon. J. Nicholson: Do as Mr. Willmott suggests; get a licensee from outside.

Hon. V. HAMERSLEY: That is not always possible; sometimes the nearest licensee is 70 miles distant. As these organisations have to assume such liability, they should have the right to make whatever profit they can from a booth. If they cannot get a reasonable bid from the local licensees, they should be able to apply to the court for a license.

Hon. J. M. MACFARLANE: I have visited most of the 60 agricultural societies affiliated with the Royal Agricultural Society, and I

know that they do not care to take the risk of conducting a booth, the success of which depends so much upon the weather. In the spring months the weather is often unsettled, and unless they happen to strike a hot day, they cannot depend upon making a profit. They would rather accept the offer of the local hotelkeeper, and let him take the risk. If an organisation were granted a license, no officer of it could be held directly responsible for the conduct of the booth as an hotel-keeper could be. I should not like to see agricultural societies given the privilege of running these booths for themselves. They should be allowed to get as much as they can out of the local licensees, who would conduct the booth himself.

Hon. J. MILLS: If temporary licenses are to be granted in the case of sports meetings, provision will have to be made for extra police supervision. In some of the country centres there are very few local police.

Question put and negatived; the Council's amendment insisted on.

No. 27—Clause 41: After the word "board" in line 1 add the words "If in its opinion having regard to the matter referred to in Section 45 (82) a reduction is necessary."

The MINISTER FOR EDUCATION: This is another amendment disagreed to by the Assembly. It was argued in this Chamber that if these words were not put in the board would keep on reducing licenses until none were left. We overlooked the fact that the whole of Part V. (licenses reduction) will operate for only six years. The view taken by another place, and I think the correct one, was that the board was formed to reduce licenses, and that it would be for Parliament to stop the board if it thought fit. I think we were wrong in putting these words in. It should be mandatory upon the board to reduce licenses until Parliament tells it to stop, or this part of the Act terminates. I move—

That the amendment be not insisted on.

Hon. J. NICHOLSON: I disagree with the Minister's view. If when this part of the Act terminates the Government decide not to renew it, licenses will be reduced which ought not to be reduced.

The Minister for Education: There would be no further reduction.

Hon. J. NICHOLSON: Reductions would be brought about which would not be required, in view of the other provisions of the Act. Under the original Clause 45 the first thing the board should be asked to consider is the convenience of the public. If premises are not being maintained as they should be from this point of view the board would be justified in closing them down. Under Clause 41 it was obligatory upon the board to keep on reducing licenses whether the convenience of the public demanded it or not.

The Minister for Education: Did not the local option poll for reduction do the same thing?

Hon. J. NICHOLSON: That was a question for the whole of the people to decide. The amendment made by this Chamber was a reasonable one.

Hon. J. Duffell: And agreed to unanimously.

Hon. J. NICHOLSON: To say that the board must keep on reducing licenses irrespective of the public convenience is something I cannot understand. The amendment should be insisted upon.

Hon. A. J. H. SAW: I agree with Mr. Nicholson. We should not treat the board as though it were an automatic machine—we are to put in some pounds of the publican's money, press a button, and the board continues to turn out licenses reductions whether they are wanted or not. The board should reduce licenses only when it is necessary in their opinion to do so.

Hon. J. J. HOLMES: We do not put in the publican's money, but that of the public. This part of the Bill will apply for only six years, during which time all the hotels that it is necessary to close will not have been closed. The Treasurer said if this amendment were embodied in the Bill there would be no obligation upon the board to close any hotels at all.

The Minister for Education: That is so.

Hon. J. J. HOLMES: That would mean giving the board a free hand for six years to say whether hotels should be closed or not. We should not insist upon the amendment.

The MINISTER FOR EDUCATION: A very important principle is involved. Under the existing Act a poll is taken every three years. In every district where reduction is carried it must be put into effect whether the public suffer or not. That right of reduction is very important to those who consider the consumption of liquor excessive. We take that away and say there shall be no more local option on the question of reduction. We take that away because we say local option has not operated successfully, that reductions have been carried in districts where they are not required, and that in districts where reduction is most desirable, this has not been carried. We further state we will take away local option and make reduction compulsory for a period of six years or until Parliament intervenes. Because it is a form of reduction not contemplated under the existing Act, we are making provision for compensation. The people who had the right to vote for reduction, and from whom this right has been taken, are entitled to some concession. It seems to me we are stripping the temperance reformer of everything he had.

Hon. J. J. Holmes: He is running about naked now.

The MINISTER FOR EDUCATION: The right of reduction was a very powerful weapon in the hands of the temperance party.

Hon. J. J. Holmes: They threw it away.

The MINISTER FOR EDUCATION: I do not know that. We offered them as an alternative reduction for six years, and we must keep faith with them. On the goldfields alone there will be two or three years' work before the number of licenses is sufficiently reduced.

Hon. A. LOVEKIN: The board are a substitute for the local option poll, which proved unsatisfactory. In enacting the local option law Parliament gave the people discretion as to closing up or keeping open. The board are given full discretionary powers, and I should think they will exercise their functions. The board ought not to be bound hard-and-fast. We should insist on the amendment.

Hon. J. DUFFELL: Let me remind the Committee that the original clause made reduction mandatory. After mature consideration this House added the words "if, having regard to the matters referred to in Section 82, a reduction is necessary." Surely the Government can trust the board.

Hon. J. NICHOLSON: The Leader of the House referred to licenses on the goldfields. I fail to see in what way the board's discretion would be interfered with or impaired in such a place as, say, Kalgoorlie. The board would certainly exercise their power to examine into the whole position there, and as a result they would recognise that a certain number of hotels at Kalgoorlie were not needed for the convenience of the people. The board would have regard to the convenience of the people. Therefore I fail to see how the addition of the words here in question can affect the powers of the board.

The MINISTER FOR EDUCATION: I must emphasise the different point of view, that licenses reduction should be a matter of policy dictated by Parliament. Parliament said reduction was necessary. Now there is a proposal to say, "We will appoint a board to see whether licenses reduction is necessary." For the first three years the whole of the money coming into the compensation fund will be needed to reduce within anything like reasonable limits the number of hotels on the goldfields. The board are not to be appointed to decide whether licenses reduction shall take place or not. Parliament has decided that licenses reduction is necessary, and is appointing the board to carry out the reduction. If members vote to insist upon our amendment, they will be voting to make the board a tribunal to say whether reduction is required or not, whereas if they vote not to insist on our amendment, they will be voting that Parliament has said reduction is necessary and this board should carry it out.

Hon. A. LOVEKIN: Parliament has never decided on licenses reduction. By this Bill Parliament has decided that a board shall be appointed to deal with the question. As I read the Bill, Parliament places the question in the hands of the board with discretionary powers to reduce or not.

Hon. J. DUFFELL: The Leader of the House says there is sufficient work in reducing licenses on the goldfields to absorb the funds

for three years or so. In that case why need the Minister worry about the amendment?

The Minister for Education: Because the board might not close a single hotel.

Hon. J. DUFFELL: This House tightened up the conditions pertaining to the hotel-keeper's general license as regards accommodation to be provided for man and beast. Taking all these things into consideration, surely we should give the board credit for desiring to carry out the intentions of Parliament.

Hon. A. J. H. SAW: I think the Leader of the House is wrong. In carrying the local option measure, Parliament did not decide that reduction of licenses was necessary but left the matter to the decision of the various localities, which might even have increased the number of licenses. I fear the Minister has no confidence in the board to be appointed.

Hon. A. LOVEKIN: If the Government appointed such a board as was satirically suggested by Mr. Holmes, there would, of course, be no licenses reduction. I take it, however, that the Government would appoint a reasonable board, consisting of, say, a resident magistrate, a representative of the liquor trade, and certainly a representative of the temperance party. Such a board would not sit tight, saying "We will close no houses." The Government must have confidence in the board they are going to appoint.

Hon. J. J. HOLMES: Parliament has already decided that it shall be the duty of the board to reduce licenses. We follow that by limiting the operations of the board. It matters not how many hotels the board think it desirable to close, they can close hotels only so long as funds are available for the purpose. From what we know of the necessity for closing, it will be long before there are any surplus funds. If the board closed hotels that were necessary and desirable, surely we could amend the measure; but I am certain that such a position will never arise. All the 2 per cent. payments for the next six years will not cover the compensation required for the hotels that will be closed.

Question put and a division taken with the following result:

Ayes	..	..	..	..	3
Noes	..	..	..	..	12

Majority against .. 9

#### AYES.

Hon. H. P. Colebatch	Hon. H. Seddon
Hon. H. Stewart	(Teller.)

#### NOES.

Hon. F. A. Baglin	Hon. J. Nicholson
Hon. C. F. Baxter	Hon. G. Potter
Hon. H. Boan	Hon. A. J. H. Saw
Hon. A. Burvill	Hon. F. E. S. Willmott
Hon. J. Duffell	Hon. J. M. Macfarlane
Hon. V. Hamersley	(Teller.)
Hon. A. Lovekin	

Question thus negatived; the Council's amendment insisted on.

No. 30—Clause 50, in line 5, strike out the words “in the district.”

**THE MINISTER FOR EDUCATION:** I move—

That the amendment be not insisted on.

As a matter of fact, it was because of a mistake on my part that these words were struck out. It was necessary to strike out similar words in another clause and by an inadvertence, I secured the deletion of the words in Clause 50.

Question put and passed; the Council's amendment not insisted on.

No. 42—Clause 77, strike out lines 1 and 2, and insert “a section is inserted in the principal Act as follows:—After ‘bona fide’ insert ‘traveller or.’”

**THE MINISTER FOR EDUCATION:** I do not think that the Assembly really understood the purpose of the amendment. It will be remembered that the lower House made made provision for a bona fide traveller, but forgot to make any provision for him to secure a drink. I took it that when the bona fide traveller was restored in another place it was necessary that the sections of the Act relating to the bona fide traveller should be restored as well. Section 102 of the principal Act enabled the publican to set up as a valid defence the fact that he genuinely believed that the person served was a bona fide traveller. Clause 77 was drafted at a time when the provision for bona fide travellers had been entirely excluded from the measure, consequently the provisions of Section 102 were repealed. After restoring the bona fide traveller, the Assembly neglected to re-enact these provisions for the protection of the publican. We endeavoured to restore to the publican the rights he held regarding bona fide travellers when the law permitted bona fide travellers to be served. I do not care if the publicans have that privilege or not, but apparently the Legislative Assembly considers they should be denied that protection. Without this provision, the publicans may be more careful. I do not propose to insist upon the amendment but I doubt if the lower House really understood the position. I move—

That the amendment be not insisted on.

**Hon. A. LOVERIN:** We should insist upon the amendment, because we desire to have the references to bona fide travellers and we should retain the whole lot.

**Hon. J. DUFFELL:** Probably the confusion has arisen because the section dealt not only with the rights of the publicans, but also with the carrying away of liquor from licensed premises, which constituted an offence.

**THE MINISTER FOR EDUCATION:** Mr. Loverin has raised the question regarding bona fide travellers. The Legislative Assembly apparently considered that while a bona fide lodger might be permitted to take away

liquor, that right should not be accorded bona fide travellers. I agree with them on that point, but I do not know that it would be fair to take away from the publican the right to set up the defence that he honestly believed a person was a bona fide traveller.

**Hon. J. Duffell:** We reported progress on this clause and considered it at some length.

**THE MINISTER FOR EDUCATION:** If the amendment be insisted upon, the matter may be cleared up.

Question put and negatived; the Council's amendment insisted on.

No. 44—Insert the following new clause, to follow Clause 78—A section is inserted in the principal Act, as follows:—“104a. No licensee shall supply liquor to be consumed with water or aerated water on the premises of the licensee after the 1st day of July, 1923, unless such liquor is supplied in a glass capable of holding at least one and a quarter gills. Penalty: Five Pounds.

**THE MINISTER FOR EDUCATION:** I am going to move that we insist on the amendment, chiefly because in another place it was not even discussed. I do not think its principle was understood there. I believe a colleague of mine referred to it as being ridiculous. There are few people whose opinions I would regard more highly within the ambit of his extensive knowledge, ranging from carrier pigeons to fractious elephants; but since he is a lifelong total abstainer I am not prepared to take his opinion on a subject of this kind. Rather do I prefer the opinion of medical men and the direction of my own knowledge. I never have been a teetotaler since I was a baby, and I know that more harm is done through the drinking of spirits without sufficient dilution than by drinking in any other form. The Assembly says a larger glass is supplied if asked for. I know that if one asks for a larger glass he sometimes gets it, although with rudeness, while at other times he does not get it at all. But a young fellow going into an hotel and calling for a whisky does not like to make himself conspicuous by asking for a larger glass. I have consulted the Commissioner of Public Health and the Deputy Commissioner, and they both endorse my opinion and say it is an established fact that a given quantity of spirits will have a much greater effect upon one if taken strong than if taken reasonably diluted. They have expressed the opinion that the dilution provided for in our amendment is by no means extreme. If it could be argued that any injustice to the publican would follow, I would not be disposed to insist upon the amendment. But the publican gets 23 nobblers out of a bottle of whisky, and when we know what he charges for a nobbler over the counter, and what he pays for the bottle of whisky, we see that he enjoys a very large profit indeed. These small glasses constituted a war time economy, and have now been brought to a fine art. The publican puts in front of his customer a glass



that will hold half a gill, a quarter gill of whisky and as much of water. The result is that a number of people pour some of the whisky back to avoid taking it too strong, and so the publican, instead of getting 23 nobblers out of the bottle, gets 26 or more. But young men and others say, "I am going to have my money's worth," and take the whisky and water half and half. That is where the trouble comes in. Such men are soon intoxicated, whereas with the same quantity of whisky properly diluted, they would have been all right.

Hon. A. J. H. SAW: I support the Leader of the House. I have not a very high opinion of the Bill as a whole, and I have regarded this little provision as an oasis in an arid desert.

The Minister for Education: An oasis in water.

Hon. A. J. H. SAW: From a medical point of view I can confirm every word the Minister has said. If whisky be taken without proper dilution, it will cause drunkenness more easily. In addition it has another injurious effect inasmuch as it sets up gastritis. To my mind these small glasses constitute a swindle on the public because, the glasses being so small, the great majority of people do not take the quantity of liquor which they have paid for, while others take it in too concentrated a form and so suffer harm.

Hon. F. A. BAGLIN: I have a lot of sympathy with the Minister, but he is overreaching himself in this. I can speak from experience because I am a frequenter of hotels and usually I drink whisky. I have here the average glass being used in hotels to-day. In some hotels smaller glasses are provided. Those smaller glasses ought to be abolished.

Hon. A. Lovekin: I do not drink much, but the glass you have in your hand would be no good to me.

Hon. F. A. BAGLIN: In the bar at Parliament House a still smaller glass is supplied. This which I have here is a  $\frac{3}{4}$ -gill glass, so if the amendment be insisted upon a glass twice the size of this will be required.

The Minister for Education: If you fill that glass to the brim you will have two parts of water to one of whisky.

Hon. F. A. BAGLIN: Nine out of 10 people would not fill this glass with water. Apparently the Assembly refused to accept our amendment because they considered a glass holding a gill and a quarter was too large. If the amendment be insisted upon, we shall have supplied in bars whisky glasses larger than those used for beer.

The Minister for Education: Then the beer drinker will kick up a row.

Hon. F. A. BAGLIN: We could sufficiently protect the public by prescribing a glass of one gill. One does not want a large glass when taking a small quantity of whisky.

Hon. J. J. HOLMES: We ought to insist upon the amendment. I am agreeably sur-

prised to learn to-night that the dilution of whisky lessens its effect. Previously I was under the impression that if one took a little drop of whisky with a lot of water, the whisky was thus spread all over one's system, with the result that the effect was worse. We find in the Bible the direction that we should give strong drink to those about to perish—

The Minister for Education: In biblical days they did not have whisky such as we have to-day.

Hon. J. J. HOLMES: And wine to those who are heavy of heart. "Let them drink and forget their misery and remember their sorrows no more." There is biblical authority for the giving of strong drink.

The Minister for Education: But we are not legislating for those people now.

Question put and passed; the Council's amendment insisted on.

No. 47—Clause 91. Strike out this clause.

The MINISTER FOR EDUCATION: Here again our intention has been misunderstood. The reason given by the Assembly for not agreeing to the amendment is that it is necessary to protect children. This House insisted upon every provision for the protection of children. The position is that the Act already provides that no licensee shall supply liquor to any persons under the age of 18, whether for themselves or for anybody else. On top of that, the Bill, in Clause 91, prescribed that nobody should send for liquor a child under the age of 16. Even if somebody were to send a child under 16 for liquor, the licensee could not serve the child, because it is an offence to serve any person under the age of 18. I think we should insist upon the amendment, so as to make our position clear. I move—

That the amendment be insisted on.

Hon. A. LOVEKIN: I agree that we should insist upon it. All along we have tried to lift the ages of children.

Question put and passed; the Council's amendment insisted on.

No. 49—Clause 96. Strike out this clause.

The MINISTER FOR EDUCATION: This is the provision respecting the employment of Asiatics. I do not propose to discuss the matter, because it is one for individual opinion. I move—

That the amendment be not insisted on.

Hon. V. HAMERSLEY: The amendment should be insisted on. There are so few of these Asiatics employed that it is unfair to take away their chance of earning a livelihood.

Hon. J. J. HOLMES: I am not concerned so much about the Asiatics as about the people in the far North. I do not know how they will get on.

The Minister for Education: This provision would drive all those chaps up to the far North.

Hon. J. J. HOLMES: We should insist on the amendment.

Hon. A. J. H. SAW: I hope the Committee will insist on the amendment. So long as I occupy a seat here, I shall endeavour to see that opportunities to earn a livelihood are not taken away from the unfortunate Asiatics. They occupy only very menial positions, and I see no reason why we should debar them from earning an honest living. If we deny them this opportunity, either they will have to starve or the State will have to maintain them.

Question put and negatived; the Council's amendment insisted on.

No. 50. Clause 101, line 2.—Strike out all the words after "is" down to and including the words "twenty pounds" in line 19, and insert the words "amended by adding the following subsection."

The MINISTER FOR EDUCATION: Clause 101 limited the time at which billiards, bagatelle, etc., could be played on licensed premises in the metropolitan area to the hours during which the sale of liquor was permitted. At any place beyond 12 miles from the G.P.O., it permitted such games to be played till 11 p.m. We desired to allow the provisions of the existing Act to continue. The Assembly has disagreed on the ground that the hours for billiard playing in hotels should be restricted to trading hours in order to minimise the possibility of illegal trading. I have not been able to follow the argument that these games should be restricted to trading hours in the metropolitan area and extended till 11 p.m. outside. There is also the objection I took previously that four bona fide lodgers in a metropolitan hotel would not be able to play a game of cards after 9 p.m.

Hon. J. Nicholson: And one individual would not be able to play a game of patience.

The MINISTER FOR EDUCATION: Is that a game? I move—

That the amendment be insisted on.

Question put and passed; the Council's amendment insisted on.

No. 54. Clause 108.—Strike out this clause.

The MINISTER FOR EDUCATION: It seems unreasonable to say that clubs formed shall continue, and no other clubs shall be brought into existence. I am not keen on this question, but if there were places in the country with no clubs and they developed to an extent that the residents wished to form a club, they should be entitled to do so. They could do it under a petition, but it will be almost impossible to get a majority petition for a club. We have raised the number to 50 reputable people, and if they wished to form a club, I do not see why they should have to get the permission of half the population of the town. I move—

That the amendment be not insisted on.

Hon. J. DUFFELL: When the clause was under discussion we gave considerable attention to this matter. We should insist on the amendment.

Question put and negatived; the Council's amendment insisted on.

No. 56. Insert the following new clause to follow Clause 112:—"On the recommendation of the chairman of licensing courts the Minister may exempt from the provisions of Section 149a and Section 165a any registered clubs where the amount paid or payable for all liquor (excluding the duties thereon) purchased by or for such clubs during the 12 months ended 31st December immediately preceding did not exceed the amount of members' subscriptions received by the club for such period."

The MINISTER FOR EDUCATION: The two sections referred to deal with the hours of trading and Sunday trading. This amendment was moved by Mr. Miles. I did not expect another place to agree to it. I move—

That the amendment be not insisted on.

Hon. V. HAMERSLEY: I hope the amendment will be insisted on. Clubs in which the amount of subscription exceeds the value of the liquor purchased cannot be regarded as drinking clubs. There are golf, bowling and yachting clubs formed for social purposes and their members derive their entertainment principally on Sunday.

Hon. J. J. Holmes: They should be at church.

Hon. V. HAMERSLEY: If members of a yachting club wish to take refreshments down the river on Sunday, they should be able to do so. I have been asked to endeavour to get some exemption for these clubs. If they cannot get exemption, they will de-register and the State will lose that revenue.

The Minister for Education: Then they will be unable to sell liquor.

Hon. V. HAMERSLEY: Quite so, but the position will then be very much worse. Members will probably club together and have a locker. This sort of thing has occurred in many outside centres. It is far better to have such clubs registered and under control.

The MINISTER FOR EDUCATION: I am in complete sympathy with Mr. Hamersley, but we must look at the position fairly. A great deal of abuse has sprung up in connection with clubs, particularly since 9 o'clock closing. When the hotels were closed at 9 o'clock, there was undoubtedly a great inducement for people to form clubs where they could continue drinking till all hours. A lot of harm has resulted. Because of that, it is necessary to tighten up the law regarding clubs. We have tightened it up. Can we reasonably say that members of what I may describe as the cheaper form of clubs shall not have a drink on Sunday, but that exclusive clubs charging a high subscription may be exempt?

Hon. J. DUFFELL: I do not agree with the Minister that the privilege has been

abused. I am convinced that there has been less abuse here than even in New Zealand, and I am speaking from personal observation. Such exemption can be granted only on the recommendation of the chairman of licensing courts and at the discretion of the Minister. These safeguards are sufficient. Many members of river clubs can get out on only one day in the week and when they return, they should be able to have a drink.

The Minister for Education: You might say the same of a working men's club.

Hon. J. J. HOLMES: I see the possibility of a great danger. It would be very easy for clubs to raise their subscription so that the amount would exceed the value of the liquor consumed, and afterwards declare a dividend or refund portion of the subscription.

Hon. V. Hamersley: That could be prevented.

The Minister for Education: They might reduce the price of the liquor.

Hon. J. J. HOLMES: The subscription to some clubs is very high. I resent Mr. Hamersley's statement that bowlers bowl on Sunday.

The Minister for Education: I thought you were going to add "without a drink."

Hon. J. J. HOLMES: Bowlers are respectable members of the community. In the interests of the people who want recreation on Sunday and refreshed therefrom desire to resume work on Monday, we ought to do what we can to help them.

Hon. A. J. H. SAW: We should retain our amendment. There has been no abuse on the part of sports clubs of the privileges they now enjoy. I do not see why in the interests of the publican they should be deprived of them.

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

Ayes	..	..	..	9
Noes	..	..	..	4

Majority for .. 5

#### AYES.

Hon. H. P. Colebatch	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. F. E. S. Willmott
Hon. J. M. Macfarlane	Hon. A. Burwill
Hon. J. Nicholson	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. V. Hamersley
Hon. J. Duffell	Hon. A. J. H. Saw
	(Teller.)

Question thus passed; the Council's amendment not insisted on.

The CHAIRMAN: The amendments made by the Council and agreed to by the Assembly with modifications are Nos. 9, 25, 26 and 37.

No. 9—Clause 18 (Council's amendment), Insert the following provisos to Subclause (1): "Provided also that premises for which a provisional certificate has been granted prior

to the 31st day of December, 1922, shall be deemed to be licensed premises: Provided also that the words 'licensed premises' in this subsection shall not include premises for which a billiard table license is granted, if such premises are not licensed for the sale of liquor: Provided also that a brewer's license or a spirit merchant's license may be granted for premises not licensed prior to the 31st day of December, 1922, to authorise the sale of beer or liquor (as the case may be) to persons licensed to sell liquor, or to registered clubs or State hotels, but not to other persons or by retail."

Assembly's modification: Strike out the words "to persons licensed to sell liquor, or to registered clubs or State hotels, but not to other persons or by retail" in the last three lines:

The MINISTER FOR EDUCATION: The old wine and spirit merchant's license was purely a wholesale license, and the holder could sell only in the original packages and in two-gallon lots to the trade. That was amended so that the wine and spirit merchant could sell broken packages, and sell to anyone. This made it a retail license. The view we took was that we could not say the wine and spirit merchants' licenses as they existed should continue, and that no one else should be able to get a license, so we made provision for additional licenses to be granted, but for wholesale purposes only. The Assembly is willing that the new licenses should be granted, but maintain that they should be placed on the same footing as existing wine and spirit merchants' licenses.

Hon. J. J. Holmes: I think so too.

The MINISTER FOR EDUCATION: I move—

That the Assembly's modification be agreed to.

Question put and passed; the Assembly's modification agreed to.

No. 25—Clause 30, Subclause 3:

Council's amendment—After the word "seventy-one" insert "the principal Act":

Assembly's modification—Insert the word "of" before the word "the principal Act."

The MINISTER FOR EDUCATION: This was merely a misprint. I move—

That the Assembly's modification be agreed to.

Question put and passed; the Assembly's modification agreed to.

No. 26—Clause 40:

Council's amendment—Strike out Subclause (2), and insert:—(2.) The chairman or acting chairman for the time being of the Licensing Court shall be the chairman of the Board. Subclauses (4) and (6).—Strike out these subclauses.

Assembly's modification—Strike out of the proposed amendment, the following:—Subclauses (4) and (6)—Strike out these clauses.

The MINISTER FOR EDUCATION: The Council struck out Subclauses (4) and (6) and the Assembly desire to reinstate them. The opinion of the Assembly seems to have been that we had a sinister motive in striking out these subclauses. They have made the court a board. In the earlier parts of the Bill it contains provisions in regard to the court which are superfluous in regard to the board. I have no objection, however, to their being repeated. I move—

That the Assembly's modification be agreed to.

Question put and passed; the Assembly's modification agreed to.

No. 37—Clause 71:

Council's amendment—Subclause (3), line 2—After "bona fide" insert "traveller or." Add a new subclause to stand as Subclause (3), as follows:—(3) Notwithstanding anything contained in this section or the next following section to the contrary, a licensee shall be entitled, during the hours when his premises are closed for the sale of liquor, to keep the same open for and conduct therein an eating-house: provided that this subsection shall not apply to any bar-room on his licensed premises or modify or affect the provisions of Subsections (1) and (2) of this section or Subsection (1) of Section 98 of the provisions of Sections 99 and 103 of this Act."

Assembly's modification—Strike out the following:—Add a new subclause, to stand as Subclause (3), as follows:—(3.) Notwithstanding anything contained in this section or the next following section to the contrary, a licensee shall be entitled, during the hours when his premises are closed for the sale of liquor, to keep the same open for and conduct therein an eating-house: Provided that this subsection shall not apply to any bar-room on his licensed premises or modify or affect the provisions of Subsections (1) and (2) of this section or Subsection (1) of Section 98 of the provisions of Sections 99 and 103 of this Act.

The MINISTER FOR EDUCATION: Clause 73 as it came to us contained this particular subclause, but it stood as Subclause 7. The Council decided that it properly belonged to Clause 71, and we lifted it from Clause 73 and put it in there. The Assembly have evidently regarded this as something we wanted, whereas it is their own subclause. If they do not want it I have no objection to its being struck out. I move—

That the Assembly's modification be agreed to.

Question put and passed; the Assembly's modification agreed to.

Resolutions reported and the report adopted.

House adjourned at 9.28 p.m.

## Legislative Assembly,

Thursday, 14th December, 1922.

Obituary: Mr. J. Boyland ... .. Page 2240

The DEPUTY SPEAKER took the Chair at 2.30 p.m., and read prayers.

### OBITUARY—MR. JOHN BOYLAND.

The PREMIER (Hon. Sir James Mitchell—Northam) [2.33]: Members will have learned with deep regret of the death of the member for Kalgoorlie (Mr. Boyland). We knew Mr. Boyland here for a period of only two sessions, but had learned to respect his sterling worth. His genial kindly nature appealed to us all. He followed the calling of a miner on the goldfields for some years, and his death was brought about as a result of miners' phthisis contracted in the course of his work. For some time he lived under uncomfortable conditions because of this dreadful disease, and his death has occurred at a comparatively early age. Members will agree that we ought to show some respect for the deceased gentleman. He was an obviously sincere man, and notwithstanding the state of his health, fulfilled his duties in this House in a painstaking manner. I propose to ask the House first to carry a motion of condolence, and then to adjourn over the sitting as a mark of respect to the late member. I move—

That this House places on record its deep regret at the death of John Boyland, Esq., M.L.A., and tenders to his family its sincerest sympathy in the loss it has sustained, and desires that the terms of this resolution be communicated to the widow and family of the late gentleman by Mr. Speaker.

Hon. P. COLLIER (Boulder) [2.34]: In seconding the motion I desire to join with the Premier and members generally in expressing regret at the death of Mr. Boyland. He was amongst us for only a short period, but during that time, although in a state of ill-health, he showed a marked application for and a desire to conscientiously discharge the duties of his Parliamentary life. The deceased gentleman was a prominent figure on the Eastern goldfields for the past quarter of a century, and more particularly in later years was he closely identified with the many and varied activities of life on the fields. At a comparatively early age he fell a victim to the dread disease of miners' complaint. I wish to express my deep regret at his loss, and to extend my sympathy and condolences, as well as those of members sitting with me, to his widow and relatives.

The MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough) [2.35]: I