

# Legislative Council.

Thursday, 23rd May, 1918.

The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

[For "Papers Presented" see "Minutes of Proceedings."]

## MOTION—STANDING ORDERS AMENDMENT.

### Control of Papers.

Hon. W. KINGSMILL (Metropolitan) [3.5]: I move—

"That it be an instruction to the Standing Orders Committee to prepare for the consideration of this House standing orders for the efficient custody of all papers laid upon the Table of the House."

I am impelled to move this motion by the fact that yesterday my attention was drawn to the presence of a file on the Table of the House which contained certain statements with regard to documents which had been laid on that table, and which came as a surprise to me, and I think to hon. members. It will be recollected, no doubt, that some weeks back there was laid on the Table of the House a file made up of several other files relating to the advance by the Government to the A.F.L. Fruit Canning and Trading Co., Ltd., and on the 19th day of April the following letter, according to file 4140/16, was written by Mr. Trethowan, the Acting Under Secretary for Agriculture, to the Clerk of the Legislative Council at Parliament House:—

Dear Sir,—It has been reported to the Honorary Minister for Agriculture from more than one source that during the period in which the papers relating to the advance by the Government to the A.F.L. Fruit Canning and Trading Co., Ltd., were supposed to be on the Table of the House, they had been withdrawn, and were seen on the table of a club in the City, and were perused there by persons having no authority to gain access to these papers. It has been stated by the company that the file was perused by its trade competitors. The Honorary Minister would be glad if you could please let him know whether the papers were in fact withdrawn during the period they were supposed to be on the Table of the House, and if so by whom and under what authority.

To this the Clerk of the Council sent the following answer on the 22nd April:—

Dear Sir,—Your note dated 19th April addressed to the Clerk of the Legislative Council was received this morning. As I am personally responsible for files laid on the Table of the House, I am able to reply to your statements as follows:—The file referred to was laid on the Table of the House on the 6th February, 1918. It is customary to return files to the Minister of the department to which the file belongs, in exchange for a receipt and undertaking to return the file on demand. Some time subsequent to

this particular file being laid on the Table of the House, I received a request from your department to return it, and I handed it to someone who gave me the receipt and undertaking following:—"Associated Fruit-growers, etc., Agricultural Department. Received from the Clerk of the Legislative Council File No. 4140/16 (on the above subject) which was laid upon the Table of the House, and agree to return same if required. (Sgd.) A. S. Cornell." Under the circumstances, if your statements are correct you had better make inquiries about the matter from your own staff, instead of trying to cast the blame on the officials of the Council. At the same time I may point out, for your information, that when a file is laid on the Table, it naturally becomes public property, and anyone can peruse and make extracts or copies from it; therefore it was perfectly open to any of the trade competitors of the company referred to to do the same. Will you kindly convey to the Honorary Minister the above information for his future guidance. (Sgd.) Bernard Parker.

The rest of the file is comparatively unimportant, inasmuch as it only represents the unsuccessful endeavour to trace its whereabouts, and its history so far as its being on the Table of the House is concerned, and it shows a hiatus from the 19th February to the 26th February, during which the file may have been anywhere. No one, apparently, could find any trace of it. Unfortunately, the receipt which was given by A. S. Cornell, whoever he may be—I presume he was a messenger or official of the Agricultural Department—is undated, and therefore does not give any information as to where the papers were in the meantime. I presume it was during this time, from the 19th to 26th February, that they were seen on the table of a club in the City. It does not say what club. It would be interesting to know what club it was, where it was alleged that persons who should not have had authority to inspect these papers did so inspect them, and where it was alleged by the company the file was perused by these trade competitors. We have a Standing Order on the subject, No. 36, which deals with the minutes, records, and documents of the Council. It says—

All proceedings of the Council shall be entered by the Clerk, and shall constitute the Minutes, which shall be signed by the Clerk. The custody of the Minutes, Records, and all Documents whatsoever laid before the Council, shall be vested in the Clerk, who shall neither take nor permit to be taken any such Minutes, Records, or Documents from the Council Chamber or offices without the express leave of the President.

That is right enough so far as it goes. I most certainly think it does not go far enough. The papers, which are laid on the Table by the order of the House, are laid on the Table of the House primarily for the satisfaction and information of hon. members, and more especially for the information, convenience, and advantage of members during the hours on which this House is sitting. It has been the custom of Parliament, and

there is nothing I can find in our Standing Orders, nor in the hurried glance I have given through the authorities of Parliamentary procedure, laying down any rules for the safe custody of these documents. Of course Parliament, as we know, as a matter of custom has become open to the public, even on those days and hours when the House is not sitting. It has been competent for anyone, and it would be hard to prevent this, to come into the Chamber when the House is not sitting, and not only to peruse documents but even to mutilate them. When we remember that these departmental files may represent issues of most enormous importance to persons inside the House, and indeed to persons outside the House, I think it must be abundantly evident to hon. members that not only this House, but another place, and indeed, I venture to say, every Parliament in Australia, is extremely lax in the custody of these documents. My motion is that it should be an instruction to the Standing Orders Committee to prepare Standing Orders relating to the efficient custody of such documents as I am alluding to. It is unnecessary to protect all documents. For instance no one for a moment wants to purloin or mutilate or, I am afraid to say, even peruse a great many of the departmental reports laid on the Table of the House, but in the case of some of the files, it is often a matter of great importance indeed to a person outside the Chamber that these files should be available, and if there is an opportunity to mutilate them I venture to say there are persons who would not stop short of that mutilation. My suggestion to the Standing Orders committee would be, if the motion is carried, that we should have in this House a safe receptacle for these papers wherein they should be placed immediately the House rises, and replaced on the Table when the House reassembles.

Hon. Sir E. H. Wittenoom: How would you read them in the meantime?

Hon. W. KINGSMILL: They would be read through the permission granted by the President. Any unauthorised person could come into the Chamber through the many open doors, and in view of these circumstances it is in the highest degree necessary that more care should be taken of these papers. The present method of dealing with them is entirely wrong. Looking at the Table to-day I can see now where, with the expenditure of a few shillings, a perfectly safe receptacle could be made under it, in which it could be the duty of some officer of the House to place the papers immediately the House rises, and replace them on the Table immediately the House reassembles. If this is done I think such happenings, as appear to have taken place, will not occur in the future. Then again, there is the question of the persons to whom files are delivered. I saw in the Chamber just now a very small boy, who, one would think, had not passed the statutory school age, come up with an order from one of the departments for one of these files. There is nothing to say that

he should not be given the file and he was given it—this youth with wisdom beyond his years—and he gave a receipt for it like a grown-up man. I venture to say that, if a file has important information in it, it is not right that it should be entrusted to any youth such as this. Again, this morning there was a man up here from one of the departments who had the appearance of being a senior officer. It should be a rule in Government departments that, when files which are laid on the Table of the House, are sent for they should be sent for by a more or less responsible officer.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [3.15]: I intend to second the motion moved by Mr. Kingsmill. I entirely endorse everything the hon. member has said in regard to these files and while I unhesitatingly give the hon. member my support, I feel that I consider it necessary that I should again read the letters which were read by Mr. Kingsmill. The first letter was from the Under Secretary for Agriculture to the Clerk of the House, in which he said—

It has been reported to the Honorary Minister for Agriculture from more than one source, that during the period in which the papers relating to the advance by the Government to the A.F.L. Fruit Canning and Trading Co., Ltd., were supposed to be on the Table of the House, they had been withdrawn and were seen on the table of a club in the City, and were perused there by persons having no authority to gain access to those papers. It has been stated by the company that the file was perused by its trade competitors. The hon. Minister would be glad if you could please let him know whether the papers were in fact withdrawn during the period they were supposed to be on the Table of the House, and, if so, by whom and under what authority.

To my mind that was an entirely proper and certainly a most courteous letter. It was sent by the Under Secretary for Agriculture asking for information which the Minister was entitled to receive, because everyone will admit that it is most improper that files laid on the Table of the House should be removed from the House and should find their way into a club. I do not care whether it be the club which on one occasion with great magnanimity afforded sanctuary to one of its political opponents, or whether it be the Chance the Ducks Club or a two-up school. What was the reply sent to that letter of the Under Secretary? It reads—

Your note, dated the 19th, addressed to the Clerk of the Legislative Council, was received this morning. As I am personally responsible for files laid on the Table of the House, I am able to reply to your statements as follows:—The file referred to was laid on the Table of the House on the 6th February, 1918. It is customary to return files to the Minister of the department to which the file belongs, in exchange for a receipt and undertaking to return the file on demand. Some time subsequent to this particular file being laid on the Table of the House, I received a request from your department to

return it, and I handed it to someone who gave me the receipt and undertaking following: "Associated Fruitgrowers, etc. Agricultural Department. Received from the clerk of the Legislative Council File No. 4140/16 (on the above subject), which was laid upon the Table of the House, and agree to return same if required."

This is all the information afforded. There is nothing said as to when the file was returned or whether it was again removed by any person. The letter goes on—

Under the circumstances, if your statements are correct you had better make inquiries about the matter from your own staff instead of trying to cast the blame on the officials of the Council.

There was no suggestion in the first letter of casting blame on any officials, and the reply that the Minister had better make inquiries from his own staff was a piece of purely gratuitous advice, because the Minister had made inquiries and had found that no officer of his department was to blame or was responsible for the file going to any place where it should not have gone. Then the letter concludes—

At the same time I may point out, for your information, that when a file is laid on the Table, it naturally become public property and anyone can peruse and make extracts or copies from it; therefore it was perfectly open to any of the trade competitors of the company referred to to do the same. Will you kindly convey to the Hon. Minister the above information, for his future guidance.

Again I say this is a piece of gratuitous advice to the Minister. The Minister was quite aware of what laying papers on the Table of the House meant. The officer of the House was asked for certain information and instead of giving that information he gave advice to the Minister on matters about which he was not asked to offer advice. A further letter was sent by the Under Secretary as follows:—

With reference to paragraph 6 of your memo of the 22nd inst., I have to state that there was no attempt, or intention, of any kind whatever in the direction stated by you. The sole object of my minute of the 19th inst., was to obtain information which is particularly desired by the Minister for Agriculture, and it occurred to me that you might probably be equally interested and equally desirous of having this matter cleared up: all that is wanted is information. You will see from the minutes of our Record Officer that a portion of our card register dealing with this particular file is unfortunately missing, and this makes it impossible for this office to cast any light on the movements of the file for the period that lapsed between the 19th and 26th February last. If it is possible for you to give any information as to the whereabouts of the file, or as to who was responsible for its safe-keeping during this period, I should be very much obliged if you would do so. I should be glad also if you would kindly explain further the statement in your paragraph 7 that a file naturally becomes public property when it is laid on the Table of the House. Is it, for instance, under such circumstances,

accessible to any member of the public, or only to members of Parliament and the Press, and would it be within the rights of any member to withdraw the file from the Chamber and the House and restore it again, without the permission of the officers of Parliament having authority to deal with these matters?

This letter was written on the 27th April and I understand even the courtesy of a reply or an acknowledgment has not been vouchsafed. Mr. Kingsmill made reference to a file having been handed to a diminutive youth this afternoon, and I happen to know that that same youth was seen walking down the street reading the file. Whilst it is quite proper that a file should be handed over to a department who might ask for it and given to a small boy to deliver, surely even in these days of economy it is not too much to expect it to be enclosed in an envelope. I heartily endorse the motion moved by the hon. member.

THE PRESIDENT: I may say for the information of hon. members that the first I heard of this matter was an hour ago. It was not brought under my attention until then when I saw the Notice Paper for this afternoon. I do not know why it was withheld from me.

Hon. A. SANDERSON (Metropolitan-Suburban) [3.23]: I was responsible for asking that that file should be placed on the Table of the House. Immediately it came here, knowing the importance of these matters and realising how careful one must be, I made it my business to find out whether it was permissible to remove the file, not from this building, but from this Chamber, and in order to be on the safe side I made in my seat in this Chamber the extracts that I wanted. The file was then again placed by me on the Table. Just as I had got this file which the leader of the House placed on the Table, I perused it here, made extracts from it and returned it to the Table. That was the first file. I make it my business also nearly every day to come here a little before the time for the meeting of the Chamber to look at the papers placed on the Table of the House and to glance through them. I came here yesterday and I glanced through the headings of the papers which were on the Table and I saw my old friend, the fruit canning industry file. I was much surprised because I thought there was one file there, and that another file was coming, and with the assurance of the leader of the House that the papers I now hold had not been placed on the Table of the House yesterday, I felt quite confident that that would be the file I was asking for. To my astonishment I found that it was what the mover of the motion and the leader of the House have read out. I did not wish to bring this matter before your notice, Mr. President. Possibly it would have been better if I had immediately taken it to you. I hope, however, you will accept my apology and regret if I have erred. It was done unwittingly. I spoke to one or two members and said to them, "If you want to be amused and interested in the second chapter of this interesting serial go and look at the file on

the Table of the House." I entirely endorse what has been said by the mover of the motion and the leader of the House. It seems an impossible way of doing business when papers can be removed from here and taken to a club or private house, or even returned to the department, so far as that goes, without the permission of the House. I make no apology to anyone except to you, Sir, for not having drawn your attention to the matter. This is the third chapter. I do not know how many more chapters there may be in connection with this matter. I take it I am in order in keeping the file here for perusal and I can recommend hon. members who wish to be further interested in this matter to glance through this file.

The PRESIDENT: The question before the Council is the motion moved by Mr. Kingsmill. There is nothing about a third chapter.

Hon. A. SANDERSON: The reason that I have drawn attention to the matter is that it is an addendum to the motion we are discussing and of course I thought my friends and my enemies would naturally jump to the conclusion that I was responsible for removing the file. Realising the importance of the matter and being most strict in the observance of the minutest regulations of this Chamber, I wish to assure you, Mr. President, and hon. members, that I, at any rate, am guiltless in this matter.

Hon. J. J. HOLMES (North) [3.25]: I came into the Chamber somewhat late but I gather from the letter read by the leader of the House that some public servant has suggested that one of these files was taken from this House to a club and perused there. To my mind that is a very serious matter, and if it is so, the person who made the statement should be called upon to either substantiate or withdraw it. I have always been under the impression that papers laid on the Table of the House were to remain there until they were removed by order of the House. I have been under the impression that files were not allowed to leave this Chamber; that they were not to be taken even to any other part of the building, but if a public servant states they have been taken away and perused in the premises of a club that officer should be asked to substantiate his statement or withdraw it.

Hon. W. KINGSMILL (Metropolitan—in reply) [3.28]: I thank hon. members for the support they have given to the motion which I have moved. I wish simply to add that the file in question has nothing to do with my motion except as an example of what may occur. My motion is a general one and deals with the custody of all papers. I hope you will permit me, Mr. President, if it should be needed, to offer you an apology for not having acquainted you with this matter, but I was going to use this example merely as an example, and as my motion was a general one with which I knew you would be in accord, I did not acquaint you. I hope you will accept this explanation. I commend the motion to the House.

Question put and passed.

# MOTION — BRUNSWICK STATE ORCHARD, TO INQUIRE BY ROYAL COMMISSION.

Hon. E. M. CLARKE (South-West) [3.30]: I move—

"(1.) That, in the opinion of this House, the Government should appoint a Royal Commission to inquire into and report on the inception and working of the State orchard at Brunswick Junction, and the circumstances under which a portion of the same was destroyed on the instructions of the Acting Minister for Agriculture. (2.) That all members of the Commission so appointed shall agree to act without remuneration."

In moving the motion standing in my name, I think it my duty to give some information as to what led up to the question at issue. Some years ago the Government purchased an estate at Brunswick and for a long time used it as a sort of stud farm and for general purposes. Some four or five years ago there was an orchard planted on the land, consisting of various kinds of fruit, quite a number of varieties. I do not quite know the area, but I take it the trees were planted with a view to demonstrating what could be done there. Be that as it may, some few weeks ago it was brought to our knowledge that a portion of that orchard, for all it is only five years old, had been grubbed up. The person responsible for that should have notified the representatives and members of the district of his intention, and so far as my colleagues and myself are concerned we knew absolutely nothing about it until three or four days after the event had taken place. These young trees, about four or five years old, had not developed, and had not borne much fruit at that time, but the point is this: the settlers in that locality, and rightly so, resent such drastic action as grubbing up an orchard. The idea is that it was useless. We must admit that there are certain portions of land suitable for orchard purposes and other land which is not, and in this orchard there were certain portions unfit for an orchard. At the same time, close alongside it, there is some of the richest land to be found in the South-West. There is one orchard of considerable size situated in the South-West, on the banks of the Brunswick river. When such drastic action is taken by a Minister of the Crown as grubbing up an orchard, the inference is that the land is useless for orchard purposes. I say that is not the case. An action like this is against the interests not only of the settlers in that area, but it is against the interests of the Government themselves, because say, for instance, they cut up that property—and probably they will do so—what is the position? It has got abroad that a Minister of the Crown has ordered the destruction of portion of the orchard, and the inference is to the man in the street that the land on the banks of the Brunswick river, indeed in that locality, is of no use for orchard purposes. I only want to say, so far as I am concerned, and the same thing applies to my colleagues, that if it had been mentioned to us we should have at once advised that such action should not take place. It was a wrong thing to do. It was practically, to the minds of a great many people, con-

demming the whole of the district for fruit-growing purposes. If any person cares to take the trouble to walk as far as Sandover's they will see in the window of Sandover's shop as fine dried apples as could be seen anywhere. It is a sample of apples grown on this estate and indeed not on some of the best land, but on the medium land there. I want to bring this to the notice of members, and ask that a Royal Commission be appointed to get at the true facts of the case, because it is known that the orchard has been grubbed up and that has done a great deal of injury to the district. Mr. George has a fine orchard in that district. True, the land is not similar, but when a person condemns a certain place the man in the street condemns the whole district. Here is an orchard which was planted, and it has been grubbed up, and the inference is that the land is no good. The person responsible, to say the least of it, should have asked the members for the district what they thought about it. In that case I am sure the action would not have been taken. I beg to move the motion standing in my name.

Hon. E. ROSE (South-West) [3.35]: I have much pleasure in seconding the motion. The fruit trees which have been grubbed up in the district were planted five years ago, and more healthy looking trees it is impossible to find. The manager of the State Farm and the head of the department, Mr. Moody, were against this action. There were a few trees in this orchard which had what is called die-back, but that was brought about owing to the trees having been sprayed by a strong dip, which anyone knows is bound to kill the young shoots. The die-back is one of the reasons which Mr. Willmott gave for having the trees rooted up. It was stated that the orchard was costing some £700 or £1,000 to run. Any practical man who knows anything about orchards knows that it never should have cost that amount. This action of the Minister will damn the district for a long time to come, and new settlers will not take up land there. There is a quantity of land in this district to be taken up, open for selection, suitable for settling returned soldiers, but anyone who hears of the action of the Government will come to the conclusion that the land is no good. If it is no good for growing apples or pears, it is no use to them. Every farmer starting a farm plants a little orchard so as to have fruit for his own consumption. Only on Monday last Mr. Tothill, of Brunswick, gave me a couple of cases of dried apples, the fruit having been grown near the Brunswick State farm. Mr. Tothill is a progressive farmer growing fruit very successfully. He gave me these apples to bring up to Perth, and I had them placed in Sandover's window. I have to thank Mr. Sandover for giving me permission to place the fruit there, so that the public may see how the apples grow in this district. These apples were dried on this estate by an evaporator, which Mr. Tothill has obtained from the Government. They are talking of selling it, but I hope they will not do so. This sample shows that that part of the country is capable of growing not only apples but any kind of fruit. We are sending away thousands of pounds every year for dried fruits that can

really be produced in Western Australia. The action taken by the Minister in having the State orchard grubbed up has done a great deal of damage to the South-West. I am pleased that Mr. Clarke has brought forward this motion, because if a commission is appointed it will help to clear the atmosphere of the Bunbury district, so that the stigma which has been placed on it will be removed. If Mr. Willmott had consulted the members who represent that district or the members for the Province, or Mr. George, they would have advised him not to take the step which he did. It was rash and inconsiderate. I do not think any Minister should do such a thing without consulting members representing a district.

Hon. Sir E. H. Wittenoom: Did Mr. George know it?

Hon. E. ROSE: Mr. George had no idea.

Hon. Sir E. H. Wittenoom: Is not Mr. George in the same Government?

Hon. E. ROSE: Yes. If a Minister destroys property like this without consulting someone who knows, action should be taken.

Hon. J. EWING (South-East) [3.40]: I do not intend to detain the House at any length, but I wish to support the motion. I regret there has been any necessity to move for another Royal Commission, but I notice with great satisfaction that this is also to be a Royal Commission without remuneration, and I am glad that there are a number of people willing to work for nothing in the interests of the State. This is rather a far-reaching motion, and the Commission will have a good deal of work to do if they look into everything in connection with the State farm thoroughly. I am satisfied that a great deal of good can be done by a State farm. I was extremely astonished and disappointed that any Minister, without consulting Cabinet, should take such action, and I do not think he was justified in doing so. The people of the district represented by the farmers' association are very dissatisfied. I remember over 20 years ago getting some of the best apples I ever tasted in Western Australia from this district. Six weeks before the Commissioner for the South-West severed his connection with the Government, I went with him to the Brunswick farm, not with any idea of looking at the orchard, because there was no idea that it would be rooted up at that time. I had a look at the orchard, and I was particularly impressed as a layman with the splendid manner in which the trees were growing. They were perfect to my mind. I took so much interest in it, that I went to the top of the farm house to see all over the orchard, and to my mind it was one of the best looking orchards in the South-West. But that is only a layman's opinion, and how it impressed me. I was astonished when I heard that such drastic action had been taken. This district will not only grow apples, but many other fruits successfully. I may point out that Mr. Price, who is supposed to be one of the best judges in Western Australia, submitted a report and gave some advice on this matter.

Hon. Sir E. H. Wittenoom: Where does he come from?

Hon. J. Nicholson: From Illawarra.

Hon. J. EWING: Now, Mr. Price is an admitted expert; and he has condemned this district. He went down after the orchard had been uprooted, and he gave it as his opinion that the Honorary Minister had taken the right course. That is a very serious position indeed. I desire to read a portion of the report submitted to the Honorary Minister by Mr. Price, and I especially desire the Royal Commission to be appointed in the interests of the people who are developing that part of the State, so that they may know whether in their endeavours they are or are not merely wasting their money. I care not how great the experience of a man may be in other parts of the world; after a short sojourn in Western Australia he cannot give a valued opinion on the whole of this State.

The Colonial Secretary: Mr. Price has been 20 years in Western Australia.

Hon. J. EWING: Then I withdraw that statement. However, I do not care whether he has been 100 years in Western Australia, I should still not be satisfied that he knows all about fruit growing here. Further, I am not satisfied with his drastic condemnation of this part of Western Australia for fruit growing. Mr. Price in his report to the Honorary Minister said that Mr. Willmott had done the right thing, and he further stated—

The reason why it is no good as an experimental orchard is that the soil and climate are unsuitable. The three chief fruits planted are apples, pears, and European plums. These would not grow even if the soil were suitable, as the climatic conditions are unfavourable.

That is Mr. Price's opinion; and when condemnation of that kind is passed upon a district which has for years been producing these fruits with commercially satisfactory results, it is a very serious thing for the people who have invested their capital in that direction.

Hon. Sir E. H. Wittenoom: Not if they are getting the commercial proceeds.

Hon. J. EWING: But it certainly does not tend to the advancement of the district. Mr. Price also said—

I hope the people who contemplate planting in the coastal area will take a friendly hint and not plant apples, pears, or plums. The very fruits which have been planted.

Even if the soil is good, they will never be profitable. I mean by the coastal area the land between Perth and Bunbury, and the hills and the coast.

That, surely, condemns a large portion of the South-West, upon which fruit is now being produced. To clear up such a matter, let the Government appoint a Royal Commission. I am sure they will do so. Let them put on the Royal Commission men not prejudiced in any way whatever. I do not think any member representing the South-West, not even the mover, has any desire to sit on that Commission. It should be comprised of men who have had considerable experience of fruit growing in Western Australia, and who will be able to give a true

and unbiassed opinion. The action of the Minister and the report of Mr. Price have resulted in depreciation of the land in the district, and the people there should receive justice. I feel sure the appointment of the Royal Commission will result in something that will tend to the best interests of Western Australia and will prove helpful to the people who are now labouring under a grave disability.

Hon. J. NICHOLSON (Metropolitan) [3.51]: I sympathise heartily with the members for the district in which this unfortunate incident happened, but still I do not agree with the proposal to appoint a Royal Commission. I feel that in this matter the mischief has been done and that very little good purpose will be served by re-opening the question.

Hon. J. Ewing: But what about the future?

Hon. J. NICHOLSON: The future, naturally, is an important matter; but I do not see that the future of the South-Western district will be in the least affected by the unfortunate circumstance—I call it unfortunate because I think the Honorary Minister, Mr. Willmott, was injudicious, to put it mildly, in carrying out what almost amounted to an action unauthorised by the owners of the property. The owners of the orchard are the Government. The land is improved land. Mr. Willmott was wrong in doing what he did without consulting Parliament, without consulting the true owners. Mr. Willmott was only in the position of agent for the owners of the property; and it was his duty to consult the owners before taking such a drastic step as tearing up that orchard and so destroying the property. However, my reason for opposing the appointment of a Royal Commission is that I do not think it wise to have Royal Commissions on matters of this character. I do not regard this matter as of sufficient importance to call for investigation by a Royal Commission; and I am against the appointment of Royal Commissions except on such matters as are of vital importance. There is always expense attending these Commissions. On those grounds I oppose the motion. With regard to Mr. Ewing's interjection as to the future, I do not look forward with any feeling of dismay to the future of the district in which the orchard was situated. The action of the Honorary Minister may have done a certain amount of harm; but anyone who recognises what has occurred in connection with State enterprise will, I am sure, fully appreciate that, even although the orchard may have been grubbed up and certain adverse remarks made by the Honorary Minister, there is no occasion to be amazed at any State industry proving unsuccessful. So far as my experience goes, failure seems to be almost a necessary accompaniment of State enterprise. It appears that whenever the State attempts an enterprise on its own behalf, that enterprise ends in dismal failure. It is perhaps reasonable to suppose that this orchard was not managed in the best possible way, having regard to the manner in which State enterprises generally are managed. Whilst members representing the dis-

trict naturally and justly feel aggrieved at what has happened, without their even having been consulted, still I do not think they need entertain any feelings of dismay as to the future prosperity of their district.

Hon. H. MILLINGTON (North-East) [3.55]: I have much pleasure in supporting the motion. The Honorary Minister responsible for what appears to be an act of vandalism may be an expert. He is an expert on many matters, particularly at the present time on government; but the only man whom he has succeeded in impressing with his ability is Mr. F. E. S. Willmott. It shows that if a Minister, even one possessing experience, takes upon himself such a responsibility, we do not know where it may end. The man with real knowledge of the subject is not the man who poses as an authority on the industry in every part of the State. Take the man who has been mentioned here this afternoon, and who is an expert—Mr. Price. I have found that most of the orchardists in this State have a great respect for his opinion. They ask his advice. But Mr. Price himself, in going round, inquires of the orchardists how they prune their trees and so forth. He recognises that in spite of his experience and technical knowledge he is not past learning something; and he tries, when travelling around the country, to gain additional knowledge of his subject. On the other hand, we find a man who is placed in power—for, as we hope, a very brief space of time—taking upon himself the responsibility of declaring that he is the expert of experts. Without proper investigation and—a most remarkable thing—without even consulting the members for the district, who must have a great deal of practical knowledge in this connection, he takes upon himself to destroy these trees. The matter is one that certainly requires investigation; and I believe that the result of investigation—if the House authorises the appointment of a Royal Commission—will be to show that the district has suffered considerable harm from the Minister's action. It is a fact that in every district there is difficulty with fruit-trees. Men who make a study of the subject, men of much practical experience, have admitted that they are compelled continually to study even special trees in their orchards. They say that every tree requires special attention, and, indeed, at times a good deal of coddling. It appears to me that the Honorary Minister has taken altogether too much upon himself and has done an act which assuredly calls for investigation. I quite realise the indignation of the members for the district, who of course have the interests of the district at heart, and particularly the interests of the orchardists. I fully appreciate the protest made by those hon. members. Personally, I heartily support the motion and hope the House will carry it.

Hon. J. J. HOLMES (North) [3.58]: I am sorry I cannot support the request for a Royal Commission. I do not think a Royal Commission is the solution of the difficulty. The solution, in my opinion, is to have a sane, responsible Minister placed in charge of the Agricultural Department. When I say "responsible

Minister," I should add that I have always claimed, and even now claim, that Honorary Ministers have no right to travel around the country giving instructions and incurring expenditure. I may be wrong. I was one of the first Honorary Ministers in this State. In the second Leake administration I was an Honorary Minister, and I never incurred expenditure, nor did I ever attempt to administer an office. I acted in an honorary capacity, and tendered advice when asked for it, and ceased at that. Whilst the Constitution provides for six Ministers to incur expenditure, we now have no less than nine Ministers incurring expenditure and all helping to build up the deficit. I repeat, the solution of the difficulty is to have a sane, responsible Minister in charge of the department. We do not know what object Mr. Willmott may have had in destroying the trees. It may be that he was satisfied fruit could be grown in the district, and thought that, this having been demonstrated, the province of the Government was finished and accordingly destroyed the orchard. I know nothing of the fruit industry, and am not in a position to say whether Mr. Willmott was right or wrong; but that hon. gentleman did make through the Press an announcement on one class of business which I do understand. That was in connection with the closing of the Government meat shops in the metropolitan area. He said then that these shops had achieved the object for which they were established, namely, to cheapen the price of meat. Having accomplished that, they had analysed the figures, seen that the loss was too great, and they were leaving it for private enterprise to carry on. If it is one of the functions of the Government to destroy the people's business in this way, and leave private enterprise to carry on at a loss, it is only further evidence of the absence of sanity. We had evidence yesterday of this self-same Honorary Minister sending a boy to perform a man's work. The evidence put before us by Mr. Stewart yesterday proved to me that we have a boy performing a man's work, and that this is the result of the action of the Honorary Minister (Mr. Willmott). I am sorry I cannot support the motion for a Royal Commission. I do hope that some of the sane men forming the present Ministry will take steps to see that this reckless person is put in his right place.

On motion by Hon. C. F. Baxter (Honorary Minister) debate adjourned.

#### BILL—SPECIAL LEASE (GYPSUM).

##### Assembly's Message.

Message received from the Assembly notifying that it had agreed to the amendments made by the Council.

#### BILL—LAND TAX AND INCOME TAX.

Received from the Assembly and read a first time.

#### BILL—INSURANCE COMPANIES.

Report of Committee adopted.

# BILL—HEALTH ACT AMENDMENT.

## Assembly's Message.

The Council having notified the Assembly that it preferred that the Assembly's amendment No. 5 should take the form of a separate clause, and a Message having been received from the Assembly requesting the Council to follow the usual course by making whatever further amendment it might think proper to the Assembly's amendment No. 5 and transmitting the same to the Assembly for its concurrence, the Assembly's Message was now considered.

## In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in Charge of the Bill.

No. 5.—Insert the following proviso to the clause:—"Provided that the amendments made by this section shall continue in force until the 30th day of September, 1919, and no longer, after which date section 242j of the principal Act as originally enacted shall again come into operation".

The COLONIAL SECRETARY: I have no doubt it will be the desire of the Committee, having come to an agreement with the Assembly on every other matter in connection with the Bill, that we should get over this purely technical difficulty as easily as possible. I intend to suggest two courses, and to be guided by your advice, Sir, as to which is preferable. The first is to make an amendment which probably the Assembly will agree to; the second is to consider whether it is really necessary, under our Standing Orders, that the amendment should be made. Standing Order 174 reads—

The precise duration of any Bill, the provisions of which are intended to be temporary, shall be inserted in a distinct clause at the end thereof.

There is little doubt in my mind that the same rule should apply to a clause of a temporary nature, but I have in mind that possibly another place may say, "It is all very well for the Council to reprove us in a matter of this kind, but not very long ago the Council inserted in the middle of a Bill a proviso limiting the operations of certain clauses." I am referring to the Industries Assistance Act, which was passed in 1914. In this House a proviso was inserted in the Bill, limiting the period during which advances might be made, and that proviso was inserted in the middle of the Bill. You, Sir, would take the view, and I agree, that it was put in the wrong place, because, although it was inserted after Clause 11, it also limited the operation of certain subsequent clauses. Now, if we interpret our Standing Order to refer to the limitation of the duration not only of a Bill, but of any part of a Bill, the same interpretation, I think, should operate in regard to the limitation of a clause. The question is, is it likely to provoke opposition in another place on the score of what the Council did in 1914? If you think it desirable that we should amend the amendment No. 5, we could take that course. I should be glad if you would advise which of the two courses you deem preferable.

The CHAIRMAN: I should like to inform hon. members generally that I do not consider it part of my duty to advise the House on a

matter of tactics from this Chair, nor to express an opinion on a matter of tactics from this Chair. In another seat I would have an opinion which I would not hesitate to express. In regard to the allusion made to my former ruling, I point out that Standing Order 174 reads as follows:—

The precise duration of any Bill, the provisions of which are intended to be temporary, shall be inserted in a distinct clause at the end thereof.

Not "any Bill the duration of which is intended to be temporary" but "any Bill the provisions of which are intended to be temporary." Under our Interpretation Act the singular includes the plural and the plural the singular; therefore my ruling is that if a provision of a Bill is intended to be temporary, this Standing Order applies to just the same extent as if all the provisions of the Bill were intended to be temporary. Any inconvenience to the general public or to members reading the Bill when it becomes an Act, may be easily obviated by placing in the marginal note attached to the clause intended to be temporary a reference to its temporary nature and drawing attention to the section at the end of the Act. I leave it to the Colonial Secretary to please himself in regard to the action he takes towards another place.

The COLONIAL SECRETARY: In accordance with your ruling, I move an amendment on the Assembly's amendment—

"That in line 1 of the amendment the words 'the following proviso to the clause' be struck out and 'the following new clause to stand as Clause 54' be inserted in lieu." Amendment put and passed.

The COLONIAL SECRETARY: I move a further amendment on the Assembly's amendment—

"That in line 2 the words 'provided that the amendments made by this section' be struck out and 'the amendments made by Section 41' be inserted in lieu."

Amendment put and passed; the Assembly's amendment as amended agreed to.

[The President resumed the Chair.]

Resolutions reported, and the report adopted.

# BILL—FIRE BRIGADES ACT AMENDMENT.

## Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.15] in moving the second reading said: This is a short Bill intended to correct one or two printer's errors which occurred in the Bill when last before the House, and also to remove the difficulty which the fire insurance companies have experienced in making up the returns required by the Act. The Bill is the outcome of requests made by both the fire brigades board, and the fire insurance companies, and after their requests had been considered and submitted to the Crown Law Department and the Bill drafted, the Bill itself was submitted to both parties and was agreed to as representing their wants. The Bill proposes to add the words "or Part 4" after the words "Part 3." This is consequential on the



amendment to include Part 4 in the second schedule of the Act. A further amendment is to alter the word "brigade" to "brigades." This is to rectify a printer's error which was made in the first print. The other amendments are to Sections 41, 43, and 44. Section 41 is amended by deleting the word "district" in the second line, after the word "within," and by inserting the words "the areas contained within 24 degrees south latitude and 123 degrees east longitude." There are consequential amendments to the other two sections. The purpose of these three amendments is exactly the same. The literal adoption of the sections as they at present stand creates a volume of work both for the insurance companies and the board, without any benefit to either party. The enforcement of Section 44, which provides for a minimum payment of £10 per annum from each insurance company doing business in each district, creates a position whereby the companies would be called upon to contribute more than the three-eighths contribution to the requirements of any particular district. The sections, moreover, restrict the annual premium income return to the operation of each company in each district of the Act. None of the insurance companies define their districts in this manner. It is desired that the methods obtaining in the old Act in respect to the levy on insurance companies should now be adopted, that is, that all insurance companies doing business in this State should contribute to the funds of the board in the proportion that the annual premium income of each bears to the annual premium of the whole area mentioned. It makes no difference in principle, but it will very greatly convenience insurance companies in making up their returns, and facilitate the work both of the board and of the companies. There is also provision in Section 5, which is intended to meet the case of insurance companies doing business in this State, but not resident therein. At present they are not called upon to make any contribution towards the upkeep of the board. Under this section they will be called upon to make contributions in accordance with the extent of the business they do. That is a perfectly fair provision, and it is taken from the New South Wales and New Zealand Acts, both of which have similar provisions. I move—

"That the Bill be now read a second time."

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Further Amendment of Section 43:

Hon. J. NICHOLSON: It seems to me that this is certainly a comprehensive and objectionable proposal, especially where the clause refers to every broker, agent, or other person, who negotiates in a contract. Any hon. member might unwittingly become in some way the means of negotiating some insurance, and he is deemed to be an insurance company, and presumably required to make a return as pro-

vided under Section 43 of the Act, and to meet the contribution. He can also be sued under the principal Act.

Hon. Sir E. H. WITTENOOM: He must not do it.

Hon. J. NICHOLSON: It would only be fair that the agent to be made responsible should be the person who effects and not merely negotiates. I therefore move an amendment—

"That the word 'negotiate' be struck out and the words 'who effects' inserted in lieu."

The COLONIAL SECRETARY: I cannot see that the amendment is in any way necessary. It is only when a contract comes to completion that the clause will apply. If it does come off, we want the person who negotiates it to make his return. The principle of the clause is entirely just. If any company operating in any other State, with an office here, does business here, that company should be required to pay its share of the amount paid by insurance companies generally, and to that extent relieve the other insurance companies. The broker or agent who negotiates a contract should be made responsible. It is only when he has negotiated a contract that he becomes responsible.

Amendment put and negatived; clause put and passed.

Title—agreed to.

[The President resumed the Chair.]

Bill reported without amendment, and the report adopted.

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

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.37] in moving the second reading said: I propose to follow a similar course to that adopted by me in submitting the other taxation proposals that have already been placed before the House, namely, the Stamp Bill and the Dividend Duties Bill. I take it that this House does not require me to justify the actions of the Government in attempting to impose a little extra taxation. In so far as this particular Bill is concerned, and the amount of the additional taxation to be imposed, this probably does not apply, but we have before us, and have already read a first time, the Land Tax and Income Tax Bill itself, and when we come to consider that Bill, I shall point out the exact amount of proposed taxation. It is intended under that Bill to raise a sum of about £210,000 in lieu of the amount at present raised, an increase of probably about £130,000. The alterations that are made in the present Bill are for the purpose of assisting in increasing the revenue. One of the principal alterations is the abolition of the general exemption of £200, and the substitution of other provisions which, in the opinion of the Government, would afford sufficient relief to persons of small incomes and also to persons with families and dependants. I propose, if hon. members will kindly follow me,

to go through the Bill clause by clause, without wasting their time by any preliminaries in the way of justifying the action of the Government in seeking to raise a little additional revenue. Clause 2 makes an amendment in the definition. The purpose of the amendment is to provide a definition of the word "dependant." The necessity for this arises from the fact that, in the past, it has not been customary to allow taxpayers any concession in respect of dependants. It was felt, I have no doubt, that with the £200 general exemption it was sufficient to allow the taxpayer a reduction in regard to his children; but now that this £200 general exemption has been removed it has been deemed desirable to allow the taxpayer who has no children, the single man in particular, some rebate in respect to his dependants, and consequently it becomes necessary to define the word "dependant." "Dependant" means the relative of the taxpayer by blood, marriage or adoption, towards whose maintenance the taxpayer has contributed £20 during the year in which his taxable income was derived. This definition is taken entirely from the Federal Income Tax Assessment Act, No. 2, of 1916, and in that respect I think we are acting wisely in preserving uniformity with the Federal Act. Clause 3 of the Bill is one of the most important clauses, because it omits the general exemption of £200 per annum, and substitutes a provision under which no person is liable for taxation if his chargeable income from all sources in the year next preceding the year of assessment does not exceed £100. And it also provides that no person who is married or has a dependant shall be taxable unless his chargeable income from all sources in the year next preceding the year of assessment exceeds £156. The effect of this is that no single person, man or woman, without dependants, will be called upon to pay any taxation if the chargeable income, that is, the income remaining after such deductions as they are entitled to make—as, for instance, life insurance, rates, or any other matter included in the list of exemptions—are made, does not exceed £100. They will not be called upon to pay any tax whatever. In the case of a married person, or a person having a dependant, that person will be called upon to pay nothing if his chargeable income is less than £150. Another provision has been made which also compensates to a very large extent in fact, in a large number of cases, it will entirely compensate for the removal of the general exemption of £200, that is, the increase of the exemption allowed in respect of each child under the age of 16 years. In the past the exemption has been £10; in the Commonwealth it is £26; while the Bill fixes the amount at £20. The effect of this will be that a person getting, say, £200 a year, if he has two children, will be entitled to deduct £40 as well as insurance, rates, and probably one or two other matters connected with the earning of the income. That will bring his chargeable income to under £156. Therefore, it will be said that in all cases

people earning £4 a week and having two children will be free from taxation. Then, in the case of people with larger families, say with seven children, a man would need to be getting more than £6 a week before he would be required to pay any income tax at all. This taxation proposal will not press hardly upon the people with small incomes, or people who have large families to maintain. The removal of the general exemption of £200 will, however, very largely increase the Treasurer's income, but the increase will not be obtained from the persons earning small incomes, or those who have escaped taxation in the past. It will be obtained through the removal of the exemption from the people in receipt of larger incomes in a larger proportion as the incomes grow. There has been circulated for the information of hon. members a table showing the amounts of the income tax payable in the other States, and in the Commonwealth, and the rates proposed under the present Bill. I would ask hon. members in considering that table to disregard altogether the third column from the last, the column headed "Rates as in Bill," because that column was compiled at a time when the schedules providing the income tax were different from those finally adopted by the Legislative Assembly. The column "Rates graduated from 2d. to 2s. 6d. in £ by regular increments of .006 of 1d." is the one to which I wish to direct the attention of members. If they take as an example a man earning £400, they will see that he will be required to pay £6 6s. 8d. per annum. I am merely illustrating this to show the effect of Clause 3 of the Bill now under consideration. A person whose chargeable income—that is, his income after deducting all the amounts he is allowed to deduct—remains at £400, will be called upon to pay £6 6s. 8d. If the existing provision in regard to general exemption of £200 had remained, it would have brought him back to the £200 scale, in which case he would have been required to pay £2 3s. 4d. Hon. members will see in that case the tax is increased by a little over £4. Take the man in receipt of £800. He will be required to pay £20 13s. 4d. Had the £200 general exemption remained, he would have gone back to the £600 scale, and would have been required to pay £12 10s., so in that case there is an increase of £8 3s. 4d. by the removal of the £200 general exemption. When we come to a still larger income, say £1,200, a person in receipt of that will be required to pay £43, whereas, if the £200 exemption had remained he would have gone back to the £1,000 scale and paid £30 16s. 8d., the increase in that case being £12s. 3s. 4d. by the repeal of the £200 exemption. And so it goes on right through the scale. The bigger the income the more the taxpayer is called upon to pay, by reason of the removal of the £200 exemption. Whilst it is quite true that that £200 exemption is going to be the most important factor in increasing the revenue of the State, it is entirely wrong to suggest that it means that a lot of the money is going to be obtained from the small wage-earner or from the men with small incomes, because so far as a person with a small income and family obligations is concerned, that per-

son will not be affected at all. So far as the person earning £300 or £400 is concerned, he will be affected very little, but it is the persons with large incomes who will be considerably affected by the removal of the general exemption.

Hon. J. E. Dodd: Are the figures available for the amount which will be collected under the £200?

The COLONIAL SECRETARY: The tax altogether is expected to bring in £210,000.

Hon. W. Kingsmill: How much of that will come from incomes under £200?

The COLONIAL SECRETARY: Scarcely any of such incomes will pay income tax. The only people in receipt of under £200 who will pay will be those who have no dependants. Take, for instance, a married man with a family, in receipt of £200 a year. He will be entitled to make the deductions that I have already referred to, and those deductions will enable him to escape payment of the tax. A person without any family will be entitled to make some deductions on account of insurance and things of that sort, which might bring his salary or wages down to £180, and he will be called upon to pay £1 17s. 2d.

Hon. J. W. Kirwan: Does the interpretation of "dependant" mean wife?

The COLONIAL SECRETARY: No. It is not necessary to have an interpretation covering wife, because the proviso says—

Provided also that if the income chargeable from all sources of any person who is married or has a "dependant."

So that a person who is married is exempt if his income chargeable does not exceed £156. The Bill as originally introduced did not provide for dependants, but it was considered in another place, and I believe the Commonwealth Act takes the same view, that a single man who has a dependant, who may be supporting a widowed mother or other dependants, as defined in Clause 2, should be treated in exactly the same way as a married man. It would not include a wife, because a wife is provided for. In this proviso it is set out "the income in the year next preceding the year of assessment"; that is following out the present practice. In each case a taxpayer is assessed for the current financial year, on the income he obtained in the previous financial year, and consequently the same phraseology is used in regard to the exemptions under £100 and £150. Clause 4 amends Section 19 of the principal Act, which relates to incomes which are exempt from income tax. The new Subsection 10 exempts war pensions enjoyed by a taxpayer for injuries received while on active service during the present war. It will be noticed that it does not extend to pensions given to relatives of soldiers or sailors injured. Clause 5 amends Section 20, Subsection 4, of the principal Act, which relates to the income tax on stakes won in any horse-race. The income tax on these stakes has been from the inception of the income tax in this State taxed at the source, that is to say, the club deducts from the stakes before paying them over the income tax payable thereon, and the club pays the tax direct to the Commissioner. At first the income tax rate was a flat one of 4d. in

the pound on all incomes, but about four years ago graduated rates were introduced, and on account of the difficulty in ascertaining the rate above 4d., if any, which the winner of the stakes was paying, without a great deal of labour, and as in those cases, the stakes treated as income would in nearly all cases pay 4d., the practice adopted has been to charge a flat rate of 4d. in the pound on such stakes in all cases. The object of the amendment, therefore, is to give this practice legal sanction and to continue it in the future. No revenue, it is estimated, will be lost by this provision, as it will be observed that it is provided that no deduction will be allowed for the expense of earning the stakes. This is provided by exempting the provision from the operation of Clause 30 of the principal Act, which relates to expenses of earning income. That is to say the winner of the race will have to pay on a comparatively low scale. It would not represent his income scale, but on the other hand he would not be allowed to make any deductions for the expense incurred in earning that money. This practice will not result in injustice to the State or the individual. Clause 6—the object of this amendment of Section 25 of the principal Act is to correct an error in line 7. The correct term should be "income chargeable," seeing that it is on the income chargeable and not on the taxable amount that the tax is imposed, and as shown in Section 2 of the principal Act, the expression "income chargeable" means the taxable amount less the deductions allowed. That is responsible for many mis-statements quite innocently made recently to the effect that a married man with a family whose deductions brought his income down to £150 would still be taxed. His chargeable income would not exceed £156 and he would be entirely exempt. Clause 7 contains a number of amendments of Section 30 of the principal Act which relates to business and other deductions which are allowed under the Act from the income in order to arrive at the income chargeable. Paragraph (a) amends the provision relating to the deduction of life assurance premiums not exceeding £50 in any one year. In line 3 the word "like" is inserted after "other" in the expression "or other provision." The reason of this amendment is that in an appeal by a taxpayer which was heard by the Court of Review and the Full Court, the taxpayer, strange to say, succeeded in his contention that the purchase of house and land in the name of his wife and the giving of a pension to his wife's mother from whom the money was borrowed for such purpose, was "other provision for his wife." In order that such an absurd contention may not arise again the word "like" is inserted after "other" so that it will read "other like provision for his wife." That is to say, other provision of the same nature as life assurance. It was never intended that such a family arrangement as that made in the case quoted (Siehenhaar versus the Commissioner of Taxation) should be deemed a provision for the wife equivalent to life assurance.

Hon. J. J. Holmes: Did that case go to the Full Court?

The COLONIAL SECRETARY: Yes.

Hon. Sir E. H. Wittenoom: It was a very ingenious claim.

The COLONIAL SECRETARY: Yes. As a matter of fact since this case the wife has sold this property, that is turned it into cash, and of course the taxpayer no longer can claim the deduction of the pension to this mother-in-law. The case was altogether absurd, and it is strange that the taxpayer ever succeeded. On the recommendation of the Commissioner of Taxation when he was in Melbourne in March, 1917, the word "like" was inserted in the proposed Uniform Assessment Act for all the States, and it is believed the Federal Government have adopted it in the new Federal Act. Paragraph (b) of the same clause—Subsection 7 of the principal Act which relates to the four per cent. deduction on business premises, has been re-cast so that the four per cent. shall not apply to land which is not held in fee simple. In the case *Septimus Burt versus the Commissioner of Taxation*, the taxpayer was successful in his appeal, namely, in his contention that pastoral land which he held by lease from the Crown without the right of purchase, was land of which he was the "owner," and therefore such land being used in his pastoral business constituted "business premises of which he was the owner," even though they might amount to a million acres or more together with the improvements thereon. The High Court decided in the appellant's favour, with the result that all pastoralists holding lease land have since received, as a deduction, a sum equal to four per cent. of the capital value of their pastoral leases. It is obvious that this was never intended, and by this amendment it will be prevented in future. The words at the end of the first paragraph of the new Subsection 7, "subject to any mortgage or charge thereon or unpaid purchase money if any," are inserted to make it clear that the four per cent. is to be allowed on the value of the equity. That is to say, the capital value, less any mortgage thereon, and also less any unpaid purchase money, where the land is being purchased on terms such as conditional purchase land, being purchased from the Crown. The proviso is inserted to make it clear that the deduction of four per cent. will be allowed from the net income or profit derived from a business only so far as there is income for the year from which it may be deducted.

Hon. G. J. G. W. Miles: What about a business area leased from the Crown with building thereon?

The COLONIAL SECRETARY: He is allowed to take the four per cent. of the premiums but he cannot take the value of the land if it is not his. The absence of such provision in the past has brought about the following state of affairs. Take the following example: a farmer has made, after allowing for all business deductions, a profit on his farm of £100. His business premises, that is his farm land plus improvements, are worth £3,000, and four per cent. on £3,000 is equal to £120, that is to say the four per cent. deducted exceeds the profit on the farm. In the past the full £120 has been allowed and the additional £20 set off against income from

other sources. The object of this proviso is in a case such as that cited, that the farmer shall be allowed only £100 of the four per cent. deduction, because there is no income from that farm other than the £100 from which it can be deducted.

Hon. J. J. Holmes: In the case of a conditional purchase, who would be the owner?

The COLONIAL SECRETARY: In the case of a conditional purchase the farmer is the owner so far as he has paid for his land. Paragraph (c) amends the provision which allows the loss on one business to be set off against the profit on another business, or the income from other sources. The intention of the Act originally was to carry this out in all cases, but by limiting the definition of "business" to denote or include any "profession, trade, employment or vocation," the effect was, so the Commissioner is advised, to prevent the loss on a farm, for example, being set off against income from rent or interest, because rent and interest are not income derived from any profession, trade, employment or vocation, but are income derived from property or from investments. The object of this amendment is therefore to extend the term "business" to include also the earning of income from other sources including investments. Paragraph (d) relates to the deduction for children under the age of 16 and increases the amount by an amendment carried in the Legislative Assembly from £10 per child to £20 per child. Paragraph (e) is an amendment to Subsection 1 of Section 30 to make it clear that interest paid by a taxpayer on money borrowed and used in his business shall be allowed as a deduction. This amendment will practically make no difference in the operation of the Act, as interest in the past has always been allowed when paid on money borrowed for the purposes of the business as an "outgoing actually incurred by the taxpayer in the production of his income." There is therefore no harm done by inserting this provision. It is merely following the practice that has always been allowed. Under paragraph (f) important amendments regarding mining development are made. The object of the new Subsection 11 of Section 30 of the principal Act is to bring mining syndicates and private mine owners or leaseholders into line with the manner in which companies are treated under the Dividend Duties Act. Their treatment is governed by the decision of the Full Court, in regard to the deduction allowed of the actual cost expended during the year in development work on the mine. This matter was raised in the form of a question in this House some time ago and that provision was made to place the individual in as favourable a position as the company. Development work is actually in the nature of capital, but as the business of mining is different from that of any other business in that when the gold or other mineral ceases or ceases to be payable, the capital expenditure in the sinking of the shaft and the development work, is of no further use, and practically the mine becomes a hole in the ground. Exemption is allowed in regard to mining which is not al-

lowed in other businesses, because in other businesses it is regarded as capital expenditure. In regard to companies the amount expended in the main shaft is not allowed as a deduction, and this point was originally in the Bill, but it was struck out by the Assembly on the ground that while it may be disallowed as a deduction in the case of a company, it should be allowed in the case of a smaller undertaking conducted by private individuals.

Hon. G. J. G. W. Miles: If the development has taken place in one year the income next year would show it.

The COLONIAL SECRETARY: Each year stands on its own. It is recommended that the clause be agreed to by the Council as now printed. The proviso has for its object to enable the profit made on the sale of a mine by a syndicate or private individual to be taxed. From the sale price would be deducted in ordinary cases the capital cost of the mine including all capital expenditure thereon. Without this provision any profit made on the sale of a mine cannot be taxed under the Income Tax Assessment Act unless the business of the vendor is that of buying and selling mines. A provision is inserted that any capital expenditure which has previously been allowed in the annual assessments by way of development and main shaft shall not be again allowed when the mine is sold, namely, as a set off against the profit on the sale. The new Subsection 12 of Section 30 provides for the apportionment of interest on a business capital. This may be made clear by the following example: a taxpayer has £20,000 invested in various undertakings, some of which are productive and others unproductive. He had £10,000 in a pastoral undertaking, £5,000 invested in company shares, £2,000 in house property and £3,000 in vacant land. Let us assume that his total interest amounts for the year to £1,200. Under this new subsection, he will be allowed one-half of that interest, £600, in respect to the pastoral undertaking; no interest in respect to the amount invested in company shares, seeing that it is not taxed under the Income Tax Act, and one tenth of the interest or £120 on the capital invested in rent-producing property, and no interest in respect of the £3,000 invested in vacant land. The total interest allowed, then, will be £720. This is only equitable, and represents the principle which the Commissioner has endeavoured to carry out in the past; but his work will be greatly assisted in this equitable arrangement if Subclause 12 is embodied in the Act. The intention is to make the arrangement definite by inserting it in the Act.

Hon. J. J. Holmes: What is the definition of "vacant land"?

The COLONIAL SECRETARY: I do not know that there is a definition of "vacant land." Has the matter ever been the cause of any dispute?

Hon. J. J. Holmes: Is a paddock in which sheep are run vacant land?

Hon. J. Nicholson: The act does not define "vacant land."

The COLONIAL SECRETARY: Subclause 13 is new. It was inserted by the Legislative Assembly when the Bill was in Committee there. It gives a valuable concession to taxpayers, and will have the effect, naturally, of further re-

ducing the amount which will be liable to income tax. Under the law as it stands in the existing Act, rates and taxes are allowed as a deduction, under Section 30, Subsection 1, in every case where such rates and taxes are an expense incurred in the earning of the income; but such rates and taxes are not allowed as a deduction from wages or salaries. Federal land tax is allowed as a deduction from business income, in view of a decision of the High Court. Federal income tax, however, is not at present allowed as a deduction; neither are State income tax and State land tax.

Hon. J. W. Kirwan: Why should not income tax be allowed, if land tax is allowed?

Hon. Sir E. H. Wittenoom: Is the war time profits tax allowed?

The COLONIAL SECRETARY: Yes; all Federal taxes.

Hon. J. Nicholson: Do not you think it might be contended that war time profits taxation is excluded because that is a special tax? The intention, I understand, is to include it here.

The COLONIAL SECRETARY: That is a matter which can be inquired into if there is any doubt about it. The intention is to include all Federal taxation. I think the war time profits tax is income tax, and under this clause will be included among the allowable deductions. Inquiries will be made on the point. Subclause 13 really represents a question of policy; and as the Legislative Assembly has agreed to this policy the position, apparently, is that the subclause will have to be accepted. In the Federal Income Tax Assessment Act a contra addition to the income is provided for, namely, that every taxpayer who lives in his own house, or has land and so forth for pleasure, shall add to his income a sum equal to five per cent. of the capital value thereof. This contra provision is not found in the present Bill or in the principal Act, and its introduction is not recommended at this stage. Mr. Kirwan has asked why a deduction of State land tax should be allowed, and not a deduction of State income tax. I think the reason is very simple. The land tax paid is practically money paid for the purpose of getting income. The income that the man finally has is the proper subject for taxation; and I do not see how one can deduct from the income the tax which one has to pay on the income. I come now to Clause 8. The Assessment Act requires every person to furnish an annual return who is liable to tax, and it also gives the Commissioner power to demand further or fuller returns. However, it is often necessary for the Commissioner to obtain returns although he is not certain that the person is actually liable to tax. In fact, returns are often necessary in order to enable him to determine the question whether the taxpayer is so liable; or the information may be needed in order to verify statements made in other persons' returns. The amendment of Subsection 8 of Section 32 is, therefore, for the purpose of giving the Commissioner the necessary power to demand a return in any case where he thinks a return is necessary for the purposes of the Act. I think this is a very

necessary amendment, because without this power it will undoubtedly be possible for many persons to refuse to send in returns, merely saying that they are not liable to taxation; and it would be very difficult for the Commissioner to arrive at a decision as to whether they are liable or not. Clause 9 represents a small alteration to remedy defective wording in the original Section 34 of the Act, which matter has been pointed out by the Crown Solicitor as occasioning difficulty when cases are taken into court. Clause 10 recasts Section 7 of the Act in order to make it more workable. No alteration in principle is made; but there is no necessity, and it is not possible, to wait until the completion of the assessment book before the Commissioner shall give notice to the taxpayers of the amounts claimed from them. Paragraph (a) of Clause 11 arises out of a defect in the principal Act, by which the taxpayer, when he appeals against assessment, is not required, as under other Acts, to deposit the tax against which he appeals. This amendment provides that he shall deposit at least one-half of the tax when he appeals. Paragraph (b) of Clause 11 strikes out the word "public" in Subsection 3 of Section 49. It is necessary, when an appeal is to be heard against an assessment under the Act, for a notice to be sent by the clerk of the court of review to the parties concerned. No good purpose is served by giving public notice; that is to say, notifying through the "Government Gazette." It is, therefore, recommended that the word "public" be struck out. The notice given will be, as at present, notice served upon the parties themselves. Clause 7 refers to Section 63 of the principal Act, which provides that the day or days on which taxes shall be due shall be notified in the "Government Gazette." It has been found necessary, in compliance with this section, to insert in the "Government Gazette" every fortnight particulars of all the assessments completed, and of the due dates of the taxes relating thereto. The Government Printing Office inserts these and charges the cost to the Taxation Department. The cost amounts to a considerable sum in the year. In addition thereto, the notice to the taxpayer required by Section 47 of the principal Act is posted or delivered to him, with the due date of the tax inserted therein. The object of the amendment is, therefore, to dispense with the gazettement of the due date, and to rely on the date mentioned in the notice to the taxpayer, which in the circumstances is ample.

Hon. G. J. G. W. Miles: Is any special provision made for far distant taxpayers?

The COLONIAL SECRETARY: They have to be served with notices in the same way as other taxpayers, and the Commissioner always takes the distance into consideration and fixes the date on which they have to pay their taxes according to the time at which the notices are likely to reach them. Clause 14 provides a new section, the object of which is as follows: There is a legal doubt whether, as the law stands at present, the Commissioner can enforce the collection of income tax on profits made from the sale of some of the principal

productions of this State, in cases where the goods are shipped to other countries for sale. These goods comprise cereals, wool, timber, hides, bark, sandalwood, and so forth. The whole of the cost of the production of these goods is allowed to business people in this State as a deduction; and it is only fair that the profits on their sale, which come back to this State, should be accounted for, and be made taxable, by being deemed in all cases to arise in this State. The adoption of Clause 14 will remove any doubt for the future. The first proviso to the clause is inserted to meet cases which arise where certain productions, such as timber, before they are finally sold, are treated or worked in order to increase the sale price or to meet the needs of the market to which they are sent. This proviso will enable the added price for production by this treatment to be allowed for when assessing the portion of the profit which is deemed to arise in this State. The second proviso deals with cases which arise in practice. Take the following case: A firm produces wine, or boots, in another State, and is trading with the product in that State and in this State; that is to say, the firm has a branch in this State. Cases have arisen where a firm, when shipping its manufactures to this State, has transferred them to its branch in this State at a value much in excess of the actual cost of production plus shipment. This is very unfair; it has the effect of under-stating the actual profit made in this State on such productions. The only fair principle is for such goods to be transferred to this State at actual cost, including cost of freight and so forth. This proviso enacts that that shall be done. Clause 15 relates to shipping business. When shipping business is carried on between this State and another State, or overseas, it is very difficult to determine what portion of the profit is made in this State and what portion elsewhere. There is a difficulty under the present Income Tax Assessment Act, in that no provision is made for taxation of shipping business under such circumstances by persons other than companies. In the Dividend Duties Act, however, when shipping business is carried on by a company provision is made for assessing the profit made as being a sum equal to five per cent. of the gross profits from inward and outward traffic, including passenger fares. This provision has been in force for a number of years in regard to companies. It is now intended to prescribe the same method exactly for the assessing of shipping business when carried on by persons other than companies. Clause 16 empowers the Commissioner to impose a penalty not exceeding 10 per cent. of the tax where he is satisfied that the taxpayer has omitted to furnish his returns within the prescribed time, or omitted income from his return. This penalty the Commissioner can impose under the new Section 68a without prosecuting the taxpayer in court. The provision, as is shown in the margin, is taken from the Commonwealth Act. If the Commissioner finds that there are good reasons for remitting the penalty, power is given in the proviso for him so to do. Should the facts warrant prosecution, Section 68 of the principal Act provides for such prosecu-

tion, and also for penalties being imposed by the court. Clause 17 proposes a new section to stand as 69a, which is being inserted on the advice of the Crown Solicitor from his experience when taking cases of offences under the Act before the court, and is merely a machinery provision to facilitate the working of the Act. The remaining clause, No. 18, is the usual provision whereby any reprints of the Act shall show all the amendments which have been made. I move—

“That the Bill be now read a second time.”

Hon. J. J. HOLMES (North) [5.15]: I propose to depart from the usual custom of moving for an adjournment of the second reading of this taxation Bill and proceed with the debate. To my mind taxation penalises industry and I am inclined to think the solution of our difficulties is not to set out with a drag net to penalise all the thrifty people who are endeavouring to do the best for themselves and incidentally for the country, and let the reckless, irresponsible people dodge taxation. Everyone must pay portion of their income in accordance with their ability to pay. I do not think there is anything more equitable than an equitable income tax or anything more inequitable than an inequitable income tax, and I am inclined to think that the proposal before the House is inequitable. Another thing, I think that to give some of the present irresponsible Ministers an increased amount of money would mean increased public extravagance, which is something we cannot afford. We in this State have not yet been brought face to face with our difficulties. To my mind we have been living in a fool's paradise, living on war expenditure, and our real troubles will commence when the war pay ceases. The necessity has arisen for drastic action and I propose to show that by economy we can avoid a lot of this taxation. Where I would begin is with Parliament itself. In the early days, when I first went into another Chamber, we all acted in an honorary capacity except Ministers. In those days £6,200 covered the whole of the Parliamentary salaries. Immediately before Federation payment of members was introduced, with the result that the salaries of members of Parliament rose in the aggregate from £6,200 to £21,000. We had the Premier at £1,200 and five Ministers at £1,000 each, with 44 members of the Assembly and 20 members of the Council each at £200—total £21,000. Then we federated and we transferred to the Federal Parliament three of the largest of our departments, namely, defence, post and telegraphs, and customs. Having got rid of those departments, one would have thought to see adopted a policy of less work less pay; but the next thing Parliament in its wisdom did was to raise the salary of the Premier from £1,200 to £1,500 and of Ministers from £1,000 each to £1,300 each, while it raised the salaries of members in both Houses from £200 to £300. And so the total of £21,000 was increased to £30,200. In addition to that, we elected 11 members to represent us in the Federal Parliament at a salary of £600 per annum each or a total amount of £6,600. So before payment of members we had a salary bill of £6,200. After payment of members but before Federation,

the bill was £21,000. After Federation the bill rose to £30,200, plus the £6,600 which we paid to our Federal representatives, making the Parliamentary salaries to be provided in this State £36,800. We have no control over the Federal Parliament, but I think the time has arrived when we should have some control over the State Parliament, and I propose first of all that we shall reduce the number of members of the Council from 30 to 20 and the members of the Assembly from 50 to 30. That will bring us back to 50 members of Parliament. I would then reduce the salaries to what they were before Federation, namely, £200 for ordinary members, with £1,000 for each Minister and £1,200 for the Premier. I would not give the Premier and Ministers their members' salaries in addition to their Ministerial salaries.

Hon. W. Kingsmill: What about the leader of the Opposition?

Hon. J. J. HOLMES: I am afraid he would have to wait his turn. The result would be that we should have a Premier at £1,200, five members at £1,000 and 44 members in the two Houses at £200 each. That would represent a total salary of £15,000 instead of a total of £30,200 as at present. Thus we would save £15,200 in salaries alone. But I venture to think there would be an additional saving of some £5,000, for I am satisfied that the number of members of Parliament we have representing 300,000 people, all anxious to show their constituents that they are doing something for their money, cost the country at least £150 per annum each, what with free railway passes, free trams, printing of “Hansard,” etc. I venture to say that the reduction of members would save another £5,000 in these incidentals. Thus, we would save over £20,000 in Parliamentary salaries and expenses. The moral effect would be excellent when the public service realised that Parliament was out to do the right thing with itself first and deal with the public service afterwards. I believe the moral effect would go a long way. If I were a member of the public service and saw Parliament going on in the usual way in spite of the deficit, I should think twice before I dispensed with some of the juniors and did their work myself.

Hon. J. W. Kirwan: The moral effect of your speech on the public service will not be very good.

Hon. J. J. HOLMES: I do not think the public service is much concerned about public speeches. Rather is it concerned with public action. I am certain the reform I suggest must come. We cannot go on as we are doing, piling up the deficit at the rate of £3,000 per day. We have to do something or cease to be a sovereign State. It is better to face the position before it is too late, before we become a suburb of the Eastern States and have our legislation ladled out to us by another Parliament.

Hon. J. W. Kirwan: Why not abolish the State Parliament altogether?

Hon. J. J. HOLMES: Every candidate who has been before the electors during the last two years has preached either reduction of members of Parliament or reduction of payment of members, or both. When one goes to the country and preaches a certain doctrine he should endeavour to carry it out on coming

here. Another point is that the Constitution provides that we should have six Ministers. As a matter of fact we have nine to-day, each travelling about the country, giving instructions and incurring public expenditure. The only way the Government have of making good with the public is through the extravagant expenditure of public money. I think a step in the right direction would be to dispense with the Honorary Ministers and leave the business of the country to the six Ministers provided for in the Constitution. The work was done by six Ministers before Federation, when we had three additional departments, and it was done better then than it is being done now. There are many instances of public extravagance going on at present. I have related some of them to the present Treasurer, who astonished me by retorting that they were mere circumstances to others that he knows of. If this sort of thing is going on and the Treasurer admits it, we should bring the Treasurer and the present Government back to their policy of economy first and taxation afterwards. So far as I can understand it the policy of the Government was economy and production.

Hon. W. Kingsmill: And retention of office.

Hon. J. J. HOLMES: We have heard the leader of the House time after time say, "Produce, produce, produce." The Government have dropped that cry now, and it is, "Tax, tax, tax." The policy of economy and production appears to have been abandoned. The Premier, when delivering his policy speech on the 8th September, 1917, said that the deficit was over two millions, and was due to lavish expenditure by previous Governments on many works that had never been reproductive. He estimated the deficit at, I think, approximately £900,000, or £3,000 per day. He concluded with this remarkable statement—

There is no fear of the future under the National Government. It was the means of properly developing the State and of lifting it out of its present position.

The leader of the House in reply to an interjection by Mr. Kirwan, said that he could not see the way out of the difficulty at all. He stated there was only one of three things that would happen—unification, which, if possible, is not desirable, separation, which would take years to accomplish, and a better financial agreement with the Federal authorities, which, I gather from the recent utterances of the Acting Prime Minister, is out of the question altogether. Mr. Watt, the Acting Prime Minister, stated through the Press the other day that the Premiers and Treasurers of the States had gone to the conference to curse the Federal authorities but had remained to praise them, because the State authorities had been made to realise that it was the Commonwealth finances that were suffering an injustice, and not those of the States. In view of an announcement of that sort by the Acting Prime Minister, what is the use of talking about a better financial agreement with the Federal authorities? We are getting a worse financial agreement with the Federal authorities, automatically worse every day, and when that agreement ceases to exist I do not think we shall get any consideration at all. The policy of the Government was

economy and production. The present Treasurer is responsible for the introduction of this Taxation Bill—

Hon. W. Kingsmill: Who was responsible for it?

Hon. J. J. HOLMES: The Treasurer is supposed to be responsible. I do not know whether he will recognise it when he gets back to-morrow. I should like to draw attention of hon. members to what the Treasurer said when criticising the Wilson Government in 1916. His utterances will be found on page 319 of "Hansard" of that year. He was discussing the question as leader of the Country party, and said—

I think the public of Western Australia are getting too tired of being told how badly the other fellows have done. The Government are going to be judged in the eyes of the public and this party—

The Country party—

not by what they have promised but what they do, and so far as I am concerned I tell the Government that it is time for them to get going and doing. A business man has no use for a man who does things the day after to-morrow which he ought to be doing to-day.

This was the present Treasurer speaking as the leader of the Country party and since put into power by the people of the State to carry out the doctrine which he had been preaching. It is because of the Treasurer having departed from this that I think it is up to the legislature of this country to try and bring the Government and the Treasurer back to a fulfilment of their promises. This Bill is only to give the Government money, with the result that we shall have more extravagance and no economy as we were promised. Later on the present Treasurer said—

If the House can show the country—

He was criticising the Wilson Government then, —that it cuts administration down to the bone somewhere near the reduction that private enterprise has made, then the people of the State are not going to cavil at legitimate taxation.

He added—

I believe the people of the State say we are willing to pay if the State's necessity requires it, but before that point is reached they must be satisfied that every possible economy is being practised, that every wisdom is being exercised by the Government in their administrative acts. Then the people will cheerfully pay taxation if it is necessary to balance the finances.

This is what the Treasurer and this Government were put into office to accomplish. If the Government are to make good they must redeem their public promises. To my mind they have effected very few economies. The Treasurer will admit, if he can spare a moment to discuss the matter with anybody, after taking one aside, that the economy effected is a mere cipher of what might be done. If he cannot do it himself then someone else must be put into the position who can do it. The Treasurer when criticising the Wilson Government said—



I will utter these words of warning, that apparently that spirit which we have had in two campaigns—that is the spirit of economy and which has been supported by the Press from one end of the State to the other—finds expression in the demand that the House should exercise rigid economy before it imposes taxation.

Now I ask whether that rigid economy has been effected? Rigid economy first, and then as much taxation afterwards as they like, especially the taxation of the big man who is getting something over £2,000 a year. The present Treasurer in 1916 went on to say that before he left the James Government he went through every department and was prepared to go back and do the same thing in an honorary capacity. He has gone back in a paid capacity, and has not been able to accomplish what he said he would do.

Hon. W. Kingsmill: He has not tried, I think.

Hon. J. HOLMES: I must say I think he has tried.

Hon. J. W. Kirwan: Hear, hear.

Hon. J. J. HOLMES: And is trying to bring about some reform.

Hon. W. Kingsmill: What is stopping him?

Hon. J. J. HOLMES: He is only one Minister out of nine, and that is the unfortunate part of it. If he was only one out of six Ministers he might have some hope, but nine Ministers only make his position more difficult. The Premier's solution of the difficulty seems to be to get all they can out of the people, and appeal to the office boy for suggestions as to how best to deal with the position. I am satisfied on this point, that there will be no general economy in the State until economy becomes popular. I propose to show the House how economy will become popular. My proposal may be subjected to a considerable amount of criticism, but I think it is worthy of consideration. I gather from Mr. Stenberg, the Chief Electoral Officer, that there are 180,000 adults in the State entitled to go on the roll. He said the numbers are 190,000, but I put them at 180,000. There is this number of people in the State entitled to call the tune. My proposal is that the 180,000 who can call the tune should help to pay the piper. Until we reach that stage we will never get the people to think or have any real economy effected in the State.

Hon. Sir E. H. Wittenoom: Hear, hear!

Hon. J. J. HOLMES: Each elector must be made to advocate public economy, and the only way to bring this about is to hit the irresponsible elector in his pocket. Immediately that is done he is made to think. We will then make him practise economy instead of practising extravagance as has been the case in the past. The way to arrive at this is by compulsory enrolment and a deficit tax. That tax should remain in force so long as the deficit exists. Immediately that position is taken up the Government and the Treasurer will have to practise economy in order to make themselves popular, and the public have to practise and also preach eco-

nomy in order that they may get rid of the deficit tax.

Hon. J. W. Kirwan: Is not this taxation a deficit tax?

Hon. J. J. HOLMES: If we had a deficit tax of 20s. per head per annum on the 180,000 people I have referred to, we should bring about this result. If this is adopted, the irresponsible people who have paid nothing and piled up the deficit would be made to think and to pay. I have no time for the people who cheered when Mr. Scaddan said that he spent 15 millions and only regretted that he had not another 20 millions to spend, that he had taken it from the pockets of the fat man and had put it into the pockets of the people. And the people cheered him. To-day these irresponsibles are asked to pay this money back. These are the people who cheered and who are now whining and squirming. It is the irresponsible elector who clamoured for public expenditure and who paid no taxes, who has landed us where we are, and my proposal is that every adult should pay a deficit tax of 20s. per annum. If we take all the people who are on the rolls this will bring the total up to £180,000 a year.

Hon. J. W. Kirwan: It would take ten years to wipe off the deficit.

Hon. J. J. HOLMES: Not at all, because we should have the Government competing for popularity and the public competing for economy, and the only way to bring about economy is by the means I have suggested. If, however, we could get in 26s. per annum with the 180,000 people I have mentioned, this would give us no less than £234,000 a year. That would go a long way to getting us out of our financial difficulties. Everyone would realise their responsibility in the affairs of the country and would be paying his quota. No matter how much a man might be taxed under other legislation, he will have to pay this tax in addition. I am with the Government in regard to some of their other taxation proposals, so long as they are legitimate and equitable.

Hon. W. Kingsmill: You suggest a sort of poll tax.

Hon. J. J. HOLMES: This 20s. per annum could be paid in quarterly instalments at the rate of 5s. a quarter, and this would provide the taxation Commissioner with £15,000 a month, or £45,000 a quarter. If 23s. per annum was the deficit tax and was paid in quarterly instalments of 6s. 6d. a quarter he would have £53,500 a quarter, or £234,000 per annum coming in, and those people who have been calling the tune would be called upon to help to pay the piper. It is irresponsible people who have landed us where we are. Every adult in this State has a right to vote and to select representatives in Parliament, and the policy which the irresponsible section of the people think will save the country is the policy of bleeding the fat man and dodging taxation themselves. Narrow-minded, bigoted people think that the way to bring about prosperity is to bleed the fat man and escape taxation so far as they themselves are concerned. These were the people who cheered

Mr. Scaddan when he said that that was his policy. That policy is false. The so-called fat man is the man who is on the box seat all the time, and if we are not careful we will drive him out of the country. We certainly will do that if we put irresponsible people in power to spend money recklessly and bring disaster upon the State. One Government in three years landed us into a difficulty that it will take many years to get out of, and if I judge Mr. Sanderson's remarks correctly, we will have a similar party in power very shortly.

Hon. J. W. Kirwan: Who put the present Government into power?

Hon. J. J. HOLMES: The proposals which I have suggested, though they may not be agreed to, hon. members will see there is a good deal to recommend them. We must make provision against insolvency. There is no doubt about that. We must economise or we shall become insolvent. The leader of the House told us that our only hope was a better agreement with the Federal Government, but the acting Federal Prime Minister has stated that we have the best of the deal now and we must not expect anything like it in the future. Therefore the sooner we make a start in the direction of effecting economies and begin to encourage production the better it will be for us. If we are going to tax the people out of existence, the people will not produce, and we shall not bring about prosperity. We must have population here. It is surprising what a number of people who go to the Eastern States and return and say that they are back in the wrong State. We cannot afford to drive the working people out of the country; we cannot afford to drive anyone out of the country, but taxation will surely do that. We must have economy such as I have suggested, beginning with Parliament, and that will probably stem the tide. Taxation in this State means taking money from private enterprise, money which has been utilised for profit. When profit is made it becomes taxable and the Treasury derives revenue from it, but that revenue unfortunately is invested in unprofitable concerns, and the taxpayers therefore are then taxed to make up the deficit. The Government will derive some £200,000 from the taxation Bill before us, and that will be by taxing the big man and letting the others go. It may be all right in itself but what I want is a general tax, one which will make everybody think and realise that individually they are responsible for the affairs of the country and responsible for economy. If this Bill passes the Government will have an additional £200,000 to gamble with.

The Colonial Secretary: It will be between £120,000 and £130,000.

Hon. J. J. HOLMES: That money will be taken out of the pockets of the people and handed over to the Treasurer to invest in unpayable trading concerns, and the taxpayers will be further taxed in order to make up the loss. That is how the position appears to me, and I do not think I am far out.

Hon. W. Kingsmill: It is a State enterprise Government.

Hon. J. J. HOLMES: Let me give one instance. The Government last year bought all the fat cattle in Kimberley. The Colonial Secretary said that they were going to make a profit of £30,000 on the purchase, and if I mistake not he said the profit would be more than that. It certainly was not less. I told him the Government would lose £30,000, and as a matter of fact they have lost something in the vicinity of £50,000 on the deal. If the cattle people had been allowed to conduct their own business they would probably have made a profit of between £10,000 and £20,000 and that profit would have been taxed.

The Colonial Secretary: Did not the cattle people make it?

Hon. J. J. HOLMES: They did not, but I will not discuss the question here with the Colonial Secretary. I may not be able to discuss 99 subjects with the Colonial Secretary, but there is one that I could discuss with him and it is this matter of the cattle business. I could do that and prove that he is wrong. The Government lost money because they did not understand the business.

The Colonial Secretary: They made it because the Government gave them more than they would have got in the open market.

Hon. J. J. HOLMES: If the people in the trade had carried on the business they would have made between £10,000 and £20,000 profit and that profit would have been taxed, instead of which the Government lost £50,000, a sum which has to be added to the deficit. It means too that business is taken from the people engaged in trade and now they are taxed to make up the loss incurred by the Government. Common sense will indicate as to what will happen. We cannot go on as we are doing, drifting at the rate of £3,000 a day. If we were a private institution carrying on business, the receiver would have been in long ago. If we are here to conduct the business of the country in the same way as we would conduct our own affairs there is only one thing to do and that is to start out on the lines I have indicated. I want to make every adult elector in this State realise the necessity for economy and there is only one way to do that and it is to make every adult on the electoral roll pay. If the figure I suggest is too much it can be reduced, but 5s. a quarter is not excessive and it will bring in £180,000 a year. If my proposal is adopted it will put the Treasurer in such a position that he must economise if he wishes to become popular and the economies must be effected in the right direction. I have not suggested that the civil service is not doing good work.

Hon. W. Kingsmill: They are not the offenders.

Hon. J. J. HOLMES: That is correct. I know, however, from experience that we cannot get three men to do two men's work but we can get two men to do the work of two men. In the case of the former one does a little and he says "I will leave something for the others to do." I venture to suggest that if we had six Ministers instead of nine

we would not be considering some of the proposals which have been submitted to us, and there would not be any need for the appointment of so many Royal Commissions. I repeat that all the irresponsible men should be sent about their business, and six Ministers should be entrusted with the work of conducting the affairs of the State. Then we would have something like real reform because the Treasurer would then have only five Ministers instead of eight against him. The Bill before us does not meet the conditions which have arisen. I have made two points. One is that we should effect a saving of £15,200 by a reduction in Parliamentary salaries and we could save another £5,000 in incidental expenses which at present are incurred by 30 members of Parliament too many. I think if that were done we should see the economy which would be brought about reflected throughout the State, and the result would be that which we all desire to see. When I question the ability of three men to do two men's work that applies to Parliament as well as to private businesses. I am of the opinion that 20 members instead of 30 in this House and 30 instead of 50 in another place could carry on the affairs of the country in a more satisfactory manner than is being done at the present time. Invariably on all important questions when divisions are taken, we find that in the Legislative Council about 20 members vote. Last night we had before us one of the most important measures we have discussed for a considerable time and on the division which was taken only 21 members voted. Then if we check the divisions in another place we invariably find that the total number of members voting is not more than 30. I am convinced of one thing, that the fewer members of Parliament we have the better legislation will result because a greater responsibility will be thrown on a smaller number of men. In addition to better legislation there would be economy and that economy would be in the right direction. If Parliament took up that attitude I am as certain as I am standing here that confidence would be established throughout the State. It is essential that we should establish confidence in Parliament. It is no wonder that the public have lost confidence in the Parliament of this State and the only way in which we can restore that confidence is to make a commencement in the directions I have just indicated. It is imperative that the public should have confidence in Parliament. I regret the insinuations which were made recently in this House. I am at times as severe a critic as perhaps it is possible to find, but during the last year or two hon. members will admit I have been moderate in my remarks. The time has now arrived when we should endeavour to bring about confidence in our Parliament and if we proceed on the lines I have suggested that desirable result will be accomplished.

Hon. A. SANDERSON (Metropolitan-Suburban) [6.0]: I am in favour of the second reading of the Bill and I hope sincerely we will get into Committee as quickly as possible. We always listen with interest—

The PRESIDENT: The question is the second reading of a Bill to amend the Land and Income Tax Assessment Act.

Hon. A. SANDERSON: The remarks to which we have listened would be a very admirable paper for the pastoralists association, showing how irresponsible people had put everything wrong. I really would like to know, and have some ruling from the Government, or the people, or the Constitution, as to what we are here for.

The PRESIDENT: To consider an Act to amend the Land and Income Tax Assessment Act.

Hon. A. SANDERSON: To suggest that we can put forward, when discussing the second reading of an Act to amend the Land and Income Tax Assessment Act, remarks as to the general policy of the country, seems to lead us into the bush. We listened, as I said, with interest to what the hon. member said but what is the conclusion to which he proposed to arrive? Did he propose to reject this Bill? That would have brought about a crisis by which we should have put ourselves on the right track. That would have been quite sufficient to indicate our favour or displeasure of the principles of the measure. I am not to be tempted to expound any policy, but one might venture to suggest, to bring forward in this Chamber, presumably to restore public confidence in ourselves, a large financial reconstruction scheme dealing with public finance, but that is not the way to re-establish the confidence of the public in this Chamber. The hon. member represents some 300 or 400 electors, and unless he uses his influence in the House to reject the measure, what right has he to tell the public represented in another Chamber how to put things right?

Hon. Sir E. H. Wittenoom: The right of the Constitution.

Hon. J. J. Holmes: We represent the people who are asked to pay.

Hon. A. SANDERSON: The hon. member represents a handful of people and I would be the last person to cast a reflection on him. I think the representatives of the North, considering the few electors there are—we must be all proud of them. I have heard of taxes proposed for a good many purposes but the hon. member wants a tax to make people think. If taxing would make people think there would be a lot of thinking going on. I have never lived in a country, and I say it without hesitation, where the rich people pay less than their fair share of taxation than this. The better off one is in this country, if one plays ones cards properly—one must be an astute person—but if one does that and puts ones money out in the proper way. I say without hesitation in regard to the taxation of Australia, and particularly Western Australia, the tax falls on those who are least able to bear it. That is unfair taxation. I do not think this Bill we are dealing with is a fair example of that, but the unfairness of this taxation is that we are dealing with this Bill, and the taxation proposal in this Bill, quite irrespective of the other burdens of taxation that fall on the people, and that seems to be a great difficulty and still I do not think that this particular Bill is a very bad illustration or good illustration of the opinion I hold,

therefore I do not propose to offer any serious opposition to the passage of the Bill. But those responsible for the taxation measures should look into other aspects of the question. The taxation in Australia is so crude, is thought out in such a careless manner, I do not say always deliberately—I could give half a dozen illustrations if time permitted—

Hon. Sir E. H. Wittenoom: Do you refer to Federal taxation?

Hon. A. SANDERSON: The whole system of taxation in this country; it is inequitable.

The PRESIDENT: I wish the hon. member would refer to the Land and Income Tax Assessment Bill.

Hon. A. SANDERSON: I am doing my best to refer to the question of the incidence of taxation, and I make these suggestions not on this particular Bill, but on the consideration of the taxation of which this Bill forms part, whether we take into consideration the inequality of the sacrifice of taxation in Australia as a whole, but I am not permitted—

The PRESIDENT: I must explain myself. When I stopped the hon. member he was going to talk about the taxation of the whole country and I said, "You had better refer to the Land and Income Tax Assessment Bill."

Hon. A. SANDERSON: I did not mean, Mr. President, that you would not permit me—I would not permit myself to give an illustration of what I had said, but I think the Government might fairly consider, when dealing with this Bill, and with the Bill which I think the leader of the House said we had to consider in conjunction with this Bill—and give some consideration to that inequality of sacrifice which I have indicated. I agree we cannot afford to drive the people out of this country, but how the hon. member proposes to put on extra taxation and at the same time point out the importance of not taxing people out of the country, I am unable to reconcile. I think he is quite right, but I am pointing out the danger there is at the present moment. I forget his exact words; I think they were something like this: that the money is on the wrong horse. There was an indication to the Government in passing a Bill of this kind that we should not tax the people out of this country. I think that a very valuable warning to give, a warning I feel confident the Government should be alive to. They, after all is said and done, have more responsibilities on their shoulders than we have, and many members of the Cabinet no doubt realise that. With regard to the reconstruction of our taxation, we cannot, when dealing with the land and income tax, for we cannot deal with the whole taxation of the country. I want to point out to the Chamber that I do not believe in any part of the British Empire they have got the system that we have in Australia, illustrated by this Bill, of two sovereign powers taxing one's income and one's land. I do not think we would find in any part—I speak subject to correction—I think it would be found difficult to go to any portion of the British Empire and find two sovereign powers putting on an income tax and a land tax on the same people. Therefore, it seems to me we ought to be particularly careful on looking through the schedules; but from the time taken in getting those schedules in order I shall be very much sur-

prised if we find anything there which is grossly unfair and demand the attention for which this Chamber was established.

On motion by Hon. Sir E. H. Wittenoom, debate adjourned.

## BILL—STAMP ACT AMENDMENT.

In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clauses 1 to 13—agreed to.

New clause:

The COLONIAL SECRETARY: I move—

"That the following be added to stand as Clause 3:—(1), The Commissioner of Taxation shall, under the Colonial Treasurer, be charged with the administration of the principal Act and its amendments; (2), The words 'Commissioner of Taxation' are substituted for the words 'Colonial Treasurer,' 'Attorney General,' and 'Under Treasurer' respectively, throughout the principal Act and its amendments, and in section nineteen of the principal Act the words 'with the approval of the Minister' are omitted.'"

Sitting suspended from 6.15 to 7.30 p.m.

New clause put and passed.

New Clause:

The COLONIAL SECRETARY: I propose to move a new clause, which does not appear on the Notice Paper because it reached me only a few minutes before the tea adjournment. I shall explain the clause, and then, if any hon. member objects to it, I shall postpone it until to-morrow. I now move an amendment—

"That the following be added to the Bill to stand as Clause 5: 'Subsection 2 of Section 59 of the principal Act is hereby amended by adding the following words:—but where any advance or loan is made in excess of the amount covered by that duty the security shall, for the purpose of stamp duty, be deemed to be a new and separate instrument, bearing date the day on which the advance or loan is made. Provided that if the holder of the security on or before the 1st day of June in each year makes and delivers to the Commissioner a declaration stating the highest amount further advanced on such security during the preceding 12 months, accompanied by the duty paid thereon, he shall be entitled to receive a certificate duly stamped, in such form as the Commissioner may think fit, which said certificate shall be affixed to the security by the holder, and shall be evidence that duty on such amount has been paid, and the holder thereof shall not be liable for any penalty for not having paid duty on such further advances at the time when the same were respectively made.'"

This amendment has been suggested by the banks. It has been approved by the Taxation Commissioner, and drafted by the Crown Law Department. The purpose is to enable a mortgage for present and future

advances of unlimited amount, stamped, for instance, to cover £1,000, and thereby limited to £1,000, to be made a good security for further advances exceeding that limit, by the payment of additional duty. The amendment is copied from the Queensland Stamp Act of 1894, which was an adaptation of an amendment of the Imperial Act in force when our measure of 1882 was passed.

New clause put and passed.

Schedule:

Hon. J. DUFFELL: The first of the amendments standing in my name on the Notice Paper is, I understand, unnecessary, as documents given under Federal Statute are not now dutiable. However, I should like to have the assurance of the leader of the House to that effect.

The COLONIAL SECRETARY: The case is as Mr. Duffell has stated. Under a decision of the Federal High Court, in respect of any document required under Federal Statute, one cannot be called upon to pay stamp duty.

Hon. J. DUFFELL: I move an amendment—

“That under ‘Guarantee’ the following be inserted: ‘Exemption. Guarantees given by bankers to ship owners or others on behalf of consignees of cargo, and guarantees given in respect of Customs transactions.’”

Owing to the depredations of the enemy, shipping facilities and mail services have been greatly disorganised, with the result that frequently goods arrive in this State before the invoices and other documents relating to them are received. Under existing legislation, the consignee of the goods has in such circumstances to give the Customs department a guarantee in respect of the invoice value of the goods. Owing to the abnormal conditions prevailing in the Old Country and elsewhere overseas, it is almost impossible to arrive at even the approximate invoice value of goods imported. I understand from the leader of the House that the Government have no objection to this amendment. The marginal note refers to ad valorem mortgage duty in this connection. The scale of ad valorem duty appears at the foot of page 11 of the Bill, and hon. members will observe that the duty is 1s. 3d. for a sum not exceeding £50, and at the rate of 2s. 6d. per £100 for amounts exceeding £500. This will be another pass-on tax which will have to be borne by the general public. An increase of 10s. in the cost of an article would, by the time the article reached the consumer, especially in remote parts of the country, amount to 15s. or 17s. 6d.

The COLONIAL SECRETARY: I am quite prepared to accept the amendment so far as it refers to exemption of the guarantees given by banks to ship owners or others on behalf of consignees of cargo; but the remainder of the amendment is not necessary, for the reason I have already given, that stamp duty cannot be charged in respect of guarantees given for

customs purposes. I move an amendment on the amendment—

“That the words ‘and guarantees given in respect of Customs transactions’ be struck out.”

Amendment (the Colonial Secretary’s) put and passed.

Amendment (Hon. J. Duffell’s), as amended, agreed to.

Hon. J. DUFFELL: I move an amendment—

“That under the heading of ‘Receipt’ the following be inserted at the end of exemption No. 6, ‘or given to the Perth, Fremantle, or Kalgoorlie Public Hospitals, or the Children’s Hospital, Perth, for any money paid to any one of them as a donation or for a donation paid to or from any fund raised as the result of an appeal for patriotic or charitable purposes.’”

It will be generally acknowledged that donations paid to public hospitals should be exempt from the operations of the Bill. Also the big public appeals being made to the people should be exempt. The Ugly Men’s Association are doing magnificent work in the metropolitan area. They are receiving many donations, and it would only tend to lessen the amount they handle if it were necessary for them to give stamped receipts. Moreover, donations are frequently given in the street, and it is then altogether inconvenient to supply stamped receipt.

The COLONIAL SECRETARY: I hope this amendment will not be made. Hospitals, particularly the Perth, Fremantle, and Kalgoorlie public hospitals, are Government institutions. I do not see that any advantage would be derived by exempting their receipts from taxation. The same thing applies more or less to the Children’s Hospital. We should be making the exemption without benefit to anybody. In respect of the other portion of the amendment, I draw attention to paragraph 9 of the exemptions, which specifically exempts money raised in aid of soldiers and sailors or their dependants. That, surely, is quite wide enough without exempting receipts in respect of all charitable purposes.

Hon. J. DUFFELL: It is true the institutions I have referred to are subsidised by the Government; but they do not rely entirely on those subsidies. Large sums of money are privately donated to those institutions, and that money should be exempt. As for the various patriotic funds, many thousands of pounds are being paid into them, and I contend that those giving their services freegrat to these noble causes should not be called upon to put a stamp on the receipts given.

Hon. J. NICHOLSON: I desire to support the amendment. I quite appreciate the views expressed by the Colonial Secretary, but when one refers to various other exemptions in the Bill one finds ample justification for the amendment. For instance, if the Government have seen fit to exempt such bodies as municipal councils, roads boards, etc., we might reasonably include charitable bodies. As the Children’s Hospital is not a Government institution, although receiving Govern-

ment support, I think in that case the amendment would be particularly appreciated.

Amendment put and passed.

The COLONIAL SECRETARY: Exemptions Nos. 6 and 7 refer to receipts given by friendly societies or their branches for money paid. I move an amendment—

“That the following be added to stand as exemption No. 8:—‘Receipts given for any moneys paid to or from a benefit fund formed for the relief of members of any registered trades union or industrial union.’”

These benefit funds are in the same category as the funds of benefit societies.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

“That under the heading ‘Receipt’ the following be added to stand as exemption No. 13:—‘Receipt given for any money received by an agent on behalf of a principal in any transaction, and to be accounted for or paid to the principal or to some person on behalf of the principal, provided duty, in accordance with the Act, be once duly paid on such sum; but this exemption shall not apply to receipts for rent collected or received by an agent.’”

This amendment does not contemplate a total exemption. Its purpose is to meet a difficulty which has presented itself since the first amendment was made in regard to receipts. It often happens that a receipt for money has been given two or three times over. Business is sometimes done through an agent, or solicitor, or auctioneer, and such agents have given receipts on behalf of their principals to the persons from whom they have received the money before passing the money on to the new owner of it, and such receipts have had to bear stamp duty. Under the law as it stands at present, when an agent pays money on behalf of the principal it is necessary for the agent also to obtain a receipt for such money, and it happens therefore that a stamped receipt has to be given each time the one amount of money changes hands in its passage through the agent. My amendment is designed to get over that difficulty. I do not think the Government intend that the one amount of money should bear more than one stamp duty upon the receipt that is given for it.

The COLONIAL SECRETARY: I cannot accept the amendment. It contemplates that when a person pays money to an agent, the person paying the money to the agent shall not receive a duly stamped receipt which he is entitled to obtain. If the agent does not put a stamp on the receipt, when he receives the money from the person paying it, how does the person paying it get a duly stamped receipt? The amendment is not sound in principle. Moreover, the agent acting for the principal is paid for so doing, and I do not see why a stamped receipt should not pass from the hands of the agent.

Hon. J. DUFFELL: I understand that the hon. member wishes to avoid several stamped receipts being given for the one particular amount. If this is not provided for, the principal amount will diminish by the amount

of stamp duty which has been paid while it is changing hands.

Hon. Sir. E. H. WITTENOOM: I agree that the agent who receives the money from a person should give a stamped receipt, otherwise the person who pays the money has no proper receipt for it. Then comes the question, when he hands the money over to his principal, as to whether the principal should have a receipt or not, and I think there is a good deal in the hon. member's contention as to the receipt having to be stamped on each occasion.

Hon. J. J. HOLMES: It appears to me that where the greatest injustice would occur would be in connection with some large retail establishment, where the senior cashier collects the money taken each day from a junior cashier, and gives a receipt to the junior cashier for the money received from him. The only safeguard an employee has is to insist upon a system of receipts. The amendment provides that moneys passing from one person to another must be stamped, and it is in that case that a hardship will be inflicted.

The COLONIAL SECRETARY: I am almost certain that the receipts of the character referred to are not stamped.

Hon. J. J. Holmes: But under this Bill they will have to be.

The COLONIAL SECRETARY: The Bill in that particular is no different from the existing law. If those receipts are not required to be stamped under the existing law, this Bill will make no alteration in that respect.

Hon. J. NICHOLSON: I do not suggest that the amendment is intended to allow principals to escape their liability in paying duty once at least under the Bill. I inserted the proviso to safeguard the position of the Government. Where there is one transaction and there is an intermediary employed in connection with that transaction, the Government should only expect to receive stamp duty once, that is when it is one simple transaction. Unless an exemption such as this is inserted, we will find that we will be compelled to pay to the Government stamp duty on receipts several times when those receipts happen to pass through two or three hands. There are sometimes two agents employed for two different principals. It would be unfair to ask that these intermediaries should be responsible for placing upon the principals themselves the extra responsibility of paying duty twice or three times over. Say the sum of £10,000 were passing through the hands of two agents, in the course of going from one principal to another, stamp duty would be required to be paid by the agent for the first principal, and then by the agent for the second principal, and then by the second principal himself. Would that be fair? All I ask is that we safeguard the position so that the Government shall get the duty once on a transaction, which is all they are entitled to.

The COLONIAL SECRETARY: The provision the hon. member proposes to insert in the Bill is not included in the Imperial Stamp Act nor is it included in the Stamp Act of any one of the States.

Hon. J. Nicholson: The Imperial Act with regard to receipts still remains at 1d.

The COLONIAL SECRETARY: The agent in the case is the accounting party and he should give a proper receipt. In transactions such as the hon. member quoted, if people choose to allow money to pass through the hands of three or four agents, there is no reason why they should not all pay stamp duty.

Hon. E. M. CLARKE: The position as I understand it is that if a man collects £5 from each of five persons, naturally each of those persons will require a receipt; then the agent proceeds to pay that money to his principal and, if I were the collector, I should want a receipt of 1d. for the total sum of £25.

Hon. J. NICHOLSON: So far as England is concerned, I believe the old stamp duty of a penny still exists, be the amount £1 or £20,000. We in this State had in force prior to the recent amendment one common stamp duty of a penny. Now that the duty has been raised abnormally, it is only fair that we should ask for some form of exemption, particularly when we are dealing with one sum. The proviso which I have inserted is ample for the purpose of meeting the position. If the full duty is paid once in connection with a transaction, that should be sufficient.

Hon. J. DUFFELL: I am not in favour of two stamped receipts being given for the one amount. If that is to be done for the one transaction it is manifestly unfair.

Hon. J. J. HOLMES: The principle advocated by Mr. Nicholson is correct, but I do not think the amendment meets the case. It leaves an opportunity to dodge the stamp duty. I think the responsibility should rest with the agent to give the receipt. There would be no necessity for the agent to get a receipt from the principal.

Hon. R. J. LYNN: I appreciate the amendment but I realise the difficulty of the situation. In the shipping business receipts for thousands of pounds are given per month and they have to be given in triplicate, and on remitting to the principal, another receipt has to be given. Thousands of receipts in days gone by have not been stamped but the word "duplicate" has been written on the receipt. If a number of inspectors have to be appointed to see that accounts are receipted the cost of inspection may be greater than the revenue.

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

Ayes	..	..	..	5
Noes	..	..	..	12

Majority against .. 7

#### AYES.

Hon. J. Duffell	Hon. Sir E. H. Wittenoom
Hon. J. A. Grelg	Hon. J. Nicholson
Hon. J. J. Holmes	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. R. J. Lynn
Hon. H. Carson	Hon. C. McKenzie
Hon. E. M. Clarke	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. Cunningham	Hon. H. Stewart
Hon. J. Ewing	(Teller.)
Hon. J. W. Kirwan	

Amendment thus negatived.

The COLONIAL SECRETARY: There is a similar error on page 15 between lines 11 and 12 to the one I pointed out previously.

The CHAIRMAN: That has been rectified.

Hon. J. J. HOLMES: I misunderstood the leader of the House. When introducing the Bill he said that there was no alteration in the minimum duty in regard to deed of gift. I find by looking up the original Act that there is an alteration.

The COLONIAL SECRETARY: What I said in regard to deeds of gift was that the only alteration was that the minimum duty had been increased from 5s. to 10s. There was an amendment in 1916 increasing the minimum duty.

Schedule as amended put and passed.

Title—agreed to.

[The Deputy President took the Chair.]

Bill reported with amendments.

#### Recommittal.

On motion by Hon. J. Nicholson, Bill re-committed for the purpose of further considering the schedule.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

#### Schedule:

Hon. J. W. KIRWAN: The stamp duties imposed on betting tickets are 2d. in respect of tickets issued within the grandstand enclosures of the metropolitan and goldfields courses, and ½d. in respect of tickets issued anywhere else. If taxation is to be imposed on betting, these duties are altogether too low. I say that in no spirit of hostility to betting, because I do not regard betting in itself as wrong. I consider that only in the abuse of betting does the harm enter. The schedule in this respect is most inequitable. Whether the money changing hands is £500 or 5s., the amount of stamp duty imposed is the same. In reply to my previous remarks on this point, the Colonial Secretary said that it would be extremely difficult to impose any tax on betting tickets which would remove the inequity I refer to. But the amendment I have placed on the Notice Paper suggests a simple way out of the difficulty. I take it the embossed tickets will be purchased from Government agents, and the difference in the rates of stamp duty in accordance with the amounts changing hands could be easily provided for by differently coloured tickets. My proposal provides for four gradations, and all that is necessary is to have tickets of four different colours. My idea is to bring the duty on betting tickets into conformity with the scale of stamp duties generally, as in commercial transactions. I merely advance the proposal. Possibly I should be out of order in moving an amendment to that effect.

The COLONIAL SECRETARY: I entirely sympathise with Mr. Kirwan's suggestion, but I am afraid this House would be risking a rather severe rebuke if we attempted to increase the taxation even on the bookmaker. The present proposal to tax the bookmaker is largely of an experimental character. When we see how it works, the next tax may be on the lines

suggested by Mr. Kirwan, or possibly even heavier.

The CHAIRMAN: The suggested amendment appears to me as being distinctly an increase in the demand for taxation, and therefore out of order.

Hon. J. NICHOLSON: Under the heading of "bill of exchange" I wish to provide for a duty of 3d. on bills of exchange not exceeding £10, of 6d. on bills between £10 and £25, and of 1s. on bills between £25 and £50. Thus I arrive by gradations at the same duty on £50 as the Bill proposes. In connection with the sales of blocks of land, for example, it is customary to take promissory notes for as little as £1; and under the Bill as it stands such promissory notes would have to pay 1s. stamp duty, equalling an increase of five per cent. Obviously, that is unfair, and probably the revenue would be helped by such a scheme as I have suggested. If such gradations are not provided, the result will probably be that many land agents will not take promissory notes, but will simply take the agreement and leave the purchaser to pay under its terms. The promissory note does not in any way strengthen the agreement, but merely provides a simple method of receiving the money. I move an amendment—

"That under 'Bill of exchange of any other kind whatsoever, and promissory note of any other kind whatsoever,' the figures '£50 . . . 1s.' be struck out, and '£10 . . . 3d.' inserted in lieu."

The COLONIAL SECRETARY: This amendment proposes further to complicate the matter by introducing a 3d. stamp duty. I do not think the Government would receive more revenue under the agreement, and any possible increase would not compensate for the enhanced complication of the matter. I hope the amendment will not be carried.

Amendment put and negatived.

Bill again reported.

## BILL—DIVIDEND DUTIES ACT AMENDMENT.

In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clause 1—Short Title:

The COLONIAL SECRETARY: When fixing the Committee stage of this Bill for yesterday, I put the measure low down on the list so that we might have the other Bill before us, and that the two might be on an equal footing, particularly as regards retrospective taxation. We now have the other Bill, and know what it is. Therefore, I take it, there is no objection to going on with this measure.

Clause put and passed.

Clauses 2 to 5—agreed to.

Clause 6—Amendment of Section 7:

Hon. J. W. KIRWAN: I move an amendment—

"That at the end of the clause the following additional subclauses be added to stand as (8) and (9):—'(8) When a person domiciled in the State who is a shareholder in a company proves to the satisfaction of the

Commissioner of Taxation that the whole of such person's income is below the taxable amount from time to time provided by the Income Tax Acts, such person shall be entitled to a return of the dividend duty paid by the company in respect of dividends accruing to such person. (9) Where such dividends consist only of a portion of the total income of any such person he shall be entitled as aforesaid to be repaid by the Commissioner of Taxation the difference between the dividend tax on his shares and the amount of income tax he would have had to pay if the dividend on the shares had accrued from any other source.'"

The object of the amendment is to bring those who have to pay dividends into conformity with whatever scale of taxation may obtain under the income tax. When speaking on the second reading I mentioned that a hardship was inflicted on people whose income or part thereof may be drawn from dividends, and whose total income is not large. Why should the person who draws a small income from dividends have to pay so much more in taxation than a person who derives the same amount of income from some other source? The income tax exemption hitherto has been £200, and if a person drew his £200 income from any other source but dividends he would be exempt from taxation. It is now contemplated that the exemption shall be reduced; but the objection I refer to will remain in the case of a person whose annual income is £100. Such a person, if his income is drawn from dividends, will be taxed £6 5s., whereas if his income was from any other source, he would be exempt. The amendment endeavours to make the incidence of taxation operate equitably. The Colonial Secretary, in the course of his reply on the second reading, recognised the injustice. He said it would be difficult to so adjust the taxation as to remove that injustice. I think the amendment will do this.

The COLONIAL SECRETARY: Without arguing at present the merits of the amendment, I suggest that this Bill is not the place for the amendment. This Bill taxes companies and does not deal with individuals. A Bill is already before the House which imposes taxation on individuals, and in that Bill there is a clause, Clause 3, which may be generally termed an equalising clause. That is provided so that a person whose income chargeable, together with income received by way of dividends, is over £2,266, he shall be called upon to make up the difference between the amount already paid as dividend duty and the amount he would be called upon to pay if it were all under the heading of "income." Without admitting that the hon. member's contention is right, I suggest that the proper place for the amendment is in a further equalising clause in that Bill dealing with the taxation of individuals.

Hon. A. SANDERSON: While agreeing with what the leader of the House has said, I am inclined to support the amendment simply as an indication to the Treasurer to re-arrange this matter. We have had previously an assurance from the leader of the House that he fully recognises the injustice of the present arrangement, and he also recognises the importance of



protecting the revenue. They are the two points involved. In view of that assurance the mover of the amendment might be induced to withdraw his amendment; if he presses it I will support him as a recognition of the undoubted injustice. If the Government were to copy the thing verbatim from Somerset House the result would be all that Mr. Kirwan asks for, and at the same time would provide an adequate protection of the revenue. They would then take the whole of the taxable income and tax it at its source. If, on the other hand, the Government were afraid of losing the revenue, they would be protected to the full extent of the maximum income tax of 2s. 6d. in the pound.

Hon. Sir E. H. WITTENOOM: I can tell the hon. member how to get what he wants without the amendment. If we reject this Bill, and make all profits to be taxed as income at their source, and do away with all exemptions, the matter will be in a nutshell. All the member has to do is to move that the third reading be taken this day six months and induce members to support him in that and in the abolition of exemptions, and he will get what he wants. The money would be paid not as profits, but would be taxed as incomes when they arrived at their proper place. I intend to press the view that all exemptions should be done away with for everyone who has a right to vote in this country.

The COLONIAL SECRETARY: The assurance I have given is that during the recess the whole system of taxation will be reviewed with respect to uniformity with the Federal system which is now being considered by the Federal Parliament. The Federal system does not provide for dividend duties, but for incomes that the party receives. I hope that Sir Edward Wittenoom will not press the drastic amendment he foreshadows. If the hon. member wants to put this in, the place to put it in is along with the equalising clause in the Land Tax and Income Tax Bill, which we have yet to consider.

Hon. J. W. KIRWAN: Only just now I have noticed that this clause is practically embodied in the Bill which was to come before us. My amendment is intended to protect the revenue in the case of a person who might be drawing dividends, and consequently escaping taxation at a lower rate than if he paid taxation under the income tax. My object is also to protect the people who get a small income from dividends. When the measure, to which the Colonial Secretary has referred, comes before us I shall move that some such addition as is suggested is made. I will withdraw my amendment in the meantime.

Amendment by leave withdrawn.

Clause put and passed.

Clause 7—Amendment of Section 78:

Hon. Sir E. H. WITTENOOM: I foreshadowed my intention on the second reading to move an amendment to this clause in regard to fire insurance companies. I pointed out that if a person effects an insurance of

£10,000 on a property for which he pays £300, that company has immediately to pay £3 under the present existing rates. That property may be destroyed or burnt and the company may have to pay £5,000 or £10,000, yet at the same time has to pay its one per cent. Why should they be taxed on premiums which they never earn, whilst all other companies are taxed on profits? It is said that one per cent. of gross premiums amounts to 5 per cent. on a 20 per cent. profit. All other companies pay 5 per cent. on their profits. Now they are asked to pay an additional 25 per cent., which makes 6½ per cent. on their profits. Therefore, on a 20 per cent. profit, and that represents five per cent., I argue that they only make 11 per cent. profit, and, therefore, they are at present paying their one per cent., equal to 6½ per cent. that the others are asked to pay. Mr. Millington referred to my statement that a certain number of companies had made an average of 13 per cent. I find that they have made less than that. The returns of the various companies are that insurance companies do not make 20 per cent. profit, and an examination of the public accounts of the Australian companies shows an average ratio profit for the last 10 years of 13 per cent. A similar examination of the public accounts of the 20 leading British fire companies doing business in Australia shows an average ratio profit of 11 per cent. When we take this five per cent. and 11 per cent. and 13 per cent., it does not leave them such very large profits. Under these circumstances they are not being treated fairly. Why is this invidious distinction made, that one is taxed on gross premiums, which in many cases never come into the hands of the company, while others are only taxed on profits? I had intended to go to a division on this matter but this is a war-time Bill, I suppose?

The Colonial Secretary: Yes.

Hon. Sir E. H. WITTENOOM: In the circumstances, and recognising as these companies do that they should do their best to help the country, I withdraw any further opposition to the matter, and agree to the clause.

The COLONIAL SECRETARY: I am glad to hear Sir Edward Wittenoom say that he accepts the clause. Some little time ago an informal committee representing different parties in the Legislative Assembly inquired into this matter of taxation, and invited suggestions from people to say how we should raise money by taxing the other fellow. It was found that the insurance companies other than life, of which there are something like 44 in the State, have paid during the last four years in taxation sums varying from £3,295 to £4,145 in a year. The most they have ever paid in taxation was a little over £4,000 a year for the whole of the companies. It was the opinion of that committee that this was a class of business which, in abnormal times, could afford to pay a little additional taxation.

Clause put and passed.

Clauses 8, 9—agreed to.

Clause 10—Exchange of information:

Hon. J. W. KIRWAN: How does the proviso in this clause fit in with the Standing

Orders regarding a definite date as to when the measure comes into operation?

The CHAIRMAN: It is generally the end of a Bill which is looked upon as fixing the duration, and not the beginning. Under these circumstances I think the clause is in order. If it provided that the duration should terminate on a certain date I think it would not be in order, but that is not the case.

Hon. J. DUFFELL: The Committee would not be doing their duty unless they showed they were opposed to the duplication of the Taxation Departments operating in the States. The clause asks for an exchange of information between the Commissioner in this State and the Deputy Commissioner of the Commonwealth. I was informed recently on good authority that the Commissioner of Taxation here had practically no confidence in the Commonwealth Taxation Department inasmuch as he did not render his taxation returns for the Commonwealth to the Deputy Commissioner in Perth, but on the other hand rendered them to Melbourne direct. If that is a fact, and I have good grounds for believing it is so, what does the Commissioner mean by asking this Parliament to enable him to get what information he requires from the Deputy Commissioner of the Commonwealth when he himself has not sufficient confidence in the Deputy Commissioner of the Commonwealth to render his returns to him in this State. There is something underlying this which we are not cognisant of. It may be that the Commissioner is afraid to render his returns to the Deputy Commissioner of the Commonwealth because there are so many temporary hands employed in that department, and because he may believe that the secrecy demanded is not to be obtained. I hope hon. members will vote against the clause.

The COLONIAL SECRETARY: If the clause is defeated it will throw an obstacle in the way of the hon. member's intention. This provision has been inserted in fulfilment of a promise to allow an exchange of information. I trust it will not be long before the desire of the hon. member that there shall be only one body collecting the tax, is in operation, but we shall not effect that desire by repudiating a promise which has already been made in order to bring about uniformity in the systems.

Hon. A. SANDERSON: I support the abolition of the clause, not for the reason given by Mr. Duffell, but because I want to see this question dealt with as a whole. When the Government review the general financial situation, they will see this is one of the matters which will have to be dealt with. It is really unification by piece-meal. Hon. members will see how important it is to keep the State as independent as possible until we have definitely agreed as to what we are going to do. In any case this clause cannot come into operation until after next session because the Federal Bill is not through. It is the same old story of the one Federal Government and the six State Governments, and we have to get through the Federal Parliament and through each of the Parliaments of the States an identical clause, because it might very easily come about that the people in Western Australia might be pre-

pared to hand over information to the Federal Government, but would refuse to hand it over to, say, Victoria or New South Wales. Queensland or New South Wales might be most willing to assist the other States with regard to information, but would refuse to give it to the Commonwealth. That is not stretching the possibilities of the case very far. If we pass this clause, naturally all the other States and the Federal Government will have to put through an identical clause, but it is important that we should keep ourselves in an independent position until we have definitely decided what we are going to do.

Hon. J. W. KIRWAN: This is a most useful clause inasmuch as it provides for the exchange of information between the two Taxation departments, and it will tend to bring about the very thing which Mr. Duffell, in common with other hon. members, has been so keen to accomplish.

Hon. J. DUFFELL: I am aware that the Commonwealth Government have made overtures to collect our tax on the basis of something like 2½ per cent. That is all very well. Why should we not reciprocate and say we are prepared to collect the Commonwealth taxes for the same amount of money, even though it may cost us five per cent.? I still feel that the clause, instead of being conducive to consolidation, will have the opposite effect.

Hon. A. SANDERSON: If the clause is examined carefully the importance of it will be found to be very great indeed. It is much more important than we realise. It is not unfair to say that this has been put in in an off-hand way. The clause seems to me to go to the root of the question of the financial relationship between the State and the Federal Government, and I must make a vigorous protest, because I feel keenly indeed about it. This is one more illustration of how Western Australian interests are allowed by misfortune of handling to slip through our fingers.

Hon. J. W. Kirwan: This clause refers to nothing but information.

Hon. A. SANDERSON: The Commonwealth Taxation Department and the Western Australian Taxation Department are going to be practically amalgamated.

Hon. G. J. G. W. Miles: So they should.

Hon. A. SANDERSON: I admit that, but I say do it in a well considered scheme, and have some consideration with regard to the States. Let us know the facts of the case. Can anyone tell me whether New South Wales and Victoria would be prepared to give information to our Taxation Department on this very question of the collection of revenue? Surely it will be admitted that whoever has the collection of the revenue will be in a strong position. If Western Australia hands the collection of revenue to the Commonwealth, they will put the Commonwealth once more in a strong position. It must be obvious that there are people in New South Wales and Victoria who wish to strengthen the States offices as against the Federal, willing to enter into reciprocal arrangements with Western Australia. They are not prepared—certainly

not Victoria—to allow the Federal Government to touch the taxation offices. We have not before us the facts of the case, so that we can give a proper opinion. I am following this matter closely day by day through the Melbourne "Age," and I know a determined effort is being made by a section in Victoria—I do not know how powerful it is—to refuse to allow the Federal Government to collect this revenue. Apparently we here are prepared to let the Federal Government collect the revenue. Our decision should have been made deliberately, after the most careful consideration.

Hon. R. J. LYNN: This clause will awaken curiosity. It will destroy any secrecy, and it will have far-reaching effects. It will be used for harassing the taxpayer to a greater degree in the future than has been done in the past. If this exchange of information is permitted it will be a method by which the information will be obtained as to how the Commonwealth will treat the deductions and depreciations and so forth. We shall have the State and the Commonwealth officials putting their heads together and duplicating everything, and harassing the taxpayer. I cannot see the necessity for this exchange of information. If our taxation official is incapable of putting his interpretation on matters, we had better get rid of him and appoint someone else, and not have this exchange of information which will destroy secrecy.

[The Deputy President took the Chair.]

Progress reported.

## BILL—WHEAT MARKETING.

### Second Reading.

Debate resumed from the 15th May.

Hon. C. F. BAXTER (Honorary Minister) [9.52]: I dealt fully with this Bill on the second reading, and I have explained the whole position to members. Therefore this evening I merely intend to reply briefly to the different criticisms. The hon. Mr. Greig and Mr. Sanderson referred to the position of the State and the wheat pool being controlled principally by the Federal Government. For the information of those hon. gentlemen and for members who are interested I might say that that is not correct. The only control exercised by the Federal Government, is in reference to overseas sales and shipping.

Hon. A. Sanderson: That is the essence of the thing.

Hon. C. F. BAXTER (Honorary Minister): That and nothing more. It is not the essence of the control in the State that has been referred to. Whilst the Federal wheat board control overseas wheat sales, each State controls the local operations from the farm into the ship's hold. On the Australian wheat board there are five members, the only one of whom is a representative of the Commonwealth. It will be seen, therefore, that the wheat-growing States have each a representative, and therefore have four-fifths of the control of the Australian wheat board. How can it be alleged that the Federal Government control the Australian

wheat board? Notwithstanding the control by the States it will be remembered that the greatest assistance is being received from the Federal Government and without the help of the Federal Government the wheat marketing scheme could not exist. The pool is dependent on the Federal Government for special consideration from the Imperial Government in regard to the sales of wheat and flour. The Federal Government control the finances of the scheme, although they are not receiving any quid pro quo in the way the producing States do. The Commonwealth accepts portion of the liability in the payment to the farmers. For instance, where the guarantee is 4s. a bushel the individual States are held responsible for the guarantee up to 3s., and for anything over and above 3s. the Commonwealth is equally responsible, that is to say, if the wheat only realised 3s. and there was therefore a loss of 1s. per bushel, the State would make up 6d. and the Federal Government 6d.

Hon. J. Ewing: Is that only for this year?

Hon. C. F. BAXTER (Honorary Minister): That is for every year the advance is made for. That was the understanding; that the State should guarantee 3s. and anything above that the burden should be equally borne by the Federal and States Governments. I admit it is a benefit to the wheat growers if the wheat is handled economically, but it is more important to the State that has to find the guarantee to have all loss minimised and efficient handling ensured. I cannot understand the position taken up by some people, who say that the wheat scheme is not handled economically. It is, I contend, being operated economically under the existing management, and with the assistance of the co-operative societies of farmers we shall effect further economy and efficiency in the future. But no Government can guarantee perfection in working when there are embryo wheat scheme managers at every siding, would-be Ministers in every district and hon. members who will not further the endeavours of the Government to get the necessary legislation enacted, to have suitable provision made in time for the protection of the coming harvest. I cannot understand Mr. Greig when he says an advisory committee is of no value. The existing and past advisory committees have been of very great assistance, more especially in the initial stages of the scheme, but with the gain of experience and the testing of policy there is not now the same necessity for attention to detail by the committee as at first. It can be readily understood also that the scheme has been put on a better foundation, with the existence of a general manager versed in technical details of the wheat business, and that the members of the advisory committee have been relieved to a large extent in their work. There is less need for an executive body than ever before, and the opponents of an advisory committee are evidently aware of this, hence the unjust and bitter attacks against the present management. I say, further, regarding my position as Minister of the scheme, since July last, with one exception, there has not been one recommendation made by the advisory board that I have turned down. I want hon. members to understand that clearly,

because time and again public statements have been made that no notice has been taken of the Advisory Board. A deputation which waited upon the Premier told him that the Advisory Board was ignored, and during my absence in the Eastern States the statement was repeated. Mr. McGibbon repeated the statement.

Hon. H. Stewart: Did you consult the Advisory Board when you appointed the manager?

Hon. C. F. BAXTER (Honorary Minister): I made sure that I could get the manager before I consulted anybody on the subject. In that connection let me mention that Mr. Keys was tied up with Louis Dreyfus & Co., under agreement for a term of years. I had not only to get his assurance that he would accept the position but also Dreyfus & Co.'s assurance that they would free him from the agreement. How could I approach the Advisory Board before I knew that it was possible to make the appointment? On my return from the Eastern States I did inform the Advisory Board, and they were very pleased indeed that I had been successful in securing the services of Mr. Keys. The real object of the opponents of the Bill is not so much that the committee should be executive instead of advisory, but that the control of the scheme, not only in this State but in every wheat-producing State of the Commonwealth, should be taken out of the hands of the Government. Similar attacks and similar criticisms are being met with in all the States, and they come from the farmers themselves, who during the war have received more assistance than ever before in their history. It must be made plain once for all that whilst the States and the Commonwealth are responsible for financing the scheme, they must retain full control. Not for one moment would any Government give full powers to an executive body while the Government were responsible for finance. If the people who want an executive committee can finance the scheme I, as Minister, shall be very pleased to hand it over to them, and let them see if they can do any better than is being done at the present time. But let me emphasise that the Government must have full control of any scheme that they are financing. The argument has been used that in connection with the wool pool there is an executive board. The wool pool is quite a different thing from the wheat pool. We make advances on wheat, and hold the wheat as security; and it is a deteriorating security. On the other hand, the wool has been sold to the British Government and payment has been received for it. There is no difficulty about financing the wool. It is an easy matter to delegate powers to an executive board when the State is not financially responsible. With regard to the suggested personnel of the committee, I should have no objection, if the committee is established, to the farmers having two nominees. It is further proposed that one member shall be nominated by the Chamber of Commerce, one by the associated banks, and one by the Government. At this point it is interesting to note that we have the alleged friends of the farmer linking up with the Chamber of Commerce to bring about certain results; that is to say, an executive board and a special auditor. For years and years I have heard from

the farmers themselves, as well as from their representatives, that the enemy the farmer has to fight is the Chamber of Commerce. But suddenly the friends of the farmer turn round and go arm in arm with the Chamber of Commerce in order to attain certain ends. I wonder what is the farmer's opinion on the subject? It would be interesting to know. Again, what is the object of having a representative of the associated banks on a local committee? I fail to see it. If it was suggested that a representative of the associated banks should be put on the central committee, there would be some reason in it; because with the central committee it is a matter of finance. But in the case of the local committee it is a matter of handling. Why should we have a nominee of the associated bank here? By what right should the Chamber of Commerce nominate a representative? By the same token: which Chamber of Commerce is it to be? How is any Chamber of Commerce concerned so that it should have a nominee on the committee? What are the qualifications of the Chamber for having a representative on an executive committee controlling wheat?

Hon. J. Ewing: They run the country.

Hon. C. F. BAXTER (Honorary Minister): In what way could the expense under a committee be reduced by one-half, as has been so frequently asserted? The fees of a committee of five sitting four days a week would amount to over £1,000 a year. Presumably the committee would do away with the general manager, do away with the man who has the technical knowledge that the committee are to apply. What benefit is to be gained from such a step? As regards technical knowledge, let me point out that in one direction alone the present manager, within three months of being appointed, effected a saving of £1,000. In another direction he made a saving of £400. Probably, before the thing is finished the total saving will be £1,700. These savings have been made, firstly in connection with freight, and secondly in connection with the purchase of bags.

Hon. H. Stewart: Does the manager look after the wheat stacks?

Hon. C. F. BAXTER (Honorary Minister): He controls the whole scheme, but one cannot expect him to inspect every wheat stack in the country. The truth is that in connection with wheat storage here a wrong procedure has been adopted. We have little heaps of wheat throughout the country. As soon as I took over, I adopted a different system altogether; and in spite of strong opposition that system has proved very successful. The wheat is now stored at five depots in the country. In this way the wheat is concentrated, and is under the charge of caretakers, who are in daily attendance. Thereby considerable savings are effected and the wheat is protected against the inroads of mice. The season we have had is an extraordinary one; there was rain right through the summer. In view of that circumstance, I think very good work has been done in getting the wheat in. Regarding the question of audit, I observed that in a letter sent to the Premier it

was stated that no balance sheet had been presented. In point of fact, the day before that letter was written a notice appeared in the public Press that the balance sheet for 1915-16 had been laid on the Table in both Houses of Parliament. That balance sheet as it stands now, almost up to the point at which it ends, was ready within four months of my taking over the department. Unfortunately, the position is that the balance sheet cannot be finalised until we get particulars of certain charges simply debited against shipments of wheat to the Old Country. In the absence of that information, the balance sheet cannot be completed; otherwise it would have been completed months ago. Mr. Greig made a point of what the New South Wales farmers and settlers had achieved by means of a special audit. Those farmers and settlers paid for a special audit by a Mr. Barton. But that audit did not disclose any discrepancies, notwithstanding that the system in New South Wales is not the equal of our system. Mr. Barton's main suggestion was that an account should be kept for each certificate—a system that had already been considered by the pool's own auditor, so that the matter was in train before Mr. Barton made his suggestion. That was the result of an audit costing £500 or £600. In our own State, I may mention, a certificate register was established at the inception of the pool; so that we were well ahead of the times. Then it is stated that the Auditor General audits figures and nothing else. I would like to know what are the functions of any auditor? Is it a financial adviser that the co-called friends of the farmer wish to foist on the Government, or is it something in the nature of a fishing inquiry into all the operations of the scheme? An auditor deals with figures, and figures alone. Reverting to the advisory board, let me put before hon. members this point: if the farmers wanted a representative and were keen on having one, why did not they appoint one on the advisory committee when they had the opportunity of doing so? I myself sent along an invitation to one of their representatives to fill a vacancy on the board. But that invitation was not accepted. If there is such need for representation of the farmers, why was not the opportunity taken to secure representation? I am increasing the number of the advisory committee to five, as provided by the Act; and the additional two members I intend to appoint will be farmers' representatives. In fact, the matter has been in train for some considerable time; and the only thing that has held up the appointments is the movement on behalf of a certain section to get an executive committee, which, under the conditions, is impossible.

Hon. H. Stewart: The farmers' representative who had the confidence of the farmers found that his efforts were futile.

Hon. C. F. BAXTER (Honorary Minister): That refers to Mr. Hammond. One of the main reasons why Mr. Hammond resigned from the scheme was that the Government were not installing bulk storage. But Mr. Hammond should have known that I as Minister

was very busy on the bulk storage scheme. Moreover, when a system of bulk storage was brought forward one of our own representatives turned it down. That was the chief reason why Mr. Hammond resigned. With regard to any other objections Mr. Hammond may have had, they could not have applied when I became Minister. The trouble with Mr. Hammond, and his grievances, arose out of something that occurred before I took control. I mentioned that on the Australian wheat board we have four Ministers, each representing a wheat-growing State, and one representative of the Federal Government. In addition, we have Mr. Clement Giles as growers' representative. Mr. Greig stated—

Australian wheat growers had a direct representative in Mr. Clement Giles, who was supposed—

I am glad Mr. Greig used the word "supposed."

supposed to be one of the best qualified men available in Australia, and who, among 13 candidates, secured more votes than the other 12 put together.

The others must have been a poor old lot if they were not better than Mr. Giles; that is all I can say. At the last conference of Ministers that gentleman was taken to task in worse fashion than I had ever heard in my life before. Every Minister had occasion to take Mr. Giles to task for the making of misleading statements, statements that were stirring up a lot of strife. I myself had to take him to task for two references to this State which were not correct and which Mr. Giles admitted were not correct. I found when I returned to Western Australia that confidential matters had been sent over here by Mr. Giles and published. They referred to advances being made, although those advances were not agreed to at the time; because, although Ministers might recommend the advances to the Federal Government, still the Federal Government have to find the money, and so nothing is definite until they have agreed. When we were considering the advances the question was put to me, "What do you want for your State on the 1915-16 wheat?" I considered the matter and concluded that I wanted every fraction of a penny that I could get for our farmers. If I had said "a penny" it would have been a penny and no more. If I had said "1½d." they would have said "Oh, cut off the farthing." So I said "1½." This is a statement which Mr. Giles sent to Western Australia—

On the 1915-16 pool—3d. per bushel to the holders of certificates in Victoria and New South Wales, and 1½d. to the holders of certificates in South Australia and Western Australia.

That has gone out to the farmers, when, as a matter of fact, we shall not be able to pay it. Thus, in attempting to do good to the farmers, I am going to get into trouble through a man who does not respect confidences. As a matter of fact, we are paying 1½d., as I anticipated. Mr. Giles went on—

It has been recommended that the growers of wheat for 1918-19 and 1919-20 crops be guaranteed 4s. 4d. per bushel.

As a matter of fact, it was recommended at the previous conference and was then recommended to the Federal Government; but that was not to be made public, in order that the hopes of the farmers might not be unduly buoyed up, until we were sure. Is this the class of man the farmers want there, a man who makes misleading, incorrect statements?

Hon. J. Duffell: Apparently the farmers were poor judges.

Hon. C. F. BAXTER (Honorary Minister): No, but they were misled by people telling them that Mr. Giles was a wonderful man, whereas he is only a drag on them and on the board. In regard to the statement by Mr. Hughes that the election of the growers' representative had cost £3,000, which had to be paid by the growers and was evidently necessary if the growers were to have their representative, Mr. Greig asked, why did not Mr. Hughes appoint a man? He did not dare do it; the farmers appointed the man. Had Mr. Hughes appointed the growers' representative Mr. Hughes would have had to carry the responsibility.

Hon. J. A. Greig: He appointed the millers' representative.

Hon. C. F. BAXTER (Honorary Minister): I know nothing about that. Mr. Greig was in error in saying that an executive of three was formed by the Australian Wheat Board. What was done was that three of those at the meeting were chosen to attend to urgent matters that came up from time to time when we Ministers were absent. That was very necessary. However, those men were retired from their position, and consequently we are deprived of their services. I do not see what exception could be taken to them, because they could do nothing of a drastic nature. It is quite true, as Mr. Greig says, that the Australian Wheat Board of Ministers has an advisory committee of shipping experts, but it must be understood that the function of the committee is to deal with oversea sales of wheat and its shipment. Therefore, what is the harm in having that advisory committee? It has no connection whatever with the conference of Ministers.

Hon. J. A. Greig: They are directors under the board.

Hon. C. F. BAXTER (Honorary Minister): No. They are directors under some of the States, but they are attending to the oversea shipments and advising on the oversea sales. If those leading merchants, as they are, are not the proper men to advise, I want to know where we are to find the people to do it? We cannot find men with the necessary knowledge. The shipper agents representing Bell, Darling, Dalgety & Co., and Dreyfus & Co. were considered the best to give expert advice. The same firms are the representatives on the London advisory board. This arrangement is to establish co-ordination and continuity. Regarding the shipping, the Commonwealth charterers are Elder, Smith & Co., and Gibbs, Bright & Co., Limited. At the inception of the scheme the arrangements in respect of the charterers' charges were that they should receive  $1\frac{1}{4}$  per cent., and the  $3\frac{1}{4}$  per cent. address commission should be returned to the scheme. Mr. Greig stated that through the

endeavours of the local representatives of the Farmers' and Settlers' Association they were instrumental in getting Mr. Hughes to disgorge £37,000. From the day the first shipment left this State the  $3\frac{1}{4}$ d. commission was credited to the scheme at the Commonwealth Bank here. That was a long time before those taking credit for what they have done on behalf of the Farmers' and Settlers' Association discovered the mare's nest. The suggestion that the only control the Government should exercise over the acquiring agents was that they should have a man at the office of the agent to check their figures must have emanated from one with no conception of the intricacies of the wheat business, otherwise he would never have urged anything in that direction. Mr. Greig said that the Minister, meaning myself, stood alone in his high opinion of Mr. Keys. Who is in a better position to judge than myself, to know the value of Mr. Keys? Before I employed him I made inquiries about him not only here but throughout the Commonwealth. I say there is not a better qualified man to handle the scheme than the gentleman we have in Western Australia. Of course the real objection is, not to Mr. Keys, but to anyone in the position of supervising the Government acquiring agents. The proposal to make advances on wheat whilst it is stored on farms is impracticable under the Australian scheme as at present constituted, when the States and Commonwealth Governments are responsible for the financing of the scheme. The suggestion is unbusinesslike and should not have been made. I do not think those who made that suggestion ever went into it properly. No matter how honest a farmer may be, he has no facilities to adequately protect the wheat. Another point: if there are any dishonest farmers, we would be making the honest farmer suffer for the dishonest. It is not a business proposition. I would like to touch briefly on the question of trafficking in certificates. The prohibition was originally introduced to protect farmers against exploitation and to save unnecessary expense in connection with the record of dealings. It is now suggested that the safeguard be removed. That has been brought forward here, and I trust, for the sake of the farmers of this State, it will not be passed by this or the other Chamber. It is a dangerous thing to put into the Bill. It is in operation in the Eastern States, but with what results? A lot of the certificates in the Eastern States are practically paid off as far as the owners are concerned, and how much are the farmers going to lose by disposing of them? The certificates should not be made negotiable. We have had the pool for the past two years and certificates have not been made negotiable. Why, then, should they be made negotiable now? Mr. Greig said the wheat at Spencer's Brook was spread out over acres of ground. In company with the Minister for Railways and the General Manager I went up and made a thorough inspection last month and spent hours at Spencer's Brook searching for damaged wheat and for weevils. I found neither. The whole of the work, from the erection of the sheds to the stacking of the wheat, at Spencer's Brook is all that could

be desired, and since the lumpers' strike the new men have done more stacking per day and done better than ever the lumpers did. Mr. Greig stated that from 4ins. to 6ins. of rain had fallen on the wheat at Spencer's Brook. That is not so. Six inches has not fallen even at Northam, the nearest recording station, since 1st January. The most rain that fell on any particular lot of wheat was not more than 1½ins. and how could that be avoided? With the quantity of wheat we have there it is not possible to have it all under shelter, when one considers the difficulty we have had in getting galvanised iron. The wheat going there has been well looked after so that no damaged wheat should get into the stacks. The same precautions have been taken in regard to weevils. Of course it is sometimes a very difficult matter to detect weevil. We have tried all sorts of experiments to clean the trucks of weevils, but have not found any successful way of getting rid of them. Mr. Greig states that the iron, concerning which the Government refused an offer from the Westralian Farmers, Ltd., was afterwards sold at a price of £5 in excess of that at which they could have sold it to the scheme. If that were true it would be a case against either the manager of the wheat scheme or myself. As a matter of fact the Westralian Farmers, Ltd., wanted to effect an exchange of second-hand iron for new iron which was being shipped here for use by the scheme. The matter was brought before me as Minister, and I turned the proposition down. If I had accepted it the people would have had a good case against me. It was my fault to that extent, and not the fault of the manager of the scheme. I said "Offer them £50," which was the price per ton of second-hand iron. This was done. When we considered the position before making the offer, we thought there might be a lot of short lengths in the iron, and in making the offer I said that the ranges of sizes suitable for our purposes was 8ft., 9ft., and 10ft. As a matter of fact there were many short lengths in it. Later on the manager of the Westralian Farmers, Ltd., rang up and said that he wanted £50 per ton for the iron in all sizes, and requested to have an answer one way or the other. The manager explained that the short lengths were of no use, but that he was willing to consult the engineer in charge of the works and see if he could work them in at his depots. The manager of the Westralian Farmers, Ltd., said he could not wait for this, and must have an immediate answer. He was then answered in the negative, which was the correct way of answering him. One of the commercial firms, who had less reason to consider the interests of farmers than the Westralian Farmers, Ltd., on account of having dropped out of business, arranged to sell their surplus iron to the scheme on condition the Westralian Farmers, Ltd., refused. It will be seen, therefore, that Mr. Greig's statement was incorrect and misleading. The hon. member then went on to say that at one depot there was no

wheat on one day, and that 150 trucks arrived at night on which the scheme had to pay demurrage. The position has never arisen. We keep a careful record of all these things, and I can safely assert that such a position has never occurred. I do not think his remarks about a rake of trucks standing on the Bruce Rock line for a number of days is at all reasonable. This is an accusation against the manager of the wheat scheme, but as a matter of fact the whole thing is controlled by the railways. I do not think the railways would send a rake of trucks along that line and leave it there for several days. If they did so the manager of the scheme cannot be blamed for what the railways did. The only time when the manager interferes in these matters is when there is a complaint from a siding, or station, that the trucks are not being supplied, and he then steps in and makes an effort to have them supplied. He also referred to the position at Narrogin, and said that men were standing idle at the depot while the wheat was some quarter of a mile away in the railway yard. Mr. Greig made this complaint to the Minister and the wheat scheme some time back. We communicated with the officer in charge of the Narrogin depot, who replied that the statement was untrue. Mr. Greig states that the way in which the wheat has been stacked at the depots is nothing to be proud of. The stacking of the wheat at the depots is far and away better than any stacking that has been done before. He also referred to weevil in the stacks at Spencer's Brook. There may be a few weevils, but they have not been seen. I spent an hour and a quarter examining the bags and did not see any. Some 20 trucks of wheat had been placed out there as being affected with weevils, but though I went through it all I did not find one instance of weevil. He says that the stacks were built so close to the ground that there was only one inch of board between the wheat and the ground. That is not so. I wish he would inspect these before making such statements. It is abnoxious to me to have to contradict anyone. If hon. members would only look for themselves and not depend upon hearsay, they would know what they were talking about.

Hon. J. Ewing: It is quite true.

Hon. C. F. BAXTER (Honorary Minister): On the ground there is an inch board; on top of this there is a four-inch base of dunnage, and on top of this again there is an inch board over which the wheat had been stacked. How, therefore, can he say that there is only an inch board between the wheat and the ground? He also asks if any notice has been taken of Professor Lefroy's statements. Of course notice has been taken of them. Could the Minister in charge, and one who has grown wheat himself for many years, refrain from taking notice of such statements? The matter of combating the weevil extermination has received the close attention of the advisory board, the manager of the scheme, and myself. At the present time a member of the advisory board, Mr. Pearse,

is in the Eastern States going through all the plans that are on trial there. Mr. Love, who is the British representative there, told me that these plans were all on trial, and that there were about ten machines that were being experimented with. As soon as the authorities had decided on the most suitable machine, Mr. Love stated that Professor Lefroy would make a recommendation and things would then go on. Our engineer, Mr. Pearse, is making inquiries regarding all the machines in operation. The whole thing is in the experimental stage, and it would be unwise to make a purchase until we are aware of the results of the experiments. Mr. Greig said it was stated that the whole of the wheat would be in the depots by the end of April, I have no record of such a statement, but it may have been made. I would like Mr. Greig to be generous, and remember that we have had two labour troubles to deal with. First we had a strike of wheat lumpers, and then a strike in the Collie coal industry. These two circumstances hung us up considerably, and it took several weeks before we could get into our stride again. Mr. Greig also says that it is cheaper to build jarrah silos than to purchase bags. I would point out that the insurance on jarrah silos would be tremendous, and that the wheat would have to be insured. Another point is that the bags would cost 3d. per bushel, and that there is no chance of erecting silos at anything like that proportionate cost.

Hon. J. A. Greig: Is the wheat insured at the depots now?

Hon. C. F. BAXTER (Honorary Minister): Mr. Greig made a serious statement when he referred to Mr. Hughes having purchased a fleet to carry wheat, but that so far it had not carried one cargo. He should have verified this statement before making it.

Hon. J. A. Greig: I said "to the best of my knowledge."

Hon. C. F. BAXTER (Honorary Minister): The hon. member should have made inquiries first. It would have been easy for him to have gone to the office of the wheat scheme, for I would give any information that is desired. I could have told him that in this State alone in 1917 we loaded seven full cargoes of wheat in Commonwealth steamers, and that we put parcels of wheat into five other Commonwealth steamers that called here.

Hon. J. A. Greig: What was their destination?

Hon. C. F. BAXTER (Honorary Minister): I am not at liberty to divulge that information. Seven of the vessels took full cargoes in 1917, and the other five took a fair percentage of wheat. Mr. Greig also said that the Commonwealth steamers were being employed in freighting merchandise in the most profitable market they could find. I have certain confidential information in regard to the movements of these vessels that I am not able to disclose. I can assure hon. members, however, that the whole of the Commonwealth fleet available is being used in the transportation of wheat. I do not say they are all being used for Australian wheat, but they are all being used for the purpose of getting food to the people of Great

Britain, and possibly somewhere else. The farmers have little to complain of in regard to the Commonwealth fleet which Mr. Hughes purchased, or with regard to its running, for it is running for their benefit. Last year the rate on the Commonwealth boats was 122s. 6d. per ton, while on outside boats it was 190s. per ton. How then is Mr. Hughes making a profit out of the farmers of the Commonwealth, as has been said from time to time? It was said that Mr. Hughes was exploiting the farmers and the public generally with his line of steamers. As a matter of fact he would have been fully entitled to charge the full rate of 190s., but he did not do so. On the average each cargo that was loaded by one of the Commonwealth boats meant that the taxpayers were giving a bonus of approximately £20,000, or 1s. 9d. a bushel to the wheat-growers. The Commonwealth possesses a fair number of steamers, and these make many trips in the course of the year. It will, therefore, be seen that the taxpayers' contribution to the farmers of the Commonwealth is something worth having.

Hon. J. Ewing: They make a profit even at that price.

Hon. C. F. BAXTER (Honorary Minister): They are not very alluring prospects even if they do make profits. Much has been said in respect to the dockage system about the alleged robbing of farmers. What the scheme has done is what has been done in other parts of the world where wheat is being grown. The officer of the scheme assumed a f.a.q. standard of 61lbs. to the bushel. It is said that this season's wheat would not be more than 58lbs. to the bushel. The exact standard was 60½, only half a lb. below the assumed standard of 61lbs. The estimate of the officer of the wheat scheme was, therefore, nearly correct. Exception has been taken to our docking the wheat at what they called the high rate. If we had adopted the idea of starting the dockage at 55lbs. what an injustice would be inflicted upon the person who grew wheat which went 64lbs. to the bushel. He would not get the benefit of this extra 4lbs. unless we had this system of dockage. The only reduction made on inferior wheat is the first reduction. With a reduction of 3d., as was made this year, 2s. 9d. would be paid on inferior wheat as the first advance. In respect to the other advances, it would be equal to the other payments on f.a.q. wheat. In that way alone the farmer who grows wheat in excess of the standard gets the proper value for it. If, however, the dockages were assessed at 55lbs. it would amount to telling the farmer not to grow f.a.q. wheat. I appreciate the remarks of Mr. Stewart concerning myself. There have been so many personalities indulged in regarding myself that it is pleasing to find him speaking as he has done, more especially in view of the fact that we have not agreed on all points. In what I conceive to be the interests of the Government I have had occasion from time to time to be strongly opposed to nearly every interest associated with the wheat scheme. Let me take, for instance, the question of produce merchants on the subject of the control of the sales of inferior wheat, and the Western Australian Farmers in their relationship to the management of the scheme. Then we have the co-operative socie-



ties in reference to the control of bulk silos. Then the Farmers' and Settlers' Association on scores of matters affecting the management and control of the scheme and also Government policy; and the members of the Country party on similar arguments, notwithstanding the contention of Mr. Sanderson that I represent all those various bodies here. The millers on their demands for special treatment. The shipper-agents on the appointment of agents and the interpretation of existing agreements. The "Primary Producer," the farmers' own paper, on nearly every conceivable subject connected with wheat matters. I may say I have very few friends in the wheat world, simply because, through a lack of knowledge of the exigencies of the scheme, most of those interested have not been able to appreciate the Government's responsibilities to do a fair thing by everyone concerned, particularly the ordinary taxpayer and the farmer delivering wheat to the pool. I believe I can safely say, however, that there is no one but has had a fair hearing and a fair deal. Mr. Sanderson made a bitter personal attack upon me, and stated that he had no confidence in me. I regret very much that hon. member's absence from the Chamber. While replying on the Grain Elevators Bill yesterday, I told him that as his personal attacks on me were made in connection with the Wheat Marketing Bill I would reply to them on that measure. Mr. Sanderson said, in effect, that he would not support the Wheat Marketing Bill, simply because he had no confidence in me as a Minister. But there are other people who have confidence in me. For example, the Premier of this State must have had confidence in me to appoint me to my present position. I say unhesitatingly that, so far as my knowledge goes, I have to-day the full confidence of my brother Ministers in the Cabinet. I feel, too, that I have the confidence of a large majority of members of this Chamber, who know that I am doing my best for the State in these trying times. Let me ask, who has confidence in Mr. Sanderson? I remember that as a new member I listened to a most interesting speech from Mr. Sanderson, a speech which to some extent carried me away. But judge of my surprise when, a little later, I found Mr. Sanderson voting directly in opposition to his speech! And that has occurred on many occasions in this Chamber. In the circumstances, has Mr. Sanderson the confidence of members here, for a start? To judge from the results of most of the matters he brings forward, I say, no. I, for my part, have had a considerable amount of confidence bestowed on me here. No doubt hon. members enjoy the tirade of invective flowing from Mr. Sanderson. I have enjoyed it myself. I have heard him say in this Chamber repeatedly that he represents 15,000 electors. What part of them does he, in fact, represent? Out of 15,569 electors on the roll, only 10 per cent. had sufficient confidence in him to go to the poll and vote for him.

The DEPUTY PRESIDENT: If the hon. member will confine his remarks to Mr. Sanderson's attitude on this Bill, it will be more in order.

Hon. C. F. BAXTER (Honorary Minister): Mr. Sanderson made a most bitter attack on

me, saying that he had no confidence in me personally and therefore would not support this measure. If a member refuses to support a measure because he has no confidence in a Minister, he shows very poor judgment. On being elected to public life, I, although a new man, received the votes of 33 per cent. of the electors in a scattered province.

Hon. J. W. Kirwan: But Mr. Sanderson's return was a certainty. That was why the people did not vote.

Hon. C. F. BAXTER (Honorary Minister): Referring to the various agreements brought forward, and the comments on them, it must be borne in mind that the agreements have received the approval of Cabinet and that they were previously settled by the Crown Law Department. In December of last year before the Wheat Marketing Act of 1917 was passed, Parliament was informed of the appointment of the Westralian Farmers, Limited, as acquiring agents; and an assurance was given that when the final terms of the agreement had been arranged Parliament should have an opportunity of ratification. All that is the subject of consideration now, therefore, is the terms of the agreement, and not the appointment of the Westralian Farmer as agents. If the House will indicate in what respect such agreements can be improved, subsequent agreements for the handling of harvests will be along the lines of hon. members suggested amendments. The hour is late, and I do not wish to detain hon. members further. I trust that when we are in Committee the two clauses of the Bill will receive the fullest consideration and that amendments will be suggested. I move—

"That the Bill be now read a second time."

Question put and passed.

Bill read a second time.

#### ADJOURNMENT—SPECIAL.

The COLONIAL SECRETARY (Hon. E. P. Colebatch—East) [10.51]: When at the beginning of the week the House decided that if necessary we should sit on Fridays, it was intimated that we would not sit on this Friday unless we could finish the session by doing so. I can hold out no prospect of finishing the session this week by sitting to-morrow and therefore, in conformity with the undertaking I gave to hon. members when the motion I have referred to was carried, I now move—

"That the House at its rising adjourn until 3 p.m. on Tuesday next."

Hon. G. J. G. W. Miles: Can the Minister give us an assurance that the business of the session will be finished next week if we adjourn over to-morrow? If not, I should prefer to see the House sit to-morrow.

The COLONIAL SECRETARY: There is no reason why the business should not be concluded on Wednesday. The Government do not propose to introduce any new business. Members have practically everything before them now. There is one Bill before the Legislative Assembly, the Vermin Bill, which has already been considered here. I know of no

reason why we should not finish on Thursday next at the very latest.

Hon. H. CARSON (Central) [10.53]: Hon. members will recollect that on the motion for the extension of sitting days and hours I suggested that the House should adjourn on Thursday—that is, to-day—whereupon the leader of the House stated that in all probability we would finish on Friday. The hon. gentleman said that an endeavour would be made to close the session this week, even if the sittings extended into Saturday. For several important reasons I was most anxious to proceed to my district by to-night's train; and now I am unable to get home. The train service to my part of the Central Province will not allow me to reach my home until Tuesday week. I sympathise very much with the Minister, because I know the strain on him is very heavy and he would like a rest for the remainder of the week. But I think it would be possible to finish the business before the House by sitting to-morrow and on Saturday, and therefore I consider we should sit and try to be finally done this week.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [10.54]: I assure Mr. Carson that I sympathise with him entirely, and that although we have had quite enough this week I would be very willing to sit until Saturday in order to finish; but I am not going to ask the House to pass the several important measures that are still undecided, including the taxation measures, in a rush manner. Therefore I should be only deceiving members if I said that there was a prospect of finishing this week by sitting on, since we could finish only by rushing matters, and that, I know, would be contrary to the wishes of the House. Thus my present motion is in conformity with the assurance I gave hon. members at the outset, that we would not sit on Friday unless there was a reasonable chance of finishing the business this week.

Question put and passed.

House adjourned at 10.56 p.m.

## Legislative Assembly,

Thursday, 23rd May, 1918.

The SPEAKER took the Chair at 3.0 p.m., and read prayers.

[For "Questions no Notice" see "Votes and Proceedings."]

### QUESTION—FREEZING WORKS, FREMANTLE.

Hon. J. MITCHELL, without notice, asked the Minister for Works: Will the hon. gentle-

man, before the closing of the session, make a statement of the Government's intentions as to erection of freezing works at Fremantle?

The MINISTER FOR WORKS replied: The position with regard to the subject mentioned by the hon. member is that plans were drawn in anticipation of their being required by the Public Works Department. Those plans have been ready for some time. Whether the Government will erect the works to which the plans refer, or whether they will avail themselves of such offers as private individuals may make, is a matter that is under consideration. The Premier and the Colonial Treasurer will return to Perth to-morrow. It is believed that during their sojourn in the Eastern States they will have made themselves further acquainted with the subject under review. When Cabinet has met and discussed the subject, it will be possible for the Premier, if he thinks necessary, to make such a statement as the circumstances may suggest.

### BILL—LAND TAX AND INCOME TAX.

Third Reading.

Order of the Day read for the third reading of the Bill.

The ATTORNEY GENERAL (Hon. R. T. Robinson—Canning) [3.12]: Before the Bill is read a third time, it is necessary that an amendment be made in the Title, consequential on the omission of the clause imposing the super tax, Clause 2. Standing Order 284 enables me to move a consequential amendment at any stage; and I now move—

"That the Title of the Bill be amended by striking out the words 'and, for the year ending the 30th June, 1918, an additional income tax.'"

The Bill has been reprinted with this consequential amendment, and it bears the certificate of the Chairman of Committees that the clerk has noted the consequential amendment of the Title.

Amendment put and passed.

Bill read a third time, and transmitted to the Legislative Council.

### MOTION—ORDERS OF THE DAY, TO POSTPONE.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [3.14]: I move—

"That Orders of the Day, Nos. 3 to 12, inclusive, be postponed until after consideration of Order No. 13 (Vermin Bill)."

Hon. P. COLLIER (Boulder) [3.15]: I must offer a protest against this method of arranging the Notice Paper. Every Order of the Day is to be postponed, right down to the last one. I would remind the Minister that consideration of the business before the House involves a considerable amount of work for members, especially for myself, and I have not time to make myself acquainted in one day with every item of business on the Notice Paper, so that I might be able to take up the discussion on any one item that may come forward. I make it a rule to look at the Notice Paper in the morning so as to be ready to take up the dis-