

Hon. J. NICHOLSON: On the second reading the question was raised as to whether or not it might create a precedent if the Bill were passed without some closer examination than members generally would have opportunity to make. I suggested it would be desirable if the file were made available so that some of us might inspect it. This was done, and Mr. Drew and Mr. Hamersley and I went through the file. Amongst the papers was a book which has been kept with considerable care in the Lands Department, a book dealing with all surrendered land. In that book there is unmistakable evidence of some surrenders having been made in connection with the location referred to in the Bill. The land in question was originally taken up by the late Lionel Sampson and a certain area was first surrendered from it—an area of 391 acres. This is the area referred to in the Bill. The original location was one of those ribbon blocks from the river to the ocean and a certain portion of that was transferred by the first owner and then later another block of 310 acres towards the western side was surrendered owing to some question being raised by the relative of the transferee, and Richard Edwards who had acquired the land in 1856. Owing to the loss of a file, it is impossible to ascertain the actual date of the surrender. The relatives had the advice of solicitors and in the steps they took they were guided by that advice. The Crown made no objection to the application by the relatives of Edwards to the land becoming vested in them.

The CHAIRMAN: This is all very interesting but it has no bearing on Clause 2.

Hon. J. NICHOLSON: I am mentioning these facts for the information of the Committee because the question was raised—

The CHAIRMAN: But no one is opposing the clause.

Hon. J. NICHOLSON: I am aware of that but it is my wish to put these facts on record for the satisfaction of the other hon. member and myself who carried out the investigations at the Lands Department. It is as well that this should be done in case a similar measure should come forward at a future time and to guard against the risk of descendants of original owners being deprived of land to which they might be legitimately entitled. Anyway, I will not prolong the discussion beyond simply saying

that the files were lost, but we were satisfied from the care shown in the keeping of the records that there was sufficient evidence to justify our coming to the conclusion that we should agree to the Bill.

Hon. J. M. DREW: I endorse what Mr. Nicholson has said. I would have opposed the Bill unless it had been proved to my satisfaction that the Crown had a title to the land. I am satisfied that the land was surrendered to the Crown by Richard Edwards.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

ADJOURNMENT—SPECIAL.

The CHIEF SECRETARY: I move—

That the House at its rising adjourn until Tuesday, the 29th November.

Question put and passed.

House adjourned at 7.53 p.m.

Legislative Assembly.

Tuesday, 22nd November, 1932.

	PAGE
Questions: Surf life saving clubs	1939
Premiers' Plan, basis	1939
Producer gas power	1939
Electoral rolls	1939
Douglas credit system	1939
Assent to Bill	1940
Annual Estimates, report of Committee of Ways and Means	1941
Bulk Handling Bill, Select Committee, report presented	1940
Bills: Tenants, Purchasers, and Mortgagees' Relief Act Amendment (No. 2), 1R.	1940
Public Service Appeal Board Act Amendment, returned	1941
Road Districts Act Amendment, returned	1941
Pearling Act Amendment, Council's Message	1941
Mining Act Amendment, report	1941
Cattle, Trespass, Fencing, and Impounding Amendment, 2R., Com.	1941
Wheat Pool, 2R.	1943
Secession Referendum, 2R.	1944
Financial Emergency Tax Assessment, Council's Amendments	1953

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

QUESTION—SURF LIFE SAVING CLUBS.

Exemption from Rates and Taxes.

Mr. NORTH asked the Premier: 1, Is he in favour of exempting surf life-saving clubs from the payment of State land tax and water rates? 2, In view of the splendid service rendered by these clubs to the public, will the Government grant them this small relief?

The PREMIER replied: I shall have the matter looked into.

QUESTION—PREMIERS' PLAN, BASIS.

Mr. NORTH asked the Premier: 1, Was the Premiers' Plan originally based upon the assumption that prices overseas would rise? 2, Since, as a fact, prices continue to fall, would a further increase in the rate of exchange be the orthodox remedy to meet the position? 3, Is it a fact that Australian bond holders, by reason of the internal fall in prices, are receiving to-day a greater proportion of the national income than they were in 1929, with higher nominal rates of interest?

The PREMIER replied: 1, No. It was and still is expected that prices will rise. 2, To increase the exchange and reduce the tariff would be the right way. 3, In 1929-30 interest paid to Government security holders in Australia was 5.2 per cent. of the national income. In 1931-32 internal interest on the same bonds was 5.07 per cent. of the estimated national income. In addition the Commonwealth Government impose an extra income tax of 2s. in the pound on income from property. If this is taken into account internal interest was last year really 4.4 per cent. of the national income.

QUESTION—PRODUCER GAS POWER.

Mr. PATRICK asked the Premier: 1, Has his attention been drawn to a cable published in the "West Australian" of the 17th November referring to a demonstration in London with a producer gas powered lorry, and claiming that lorries, light locomotives, and river boats can be run with this power at a quarter of the cost of petrol? 2, In view of the great economic importance of this matter to the State, will he favour-

ably consider (a) the appointment of an expert committee, as in South Australia, to examine claims of various local inventors of producer gas plants as applied to mechanical transport, and issue reports concerning their investigations; (b) the encouragement of the use of wood and charcoal fuel for mechanical transport, by lower license fees on vehicles propelled by wood and charcoal gas?

The PREMIER replied: 1 and 2, Producer gas has been used for at least ten years. A transport committee has been working on the question in London for five years, and the Agent General is closely in touch with that committee. Mr. Taylor now also has the matter in hand. On his return the subject will be further investigated.

QUESTION—ELECTORAL ROLLS.

Hon. J. C. WILLCOCK asked the Attorney General: In view of his statement during the discussion on the Estimates that he would make an announcement in the Press in a week or so regarding the printing of the Legislative Assembly rolls, is he now in a position to give members the information desired?

The ATTORNEY GENERAL replied: The desired information will be given to the House before the end of this week.

QUESTION—DOUGLAS CREDIT SYSTEM.

Mr. HEGNEY (without notice) asked the Premier: As a number of people in the country are interested in the Douglas credit proposals, a motion regarding which is now before the House, can he say when an opportunity will be given members to debate and finalise that matter.

The PREMIER replied: I can assure the hon. member that an opportunity will be given the House to debate the question, but as to finalising it, that is quite another matter.

Mr. Marshall: What about to-morrow?

The PREMIER: No, not to-morrow, but the House will have an opportunity as soon as possible.

Mr. Wilson: The motion is No. 35 on the Notice Paper.

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the Land Tax and Income Tax Bill.

**BILL—TENANTS, PURCHASERS AND
MORTGAGORS' RELIEF ACT
AMENDMENT (No. 2.)**

Introduced by Mr. Kenneally and read a first time.

**BULK HANDLING BILL—SELECT
COMMITTEE.**

Report presented.

Hon. N. KEENAN: I desire to present the report of the Joint Select Committee of the Legislative Council and the Legislative Assembly, who were appointed to consider the Bulk Handling Bill. I move—

That the report of the select committee be received and, together with the evidence, be printed.

Hon. P. COLLIER: Is it not the practice when a report is presented by a select committee, for that report to be read? I think that is generally done.

Mr. SPEAKER: I do not think that is the correct procedure, although I believe reports have been read when presented.

Hon. N. Keenan: I made inquiries as to the correct procedure to follow.

Mr. SPEAKER: It will take an hour or more to read the report.

Hon. P. COLLIER: That does not affect the Standing Orders, which provide that when a select committee's report is presented it shall be read. Even though it should take two hours, I do not know why there should be any departure from our Standing Orders.

Hon. N. KEENAN: May I explain that, not being conversant with the proper procedure, I placed myself entirely in the hands of the officers of the House and asked them what was the correct procedure. If I am in error regarding the procedure, I can only say that I was advised that the method indicated by my motion was the correct one. If that is wrong, I hope the Leader of the Opposition will not think that I have sought to adopt a wrong procedure. I have merely sought to do what I was informed was the correct

thing. Naturally I thought that would be more correct than any procedure I might have thought fit to adopt myself. If the procedure I have suggested is not the proper one, then I presume I can move that the report be read.

Mr. SPEAKER: I will read Standing Order 356 which deals with the matter. It is as follows:—

The report of a committee shall be brought up by the chairman, or by some other member of and appointed by the committee for the purpose, and may be ordered to lie upon the Table, or otherwise dealt with, as the House may direct.

I do not think there is any other Standing Order that affects the position, but Standing Order 357, I find, reads—

Upon the presentation of a report no discussion shall take place, but the report may be ordered to be printed with the documents accompanying it.

Hon. P. COLLIER: I move an amendment—

That the words "and read" be inserted after "received" in the motion.

I think the report ought to be read and I see no reason why it should not be read. It will facilitate the discussion on, and consideration of, the report.

Hon. N. Keenan: Personally I have no objection to that course being followed.

Hon. P. COLLIER: I do not think the time occupied in reading the report should influence the House as to whether the report should be printed or read. The document is of the greatest importance and members should at the earliest opportunity know the contents of the report.

Mr. MARSHALL: I suggest that Standing Order 354 deals explicitly with the matter in that it provides that the report must be read.

Mr. SPEAKER: The hon. member is quite wrong. Standing Order 354 provides that the chairman shall read the report to the committee.

Hon. N. Keenan: I accept the amendment.

Amendment put and passed; question, as amended, agreed to.

Report read, and consideration made an Order of the Day for the next sitting of the House.

ANNUAL ESTIMATES, 1932-33.

Report of Committee of Ways and Means adopted.

BILLS (3)—RETURNED.

1. Public Service Appeal Board Act Amendment.
Without amendment.
2. Road Districts Act Amendment.
With amendments.

BILL—PEARLING ACT AMENDMENT.

Message from the Council received and read, notifying that the amendments made by the Assembly had been agreed to.

BILL—MINING ACT AMENDMENT.

Report of Committee adopted.

BILL—CATTLE TRESPASS, FENCING AND IMPOUNDING AMENDMENT.*Second Reading.*

Debate resumed from the 17th November.

MR. KENNEALLY (East Perth) [5.58]: The object of the Bill is to expedite the sale and in some cases the destruction of certain stock. Where delay in advertising will involve greater expense than the value of the cattle, or where the condition of the cattle warrants it the speedy sale will be made and a Justice of the Peace will have power to order that the sale take place. The Act makes provision whereby that order will apply to cattle impounded by police constables and the Bill proposes to substitute for police constable "by any person." The House will agree that where a more speedy sale is necessary, it should apply to cattle impounded, whether the impounding takes place through the agency of the police constable or any other person. Another amendment provides that the owner of the cattle shall not be exempt from liability for any costs incurred in excess of what the cattle may bring at the sale which results from the decision of the justice of the peace. We can subscribe to that amendment, too. The Bill provides authority for any justice of the peace to issue an order for the destruction

of cattle. When the Minister was moving the second reading of the Bill, I asked what notice would be given to the owner prior to the destruction of the cattle. The animals might be prize cattle and in the circumstances some provision should be made so that due notice would be given to the owner of the cattle before the stock were destroyed. I am still critical of the proposal to allow one justice of the peace to authorise the immediate disposal of cattle that are impounded. In country districts justices of the peace have been known to entertain feelings of animosity against neighbours or other residents of the district. Not all justices are beyond suspicion, and I speak as one of the fraternity. If the Bill is allowed to remain in its present form, it will be possible for a single justice of the peace to order the early sale or destruction of stock and so create a position that should not be tolerated by Parliament. Elsewhere in the Bill it is provided that the signatures of two justices of the peace are necessary before action can be taken, and I think that should apply also to the question of the sale or disposal of stock. When the Minister moved the second reading of the Bill, he mentioned that the parent Act had been in existence for 50 years and had not been amended since 1882. Later on he said that I knew very little about it. In the course of his remarks, he made the extraordinary statement that stock do not stray in country districts. As a matter of fact, the Minister must know—

The Minister for Works: I do, too.

MR. KENNEALLY: Of course, the Minister knows that the stock stray in country districts. It was because of some knowledge I obtained in country districts that I asked for certain information from the Minister when he was dealing with the Bill. It ill-becomes a Minister of the Crown to declare that others do not know too much about legislation, when the Minister himself showed, during the course of his own remarks, that he knew little about the amendments that had been made to the Act.

The Minister for Works: Well, what happened?

MR. KENNEALLY: The Minister said that the Act had been introduced in 1882 and had not been amended since. The records show that it was amended in 1884.

The Minister for Works: I have the particulars before me.

Mr. KENNEALLY: This goes to show that the Minister should be careful when he makes statements about other members, especially when they are statements that get one nowhere.

The Minister for Lands: At any rate, that was 48 years ago.

Mr. KENNEALLY: That is so, but people who live in glass houses should not throw stones. The word of the Minister for Works is not the last on such a subject.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Minister for Works in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of Section 34 of principal Act. New Subsection 4A:

Mr. KENNEALLY: I move an amendment—

That in line 1 of proposed new subsection 4A after "any" the word "justice" be struck out and "two justices" inserted in lieu.

The MINISTER FOR LANDS: It should be borne in mind that under the provisions of the Justices Act, one justice of the peace has power to commit a man to prison, and we are asked to say, when it comes to a question of the destruction of animals, which may not be of any great value at all, that two justices shall act.

Mr. H. W. Mann: Two justices are required to commit a person to the lunatic asylum.

The MINISTER FOR LANDS: I am afraid a comparison between insane persons and cattle will get us nowhere. Section 32 of the Justices Act provides that one justice of the peace may exercise the jurisdiction of two justices, if no second justice of the peace is available within a distance of 10 miles. It will be recognised that it is often most difficult to get two justices of the peace in country areas. I do not want the position to be any worse than it is now, and I hope the members for East Perth will view the position from the standpoint I have indicated.

Mr. KENNEALLY: I recognise the position that may arise in country districts, and

that it may be difficult to get a second justice, but, on the other hand, just as awkward a situation may arise if one justice is empowered to authorise the destruction of cattle.

The Minister for Lands: He may have impounded the cattle himself.

Mr. KENNEALLY: And they may have been impounded on his own property.

Mr. Patrick: At country centres where there is a pound, generally two justices of the peace can be found.

Mr. KENNEALLY: I should think so.

The Minister for Agriculture: The difficulty will arise when the cattle may not realise the requisite amount at a sale.

The Minister for Lands: The trouble is in regard to the sale.

Mr. KENNEALLY: I know justices of the peace in country districts do the work as best they can, but they are human.

The Minister for Agriculture: I think you are a bit hard on them.

Mr. KENNEALLY: No, I am not. I do not think any member of the Committee would like to create a position under which a single justice of the peace could order the destruction of stock in the circumstances I have indicated.

The Minister for Lands: If your amendment is agreed to, you could add a proviso similar to that appearing in the Justices Act enabling one justice to act if no other justice were available within 10 miles.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. SAMPSON: I hope the amendment will not be pressed. The road boards usually administer the Act, and two justices cannot readily be obtained in every district.

Mr. MARSHALL: I prefer the provision in the Act to either the clause or the amendment. A justice without a knowledge of stock would be dependent on the advice of a third party. Somebody might see a chance to get cheap stock, and recommend an immediate sale.

[Mr. J. H. Smith took the Chair.]

Mr. Sampson: They would deal only with brumbies and stock that was practically valueless.

Mr. MARSHALL: At times valuable stock stray and are impounded.

Mr. Church: You think that one of the justices might be honest?

Mr. MARSHALL: I am not suggesting dishonesty, but one justice acting alone might be wrongfully advised. I will support the amendment rather than the clause, which leaves an opening for corruption.

The MINISTER FOR WORKS: In my town it is not always possible to get two justices. The Justices Act provides that in the event of two not being available within ten miles, one might try a human being. Practically the only cattle that stray in the country are worthless, and it is almost impossible to get a poundkeeper, because the stock impounded realise insufficient to pay expenses and poundkeeper's fees. I am prepared to accept the amendment with a proviso that if a second justice cannot be found within a distance of ten miles, one justice may exercise the jurisdiction of two.

Mr. KENNEALLY: Some authority is needed to enable local bodies to deal with poor stock that would not realise expenses. The occasions on which it would be impossible to get two justices, I think, would be rare.

Mr. SAMPSON: To insist upon two justices would cause difficulty in many road districts. Local authorities have experienced much trouble in dealing with brumbies and useless stock. The 10-mile radius suggested by the Minister would mean traversing a district 20 miles across. It would be better to provide that a justice of the peace should act in conjunction with a member of the road board.

The Minister for Works: The road board chairman is a justice of the peace.

Mr. SAMPSON: In many instances he would be the only justice in the district. There is widespread gratitude to the Minister for introducing this amendment and I hope it will be passed.

Mr. BROWN: I support the amendment. I am a justice of the peace of many years standing and have often had to try a case by myself, because there has been no other justice available within ten miles. To bring a justice of the peace ten miles to hear a petty case is unreasonable.

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

The MINISTER FOR WORKS: I move—

That the following proviso be added to Sub-clause (ii.) of Clause 4A, after the word "fit" in line 19:—"Provided that any one justice may exercise the jurisdiction of two justices under this Act whenever no other justice usually residing in the district can be found at the time within a distance of 10 miles; provided that the justice certifies in writing that no other justice can be found within 10 miles."

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

Bill reported with amendments.

BILL—WHEAT POOL.

Second Reading.

THE MINISTER FOR LANDS (Hon. C. G. Latham—York) [7.50] in moving the second reading said: This is purely a machinery Bill, the intention being to incorporate the trustees of the Wheat Pool, who have conducted wheat pool operations in the State for upwards of ten years. The reason Parliament is asked to pass this Bill is because the Companies Act is not applicable to a non-profit making organisation which does not involve proprietary interests or shareholding. To-day the trustees of the pool are a registered firm, and it is considered advisable that they should be incorporated for the more expeditious handling of their business and for affording greater facilities to the participants of the pool. The trustees have been fulfilling duties of a public nature for the past ten years. They have handled up to 70 per cent. of the wheat of the growers of the State, who have been perfectly satisfied with the pooling operations. The trustees, as a firm, are not permitted to make any profit; they function entirely for the benefit of the wheatgrowers on a purely co-operative basis. All they do is to sell the wheat for the participants of the pool. The whole of the proceeds of the wheat, less the cost of handling and selling, is returned to the growers. The trustees are elected from time to time by the growers' council who are elected by the pool members themselves. As I have pointed out, the trustees of the Wheat Pool at present constitute the members of a registered firm. Under this Bill, if passed, they will become a corporate body. Briefly, the objects of the

Bill are to incorporate the trustees as a body corporate, with perpetual succession and a common seal; to make necessary provision for the proceedings of the trustees; to make provision for the election and retirement of trustees at periodical intervals; to provide that the election of the trustees shall be in the hands of a body known as the growers' council, such council to be constituted and elected by pool members in accordance with the rules which are contained in the schedule to the Bill and which will be in conformity with existing pool conditions, such conditions forming part of an agreement which is endorsed on the interim receipt that pool members receive when they deliver their wheat. In the schedule to the Bill is set out the constitution of the growers' council, how the members are elected and what their powers are. Provision is made for the trustees to receive such remuneration as shall from time to time be fixed by the growers' council, who meet during the year and annually fix such remuneration. It is proposed to vest in the trustees in their corporate capacity all property now belonging to the registered firm, including the reserve fund established under pool conditions; and to provide that all liabilities and engagements of the registered firm shall become the liabilities and engagements of the trustees in their corporate capacity. Therefore, the Bill simply transfers the business from the trustees of the Wheat Pool to the trustees as a corporate body. Provision is made to invest the trustees, as a corporation, with full power to establish, maintain and conduct wheat pools, and to give the trustees all necessary borrowing powers. It is necessary for the trustees to borrow money in London for the purpose of acquiring wheat, the people from whom they borrow being repaid when the wheat is sold in London. The reason we are asking for the incorporation of the trustees is to enable them to function as a single entity, the continuity of which will remain unaffected by changes in the personnel of the trustees brought about either by death or by retirement, or by any other cause which might effect the dissolution of a firm. The Bill will also facilitate the making of contracts by the trustees, because all future contracts and engagements can be entered into and undertaken in the corporate name instead of in the names of the four members of the firm. Members will know that frequently great difficulty arises upon

the death or retirement of a member of a firm: and it is highly desirable that an organisation like the Wheat Pool, which acquires annually several million bushels of wheat of a value of £2,000,000 or £3,000,000 sterling, should have a uniform method of dealing with their business. This object will be achieved if the trustees be incorporated, irrespective of whether one, two or more members retire or die. The body will continue to function without interruption. Provision is also made to facilitate investments of the reserve fund and to prevent the necessity for transferring those investments because of the change in personnel of the trustees. The Bill also gives the corporation power to establish, maintain and conduct any scheme or system for the handling of wheat, whether such scheme or system be voluntary or under statutory authority. The schedule contains the rules governing the constitution of the growers' council, the members of which are appointed by the growers themselves; the trustees refer matters to the growers' council for their consideration, and the council, whenever necessary, confer with the trustees. The Bill is similar to others that have frequently come before the House when it is necessary to incorporate an organisation for which provision is not made in any other existing statute. In this instance there is no other statute under which the trustees could be incorporated. As I have said, the Bill is almost entirely a machinery Bill. It is very simple and is drafted in plain language. I do not anticipate that it will cause hon. members very much concern. As I have pointed out previously, the schedule to the Bill provides simply for the domestic arrangements between the participants of the pool and the trustees. I move—

That the Bill be now read a second time.

On motion by Hon. S. W. Munsie, debate adjourned.

BILL—SECESSION REFERENDUM.

Second Reading.

THE PREMIER (Hon. Sir James Mitchell—Northam) [8.0] in moving the second reading said: As this Bill is precisely the same as that which was brought down last year, I do not propose to delay the House long in dealing with it. All that was said then applies with equal force

to-day. The Bill passed this House last year, but was lost in another place. In advocating secession, I wish to make it clear that I am not an anti-Federalist in sentiment. I think we must agree, however, that after a 30 years' trial, we know we cannot meet the cost of federation. After all, the cost is the acid test, the ability of the people to pay in taxation all that is required by the Federal Government. Western Australia is a much poorer State than, say, Victoria. I should say it is most difficult for even Victoria to meet the cost of Federation without making great sacrifices. The people understood, when the proposal to federate was first made, that the Federal Government would undertake certain restrictive responsibilities. It was expected that these would be very restrictive and be confined to defence, post offices, quarantine, fiscal policy, customs duties and other things of a national character. The States were to perform all the necessary functions of government. In order to carry on the Government of the country, we must be able to meet the costs of the services that are rendered. It was said in the early days that federation would not cost more than 2s. 6d. per head of the population. I admit that we had the war, and there has been the enormous cost of the war to be borne since. In the meantime, however, the Federal Government have undertaken many things that might well have been left to the States. There have been duplications in services, and unnecessary costs in many directions. Last year the Federal collections altogether amounted, not to 2s. 6d. per head of the population, but £11 per head, or a total of over £71,500,000. It was originally contemplated that the Federal Government would use only about one-quarter of the customs duties. They now use all customs revenue except for the payment of 25s. per capita of the population, as arranged when we signed the Financial Agreement. In addition to taking all the customs revenue, the Commonwealth Government have entered every known field of taxation, whether of a direct or indirect nature. We have really only come into the field in the collection of taxation after the Federal Government have taken what they want. I have admitted that the cost of the war has had to be borne, and in addition there has been the responsibility thrown upon

the Government of such things as the old age pensions. It must be admitted that there is a colossal difference between the actual cost of federation all round, and the estimated cost. I mean the estimated cost we had before us when the people of Australia voted themselves into this form of government. We have to ask ourselves whether we can do our duty by the electors of this State, hampered as we are by the difficulties of imposing taxation and of collecting taxation sufficient for our needs, when the way is blocked by so much heavier Federal taxation. The people have had to count the cost of government. They are entitled to get some return for the taxes they pay. In Western Australia the tariff is a real disadvantage. It can only be of benefit to the central States, which are the manufacturing States. Like most people, I am not a freetrader, but if I had to decide between freetrade and the present tariff, I should be a freetrader. When we take taxation imposed by the Federal Government, we have to weigh the cost as against the benefits we receive. I have no doubt that the scales are weighted against us. We have an undeveloped State. It is very questionable if any real progress in development can be made owing to the high customs tariff that is imposed upon us. The State Government are really taxed as an individual. In all that we attempt to do we have to contribute to the Federal revenue for material that is required for developmental work. Because of the high tariff and high taxation, men cannot live unless they are paid high wages. The nominal wage and the real wage are two different things. The nominal wage is made higher because of the tariff. In all developmental work that we undertake we have to pay the higher wage. It is questionable whether developmental work can be actively undertaken whilst that stands against us. Some railways are needed. How can we buy the railway material when we get such a limited amount of money, and have so many men out of work and needing work in Western Australia? Is it right, when we lay down these railways, build harbours, and develop the land, really for the benefit of the whole of Australia, that the costs should be so much increased because of the customs duties? A few years ago we built railways much more cheaply

than it is possible to build them for to-day. The rails are rolled in Australia, and much of the material required is manufactured in Australia, but the price is added to because of the tariff. To-day we have the tariff, the exchange rate, and primage added to the price of the commodity. I suppose the people who roll the rails hardly take advantage of all three factors, but many people do take advantage of all three imposts, with the result that it is almost impossible for us to buy the materials we need for the work of development if these materials have to come from overseas or from the Eastern States. I know that development work was carried out in Victoria under an import tariff, just as it was here. The customs duties then were not paid on the material imported by the Government. If they were paid, the money went into the coffers of the State. To-day the duties paid by the State go into the coffers of the Federal Government, if the purchases be made from overseas. I mention these things because it seems to me that individuals in the community cannot meet the cost of government as we have it to-day. It is very undesirable that our development, so much of which remains to be done, should have to be undertaken with costs greatly increased by the tariff, which, in turn, gives us, as a State, no revenue. We cannot stand still. We must endeavour to progress and to undertake work. For all time the cost of that work will act as a disadvantage against us. If it be undertaken in connection with our railways, freights and fares must be high because interest must be paid to a much greater amount than would be necessary but for the tariff disadvantage. Most of the other States are well established. I wonder what would happen in Western Australia if we did not endeavour to make some advance. We must endeavour always to progress, otherwise we cannot keep pace with the rest of Australia. When it comes to a question of manufacturing in this State, compared with the other States, it is just as it would be if Victoria were competing with the rest of the world unprotected by the tariff. The tariff certainly places us at a disadvantage compared with the rest of the world, but what is our position when we come to compete with Victoria, New South Wales, and to some extent South Australia, where factories are well

established, and where the trade is so much greater than it can ever be in Western Australia? We are at a very great disadvantage. It must be claimed that we have been very good Australians. We have bought very freely from the Eastern States, particularly since the depression started. Last year we bought over £7,000,000 worth of goods from the Eastern States, as against £2,700,000 worth from overseas. We sold to the Eastern States just on one-tenth of what we bought from them, but we sold overseas about £16,000,000 worth against our imports of £2,700,000 worth. The overseas market is ours when it comes to selling our produce, our timber, our wool and the other commodities we must ship. The whole basis of the business, however, is very uneven. The higher duties imposed to correct Australia's trade balance have tended to make Western Australia purchase a larger proportion of her goods from the Eastern States. The people of this State are not importing as freely from overseas as they once did. The tariff has operated against imports to this State as against the imports to all the other States of Australia. The disadvantages arising from the exchange and the imposition of the primage duties have accentuated the injustice of the tariff. I think it can be said that Australian articles have risen in price, not in value, to within a very small margin of that of the overseas imports. I believe that is the position in many instances. The tariff has been taken full advantage of, and the same applies to the exchange and the primage duties. Of course, that is not fair and it was never intended to be so. It was never anticipated that such conditions would operate. It was expected that the Australian manufacturer would be protected in order that he might find a market for his products at reasonable prices. It is neither just nor right that he should take advantage of all three imposts levied against imported goods. On the other hand, that has been done to the great disadvantage of the people of Western Australia. I will next refer to the cost of protection per head of the population of the various States. The figures have been taken from a statement prepared by Professors Giblin and Brigden. The Customs and Excise charges in this State work out at the highest figure throughout the Commonwealth, the table showing the cost of

protection per head of the population as follows—

	Customs and Excise.	Added cost of Australian- made goods.
	£ s. d.	£ s. d.
Western Australia ..	7 3 9	2 8 0
New South Wales ..	6 12 10	0 10 0
Victoria ..	6 5 0	1 0 0 ^a
Queensland ..	6 12 10	2 0 0*
South Australia ..	6 10 3	2 6 0
Tasmania ..	5 4 2	2 0 0

^a A gain.

Thus, these figures show that the cost of protection is £9 11s. 9d. per head in Western Australia while in the other States the cost per head is as follows: In New South Wales £7 2s. 10d., in Victoria £5 5s., in Queensland £4 12s. 10d., in South Australia £8 16s. 3d., and in Tasmania £7 4s. 2d. Those figures accentuate in no uncertain way the disadvantage Western Australia suffers in comparison with the Eastern States. Of course the total amount involved is the real disadvantage, but the fact remains that we are in a worse position than any other State of the Commonwealth. I suppose the sale of Australian wheat returns to the farmer about 2s. sterling per bushel. As against that, let us see how the tariff actually operates. A certain French perfume may cost the French manufacturer 4s. per bottle to produce. The Frenchman who buys our wheat may have to pay about 10s. per bushel for our commodity and of that amount the Australian farmer gets 2s. sterling per bushel. The Australian purchaser of the bottle of French perfume pays 9s. 4d. for it and gets something that cost the French manufacturer 4s. The disadvantage of the tariff is surely made very apparent in those figures. Of course, high tariffs must work to the disadvantage of every nation that imposes them. If the manufacturer of Australian goods could export his articles, he would have to sell them very cheaply on the French markets. If a Frenchman had a watch to sell worth £1, and an Australian boot manufacturer had a pair of boots worth £1 and an exchange of goods was desired, we in Australia would say to the Frenchman, "You have the watch that costs £1 in France, but we must have revenue and we must charge you 10s., which represents our customs duty against imported articles." Therefore the Australian manufacturer, to secure the watch, has to make three boots in order to enable him to pur-

chase it. In addition to that, the Frenchman has to give the Australian boot manufacturer the watch and 10s. in addition, so that he himself may purchase a pair of Australian-made boots. Thus it will be seen that the tariff operates at both ends. Are we to continue living under the disadvantages of an unreasonably high tariff for all time? It is recognised that the policy of Australia is one of high protection. I have never been able to understand why Australia requires high protection, and how it can continue in view of the very serious disadvantages that accrue.

Hon. P. Collier: Even if we were to secure separation, what guarantee have we as to what tariff would be imposed by the new dominion Parliament?

The PREMIER: No one could guarantee what this Parliament would do over the next 50 years, but Parliament would do what the people of Western Australia required, and not what the people of Australia desired. There would be that signal difference.

Hon. P. Collier: Of course, that may mean a high tariff just the same.

The PREMIER: It may, but in that event it will be a tariff that will suit the people of Western Australia.

Hon. P. Collier: A tariff that will suit a section of the people.

The PREMIER: And the collections from any such tariff will go into the Treasury of Western Australia.

Hon. P. Collier: It might suit the dominating influences in Western Australia, which, of course, might not give any relief to the people who are suffering to-day under the Australian tariff.

The PREMIER: Of course, all things are possible under tariffs, and people gain advantages from tariffs.

Hon. P. Collier: Yes; that is all right so long as we do not assume that under the new dominion Parliament, there will be no tariff, or at least a very low tariff, and that things will be all right.

The PREMIER: At any rate, the position of affairs will be better than it is to-day, and if the people of Western Australia do pay under such conditions, they will be paying into their own Treasury. I have not said I am a freetrader; I am not. I do not think a new country could function without a tariff nor do I think it would be expected to do so. On the other hand, I do

say that under such conditions we would have self-determination. It would be wonderful to have that right alone. To-day Australian goods are loaded against the people of Western Australia. That is the point I am making. They are loaded against us without our people gaining any advantage. We sell our goods overseas to Britain and naturally we would think that, as Britain buys our products, she would expect us to buy from her in return. The whole world is in trouble to-day because there is no free exchange of goods. The ports are blocked by tariffs. It would be natural for Britain to tell us that as she buys our goods, we should buy hers. As a matter of fact, we do not do that. We sell to Britain and we purchase largely in the Eastern States, providing our credit for them in London and enabling them to pay for their requirements. Of course it pays us handsomely just now because of the exchange.

Mr. Kenneally: Is that the idea of the Bill, to enable you to purchase from England instead of from the Eastern States?

The PREMIER: No. I said it would be quite natural for the people who buy our goods to say that we should buy their goods in return. We settle our accounts by transferring our credit in London to the Eastern States, because we buy goods from them. They buy goods from England, and use our money there to meet their commitments.

Hon. P. Collier: I think the tariff question in the proposed new dominion Parliament is the one on which the secession advocates are least convincing.

The PREMIER: I do not suppose it would be possible for this or any other Parliament to guarantee what succeeding Parliaments will do, but I am convinced that the tariff would be greatly reduced if we were free. We certainly are not free at present. I do not think anyone could be found in Western Australia to approve of the present tariff.

Hon. P. Collier: My word, there are the manufacturing interests in the city!

The PREMIER: I cannot understand why they want the tariff as high as it is, because it must restrict trading operations. It is a fact that we have not been able to export our manufactured goods, and last year 4 per cent. only of our exports came under that heading. Why do we agree that half of our population that lives in the cities

throughout Australia should be able to produce goods that can be sold within Australia alone, simply because we have increased the cost of production on account of the tariff?

Hon. P. Collier: But without some tariff, they could not produce goods that are required in Australia.

The PREMIER: No, but they must learn to compete in the world's markets as the primary producer has to do to-day. Half of our people are working in industries so highly protected that they cannot export their products. On the other hand, the other half of the people are engaged in primary industries and have to compete in the world's markets. We have to send our exports over the longest distance that any producing country has to send goods, and we have to pay the additional freight.

Hon. P. Collier: But when you have manufacturing industries in the cities of Australia, you create a population that provides the local market for the primary producer.

The PREMIER: That is so. I acknowledge that, and they demand that they shall have their goods at export parity. The primary producer gets no more for his wheat than he sells to local millers than is procurable through sales for export.

Hon. P. Collier: That is the fault of Parliaments. Personally I believe the Parliaments of Australia should decide that the wheat consumed in Australia should be purchased at a price that would represent a profit to the growers.

The PREMIER: That should apply to all foodstuffs. On the other hand, it would be very difficult to apply such a decision; it would have been done long ago if Governments could have devised a scheme whereby that result could be accomplished. Of course, it is reasonable that people in highly protected centres should buy at prices we realise when foodstuffs are shipped overseas. That could not apply to perishable goods for which must be found home markets. The people in Victoria consume a great deal more than the people of Western Australia because the population is greater there, but it is a very low market. One does not see advertisements regarding un-manufactured foodstuffs, whereas manufactured goods are advertised extensively. We have all suffered disadvan-

ages as a result of the tariff. I can imagine that the taxation levied by all taxing authorities last year represented more than the profits earned in industry. There is another point I wish to deal with. When we federated it was arranged that the representation of Western Australia should be five members in the House of Representatives, with its 75 members. At the same time it was arranged that the interests of the States should be protected by means of an equal number of members in the Senate, which was regarded as the branch of the legislature to conserve State rights. I do not suppose that anyone would have approved of Federation on the understanding alone that we should have five members in a House of 75, but, on the other hand, we did believe that the Senate would protect the interests of the smaller States. On the contrary, what do we find? The Senate has lost its force. It has given up its position as the protector of State rights. Senators attend party meetings. Members of both Houses—the Senate and the Representatives—meet in party meetings at which important matters are discussed and, I have no doubt, determinations arrived at. If all the members of both Houses met at such party meetings, Western Australia would have a representation of 11 out of a total of 111.

Hon. P. Collier: But that attitude of the Senate is no fault of the Constitution; it is the fault of the electors.

The PREMIER: It is the fault of the system.

Hon. P. Collier: No, of the electors.

The PREMIER: At any rate, it is that to which we are objecting, not to the Constitution.

Hon. P. Collier: But that has nothing to do with the matter.

The PREMIER: We are objecting to Federation as we find it.

Hon. P. Collier: The Premier will appreciate the fact that there is no charge against the Constitution because the electors have made the Senate a different House from that which framers of the Constitution thought it would be.

The PREMIER: It is just as strong a reason why we should consider the position and save ourselves from Federation as it is operating at present.

Hon. P. Collier: We cannot urge that against the Constitution.

The PREMIER: It is not the Constitution we object to. I do not think that either the spirit or the letter of the Constitution has ever been observed by the Federal authorities. If they had been allowed to do the few things we thought they would undertake, we should not be here to-night considering our position. But our position is weakened when members of the Senate gather with members of the House of Representatives at party meetings and there consider questions of great importance.

Hon. P. Collier: But our representatives from this State enter into those party meetings also.

The PREMIER: All except Senator Colebatch. He never goes to them. New South Wales has six senators and 28 members of the Lower House; Victoria has six senators and 20 members of the Lower House; Queensland has six in the Senate and 10 in the Lower House; South Australia has six in the Senate and seven in the Lower House; and Tasmania and Western Australia each have six in the Senate and five in the Lower House. If the Senate were really what it was primarily intended to be, a House reviewing the proposals and legislation of the Lower House, if it was there to protect the interests of the States, probably we should not have drifted into our present position.

Hon. P. Collier: But our senators, who are secessionists, have all stood as party men and agreed to attend party meetings and be tied by the decisions of those meetings—I mean all but Senator Colebatch.

The PREMIER: But at those party meetings our representation is very small as compared with that of Victoria and New South Wales.

Hon. P. Collier: But should not those secessionist members be consistent and say they are Senate members and will not attend party meetings and be bound by the decisions of those meetings?

The PREMIER: Of course they should.

Hon. P. Collier: Yet all except Senator Colebatch are strong party men.

The PREMIER: It may be so; I cannot say. But I am concerned only with the effect Federation has had upon this State. We did think when we entered Federation that the Senate would be a non-party House and would protect us. The Leader of the Opposition is right in saying that it has become a party House. That has weakened

our right to exercise any control over the legislation that is passed by both Houses, and destroyed anything we might have done to help ourselves. It is not possible that all should be of one party, but even if it were, then nearly one-third of the total representation in both Houses would go from one State. We would never have federated had we not believed that the Senate would protect the interests of the smaller States. While it is true that we cannot ourselves alter the Constitution, we can object to the results of government under this system.

Hon. P. Collier: The fact that the senators have not been representatives of the respective States, but have proved to be party men, is for the electors of the State, ourselves included.

The PREMIER: Well, we cannot correct the system, but we have a chance of objecting to it and getting away from it. If it affected New South Wales detrimentally, as it does us, it would be corrected, for her 34 representatives in the Federal Parliament would insist upon its correction and would be listened to. However in that regard our position is quite hopeless. The Leader of the Opposition will agree that the power of the purse does lie with the Federal Government, who have asserted their right to apply every form of taxation to the people of Australia. So the power of the purse is certainly with them, and I believe it is being used slowly but surely to increase their power at the expense of the States.

Hon. P. Collier: But the Commonwealth Government have no power in regard to finance that was not given to them in the original Constitution.

The PREMIER: That is true, but they are using the extended power of taxation which was given them to meet emergency, which was never intended to be used except in emergency. The result is the slow but sure strangulation of the States. We have a right to ask that the spirit of the Constitution, as well as the letter of the Constitution, should be observed. The people cannot go on paying the taxation that is asked of them.

Hon. P. Collier: Is it not a fact that the finances of the Federal Government have been entirely upset by the cost of the war, which none of us could foresee?

The PREMIER: I acknowledge that that must be credited to them. The costs of the war and of the resultant repatriation and pensions have been enormous. Nevertheless the taxation collected is far too great for the people to bear. I have pointed to the impossible position that has arisen under the high costs due to the Federal authority. Are we to accept it quietly, or are we to determine that there shall be an end made to the present position, which is unquestionably unsatisfactory and cannot possibly continue? We have attempted, all of us have attempted, to right our injustices within the Federation, but all our attempts have proved fruitless, so there appears to be but two alternatives left—unification or secession.

Hon. P. Collier: There has never been a serious attempt made to amend the Federal Constitution.

The PREMIER: Because no serious attempt of the sort can be made, except through the Federal Government. Of course unification is unthinkable to us. We who advocate separation are often told that it would be breaking the contract. But surely unification also would be a distinct breach of the contract, because the form of government to which we agreed to become a party has no connection whatever with unification. Very few of the people of Western Australia would be prepared to sacrifice their government and be fully controlled from a distance of 2,500 miles. I ask them to consider what they propose to do about it. Are they prepared to go on as we are going, will they have unification, or will they join this movement which so many of us would like to see successful? If we cannot get a reformed Federal Parliament and Government, we must have secession. I do not believe we can expect any reformation until the Federal Government bring about an amended form of government.

Hon. P. Collier: No determined effort has been made to amend the Constitution.

The PREMIER: It is quite evident that the Federal policy builds up big industrial centres in the Eastern States regardless of the effect on other States. That policy is totally opposed to the requirements of Western Australia for the purposes of progress and development. Those big industrial centres can only be built up in Victoria and New South Wales. Those two States must

be the great factory areas for Australia, because they are central.

Hon. P. Collier: And State policy has built up the metropolitan areas, the capital cities of the respective States. Having half of the State's population in our metropolitan area is due, not to Federation, but to our own State policy.

The PREMIER: No, it is due to Federation, because we have to avail ourselves of the protection afforded for the building of factories. We do have factories to some extent. We have some 420,000 people in the State, and it is quite clear that in the Eastern States we keep 100,000 people manufacturing for us and selling to us their goods for cash. Those people might just as well be in Perth as in Melbourne or Sydney, but it is impossible for them to be here, unless we establish factories here in competition with the established factories of the big centres in the Eastern States.

Hon. P. Collier: But many of our imports from the Eastern States have not been covered by protection at all, but have been primary products.

The PREMIER: Yes, processed foodstuffs. I can offer no apology for that. For years and years, practically ever since the goldfields were discovered, we have been bringing foodstuffs over here from the Eastern States.

Hon. P. Collier: Federation is not to blame for that.

The PREMIER: No, it has been entirely our own fault. However, the year before last we reduced the amount by £1,600,000 per annum, and we will reduce it further this year. As a matter of fact one-half the gold we won at Kalgoorlie and other mining centres went to the Eastern States for foodstuffs. And even over there the foodstuffs are processed by people living in the cities. The building up of the great cities in the Eastern States at the expense of the country districts is very much opposed to the interests of Western Australia if this State is to progress and develop. It is a fact that the riches of Australia are concentrated largely in Sydney and Melbourne; it is also a fact that those riches have been drawn from the rest of Australia. Such riches could not have been drawn from other parts of the world. New South Wales and Victoria have sold to the rest of Australia goods at their own prices, and I suppose they have accumulated almost all the wealth

of Australia represented by Government bonds or securities of one sort or another because they have been able to charge the people of Australia just as much as they pleased so long as they could get the tariff advantage over import prices. All the riches of the people of Australia, including those of the Kalgoorlie goldfields, have found a resting place in those two cities. We do not blame them, for they have merely used the opportunity provided for them by the tariff.

Hon. P. Collier: You do not suggest that we shall not establish our manufacturing industries here and so concentrate the population in the city?

The PREMIER: I do suggest that, if we established factories here under a tariff imposed by this Parliament, the people would have a say in the making of the tariff. I have already shown how little influence we have in the Federal Parliament, because of the smallness of our representation there.

Hon. P. Collier: It would have to be a tariff that would permit of establishing manufacturing industries here.

The PREMIER: If we governed ourselves, we could regulate our policy to meet our own needs and ends, rather than the ends of larger manufacturing cities.

Hon. P. Collier: But it would create the same difficulties as we have to-day.

The PREMIER: I hope not. If it did, we would have no one but ourselves to blame.

Mr. Kenneally: That would be little consolation.

The PREMIER: We would not have the same tariff because the workers of this country would not submit to it.

Hon. P. Collier: It would have to be a pretty substantial tariff to cut out competition from overseas.

The PREMIER: Yes. It has to be remembered that everybody cannot enjoy the advantage of protection. If everybody got the advantage, no one would be protected. Consequently the cities are chosen and the primary producers are neglected. They have to carry the load. Our primary producing industries would be given a chance under State administration and our development would proceed. I cannot understand why the greatest possible comfort should not be given to everybody in the community. The tariff makes it impossible

for the people to have nearly as much as they otherwise would have. I have endeavoured to show that the effect of the tariff is to make people pay more than they otherwise would pay for everything that is imported or manufactured, whereas we give them their food at the lowest possible cost. What happens when the Arbitration Court inquires into the cost of living? The court finds that the food producers of the country are supplying food at a very much lower cost than previously and so the court says, "In our case the food requirements are down 25 per cent.; therefore the wages should come down 25 per cent." The factory owner, of course, is advantaged by the reduction of wages. He has not contributed a single thing to bring down the cost of living; as a matter of fact he keeps his prices where they were. He has not contributed anything to the reduction of the cost of living, and yet he gets the advantage of the lower wages and without reducing the cost of his manufactured goods.

Hon. P. Collier: Would it be any different under a separate Dominion tariff?

The PREMIER: If it were not different, we would have no one to blame but ourselves. It would be very comforting if all the money paid out by Western Australia because of the tariff went into the State Treasury, so that all of it would be available for us to use, instead of into the Federal Treasury where our share is one-sixteenth.

Mr. Sampson: It would make things easier and brighter.

The PREMIER: I would sooner trust the people of Western Australia to provide the government required by the State than I would trust the people of the whole of Australia to provide the government that they thought best for us. The present arrangement is uneven and unequal. Here we are, 420,000 people, simple people.

Hon. P. Collier: Caught by a confidence trick!

The PREMIER: We were simple enough to get into Federation. We are still living simple lives; we have not reached the cut glass age. We are hitched up to six millions of people, the nearest of them living 2,000 miles away. Most of them have never seen us; some, I suppose, have never heard of us.

Hon. P. Collier: And we have not seen them, either.

The PREMIER: I have seen too much of them lately, and I know the member for

East Perth sees them occasionally. We have travelled over together.

Mr. Kenneally: I am wondering whether, under the new conditions, you would have a chance of getting a surplus.

The PREMIER: I think I might.

Mr. Kenneally: That accounts for your supporting secession.

The PREMIER: I hope we shall have the revenue now paid into the Federal coffers. If I received revenue equal to that enjoyed by the Leader of the Opposition when he was Premier, we should have prosperity.

Mr. Kenneally: I thought we were going to have prosperity after the last election.

The PREMIER: I had hoped that we would. There were 4,000 men out of work when I took office, but with the fall in the prices of wheat and wool—a general collapse of commodity prices—another 10,000 men were thrown out of work. We can be quite fair and acknowledge the truth of all those things.

Mr. Marshall: Is not the wool you mentioned the wool you pulled over the eyes of the electors at the last election?

Mr. SPEAKER: Order! The Premier is being led off the track by interjections.

The PREMIER: Perhaps I have transgressed in that respect. We can deal with that matter at some other time. I am willing to discuss it at any time, even with the member for Murchison. We can go to the Esplanade and have it out if he likes.

Mr. Marshall: You would not last too long there.

The PREMIER: I suppose I would not, but some people do. The Bill is essentially the same as that passed by this House last year. It is proposed to submit two questions to the people. The first question will be whether the elector favours secession, and the second will be whether he favours a national convention to consider the Constitution. The second question was added to the Bill at the instance of the Leader of the Opposition last year. The House was quite willing that the Bill should go forward in that shape.

Mr. Withers: Do you suggest that electors should vote for both questions?

The PREMIER: No, I suggest that they should vote for secession.

Mr. Withers: The second question would be an alternative?

The PREMIER: The hon. member knows that the second question was inserted in this

House last year at the instance of the Leader of the Opposition. The Bill provides for compulsory voting; otherwise the vote would be highly unsatisfactory.

Mr. Hegney: Will there be two ballot papers or only one?

The PREMIER: It is essential to have as definite a decision as possible on such an important subject. An objection raised last year was the cost of taking the referendum, but I think the cost would be small if we took the referendum at the time of the general election.

Mr. Wansbrough: If you do, you will have plenty of informal votes.

The PREMIER: I do not know that there would be more informal votes on this question than on any other question. I have said that a similar Bill was introduced last year, but I have not repeated much of the argument then used in favour of the Bill. Still, I have submitted reasons that seem to me sufficient to justify the question being referred to the people. I do not think it will be possible for this State to make any progress while it is hitched to the other States, whose position is so entirely different from ours, either under Federation or under unification.

Hon. P. Collier: An important point you have not yet touched upon is the possibility of achieving secession.

The PREMIER: It will be a difficult matter, but I take it that the voice of the people would be listened to. We voted ourselves into Federation; there is no question about that. But, what we then did in the interests of our own people and of the Empire it should be possible to undo now if it were in the common interests.

Hon. P. Collier: Undoubtedly it is possible to get secession by consent of the Imperial Parliament, but would the Imperial Parliament consent to one State seceding when the Commonwealth Parliament and all the rest of the people were against it?

The PREMIER: I am not able to answer that question, but I hope the Imperial Parliament would consent, if it could be shown that it was in our interests and in their interests for Western Australia to make progress, and that progress was impossible under the conditions now prevailing. Surely it is right that we should endeavour to make the position better for those who come after us! Surely generations yet unborn ought to be considered by us! We govern Western

Australia, not for the present only, but for the future, and it is not possible to have prosperity while we are hitched to the Federation.

Hon. P. Collier: But being a united Australia of six States, would the Imperial Parliament for one moment consider separation by one State out of the six?

The PREMIER: I propose that the Imperial Parliament should have an opportunity to do its duty if we express our wish in no uncertain way. We have, of course, only one-sixteenth of the population of Australia, but we possess one-third of the territory, and this State should be permitted to make progress.

Hon. P. Collier: The Imperial Parliament has learnt its lesson and would not give a consent which might cause disruption in any Dominion of the British Empire.

The PREMIER: I am game to ask, and I think the people of Western Australia will be game to ask.

Hon. P. Collier: And they know what the answer will be.

The PREMIER: We shall send a delegate Home to press our claim, and I can see Mr. Collier standing at the Bar of the House of Commons advocating that it be granted.

Hon. P. Collier: We shall have to be very careful in the selection of our delegation.

The PREMIER: Yes. That will be done. The first step is to find out the will of the people, and that is what I ask the House to agree to do now. I move—

That the Bill be read a second time.

On motion by Hon. P. Collier, debate adjourned.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT.

Council's Amendments.

Schedule of two amendments made by the Council now considered.

In Committee.

Mr. J. H. Smith in the Chair; the Premier in charge of the Bill.

No. 1. Clause 5, line 36.—After the word "rates" insert the words "and taxes."

The PREMIER: I move—

That the amendment be agreed to.

Hon. P. COLLIER: Members should be given an opportunity to get the Bill on their files.

The Premier: The Bill has just been handed to members.

Hon. P. COLLIER: If I had not raised the question, the Bill would not have been before members. That is not the way to do business. We should know just where we stand. Now that I have the Bill before me, I would like an explanation.

The PREMIER: The Leader of the Opposition will find the amendment on the Notice Paper. It has been before the House for some days. I think members should agree to the amendment. If it is right to exempt rates on properties used in the production of income, it is equally right to exempt taxes on such property.

Mr. Kenneally: You did not show the same consideration to the man who is working for his living.

Miss Holman: Nor to the sustenance worker.

The PREMIER: The Bill provides for a tax on incomes as well as a tax on wages and salaries. The provision relates only to property used in the production of income.

Mr. KENNEALLY: I oppose the amendment. The Premier, when moving the amendment, did not mention workers who owned houses or land. As a matter of fact, he strenuously opposed amendments moved on this side of the House to exempt taxes paid by workers. The Premier also opposed an exemption for the maintenance of children of working men, and for medical expenses incurred in the operation on a man's wife. I hope members will not agree to the amendment.

Mr. Hegney: Even a man on £2 a week has to pay rates and taxes.

Mr. KENNEALLY: If the sustenance worker be refused any relief, we should not grant relief to property owners.

The ATTORNEY GENERAL: The member for East Perth does not quite appreciate the insignificance of this amendment.

Mr. Kenneally: If it is insignificant, why not drop it?

The ATTORNEY GENERAL: Certainly not. An insignificant matter may be well worth the attention of this Committee. The portion of Section 5 with which the Committee are dealing provides that the tax shall be paid on incomes as provided under

the Land and Income Tax Assessment Act, but cutting out all deductions under Section 31 and other sections, except rates paid on property used in the production of income.

Mr. Kenneally: Now it is proposed to add the words "and taxes."

The ATTORNEY GENERAL: A very proper thing to do.

Hon. P. Collier: If it is so very proper, why was it not done in the first draft?

The ATTORNEY GENERAL: I presume it was one of those slips which even the best draftsmen may make.

Mr. Marshall: Again you reflect on the legal fraternity!

The ATTORNEY GENERAL: They are just as liable to make slips as is the member for Murchison. Unless a person who is carrying on business in certain premises is allowed to deduct the expenses of carrying on such premises before he is taxed on the resultant income, he will be paying taxes on something that has not formed part of his income.

Miss Holman: What is the sustenance man allowed to deduct?

Hon. P. Collier: He will be allowed to deduct his rates and taxes.

The ATTORNEY GENERAL: He will not have any rates and taxes to pay.

Mr. Kenneally: He may be paying rates and taxes, and may not be permitted to deduct them.

The ATTORNEY GENERAL: This is merely a verbal amendment, and has nothing to do with the miseries of anyone.

Hon. P. COLLIER: This is the sort of amendment that is always detected in another place.

The Attorney General: Another place is sometimes useful as a means of having certain amendments inserted in Bills.

Hon. P. COLLIER: It is singularly dull when the amendment might assist the poor wage earner. This particular amendment embraces all kinds of taxes on property.

The Attorney General: Land tax only on property used in the production of income.

Hon. P. COLLIER: It ought to cover insurance.

The Premier: That is not a tax.

Hon. P. COLLIER: It might be. This may also cover other forms of taxation. Is income tax exempt from taxation under the Bill?

The Attorney General: No.

Hon. P. COLLIER: The Bill provides for the taxing of incomes without these deductions. If a taxpayer has to pay £20 a year by way of income tax, that represents money that has gone out. Should he pay tax upon that £20? On the other hand, if a man pays away portion of his income on land tax, he is to be exempt up to that amount. Why are not both taxpayers treated alike? No doubt the word "property" immediately attracted the attention of another place, and they fixed upon it and made this amendment.

Mr. SAMPSON: The owner of a property must meet certain overhead charges in order that it may be maintained. It would be a shortsighted policy if repairs and depreciation expenses were not provided for. The Council's amendment should be further amended by adding also such things as fire insurance on property, maintenance charges, and plant maintenance and obsolescence.

Hon. P. Collier: That meets the situation in a very comprehensive way.

Mr. SAMPSON: These are charges which a property should carry, otherwise it must be a liability rather than an asset to the owner.

The CHAIRMAN: Does the hon. member intend to move an amendment to the Council's amendment?

Mr. SAMPSON: Yes. I move—

That the amendment be amended by adding after "taxes" the words "and fire insurance, property maintenance charges, plant maintenance and obsolescence charges."

Mr. Hegney: What about burglary charges?

The PREMIER: I hope the Committee will not accept the amendment.

Mr. Marshall: Why not make it all-embracing?

Hon. P. Collier: It is as justifiable as the Council's suggestion.

The PREMIER: Nothing of the sort. The Council's amendment merely provides that returns from property used for the production of income shall be exempt from rates and taxes. The member for Swan knows full well that we are not allowing under the Bill deductions that are permissible in connection with income tax assessments.

Mr. Hegney: Will rates include water rates as well as road board rates?

The PREMIER: Yes, all rates. The member for Swan desires to add a whole string of exemptions. It is necessary to have the money that will be raised under the Bill if we are to support people in employment.

Mr. KENNEALLY: I am grateful to the member for Swan for moving his amendment because it serves to throw into proper perspective the objective of the Legislative Council. The member for Swan is solicitous about overhead charges now, but he did not show any such inclination when the interests of the workers were under consideration. There is no consideration for the interests of the workers, but every consideration for the property owner.

The CHAIRMAN: Order! The hon. member can discuss only the amendment, and he is out of order in going beyond that.

Mr. KENNEALLY: I am endeavouring to show the relationship between the member for Swan's amendment, the provisions of the Bill and the refusal of the Committee to grant any relief to single men in receipt of 21s. a week and married men in receipt of £2 1s. a week. If we agree to the latest proposals, it will mean conferring an advantage on a section of the people, whereas we formerly declined to accord similar consideration to the wage earners.

Mr. HEGNEY: I oppose both the Council's amendment and the further amendment of the member for Swan. If the latter were to be logical, he would go further and provide for every item that appears in a balance sheet, including lighting charges, salaries, and so on. The Government refused to grant concessions that we suggested in the interests of sustenance workers, and the Committee should be consistent and grant no exemptions, if that attitude is to be maintained.

Hon. S. W. MUNSIE: I recognise that the Legislative Council have included taxes for the purpose of exempting property owners from the payment of the tax in respect of properties from which they derive their income.

The Attorney General: Not those from which they derive their income, but those out of which they make their income.

Hon. S. W. MUNSIE: What is the difference?

The Attorney General: A substantial difference.

Hon. S. W. MUNSIE: It means exemption in respect of taxes on business pre-

mises. The Commonwealth Government permit members of the State Parliament who represent country districts to deduct £100 as expenses incurred in earning their incomes, while metropolitan members can deduct £50. On the other hand, the State Government are insisting on single men in receipt of 21s. a week and married men on £2 1s. a week paying their share of the emergency tax. No relief is suggested for them because the married men have to maintain two homes through being forced to take work in the country under the Government scheme. There is no consistency about it.

The Premier: This money is for those people.

Hon. S. W. MUNSIE: The worker gets the money, but he has to shoulder extra expense under the Government scheme, for which he receives no allowance. If the member for Swan will include in his amendment some provision that would conserve the interests of the workers I have in mind, I will support him. Unless he is prepared to do so, I will vote against both his amendment and the Council's proposal.

Mr. KENNEALLY: This proposes to exempt property used in the production of income. Are the Government prepared to exclude also money spent in the production of a worker's income? The worker has to provide food and clothes in order to produce his income, and he is going to be taxed on incomes of 21s. per week if single and £2 per week if married. Under certain Arbitration Court awards, provision is made for the payment of an additional amount where a man is called upon to work in water, because it means the wearing out of additional pairs of boots. Yet no provision is made in the Bill for exemption for that man. Again, under our income taxation a man who spends £20 on a medical operation is entitled to exemption for that amount, it being an expenditure incurred in order that his income may be earned. Yet the Bill offers no exemption for that man. Why, then, should we grant exemption for the property owner? If we do not protect a man on sustenance, we certainly ought not to protect a man with property.

Amendment on the Council's amendment, put and negatived.

Mr. SLEEMAN: We should not be dragged at the heels of another place. Every amendment made by the Council to a Bill

we send up to them is accepted by Ministers. If this is not a money Bill, at all events it is the machinery part of a money Bill, and I do not think the Council are in order in seeking to amend it. All their amendments are made in the interests of property owners. I hope the amendment now before us will not be agreed to.

Mr. MARSHALL: I ask the member for Swan and other members who have conducted business in the city whether they are ever at any loss by reason of the imposition of taxation. I am quite sure the member for Swan passes all his taxes on to those doing business with him. The property owner likewise is at no loss from taxation, for he invariably passes it on, but the unfortunate wretch on £1 or £2 a week, cannot pass it on, and so he has to do with less food in order to meet his taxation. The Council's amendment is nothing but a gross injustice, and I will vote against it.

Question put and passed; the Council's amendment agreed to.

No. 2. Clause 10.—Insert a subclause, as follows:—

(2.) Where any salary or wages consists of fees paid to directors of companies or to members of boards, trusts, or commissions, or commissions paid to an agent, and the taxpayer satisfies the Commissioner that expense has been incurred in earning such salary or wages, or that for any other reason the payment of tax in respect of such salary or wages under, and in accordance with section nine would be inequitable, the Commissioner may by writing under his hand direct that such salary or wages of such taxpayer shall be assessed as income for the purpose of this Act, and the tax under this Act shall be payable by the taxpayer under and in the manner provided in this Act for tax in respect of income.

The PREMIER: This amendment really provides that with the consent of the Commissioner the tax may be paid as a tax on the income. The idea is that expenses may be incurred in the earnings of fees or commissions, and that those expenses shall be deducted, and the actual amount paid as a tax on the income. That will relate to fees paid to directors of companies, or members of boards, trusts or commissions, or it may be in commissions paid to an agent. In such circumstances the amount may be paid as a tax on income.

Mr. Marshall: And under the Income Tax Act the taxpayer will get all sorts of deductions for expenses.

The PREMIER: It will still leave his income to be taxed. I do not suppose there will be a great many such cases submitted to the Commissioner. It may be that an agent has to pay salaries to his staff, and of course those salaries in turn will be taxable. I do not think under this amendment anyone can escape paying what he is justly entitled to pay. Land agents would have considerable expenses in earning their income, and those expenses must be allowed. They may have to divide their commissions amongst two or three. I move—

That the amendment be agreed to.

Hon. P. COLLIER: The acceptance of the amendment shows the wretched partisan nature of the tax. When the Bill was passing through this Chamber, we strove to exempt men on starvation wages, men receiving £1 and £2 a week, and we were resisted by members on the Government side. There could be no exemption whatsoever. When it comes to the question of payment by a company director, he is to be exempt.

The Attorney General: No.

Hon. P. COLLIER: Yes; his fees are to be considered by the Commissioner of Taxation.

Mr. Sleeman: If he runs a motor car, there will be a deduction.

Hon. P. COLLIER: I am astonished to find consideration extended to those whose salary or income is made up of fees as directors of companies or members of boards, trusts or commissions. A man might be receiving £200 or £500 a year as a director and the cost incurred in earning that income may be taken into consideration, and may be deducted. The wage-earner is to receive no deduction. If a man is earning £2 a week, his costs in earning it may be 4s. or 5s. a week, but those costs may not be deducted. If a director receives two guineas for each sitting, what costs are involved?

The Minister for Lands: If no costs were involved, there would be no deduction.

Hon. P. COLLIER: Why should not the amount stand as income and be taxable?

Mr. Parker: Suppose it were paid into a partnership?

Hon. P. COLLIER: Then the partnership should stand the amount of the tax.

The Attorney General: The amendment would not exempt the fees. It is only a matter of whether the tax should be deducted at the source.

Hon. P. COLLIER: But the Bill provides for deduction at the source.

The Attorney General: If the director could show the Commissioner that it should come in as part of the income—

Hon. P. COLLIER: If a fee is paid to me, why should it not be taxed at the source?

The Attorney General: It should be, normally, but to show the Commissioner that it should not be is all this amendment provides.

Mr. Kenneally: Why not allow the working man to show the Commissioner in the same way? That is refused. The consideration is for company directors only.

Hon. P. COLLIER: Does the Attorney General suggest that taxing incomes at the source does not do an injustice? A considerable portion of one's income may be expended in earning it, but that is not considered. If a man is in receipt of £4 a week, he is taxed on the full amount, although he may have to spend £1 to earn the £4. A company director, however, is to be considered. This is another instance that every possible aspect of taxation is considered by another place as to whether it is likely to affect men who draw income as members of boards of directors, trustees or commissions. Mighty little consideration was given as to how the tax affected wages men receiving £2 to £4 a week. Members there said it was quite right that the man in receipt of a small income should pay a tax because it brought home to him the responsibility of citizenship. Yet all the time they were seeking to exempt themselves and the people they represent. There is no question that a number of members in another place are concerned with all legislation that comes before them, not in the public interest, but as to how it will affect themselves and the special interests they represent. Anyone who observes the discussions that take place there night after night can come to no other conclusion than that some members are there to protect their own interests and the special privileges of the moneyed class they represent.

Mr. Kenneally: And they do the job well.

Hon. P. COLLIER: They do it mightily well. I would go so far as to say there are some members in another place who are not representatives of the people at all, but who hold a brief for certain interests, and they are always ready to defend those interests. Quite a large number of members in

another place are directors of companies and draw fees as directors, and naturally they have inserted an amendment to protect themselves and the class to which they belong. It is right, say the Government. If so, why was it overlooked by the Government when the Bill was drafted?

Mr. Hegney: The Government representative put it up in another place.

Hon. P. COLLIER: Because it was brought under the notice of the Government. It shows the manner in which the Government are prepared on every possible occasion to exempt from taxation those who ought to be taxed, and how relentless the Government are in taxing the unfortunate persons who cannot afford to pay.

The Premier: That is not so.

Hon. P. COLLIER: It is so. I do not for a moment think the Government did not carefully weigh the Bill before it was introduced. Are we to assume the Government overlooked this particular point? Although the Attorney General will reply, and with him Mr. Parker—to use the announcement in the newspapers “instructed by the Premier”—still I hope the Committee will not agree to the amendment, which is absolutely unfair in comparison with other provisions in the Bill.

Mr. SLEEMAN: This matter must have been brought up in the absence of the Premier, because, from his remarks when moving the amendment, I think he was rather ashamed of himself for moving it. There are sustenance workers who are forced to go to the bush to work for £1 per week above the 14s. per week that they receive for sustenance. They do not receive exemption from taxation. Frequently they have to spend a day and a night waiting to catch a train, and so the biggest part of their week's earnings has to be expended in providing a bed and meals for themselves. They have to leave their homes and their dependants have to go without food. It seems the amendment is designed more for the protection of directors of companies who can put up an argument to show that portion of their income is expended in earning their fees.

The ATTORNEY GENERAL: Listening to the observations of members on the other side if the House one would come to the conclusion that the amendment proposed to exempt from this tax fees paid to directors.

Mr. Kenneally: No one has said that at all.

The ATTORNEY GENERAL: I did not say anybody did. I said that people who had listened to what members on the other side of the House said, would get the impression that that was what the amendment meant. It does not mean anything of the sort.

Mr. Sleeman: Explain it. I want to see if you have a different idea of it from what I have.

The ATTORNEY GENERAL: Then the hon. member has some doubt about the meaning of the amendment. He is prepared to admit that he does not understand it.

Mr. Sleeman: I have formed my opinion. If you have a different one, let us hear it.

The ATTORNEY GENERAL: The hon. member has not told the Committee what his opinion is. He simply says the amendment is iniquitous. I have heard that type of criticism of almost every measure that the Government have introduced.

Mr. Sleeman: You have heard nothing of the sort. I say that is a deliberate untruth.

The CHAIRMAN: Order!

Mr. Sleeman: It is a deliberate untruth.

The ATTORNEY GENERAL: I think the hon. member is cracking eggs with a sledge hammer at the moment.

Mr. Sleeman: As a matter of fact, the hon. member—

The CHAIRMAN: Order!

The ATTORNEY GENERAL: I did not want to annoy the hon. member.

Mr. Marshall: You have a peculiar way of trying to please hon. members.

The ATTORNEY GENERAL: The object of this amendment is merely to see that the tax is not deducted at the source from what is known, artificially, as salary or wages. In some instances the man who receives director's fees puts them straight into his pocket. In such a case the tax ought to be deducted at the source.

Hon. P. Collier: Strictly speaking, are not director's fees salary?

The ATTORNEY GENERAL: I do not think so. Salary in the ordinary sense is something which is paid for continuous work, as a rule over a year, while wages are paid for continuous work over a week.

Hon. P. Collier: This is continuous work, but it is part-time.

Mr. Corboy: Is it not payment for personal services, whether by the hour or by the week?

The ATTORNEY GENERAL: So is the 6d. or the 9d. or the 1s. 6d., or whatever the member for Yilgarn pays for having his hair cut. That is payment for services rendered, but I do not think the hon. member would like to have the obligation put upon him to deduct at the source this tax every time he had his hair cut.

Mr. Corboy: The hairdresser subsequently pays tax on all those ninepences.

The ATTORNEY GENERAL: If a person can show the Commissioner that it would be inequitable that the tax should be deducted at its source he can pay the tax as part of his income tax for the year. That is all this amendment means. If a director is a partner in a firm, his fees are paid into the common account of the firm. The money is then charged with a proportion of the expenses of running the office, and what is left goes towards the general profits of the firm for the year. Many professional men have been living entirely on their savings, and have not earned any income.

Mr. Kenneally: And they are, therefore, not taxed.

The ATTORNEY GENERAL: They could not be taxed except under a capital levy. Does the hon. member want to tax the savings of the people? This amendment does not give company directors any special exemption.

Hon. S. W. Munsie: What is the meaning of the words "the taxpayer satisfies the Commissioner that expense has been incurred in earning such salary or wages"?

The ATTORNEY GENERAL: Suppose I were a director of a company and received a fee of 50 guineas a year. I would go to the Commissioner and point out to him that I had received that fee and that, while it was proposed to deduct the tax at the source, I had had to incur certain expenses. I would point out to him that the fees represented part of my professional earnings and went into my firm's account, from which there were outgoings as well as ingoings. As it cost me something to earn the director's fees, I would ask the Commissioner not to levy the tax at the source, but to allow me to render my income tax return at the end of the year in the ordinary way. If he

agreed to that, then I would pay the taxation on the same basis as another whose income consisted purely of earnings.

Hon. S. W. Munsie: That is not the position. You have explained it just as it would be if the words to which I have drawn attention did not appear in the Council's amendment.

The ATTORNEY GENERAL: As the amendment stands, if I were to satisfy the Commissioner that expense has been incurred in earning those fees or that the payment of the tax at the source would be inequitable, then the Commissioner would be able to exempt me from the payment of the tax at the source and allow me to be assessed in the ordinary way. As a matter of fact, I would not get out of anything.

Hon. S. W. Munsie: I think you would.

The ATTORNEY GENERAL: That is not so. The only objection to the amendment should come from the Treasurer, who wishes to collect the tax at the earliest possible moment. I am surprised at anyone else objecting to it.

Mr. MARSHALL: I sympathise with the Premier and the Attorney General in their endeavours to explain the amendment. It is quite apparent that there is a great deal more in the amendment than they are prepared to admit. It will protect people who are in a comfortable position and the paltry arguments of Ministers to the contrary do not explain that away. A man may have control of his own business and may be a director of another concern. Some directors, particularly those associated with banks, receive as much as 500 guineas a year for merely attending meetings.

Mr. Parker: They get that per meeting, do they not?

Mr. MARSHALL: Men in that position, according to the Attorney General, will be able to approach the Commissioner and inform him that they have to incur certain expenses in attending the board meetings. Then the directors will not be taxed at the source, but will be allowed to pay in their fees to the funds of their firms, and then will be assessed at the end of the year.

The Attorney General: Is there anything wrong with that?

Mr. MARSHALL: Of course there is. A carpenter may have to spend £15 in purchasing tools for a job and as soon as he starts work, he has to pay the tax at the

source and is not allowed to deduct anything on account of the expense he has been put to.

Mr. Parker: And the director is not allowed to deduct the price of a suit of clothes that he has to purchase to attend the board meeting.

Mr. MARSHALL: Yes, he will.

The Attorney General: All the amendment will allow that director to show is that what he receives is not net to him. If he can show that, then the Commissioner may allow him to pay the tax on his yearly assessment instead of compelling him to pay at the source.

Mr. MARSHALL: The Attorney General has misinterpreted the amendment entirely. The director can go to the Commissioner and inform him that expense has been incurred.

The Attorney General: Then what happens?

Mr. MARSHALL: If the Commissioner desires, he can allow that man not to pay at the source.

The Attorney General: What frightful harm is there in that? Instead of paying at the source he pays at the end of the year.

Mr. MARSHALL: Nothing of the kind. The Minister is now seen in his true colours. As soon as an amendment is proposed to exempt those in good positions, he is in favour of it, but when any measure is introduced to relieve those on the lower rungs of the ladder, he is against it. This amendment is special legislation for a special class with which the Attorney General is pleased to associate daily.

Hon. S. W. MUNSIE: The words of the amendment "and the taxpayer satisfies the Commissioner that expense has been incurred in earning the salary or wages" have been put there in order to exempt any expenses at all. If those words were left out of the amendment, the man who drew director's fees would still have the right to prove to the Commissioner that it would be inequitable to tax the full amount at the source, and if he could so satisfy the Commissioner, he would have the right to add the net amount to his income tax assessment. But those words give the taxpayer the right to exempt any expenses whatever incurred in earning his money. To test the

feeling of the Committee, I move an amendment on the Council's amendment—

That the words in lines 4 to 6 "and the taxpayer satisfies the Commissioner that expense has been incurred in earning such salary or wages" be struck out.

Hon. M. F. TROY: I am not sure that the amendment on the Council's amendment will achieve a great deal, and so I address myself to the Council's amendment. The purpose of the amendment is to provide against taxation of salary at its source, which is not one and the same thing as the taxing of the income. This amendment is not nearly so simple as it looks, or as the Attorney General would have us believe. Under the Bill, a person who receives director's fees would be liable to pay the tax at its source, but this amendment will allow a person in receipt of fees as a director to have those fees included in his income tax assessment. However, it may be that when his income tax assessment is put in it is found that he is not taxable at all, because he has no taxable income, but shows a loss on the year's operations. If he had to pay taxation at the source, he would certainly pay on his salary as a director. The object of the amendment is to free him from taxation at the source. Possibly many directors who receive fees carry on occupations, and if they showed a loss on the year's transactions, they would not pay this tax. If the Council's amendment were not agreed to, they would pay the tax on the fees received as directors.

The Attorney General: Is that just?

Hon. M. F. TROY: Yes. I do not intend to discuss the morality of the proposal because there is nothing just about the tax.

The Attorney General: No taxation is just.

Hon. M. F. TROY: Other members of the community have to pay at the source, and why should company directors escape?

The Attorney General: Commission agents are included.

Hon. M. F. TROY: Well, why should one class escape?

The Attorney General: You would not say that commission agents were in the same class as company directors.

Hon. S. W. Munsie: Commission agents are not included.

The Attorney General: Of course they are.

Hon. M. F. TROY: There may be some justification for providing for the commis-

sion paid to land agents, but there is no justification for including company directors. The amendment of the member for Hannans will not achieve the purpose. He should move to strike out the reference to directors of companies and members of boards, trusts and commissions. The Council's amendment is particularly objectionable, especially as so many members of that House are what are often vulgarly termed guinea pigs. A member of Parliament would be taxed on his Parliamentary salary at the source, but if he was conducting a business and showed a loss on his year's income, he would still have paid on his Parliamentary salary. A company director, however, would not pay. The proposal is grossly inequitable.

Mr. KENNEALLY: The Council's amendment has omitted to mention members of combines to make the exemptions complete.

The CHAIRMAN: The question before the Chair is the amendment of the member for Hannans.

Mr. KENNEALLY: The striking out of the words will not improve the Council's amendment. The bad effect will remain.

Hon. S. W. MUNSIE: I am opposed to the Council's amendment, even though the words be deleted, but I moved the amendment in order to give the Council's amendment the effect that the Attorney General said it should have. In reply to the member for Mt. Magnet, I point out that Clause 10 provides a specific exemption for people on wages and salaries.

The Attorney General: The clause is merely inserted to meet the constitutional difficulty of a Commonwealth civil servant being taxed by the State.

Hon. S. W. MUNSIE: I thank the Attorney General for his information, because he has brought under my notice a case where it is illegal for the State to tax a servant of the Commonwealth. For instance, the Postmaster General would refuse to deduct this tax from an employee in the service of the Commonwealth Government. The clause provides that the Commonwealth public servant shall not escape payment of the tax, but shall pay it with his ordinary income tax, instead of at the source. Now, a director has only to prove to the satisfaction of the Commissioner of Taxation that some expense has been incurred by him in earning these fees, and he will get exemption.

The Attorney General: No.

Hon. S. W. MUNSIE: If this amendment is carried, he will.

The Attorney General: He will not. He has to make out a *prima facie* case to the satisfaction of the Commissioner that his director's fees are not net income. If the Commissioner is satisfied that that is so, then he says to the director, "Make out your income tax return at the end of the year like other taxpayers do."

Hon. S. W. MUNSIE: What will he pay on?

The Attorney General: On the amount he receives.

Hon. S. W. MUNSIE: The net amount?

The Attorney General: Less the deductions allowed by law, which are very skimpy. He pays on net income.

Hon. S. W. MUNSIE: Will the Commonwealth public servant be permitted to make any deductions at all?

The Attorney General: Yes. He can make the deductions which are allowed by law under the Land and Income Assessment Tax.

Hon. S. W. MUNSIE: But there are no deductions allowed by law. A Commonwealth public servant is not an old-age pensioner or an invalid pensioner. These are the only persons exempted from payment of the tax. Notwithstanding that the Commonwealth public servant is not obliged to pay the tax at the source, he has to pay tax on the full amount of his wages or salary. Why should not the company director pay on the full amount he receives for director's fees? If the director makes a loss, he will not pay any tax at all.

The Attorney General: That is right. Why should a man pay tax if he receives no income?

Hon. S. W. MUNSIE: But he has received it. I receive £480 parliamentary allowance. If I lose £150 of that allowance at the races, it would be just as fair that I should pay only on the balance. Many men to-day are running businesses which are just as big a gamble as putting money on racehorses. A company director could squander his fees in what is really a fictitious business, and so escape payment of the tax on those fees. That is what the amendment means.

The Attorney General: Do you think you are arguing fairly when you make a com-

parison between this amendment and spending money at the races?

Hon. S. W. MUNSIE: It is just as reasonable an argument as is the Attorney General's. If it is unjust to tax the income at its source, I agree that the taxpayer should be able to pay the tax by way of the general assessment.

Mr. Sleeman: If no deductions can be made, there is no harm in striking out the words.

Amendment on the Council's amendment put and negatived.

Mr. KENNEALLY: Why should we select for special treatment the directors of companies, members of boards, trusts or commissions, or commissions paid to agents? There is no justification for such a proposal. If a director has to go from one company meeting to another, and hires a motor car for the purpose of doing so, he can deduct the expense of that trip from the amount of the fees he receives. The Attorney General cannot deny that.

The Attorney General: I do deny it.

Mr. KENNEALLY: The amendment provides that if the tax is not collected at the source, the expense incurred in earning the amount can be taken into consideration. The Commissioner may allow a deduction for the cost of motor hire, because that expense was incurred in the earning of the income. The Attorney General knows that is right.

The Attorney General: I thought you had more knowledge of the English language than to talk like that.

Mr. KENNEALLY: The amendment speaks for itself.

The Attorney General: Do you say that if a director wishes to travel in a motor car from one meeting to another he can deduct the cost of the journey from his fees?

Mr. KENNEALLY: He can do so. What is the meaning of the words "and the taxpayer satisfies the Commissioner that expense has been incurred in earning such salary or wages?" If he is put to the expense of a motor car in the earning of his salary, the Commissioner can arrange for the tax not to be collected at the source but on the basis of his income.

The Attorney General: Do you really believe what you are saying? Is it possible you believe that is what the words mean?

Mr. KENNEALLY: The Attorney General previously admitted that that is what the words mean, and that it was all right. It was not all right.

The Attorney General: What you are saying is not all right.

Mr. KENNEALLY: If the worker incurs expenditure in earning his wages, there is no such exemption for him. How can a wages man appear before the Commissioner? If it is fair that provision can be made for directors of companies, it should be equally fair to provide for the wages man. The Attorney General referred to directors as engaged in part time work, but that is also the position of the great bulk of the men that the Premier says he has placed in employment. The Bill reeks with unjust taxation provisions with discriminatory exemptions. It is an obvious attempt at class distinction, which will stand to the discredit of members if they agree to it.

Question put and a division called for.

Point of Order.

Mr. Sleeman: On a point of order, I ask for your ruling, Mr. Chairman, as to whether directors of companies are entitled to vote on this question.

The Chairman: Will the hon. member state who are directors? I do not know of any.

Mr. Parker: What about members of boards and those who receive commission?

The Chairman: I cannot give a ruling unless the member for Fremantle says who he has in mind.

Mr. Sleeman: Cannot you give your ruling first. If you do so, members interested may accept your ruling and decide to retire before I mention any names.

The Chairman: According to May, pecuniary interest is defined as meaning that it "must be a direct pecuniary interest and separately belonging to the persons whose votes were questioned and not in common with the rest of His Majesty's subjects or on a matter of policy." Unless the member for Fremantle mentions the name of any member who has a direct pecuniary interest, I cannot give a ruling.

Mr. Sleeman: I think there are members present who have a direct pecuniary interest because they hold office as directors of companies, banks and so forth. If you would give your ruling, I could then name

certain members, who would not be wisely advised to record their votes on a question such as this.

The Chairman: Anyone receiving a direct pecuniary interest will not be entitled to vote.

Hon. M. F. Troy: What is the penalty if such a member does vote?

Division resulted as follows:—

Ayes	20
Noes	17

Majority for .. 3

AVES.

Mr. Barnard	Mr. J. I. Mann
Mr. Brown	Mr. McLarty
Mr. Church	Sir James Mitchell
Mr. Davy	Mr. Parker
Mr. Doney	Mr. Patrick
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. J. M. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. H. W. Mann	Mr. North

(Teller.)

NOES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Nulsen
Mr. Cunningham	Mr. Sierman
Mr. Hegney	Mr. Troy
Miss Holman	Mr. Wansbrough
Mr. Kennelly	Mr. Willcock
Mr. Lamond	Mr. Withers
Mr. Marshall	Mr. Wilson
Mr. Millington	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Keenar	Mr. Johnson
Mr. Angelo	Mr. Coverley
Mr. Scaddan	Mr. Pantou
Mr. Richardson	Mr. McCallum
Mr. Piesse	Mr. Raphael

Question thus passed; the Council's amendment agreed to.

Resolutions reported, the report adopted and a message accordingly returned to the Council.

House adjourned at 11.34 p.m.

Legislative Assembly.

Wednesday, 23rd November, 1932.

	PAGE.
Questions: Perth Hospital	1903
Licensing Act, fee	1903
Herdsmen Lake holdings, motion	1904
Loan Estimates, 1932-33	1904
Bills: Secession Referendum, Message	1905
Mining Act Amendment, 3a.	1905
Cattle Trespass, Fencing and Impounding Amendment, report	1905
Brands Act Amendment, 2a. Con.	1905
Bulk Handling, Joint Select Committee's report	1904
Municipal Corporations Act Amendment, Con. report	1905
Health Act Amendment, 2a.	1906

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

QUESTION—PERTH HOSPITAL.

Mr. J. H. SMITH asked the Minister for Health: 1, What salaries are paid to (a) the S.M.O. of the Perth Hospital; (b) the house and junior resident medical officers; (c) the secretary? 2, Is the salary of any of them affected by the Financial Emergency Act? 3, What increases of salary and allowances have been made to the secretary during the last two years? 4, What were the total expenses on account of cancer appeal paid (a) for organiser or organisers; (b) for publicity work? 5, What is the average cost per day per patient for medical and surgical treatment and for administrative charges? 6, Do not the small salaries offered to junior medical officers tend to prevent the best men being obtained?

The MINISTER FOR HEALTH replied: 1, (a) £500, plus board and residence, equalising £150; (b) £133, £164, £189, plus board and lodging; (c) £600, no other emoluments. 2, Yes, all. 3, Nil. 4, (a) £167 15s. 11d., plus £483 15s. 1d. commission; (b) £120 19s. 3d. As per published audited statement of receipts and payments. 5, Year ended 30th June, 1932—average cost per day per patient for medical and surgical treatment, 8s. 9d.; average cost of administrative charge, 4d. (4 per cent.). 6, No.

QUESTION—LICENSING ACT FEES.

Mr. J. H. SMITH asked the Premier: 1, Is he aware that the Licensing Court sat in country districts early in this month and