

# Legislative Council,

Thursday, 31st December, 1922.

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The PRESIDENT took the Chair at 3 p.m., and read prayers.

## QUESTION—JARNADUP-DENMARK RAILWAY PROJECT.

Hon. H. STEWART asked the Minister for Education: 1, Has the Railway Advisory Board reported on the proposed Jarnadup-Denmark railway? 2, Is it not the general practice for the Railway Advisory Board to report on a proposed Government line before its authorisation is submitted to Parliament? 3, Why has not the Advisory Board reported on this line?

The MINISTER FOR EDUCATION replied: 1, Yes. The Railway Advisory Board reported on the proposal in 1911; 2, Yes; 3, Answered by No. 1.

## QUESTION—GERALDTON HARBOUR.

Hon. J. W. HICKEY asked the Minister for Education: In view of the answer given to my question of the 26th October in reference to improvements to Geraldton harbour, will the Minister state what consideration has since been given to the matter, and what the intentions of the Government are with respect thereto?

The MINISTER FOR EDUCATION replied: The matter is receiving attention, and a statement will be submitted shortly.

## BILLS (2)—RECEIVED FROM THE ASSEMBLY.

1, Agricultural Lands Purchase Act Amendment.

2, Industries Assistance Act Continuance.

Received from the Assembly and read a first time.

## BILL—LAND TAX AND INCOME TAX. Second Reading.

Debate resumed from the 14th December.

Hon. A. LOVEKIN (Metropolitan) [3.5]: This Bill should not be allowed to go through without some discussion.

Hon. J. Duffell: Speak now or for ever hold your peace.

Hon. A. LOVEKIN: It provides for a large increase in taxation. At present we are not aware as to whether that tax will be required. Last night I proposed to amend the Assessment Bill, amending a section of the 1920 Act which corresponds with Section 6 of the present Act. But the Minister told me I was very stupid to seek to amend that Bill—

The Minister for Education: I did not say you were very stupid. I said your amendment was ridiculous.

Hon. A. LOVEKIN: If my amendment was ridiculous, it followed I must have been stupid to bring it forward.

The Minister for Education: I think you will agree with me.

Hon. A. LOVEKIN: The Minister has cost me £1 or two to find out whether I was stupid or not. I have this morning consulted three legal gentlemen and others, and am advised that this section of the 1920 Act is still a good and subsistent section.

The Minister for Education: What about the 1921 Act?

Hon. A. LOVEKIN: There was no need to put it there. It is perfectly clear that the Act is good for 12 months as regards the tax only, but the other amendments are amendments to the Act.

The Minister for Education: The surcharge is a tax. It would be no good unless re-enacted.

Hon. A. LOVEKIN: Later on I propose to move to insert the word "net" in Clause 6 of this Bill. The select committee went into this question last year, but it was too late to do anything. We had placed before us an instance very much on the lines given by Mr. Miles the other day. An amendment was suggested to insert the word "net." The question was put up to the select committee as to whether the super tax of 15 per cent. should be imposed on gross or net incomes. The department imposes on gross income, and litigation was about to ensue. Mr. Nicholson knew of cases, and mentioned that of Sir William Lathlain, Mr. Pitchford and others. Mr. Downing, K.C., holds that the department is wrong in imposing a tax on the gross instead of the net amount. If we read Section 5 and 6 together we find it was intended that the net income should be taxed, and the object of putting in the word "net" is not so much to alter the law as to make it clear and emphatic.

The PRESIDENT: From what is the hon. member quoting?

Hon. A. LOVEKIN: From the report of the select committee.

The Minister for Education: Where do you propose to put in the word?

Hon. A. LOVEKIN: Towards the end of Clause 6. In the course of his opinion Mr. Downing said—

By Section 5 of the Act if the income chargeable, together with income received in respect of the dividends of a company subject to duty under the Dividend Duties Act, amounts to such a sum as if it were all income chargeable, would be liable to income tax at a rate exceeding 1s. 3d. in the pound, income tax is payable on the amount of the aggregate income, but the person shall receive credit for the duty payable under the Dividend Duties Act. In my opinion the tax imposed by this Section is the income tax on the aggregate income, less the dividend duty, and the balance is the amount of tax payable. The difficulty, however, is created by Section 6 which provides that "on such incomes as are liable to tax under Section 5, a super tax equal to 15 per centum of the amount of the income tax imposed as aforesaid" shall be charged in addition to the income tax. If, therefore, the balance after deducting dividend duty from the income tax, on the aggregate income, is the income tax payable under Section 5, then that balance is the income tax which is imposed, and such balance only is liable to a super tax of 15 per centum. I understand the Commissioner contends that the super tax must be added to the tax on the aggregate income, before deducting the dividend duty, and for this purpose apparently he uses the words, "on the income chargeable of all taxpayers," contained in Section 6. It is true that the same words "income chargeable" are used in Section 5, but I do not think this can be the construction of the section in view of the words "income tax imposed as aforesaid." Surely a super tax is something added to a tax which is actually payable, and if the tax which is actually payable is to be arrived at by first deducting some other tax it seems to me it would be straining the language of the Act to imply that the Legislature meant the super tax was to be added before making the deduction. In my opinion the Commissioner's construction of the Act is wrong, and that the super tax can only be imposed on the balance, or, in other words, on the tax which is actually payable under Section 5.

The Minister for Education: Which course would bring about uniformity between the two taxes?

Hon. A. LOVEKIN: It would mean paying on the net instead of on the gross income.

The Minister for Education: Where would you get the super tax on the income?

Hon. A. LOVEKIN: After taking out the net income there would be a tax on the lot. If we put in the word "net" we would only be giving effect to what was intended and do justice to the taxpayers. In small incomes

there is a difference of perhaps £20 or £30, which I suggest has been obtained in an improper way. Speaking of the Bill generally, the addition of .001d., which makes the tax up to .007d., will mean a very material increase in the burden upon the people. The other night I showed that we were beginning with an amount of £425,000 in taxation, and while exempting payment of anything from £30,000 to £35,000, we would wind up with about £444,357 in taxation. This is more or less a rough calculation, and the calculations by the department are also rough, because within a day or two ago they had not calculated in steps of £100 what the tax would amount to, but had made jumps of much larger amounts. I made a calculation for myself and did so in steps. I have shown the House how the tax worked up from £425,000 to £444,357, after deducting £37,650 which, it was calculated, would be involved in the exemptions for people receiving under £200, as proposed in the Assessment Bill. On that score alone, the Government will get not only the amount which will be allowed as a deduction to the people, but also a large profit as well. There is another factor which, on the Commissioner's figures quoted by the Premier in another place, has not been taken into account. I refer to the provision under which the dividends are to be merged with the ordinary income and taxed at the higher rate. That will bring in a lot more money.

The Minister for Education: That has been going on for a couple of years.

Hon. A. LOVEKIN: It is not in the assessment upon which I made my calculations. When the departmental officials have finished the fifteenth assessment, we shall get these particular figures and find out what has happened. The figures shown on page 16 of the Commissioner's report indicate that something under half of that tax has been collected. I made some inquiries at the Taxation Department this morning and I was told that, roughly, of the £244,000 collected for dividend duty in that year, £130,000 went abroad and was confined to the rate of 1s. 3d. in the pound. The balance of the dividend duties were distributed here and that amount of between £100,000 and £120,000 will now be merged in the general income and will pay, in most cases, the higher rate of tax running up to 4s. in the pound.

The Minister for Education: Only when those incomes reach the higher amounts.

Hon. A. LOVEKIN: Naturally. it will depend on the amount of the income what the rate will be. I take it the people who get dividends are those who receive income in other ways, such as from mining ventures, and so forth.

The Minister for Education: Last night you were most concerned about people with £150 a year.

Hon. A. LOVEKIN: Why not? There are people with £150 and others with £150, 000 a year. Why should we not be concerned

with both of them? There is from £100,000 to £120,000 represented by dividends which are brought within the scope of the tax, and those dividends are not as a rule collected by the man who is receiving only £156 or £200 per year. They go rather to the people with larger incomes, which enable them to invest in companies and otherwise, so that their gross income becomes much more substantial. These avenues I have referred to will mean a large increase in the taxation burden imposed upon the people. The Treasurer, basing his statement on information received from the departmental officials, told members in another place that the £200 exemption would represent a loss of £30,000 to the State. The taxation collected last year was £425,784. In addition to that, however, there are book debts in respect of portions of the tax imposed, but not yet collected, amounting to £13,055. Those particulars appear on page 17 of the Commissioner's report, which show the amount of the tax imposed as distinct from that collected. It is shown that £437,163 was the tax imposed, whereas £425,784 was collected, leaving a balance of £11,379 to be collected during the current financial year. When we are dealing with the £200 exemption, which the Treasurer has stated will represent a loss of £30,000, we must take this aspect into consideration as well. That will mean a contribution of £13,055 towards making up that loss. This, combined with the extra tax to be received on account of the merging of dividends into income, which will be charged at the higher rate, will mean that we will practically wipe out the whole of the £30,000 that will be lost.

The Minister for Education: There will be many outstanding amounts at the end of this financial year, so that will not help us at all.

Hon. A. LOVEKIN: Yes, it will help materially, because the Government are bringing a new factor into this business. If we wished to analyse the position we would have to take each succeeding year and ascertain what was brought forward at the end of each 12 months. We had £13,055 outstanding at the commencement of the present financial year and that will go some way towards making up the loss of £30,000 on account of the proposed exemptions. There is another factor—Mr. Boan will support me in this matter—which also has to be taken into consideration. In the previous year a good many of the trading houses, due to the falling off in prices, made little or no profit. That such was the case is well known. They have got over that difficulty, however, and are commencing to make profits again. These profits will be taken into account and will swell the amount of taxation. All these things mean that the loss of £30,000 will be met within a very few thousands of the total amount involved in the exemptions. In any case, I do not think this additional .001d. on the tax is required. It will represent, according to calculations, a matter of £50,000 extra in taxation. We should not increase materially

the burden on the people by imposing a large increase in the tax. Another objection I have to this form of raising money is that it applies to one section of the people. Those receiving under £200 are to be exempt and also those receiving above £6,672. This means that the section in receipt of from £300 to £6,672 will carry all the burden. Those who get more than £6,672 will not pay any extra taxation. I agree with Mr. Collier, when he spoke in another place, that the fairest way, if we are to make up the loss of £30,000, is to impose a small super tax on the man who receives £100,000, as well as on the man who receives £2,000. If that were done we would all know where we stood and we would know what sum was required to make up the deficiency, whether it be £5,000 or £30,000. Under such a system, every one would pay. That would be preferable to the horseshoe-nail process of .007d. which it is suggested shall be paid by all in receipt of from £300 to £6,672. In fairness to the House, until we know the fate of the Assessment Bill—the Minister has undertaken not to proceed with the Committee stage of this Bill until we know the decision regarding the Assessment Bill—we should not proceed further with the Tax Bill. In the circumstances, I have no objection to the second reading of the Bill. We can deal with the incidence of the tax later on.

Hon. J. J. HOLMES (North) [3.27]: Under this Bill there is to be an increased tax imposed on one section of the community which will bring in anything from £50,000 to £60,000. Yesterday, when dealing with another Bill, we were asked to decrease the revenue to the extent of from £30,000 to £40,000. In a country whose finances are in the condition that we find our own to-day, the suggestion that we can afford to throw away £30,000 or £40,000 of revenue derived from income taxation is one that has got me somewhat puzzled. When I refer to the records of another place, I find that the proposal which was contained in the Bill yesterday was not a Government proposal at all; in fact the Bill as presented to us was altogether different from that which was introduced in another place. That Bill was loaded by a party now in a minority. I have said that we were under irresponsible, and not responsible Government and that is not an irresponsible statement because we have the spectacle of the Government bringing down financial proposals before Parliament and the party in Opposition, against whom the country has declared—

Hon. T. Moore: For the time being, yes.

Hon. J. J. HOLMES: The party I refer to have been tried and found wanting. It is not as though they have never had a chance.

Hon. T. Moore: Have the present Government been tried and found wanting?

Hon. G. W. Miles: But they are carrying out your party's policy.

Hon. J. J. HOLMES: It is not as though the party against whom the country has

declared had never had their chance. The country has declared against that party, notwithstanding which yesterday we gave effect to that party's policy.

Hon. A. J. H. Saw: This House passed it.

Hon. J. J. HOLMES: Now we come to what is proposed to-day. Having relieved the irresponsible section of £30,000 or £40,000, we are to pile on to the responsible section an additional £60,000.

Hon. J. Cornell: It takes all sorts to make a world.

Hon. J. J. HOLMES: And it takes all sorts to make a Legislative Council.

Hon. T. Moore: How many electors do you represent?

Hon. J. J. HOLMES: That party which the country has declared against say we are to drive all private enterprise out of the country, nationalise everything and so have a paradise. But we cannot afford to tax our industries any more than they are taxed to-day. In yesterday's Bill we allowed for a big section of the community calling the tune while another section pays the piper.

Hon. T. Moore: The one section does not get enough to pay anybody.

Hon. J. J. HOLMES: The Federal elections are of more interest to the hon. member than the business in this Chamber. He has come back from the Federal elections—

Hon. T. Moore: I take exception to the remark that the Federal elections are of more interest to me than the doings of this House.

The PRESIDENT: I think the hon. member was a little personal in that.

Hon. J. J. HOLMES: I was driven to it.

The PRESIDENT: I must ask the hon. member to withdraw.

Hon. J. J. HOLMES: I withdraw. We have a complexity of taxation. It would be far more satisfactory if we had a single tax. Yesterday we were asked for definite figures in respect of incomes. I have some with me to-day. Two years ago at considerable trouble I analysed the whole of my ramifications, from Wyndham to Albany, including stations, farms and city property. My gross income I found to be £5,191 9s. After meeting all charges and the demands of the Taxation Department I was left with a net income of £372 11s. 11d. Yet no man works harder than I do. About that time the Federal people came down upon me with a war profits tax representing £2,400, payable in 30 days. I started to fight that. The only way I could protect myself was by paying £600 there and then. Had I not done so they would have plussed me 10 per cent., or £240. However, I paid up the £600, battled on and got my £600 back, and also a withdrawal of the whole assessment. That is the sort of thing we are up against with our complex taxation. In this country one never knows what is going to happen next. Indeed in this House we never know when the irresponsible section of the community is to be further relieved, and the resultant burden passed on to a more responsible section. By this means are we trying to estab-

lish industries and invite people to come here with capital for local concerns! No country can be developed under such conditions. Our distance from the world's markets is in itself almost an impossible handicap. Some years ago, when there were virtually no secondary industries in Australia, ships were coming out laden from England and taking back our primary produce. Now, however, owing to the high tariff, ships are coming out practically empty, with the result that our primary products have to pay a 32,000 mile freight instead of one of 16,000 miles. It is a terrific handicap, without any additional burden of taxation. Yesterday this House was astounded when Mr. Hamersley declared that the station owners were not mating their ewes and their rams, because the progeny did not pay. The lambs are taxable whether they live or die in the next drought. If the ewe has to rear her lamb she produces inferior wool, and a smaller fleece at that. If the ewes are kept from the rams they can be carried through a drought, which means that the pastoralist always has the wool to fall back upon. With all our empty spaces the pastoralist, in order to protect himself, has to concentrate on the wool and abandon the natural increase. Will anyone say that this country is carrying one-tenth of the sheep it ought to carry? The more taxation we pile on to any section of the community, the less production we get. If we tax people at every turn, there will be no development, and consequently we shall have stagnation. It should be the duty of the State to encourage people to make profits, for taxation has to be paid on those profits, and most frequently the profits are re-invested in the industry in which they were made, thus providing increased employment. Recently the manager of the State Shipping Service told me that when the State steamers started there was no trouble whatever about getting loading for them, because everywhere in the North people were developing their property. He added that there was none of that loading to-day.

Hon. F. A. Baglin: How do you reconcile that statement with the cry for another boat on the coast?

Hon. J. J. HOLMES: In pre-war days the ships used to go up laden with wire and fencing material. To-day they have to go up practically empty. No development worth speaking about is in progress on the stations up there; because the money that at one time represented profit and was re-invested, is now going into the Federal and State Treasuries to be squandered. And additional taxation to be paid by one section is the proposal before the country for lifting this State out of darkness into light. Candidly, I think that if we continue in the way we are pursuing, we shall plunge Western Australia into deeper and deeper difficulties, and finally into unification, when our last state will be worse than our first. Yesterday's exemption from income tax applies to a very large section of the people. What do we provide for that

section? Free police protection, free education, free hospitals, and all the other facilities free. From that section we get nothing through the Customs except what is returned to us by the Commonwealth Government. Most of that section are birds of passage, though I do not say that offensively. They are here now because the conditions of Government employment are better here than anywhere else in Australia. They are here with votes on election day, to kill or create Governments. Yet that irresponsible section are relieved of the bit of taxation they formerly carried—the irresponsible section who can put on their hats to-morrow and leave for Victoria or elsewhere, whilst the other section are compelled to remain where their vested interests are.

Hon. F. A. Baglin: I suppose you will be leaving soon?

Hon. J. J. HOLMES: No. I battle on here because this is the country of my birth and my friends. It is a country in which I have made enemies, but I think that if I keep on long enough all my enemies will become my friends. Now, if I had to start out in another place with another lot of enemies, probably I would not live long enough to convert them into friends. I am casting my bread on the waters here in the hope that it will return after many days. Contrast my position with that of a man at the other end of the world. His associations and his money are elsewhere. He will not come here unless we offer him some encouragement.

Hon. F. A. Baglin: What encouragement are you offering to the worker?

Hon. J. J. HOLMES: It seems to me that all the worker in this country is short of is "no work between meals." When one gets the workers away in the bush, away from the agitator, they are all right.

Hon. F. A. Baglin: That is a horrible indictment.

Hon. J. J. HOLMES: What about "go slow"?

Hon. T. Moore: A nightmare!

Hon. J. J. HOLMES: We know the policy is to kill the boss's business. It is only a repetition of the old story of killing the goose that lays the golden eggs. Some of the workers are coming to see that. We must have capital here. We must have a combination of capital and labour.

Hon. F. A. Baglin: Who creates the capital?

Hon. J. J. HOLMES: I do not think the hon. member ever created much. I have not had time to consider the question who creates capital? The hon. member, so far as I have known him, has had ample time to study that question. Probably, not claiming credit for having created much capital, he will be able to tell us this afternoon who does create it. However, I am not paying much attention to his remarks. It seems to me that the Federal Government have become alive to the position, because they are making a distinct effort to relieve the people of taxation.

Hon. T. Moore: On the eve of an election. Vote eating.

Hon. J. J. HOLMES: When they had a surplus. Is it a time for us to relieve people of taxation when we have a deficit of six millions?

Hon. T. Moore: The Federal surplus is fictitious.

Hon. J. J. HOLMES: With a deficit of six millions, is it fair to relieve from taxation that section of the community who are primarily responsible for the position in which this country finds itself? The party behind the party who have been turned down by this country are primarily responsible for the condition which has been set up. It is the methods adopted by those people which force the present Government to amend their legislation so as to make it disadvantageous to the country, instead of advantageous. The Federal Government are seized of the necessity for reducing taxation in order to increase production, but the State Government appear to be taking exactly the opposite view. I sympathise with the Leader of the House, because I do not think he is responsible: the Bill was brought down in another place. But the Leader of the House is a member of the Cabinet, and as such must take his share of the responsibility. The Federal Government taking a broad view of the position, say, "We have to reduce taxation." The State Government, taking a narrow view, or being forced to take a narrow view, propose to relieve the irresponsible section, none of whom vote for any member of this House.

Hon. T. Moore: They are not allowed to.

Hon. J. J. HOLMES: We have to pass the Bill, but I hope it will not pass in its present form. One clause of the Bill proposes to increase the tax on a certain section by £50,000 or £60,000, whereas by yesterday's measure we gave away £40,000. Surely it is not reasonable, in such circumstances, to ask another section to bear £50,000 or £60,000 additional taxation. I propose to move an amendment in Committee, but that amendment will leave the other section as they are, at all events for the time being. Subject to these remarks I support the second reading of the Bill.

Hon. J. CORNELL (South-East) [3.55]: I have listened carefully to Mr. Holmes, and while I have a good deal of sympathy with his remarks on taxation I think in his inmost soul he must realise, as many of us do who are philosophical, that the world is changing day by day. I have compared this Bill closely with the existing Act, and I agree with Mr. Holmes that in order to grant a larger measure of exemption to certain taxpayers, a section of the community are this time being asked to carry a little more than they carried last year. I am not sure, but I think I myself will have to pay more. My only regret is that I do not contribute £2,000 or £3,000 a year to the Taxation Department of this State. Would to Heaven I were in a position to do it! People who have to pay income tax think it regrettable, and the man

who has not to pay, wishes fervently that he did have to pay. I know of a man who started in Australia with what he stood up in and died a millionaire. He left his money practically for the good of the men who fought for Australia. His annual cheque for land tax was about £28,000, and on one occasion he sent a covering letter saying he was glad to pay the amount as a small contribution to a country which had done so much for him. My references are to the late Sir Samuel McCaughey. There was a spirit of generous recognition in one big man. It seems to me that a little explanation is desirable with regard to the last subclause of Clause 7 of the Bill. The Minister says the reason for that subclause is that under this measure assessments will be issued so late that payment of the tax must be made in one amount. Under the State law as it stands, a taxpayer whose tax exceeds £1 may pay it in two half-yearly instalments. The Federal law makes no such concession. I think the Minister's explanation draws a little red herring across the trail. This appears from the fact that although last year's Land Tax and Income Tax Act was assented to on the 15th November, 1921, the Assessment Act, which must become law before assessments can be issued, was not assented to until the 10th February of the present year. Therefore, it is no argument to say that the lateness of the hour in passing the measure this session should work in the direction of doing away with the two half-yearly payments. If it is desired that we should make the position uniform with the Federal Act, well and good. The system to-day is that the taxpayer has to pay all Federal taxes at the one hit, and he may pay half the State tax. But if the proposal contained in the Bill is agreed to he will have to pay the whole lot at once. I am convinced that many taxpayers will find the burden of making the one payment heavy and inconvenient, but as I have said, unless the object is to bring the system into line with that of the Federal authorities, we should not agree to the amendment.

Hon. V. HAMERSLEY (East) [4.3]: I am rather surprised to find that the super tax is to be continued. I always understood that the super tax was in the nature of a war expedient, and that the object of it was to secure more revenue from the people at a time of stress.

Hon. T. Moore: The war was over when the super tax was first imposed.

The Minister for Education: It was not imposed during the war.

Hon. J. J. Holmes: It was intended to square the deficit by means of the super tax.

Hon. V. HAMERSLEY: There were special circumstances which were responsible for the imposition of the super tax. I thought perhaps it might have been possible to do away with the super tax in view of the increase of the tax from 2.006d. to 2.007d. The difference between these two rates will be considerable, and we do not know what is

going to happen to the assessment Bill which we had before us yesterday. I assume that if that measure is not passed, we shall continue under the existing assessment Act, and there will then be increased revenue by the alteration of the figures I have quoted. The question is whether we should allow the figure 2.007d. to stand and dispense with the super tax, or allow the super tax to stand and revert to 2.006d. We have so many different taxes to pay to so many different bodies, that I do not see why we should make two bites of the tax now before us. I know that we must raise this revenue and that if people are in receipt of large incomes they must pay out large amounts. My contention is that those who have large amounts to pay by way of taxation are feeling themselves so handicapped that there is great inducement for them not to continue, but rather to curtail their operations in the State. Those people who are able to earn large incomes know how to spend their money and they spend it much better in the interests of the country than do the Government and the Taxation Department who collect it. The State does not get that direct benefit from the re-expenditure of the money collected that it would receive if the money were left to the people themselves to re-invest in the State. I commend this opinion to the Minister because we do want to encourage people to further embark in investments in Western Australia, and it is our desire that this money should be invested here rather than the money borrowed by the Government at high rates of interest. At any rate, I want to see what is going to happen to the assessment measure before I say anything further.

Hon. J. EWING (South-West) [4.10]: I have listened with interest to the opinions expressed by the financial experts of this Chamber. We owe them a great deal for the manner in which they have placed their views before us. One reason why I supported the Bill we dealt with yesterday was because I have always been in favour of the £200 exemption. It does not follow that the Bill would be perfect in every way, but the manner in which it was dealt with in this House was certainly of advantage. If the absentees are to be treated in the manner proposed by this Chamber, the result must be beneficial and they will, doubtless, invest their capital to a greater extent in Western Australia. As to whether the net result from increased taxation will be more satisfactory, I cannot say. We have heard a great deal in the last few days regarding the development of Western Australia and the building up of secondary industries, and especially the introduction of capital from outside for investment in the State. The only thing that appeals to me is that the Government are very lax in carrying out the wishes of this House. In session and out of session a majority in this Chamber has been against what we regard as an incubus—I refer to the State trading concerns. I have no doubt

some members will tell me that the trading concerns are doing better now than has been the case for a long time past. I am inclined to think that is so, but we find the Minister for Works—who is a very efficient Minister, and for whom I have a great regard as a Minister—doing what he considers to be his duty to the State by pushing the timber business for all it is worth. We have seen big advertisements urging the people to buy from their own factories. The advertisements point out that the people are finding the money to keep these factories going and therefore should patronise them. The fact that others have invested money in the timber industry is not considered at all by the Minister. The Minister takes up the position—and it is probably the right one—that whilst the State is engaged in a business of this kind, and whilst he is the Minister in charge, it is his bounden duty to make the greatest possible success of it from a financial point of view. What is the result? The Minister is simply taking trade from those who have invested large sums in Western Australia, and to whom we owe a great deal. I am referring, of course, to the timber industry and the remarks that I make on this subject will also apply to other trading concerns. We have passed a Bill which provides that the Government shall be given power to sell the State trading concerns when the opportunity presents itself. That Bill is still before another place and I am justified in stating that it has not been treated in a generous way by the Government. It does not appear to me the Government are earnest in their desire to get rid of the trading concerns. If they had been that Bill would probably have been law to-day. I must take this opportunity, as I shall take every opportunity presenting itself, to voice my objection to State trading concerns. A majority of this House has decided in favour of their abolition. The policy of the Government is to abolish them. So long as they are continued, so long will a large amount of capital be prevented from coming into Western Australia. If Ministers are going to build up the State trading concerns and compete with private people, we shall not get into Western Australia the private capital which we so much require. I must emphasise my protest against the inaction of the Government in not carrying out their own avowed policy. I do not suppose my words will have any effect; they will be like water on a duck's back.

Hon. G. W. Miles: Keep on hammering it in. They will listen sooner or later.

Hon. J. EWING: I am doubtful about that. I yield to no man in the State in my ardent and generous support of the development policy of the present Government.

Hon. G. W. Miles: Their land settlement policy only.

Hon. J. EWING: We have at the head of affairs a man who has unbounded faith in Western Australia. I believe his policy is

the right one, and that he will make a huge success of it. But for all that, I must voice my objection to the continuance of State trading concerns and their interference with private enterprise. Mr. Holmes said we were going headlong towards unification. The results of the Federal elections, I think, show that the people, not only of Western Australia but throughout Australia, are tired of Federation, and are likely in the near future to demand the carrying out of certain things for the benefit of the Commonwealth as a whole. There is an opportunity here for the State Government to take action. There is a Royal Commission investigating the relations between the State and the Commonwealth. These relations have a big bearing on the finances of the State. The Federal Government are entering into every avenue of taxation and are taking revenue to which the Premier is entitled to carry out his development policy. It is easy to see that the people are sick and tired of Federation, and it is time that the Premiers of the States met and formulated a policy. At any rate the smaller States should meet and tell the Prime Minister that certain things must be done, or he will not receive their support.

Hon. G. W. Miles: Why not stop the Government's increased taxation until they carry out their own policy?

Hon. J. EWING: We must be considerably relieved of Federal taxation. If the Premier took the matter in hand at once and secured a conference, the four smaller States could join together and accomplish something of advantage to Australia and certainly of great advantage to Western Australia. Secession is out of the question. We are in the union and must remain in it. But the smaller States are strong enough in combination to make their influence felt, and to secure relief from the burdens under which they are at present labouring. I hope this Bill will be passed, and that the Government will get all the revenue they require. I do not think their taxation proposals are very serious as compared with the taxation imposed in other countries.

Hon. G. W. Miles: In other countries the Governments carry out their own policy.

Hon. J. EWING: The burden of taxation here is not greater than people can bear, and the proposals are fair and reasonable. But the Government are not carrying out the policy on which they were elected. Though I am prepared to support them in their development policy, I am determined on every possible opportunity to vigorously protest against their inaction regarding State trading concerns.

Hon. G. W. MILES (North) [4.20]: It is the duty of the House to refuse to sanction any increased taxation until the Government give effect to their own policy. I congratulate the Labour Party on having their policy carried out for them by their so-called opponents. Mr. Ewing has referred to the State trading concerns. At the end of last year the Leader of the House assured us

that he would suggest the preparation of proper accounts to show the true position of the State trading concerns. These accounts have not come to hand. By way of interjection recently I said our deficit was nearer nine millions than six millions. The Government last year admitted that the losses on trading concerns were in addition to the deficit. For a long time we had to keep at them before we got them to make that admission. If true accounts were written up, a million pounds would have to be added to the six millions of deficit by way of losses on State trading concerns. The present Government and past Governments have been paying for repairs and renovations out of loan money instead of out of revenue. On this account there is another million to be added to the deficit.

The Minister for Education: To what renovations and repairs are you referring?

Hon. G. W. MILES: To the items mentioned in the Auditor General's report. In the years gone by, the bulk of repairs and renovations were met out of revenue.

The Minister for Education: So they are now.

Hon. G. W. MILES: According to the Auditor General's report, a considerable amount has been expended from loan money for these purposes. The Auditor General also pointed out that the Government had used half a million of money out of trust funds without authority. How long are we going to stand this sort of thing? This Bill, proposing to increase the tax on a certain section of the community from .006d. to .007d., is due to the weakness of the Government. It is not their policy. It is due to an amendment tabled by the Opposition in another place, and the Government were not men enough to stand up to their own policy and reject it.

The Minister for Education: It has been approved by this House.

Hon. G. W. MILES: But by a side-wind, under a misapprehension that the Bill could be amended in Committee. The Government should have taken the responsibility of refusing to grant these exemptions, instead of accepting them in another place and expecting us to throw them out. We have been told that the action of the Federal Government in reducing taxation is merely an electioneering dodge. The State Government, however, were not game to stand to their guns and tell the Opposition in another place that the State could not afford to allow these rebates. The Government granted them, hoping we would throw them out.

Hon. F. A. Baglin: They had a majority against them.

Hon. G. W. MILES: Well, it is about time the Government went to the country. They have developed into the Mitchell Labour Government. They are carrying out the policy of the Labour Party and have been doing so for the last three years. But they are running the country on the rocks. Mr. Holmes made references to my having seen

the light. I have always maintained that the Government have not given effect to the policy on which they were returned. I have disagreed with Mr. Holmes on previous occasions in regard to the sinking fund. The hon. member did not give us credit for the sinking fund. Eight millions of money have accrued in the sinking fund. The deficit, however, is nearer to nine millions than six millions, and if the Leader of the House would only carry out his promise and bring down proper accounts of the trading concerns, Nationalist members here and in another place would support the Government in the endeavour to get rid of the trading concerns. The losses on ships alone last year amounted to £105,000. Mr. Cornell put the position very truly when the Trading Concerns Bill was before the House. He said the members of the present Government were strongly opposed to State trading concerns when they were first introduced, but that they have not now the backbone to stand up to their own policy. As the hon. member proceeded to state, they should be allowed to stew in their own juice. The Trading Concerns Bill has been put at the bottom of the Notice Paper in another place by these so-called business men who were returned to straighten out the finances of the country. In 1914 the deficit of the Scaddan Government was £443,000, and in appealing for the return of a member in the North, I told the electors to remember the Scaddan Government's deficit and I added, "If you are not in favour of these methods, vote for the Liberal Government, which will mean good government and sound finance for the next three years."

Hon. F. A. Baglin: How did they vote?

Hon. G. W. MILES: Not for the hon. member's party.

The Minister for Education: They did not vote for you.

Hon. G. W. MILES: I was not the candidate. I was supporting another candidate. The deficit of £443,000 that the Leader of the House and the present Premier used to hold up to ridicule has increased to six millions, and they make no effort to stem the drift. In addition to carrying out the Labour Party's policy in regard to trading concerns, the Government are carrying out their policy of constructing works by day labour instead of contract. What are the Labour Party doing? They are smiling up their sleeves at the Mitchell Government for carrying out their policy.

The PRESIDENT: The hon. member is straying a little.

Hon. G. W. MILES: I am opposed to granting any increased taxation to the Mitchell Government while they continue their present policy. I am justified in pointing out where they are wasting the taxpayers' money. When the Labour organisation were building a new hall in Beaufort-street, they did not do the work by day labour; they called for tenders and let the job to the lowest tenderer. But the business Government at pres-



ent in power are carrying out the Labour policy by adopting the day labour stunt.

The Minister for Education: That is not so. We call for tenders.

Hon. G. W. MILES: I say it is so. It is about time the Government were put in their place. A question was asked in the House regarding the re-organisation of the Works Department, and the Minister, in a sneering kind of way, replied, "We shall see that these discrepancies do not occur again." What are they doing in the country as regards road construction? Carrying out the work by day labour. I want the House to insist on the insertion in all future Bills authorising construction that the work be done by contract and not by day labour. That will be the only way of getting our policy carried out. We certainly cannot get it carried out by the Government. A man in the South-West had an employee whom he tried on piece work, and he could not earn his tucker. He was employed at 30s. a week and keep. The farmer's son pointed out that the man could not earn his tucker, but in a week he gave notice. He told the farmer that he was to get 17s. 4d. a day galloping out with a ballast train. The farmer said, "You cannot earn that much." He said, "No, we are not supposed to when we are working for the Government." It is not only that this day labour system has cost extra money to the State, but it has had a bad effect upon other employers of labour. If a farmer offers 12s. a day to a farm labourer the man will decline the position, and state that he can get 15s. 4d. as a minimum wage from the Government. How long is this to continue? We are now asked to increase taxation and to allow the Government to squander our money in this way. It is time the Council took a stand. Every session things have been the same since I became a member of this House.

Hon. J. J. Holmes: Are you responsible for it?

Hon. G. W. MILES: No doubt it was going on long before I arrived here. This Chamber allows these measures to go through and the Government to continue in this way. Not only do they get the revenue from the income tax, but they get money from every other possible source. Recently the Harbour Trust regulations in Fremantle were altered and the rate increased, after contracts had been made with shipping owners. The shipping owners have to pay the extra rate for the time being, but when fresh charters are being made they will provide for the extra charges and add a little more to the freight. The poor farmer will have to pay, because the Government will be collecting the extra money from the shipping companies through the Harbour Trust. How long are we going to stand this? No effort is made to reorganise our railways or decrease the deficit. The rolling stock is sent to Fremantle loaded with wheat, and goes back empty. Freight rates are high; the management is bad, and the delays are great. To such an extent is this so that motor lorries are able to compete with the railways between

Perth and Fremantle. The people have to pay for the upkeep of the road to enable the motor lorries to run in competition with the railway system. If the Government were to get rid of the trading concerns Ministers would, if they had the administrative ability and the capacity, have a chance of administering their departments.

Hon. F. A. Baglin: Would you sell the railways too?

Hon. G. W. MILES: If we had a buyer, and the public were protected in the matter of freights and fares, we should do better under private enterprise than under Government control. The further back into the country a man goes the higher the rate per train mile does he pay in freights and fares. This has been pointed out year after year, but no effort has been made to remedy it. Some time ago I pointed out that on the Great Western Railway cattle were being carried by the Commonwealth at half the price and for twice the distance that the State railways were carrying them. We are losing freight on our lines and losing the market for our stock. The Government put an embargo on cattle in order to prevent South Australia from competing with us. They have made no attempt to reduce freights and fares so that people might use the railways and increase the revenue. No attempt is made to re-grade our railways. There are mountain grades in this State, and every railway Bill that comes forward provides for some other mountain grade. In Canada the grade is one in 250; ours is one in 60, and goes up to one in 40. If we spent some money in re-grading our railways we would be able to haul our train loads at one-third or one-tenth of the price it is costing us to do so to-day. I am with the Premier in his policy of developing the South-West. It grieves me to think that the country is run in this way. I want to see that policy carried out, and another policy carried out for the rest of the State. How can we do that while we are going behind through mismanagement and mis-government at the present rate? No effort is made to economise in the matter of water supply. If we go to the Water Supply Department we see officials there like rabbits in a warren, and we are being charged excessive prices for our water all the time. Our deficit is growing faster than the country can stand. Economics could be effected in the Water Supply Department, but it is no use members bringing these things forward. The Government merely pass them on with a sneer, saying, "We will take steps to see it does not occur again." We have lost hundreds of thousands of pounds in capital expenditure over the day labour system. The country cannot stand it. Our Ministers say they are opposed to State trading concerns and favour private enterprise, but we find they are extending the trading concerns. They have overdrawn their trust funds without authority by half a million of money. How long will the country put up with this? I want the Press of this country to realise its responsibilities. It has more power than the

Government or Parliament in influencing public opinion. If the Press would educate the public and show where our money is being squandered by this so-called business-cum-Labour Government, whatever it may be termed, we might get some reform.

Hon. F. A. Baglin: The "West Australian" is running the Government.

Hon. G. W. MILES: I do not know which is running which. It is the duty of the Press to point out these things to the public. If the true position were put before the people, and they returned men to Parliament who had some backbone and would carry out their policy, we might get better results. The Premier has not as much backbone as a mosquito bred in Belmont that flies across the river to South Perth to suck the blood of Mr. George Paterson. He merely grinds his teeth. There is no strength of character about a man who will not listen to others. No one man can run the show by himself; he must take the advice of others. But he puts his teeth together and says, "I will not do this." And yet he is spoken of as a strong man.

Hon. F. A. Baglin: You said he listened to the Opposition.

Hon. G. W. MILES: He panders to the Opposition. The Government are the biggest lot of smoothers that ever sat on the Treasury bench of any Parliament in Australia. They are smooching to the Labour Party. If it had not been for the Government giving way to the Opposition we would not have had this alteration in the form of the Taxation Bill.

Hon. H. Stewart: And what about the Licensing Bill?

Hon. G. W. MILES: That is done with. I kept out of the latter part of the debate on that Bill, and left it to Mr. Holmes to represent the views I had on the question. The Government, who are opposed to State trading concerns, in their running of the State sawmills are also handling wire nails and galvanised iron. I understand that if any tenders are called for, they specify that some State trading concern shall supply the material.

Hon. H. Stewart: That has been going on for the last 18 months.

Hon. G. W. MILES: A contract was recently let in Victoria amounting to £300,000 or £400,000. A local contractor put in a price. A considerable quantity of jarrah was to be used. He put in a price for the whole work, but the State sawmills put in a price at so much per load for the jarrah. When the tenders were opened the man who put in the price for the work was turned down. In their tender the department said that it was for a limited amount of timber only, for one-third or two-thirds of the quantity required. They cut out all the scantling and the small stuff that pays, and merely provided for the heavy timber such as the 12 by 3 and the 12 by 4. Furthermore the department worked out the load on the basis of 600 feet, instead of 1,000 feet as is the case in Victoria. The local man who put in his price lost the contract

through the mistake of the department. The department got the contract for a certain quantity of big timber, but the small timber was left out. The result has been that New South Wales timber has been used instead of West Australian jarrah. This was brought about by mal-administration, and it has resulted in a loss of trade to the State. Because we have had incompetent men running the department we have lost probably between £30,000 and £40,000. How long are we to continue along these lines? I have asked questions here which ought to shame any self-respecting Government. They are convicted out of their own mouths by the answers they have given. Notwithstanding this they go smiling on and the deficit continues to grow. I appeal to the House not to grant any increase in taxation to the Government until they mend their ways and carry out their policy. If I am the only member to do so I will oppose the Bill.

Hon. A. J. H. SAW (Metropolitan-Suburban) [4.43]: I do not propose to traverse the extent of territory covered by Mr. Miles, nor do I propose to fly with the mosquito from Belmont to South Perth to suck anyone's blood. Yesterday we had a Bill before us which, as it came to the House, was calculated to lose something like £30,000 to the revenue of the State, guided largely, I believe, by the strategy of one to whom I may refer as the Leader of His Majesty's Opposition of this Chamber—

Hon. H. Stewart: The arch fiend.

Hon. A. J. H. SAW: The House in its wisdom consented to the Bill, but made various amendments which apparently, from the figures given by Mr. Holmes, mean a loss in revenue of something like £10,000. In these circumstances, as the Government are faced with a loss in consequence of what we did yesterday of something like £40,000, I do not see how any member can resist this Bill as it comes to us now and make good that loss to the State. Mr. Holmes yesterday accused me of saying in the House that I was an educated man. I presume he meant that I was casting some aspersion on other members of the House. I cannot say that is a lie, because I believe that would be against the forms of the House.

The PRESIDENT: Certainly.

Hon. A. J. H. SAW: Perhaps the hon. member was honestly mistaken. I challenge him to search the pages of "Hansard" and find that such an utterance can be attributed to me, nor will he find I trust, such an utterance which will reflect upon other members of this House. I know perfectly well that education is not confined to what we receive either at school or in the University, and that there are many hon. members who, by their experience in life and by their studies in after life, have attained a much higher education than many men who have gone through the public schools and the University. I defy Mr. Holmes to search the pages of "Hansard" and find any reference which

bears the construction he has indicated. To-day that hon. member has indulged in one of his characteristic speeches. With his usual humility he told us of the ramifications of his business. The various concerns with which he indulges in a business capacity are such, he told us, that they stretch from Wyndham to Albany. Had he lived in Biblical times, he would have said that they stretched "from Dan to Beersheba." In his denunciations of the Government and of those people to whom relief was given yesterday he gave utterance to such crusty, Tory opinions that we were led to believe that he would vote against the Bill. I was rather surprised, therefore, to hear him say that he would vote for the second reading. This House passed a Bill yesterday which will cause a loss of something like £40,000 to the revenue. I do not see how, while that measure is on the statute book, hon. members here can deny this relief sought by the Government.

**THE MINISTER FOR EDUCATION** (Hon. H. P. Colebatch—East—in reply) [4.47]: There are only two or three points which I will touch upon in reply. The first question raised by Mr. Lovekin was regarding Clause 6 which relates to the imposition of the super tax of 15 per cent. I can assure the House that the Government only want to do what is entirely just. There are two classes of taxpayers, one being the man who earns his income in the usual way as an individual, while the other class comprises those whose income is entirely derived from dividends or partly from dividends and partly personal. The sole purpose of Clause 5 is to equalise the conditions between the two. I think that is just. The question of the stage at which the 15 per cent. super tax can be put on can only be determined by the point which will give equality between the two classes of taxpayers. There is a provision for a dividend duties tax and a 15 per cent. super tax is included in the Dividend Duties Act. It seems to me that the net taxable income should be the amount on which the 15 per cent. should be imposed, because, the super tax of 15 per cent. has been paid on the 1s. 3d. under the Dividend Duties Act, and that amount should not be paid twice. We will consider that matter at greater length when in Committee, and I have already indicated that we will not proceed to that stage until we know what has happened with the Land and Income Tax Assessment Bill. Another point was raised by Mr. Lovekin when he said that by increasing the rate on dividends received by persons with large incomes, to a higher scale, the Government would receive a large increase in taxation. I do not think it is entirely right, for the reason that in respect of many incomes we will simply be taxing the same income as before. There are many cases that have cropped up during the last two or three years where businesses formerly

carried on as firms or by individuals, have been converted into companies, and the result is that we get exactly the same amount as before. The hon. member suggests that there is a sum of £120,000 which is distributed as dividends to persons in Western Australia. So far as that amount includes dividends received in respect of mining companies, and so forth, I am informed by the Taxation Department that there are very few mining dividends paid to persons in this State receiving incomes exceeding £2,267. In those cases, we will get no increased taxation from them at all. Even if we estimate the figure at £100,000 as the amount on which extra taxation will be paid, I do not think it would be safe to assume that the average income of such taxpayers would be more than £4,000 a year. If we assume that the average would be on that figure, we can only get, according to the scale of 2s. 3d., about 1s. more on that £100,000.

**Hon. A. Lovekin:** You would get the 2s. 6d. rate with the .007d., which would mean 30.4d. in the pound.

**The MINISTER FOR EDUCATION:** I do not think it would mean that we would get more than a difference of 1s. in the pound on the extra money.

**Hon. A. Lovekin:** You would get 2s. 6d. instead of 1s. 3d. in the pound.

**The MINISTER FOR EDUCATION:** On some that would be so, but I do not think, taking the average, we would get more than 1s. in the pound extra, and that would mean only £5,000. We would not get anything like the amount the hon. member suggests. The speech of Mr. Holmes, to my mind, was entirely against the Bill we passed yesterday.

**Hon. J. J. Holmes:** And to make good this and that Bill.

**The MINISTER FOR EDUCATION:** The hon. member talked a lot about irresponsible people who do not have a vote for this House, and would not vote for members of this Chamber if they had it. The Bill we had before us yesterday does not relieve irresponsible people by any means. It relieves a tremendous section of the people—I contend I was perfectly fair when introducing the Bill and told hon. members what I thought would happen—who are in receipt of incomes ranging from £5 to £8 per week. A man in receipt of £8 per week with four children would be relieved of this burden, while the man with three children by paying a little insurance, as most people do, would also secure relief.

**Hon. J. J. Holmes:** And these individuals get free education for their children.

**The MINISTER FOR EDUCATION:** That is an activity that is carried out by the State. I would be prepared to hear Mr. Holmes say that there is no State in Australia where so much is done for the people as in Western Australia, and that might have been a good argument against passing the Bill we had before us yesterday. It is a question for the members of this Chamber in their wisdom to decide what is equitable. If this House thinks it right to relieve these people,

well and good, but I do take the strongest exception to the continual criticism of Mr. Holmes that these people are irresponsible. They are nothing of the kind. They are people who have their homes here. They have a stake in the country, and they are people whose interests, such as they are, are as important to them as those of the wealthiest people in the community. They are by no means irresponsible. People in receipt of from £5 to £8 per week are generally people who have their own homes here. They are people with wives and families to maintain. If it is considered wise to relieve them and put a slightly increased burden on those who are getting more than an income of £400 a year and have families to maintain, or on those who are getting more than £300 per year and who have no children, it is purely a matter for the judgment of hon. members. It was in the discretion of the House to take whatever course members thought fit. If it was decided that it was equitable to give relief to one section of the taxpayers, I must agree with Dr. Saw that there seems to be no other course open to the House, but make good that relief in another way. We have heard a good deal of talk on this and other Bills regarding the taxation paid by pastoralists. If there is in our taxation system anything that is unjust or inequitable to any taxpayer—I do not care if he be a pastoralist, a mine owner, a farmer, a store-keeper, or anyone else—let us alter it and put that injustice right. I say without hesitation, however, that the pastoralists and the wool growers are not excessively taxed. I do not think they could take their capital to any other part of the world and engage in a similar industry and obtain an equal income to that derived here, and yet escape so lightly in taxation. Those people are not excessively taxed in accordance with the incomes they obtain.

Hon. V. Hamersley: Some pay as much as 10s. in the pound.

The MINISTER FOR EDUCATION: Mr. Cornell made reference to Clause 7. That is purely a temporary provision, because we do not seek to amend the Assessment Act by removing such a provision from that measure. It is put in temporarily, because the assessments will be issued so late in the financial year. I know that hardships may result to people when they are called upon to pay the full amount of the tax in one payment. The Commonwealth Government should have adopted long ago the same provision that we have, and permitted the taxpayer to pay his yearly taxes in two instalments.

Members: Hear, hear!

The MINISTER FOR EDUCATION: I do not know that it affects very much the people who have to pay small amounts, but at the same time, it is not only the big taxpayers who feel it when called upon to pay the full amount at once. To the man receiving £700 or £800 a year, it may be a serious thing if he is called upon to pay the tax in one amount.

Hon. A. Lovekin: You will find that the Federal Taxation Commissioner is given discretion in this matter.

The MINISTER FOR EDUCATION: But I do not know that he exercises it very generously. I have heard of genuine cases, where he has refused to exercise his discretion.

Hon. J. Duffell: But he is not too bad, all the same.

The MINISTER FOR EDUCATION: Mr. Hamersley suggested that we could afford some relief in respect of the super tax. He was wrong in saying that the super tax was imposed as a war measure. It was imposed subsequently, to meet the requirements of the State. I will show why it was adopted rather than the increased rate of taxation. Theoretically, it might be argued that the increase by .007d. should go on indefinitely and that there is no reason why we should select some point at which it should stop. In practice, however, we would arrive at a point when the whole of a person's income would be taken.

Hon. A. Lovekin: On £50,000 the tax would be 800d. in the pound.

The MINISTER FOR EDUCATION: Quite so. This aspect was taken into consideration and it was held that the persons receiving the larger incomes should contribute something additional, as well as the men in receipt of the smaller salaries. If instead of imposing the 15 per cent. super tax, we had raised the rate to .007d. all round, we should have got additional taxation from every person whose income was less than £6,600. That is the point at which the maximum amount of 4s. in the pound is reached. In respect of incomes beyond that amount, however, we would not have received a penny more in the shape of increased taxation. Consequently it would be a matter of indifference to the person receiving more than the £6,600 as to whether the rate was .006d. or .007d. As the result the super tax was inserted, and is now retained, because it is considered equitable that people with very large incomes should contribute something additional towards the needs of the country beyond the 4s. maximum.

Hon. A. Lovekin: A super tax of 15 per cent. and an additional .001d. are about the same.

The MINISTER FOR EDUCATION: Probably that is so, but the taking away of the super tax would relieve entirely the big taxpayers, whereas if we substituted for the super tax an extra .001d. the whole of the extra burden would fall on those with incomes between £300 and £6,600. Therefore the super tax seems to be the better way. I do not intend to debate the matters raised by Mr. Miles, except to remind him that the Government are not asking for any increased taxation at all, but merely for the same taxation as before. Personally, I doubt if the Bill will give it, assuming the Assessment Bill as amended be passed. The

figures supplied by the Commissioner of Taxation suggest that if the Bill does give the corresponding revenue, it will not do more than that. Mr. Miles said he would vote against the Bill. If he does so, he will be voting, not against increased taxation, but against any taxation at all, because without the Bill there can be no taxation.

Hon. J. J. Holmes: That is the position in which I found myself.

Question put and passed.

Bill read a second time.

## BILL—DAIRY INDUSTRY.

### Assembly's Message.

A message having been received from the Assembly notifying that it had agreed to Nos. 1, 2, 3, 4 and 6 of the Council's amendments, and had modified amendment No. 5, in which modification the Assembly desired the concurrence of the Council, the message was now considered.

### In Committee.

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

No. 5—Clause 20—Council's amendment—Add the following words:—"Nor sold unless branded or marked with the word 'margarine' as prescribed."

Assembly's modification—add at the end the words "under the Health Act 1911."

The MINISTER FOR EDUCATION: I think the modification will improve the clause. I move—

That the Assembly's modification be agreed to.

Question put and passed.

Resolution reported, and the report adopted.

## BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

### Assembly's Message.

A message having been received from the Assembly notifying that it had agreed to No. 2 of the Council's amendments, disagreed to Nos. 1, 4, 5 and 7, and had modified Nos. 3 and 6, in which modifications the Assembly desired the concurrence of the Council, the message was now considered.

### In Committee.

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

No. 1.—Clause 2.—After the word "by," in line 1, insert "omitting subsection 2, and is further amended by".

The MINISTER FOR EDUCATION: This is the amendment by which this House sought to remove the 50 per cent. tax on

absentees. I opposed the amendment last night. I move—

That the Council's amendment be not insisted upon.

Hon. A. LOVEKIN: I hope the Committee will insist on the amendment. It is of the utmost importance when we are striving to get capital into the country. We are making nothing out of the absentee tax, but are simply driving people with capital out of the State. I believe that if we insist upon this amendment another place will rather welcome a conference; and I am satisfied that at that conference we shall be able to put up a sufficiently strong case to convince the representatives of another place that it is desirable to abolish this absentee tax.

Hon. J. NICHOLSON: I also hope the Committee will insist upon this amendment. It is of no use repeating the arguments used last night when the Bill was under discussion, but we must realise that by this absentee tax we are driving away an important source of revenue. The more investors we can induce to come here, the better for the State.

Hon. G. W. MILES: I hope the Committee will insist on the amendment. It will not in any way jeopardise the Bill, for no doubt we shall have a conference with another place, and at that conference sound arguments can be put up for the abolition of the absentee tax.

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

Ayes	..	..	..	4
Noes	..	..	..	12

Majority against .. 8

### AYES.

Hon. H. P. Colebatch	Hon. A. J. H. Saw
Hon. G. Potter	Hon. F. A. Baglin
	(Teller.)

### NOES.

Hon. A. Buryll	Hon. J. Nicholson
Hon. J. Duffell	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. H. Boon
Hon. A. Lovekin	(Teller.)
Hon. G. W. Miles	

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

No. 3. Clause 2 (Council's amendment): Add the following at the end of the clause: "Section 16 of the principal Act is further amended by inserting in paragraph (4) after the word 'sale' in the second line the words 'after the 30th day of June, 1921.'"

Assembly's modification: Strike out "the 30th day of June" and insert "the 31st day of August." Strike out the last three lines of the clause and insert "Section 16 is further amended by adding a proviso to Subsection 4 as follows: Provided that where a taxpayer

or taxpayers shall have furnished an income tax return, and shall have subsequently converted his or their business into an incorporated company, and holds or hold substantially the whole of the share capital of the company, and has not or have not received any cash consideration on the conversion of the business into that of a company, such taxpayer or taxpayers shall be exempt from tax under this subsection in respect of any sale of the business to such company effected between the 1st day of July, 1920, and the 31st day of August, 1921, if the company adjusts the value of the stock-in-trade, livestock, or other goods, chattels and effects so acquired by the company to the value as stated in the returns furnished by the taxpayer or taxpayers being the vendor to the company. Provided also that where such adjustment is made by the company the commissioner shall refund to the taxpayer or taxpayers the amount of tax paid by him or them under this subsection and exempted as aforesaid."

**THE MINISTER FOR EDUCATION:** This is in regard to walk-in walk-out sales. There would be no justification for treating persons who effected a sale before the 30th June, 1921, any differently from those who made a sale before the 31st day of August. The time should be the time at which the amending legislation was submitted. The proviso is a just and reasonable one. It affects those people who sought to evade taxation by selling their station for instance, to themselves at a high price, on the walk-in walk-out basis, knowing that under the judgment of the court they would escape taxation and that by putting on a higher price they would escape taxation later on when they sold their stock. I move—

That the Assembly's modification be agreed to.

**Hon. A. LOVEKIN:** I hope the Committee will insist upon the Council's amendment standing as it is. I am not so much concerned about the amendment so far as the alteration of the date is concerned, but I do want this matter to be dealt with by the conference with the other amendments. I would point out that the Assembly's amendment will put the State in a worse position than the Council's amendment would.

**The Minister for Education:** Not at all.

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

Ayes	..	..	..	7
Noes	..	..	..	10
Majority against				3

#### AYES.

Hon. F. A. Baglin	Hon. E. Rose
Hon. A. Burvill	Hon. A. J. H. Saw
Hon. H. P. Colebatch	Hon. H. Stewart
Hon. G. Potter	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. A. Lovekin
Hon. H. Boan	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. J. Duffell
	(Teller.)

Question thus negatived; the Assembly's modification not agreed to.

**No. 4. Clause 4—Strike out the clause:**

**THE MINISTER FOR EDUCATION:** This is in regard to travelling expenses. I do not see how the Assembly can agree to our amendment. This Chamber has no right to amend a Bill in any manner as to increase the burden upon the people. I move—

That the Council's amendment be not insisted upon.

**Hon. J. J. HOLMES:** This amendment should be insisted upon. Since the Assembly did not raise the point that this House could not make the amendment, it is not for this House to raise the point. We ought to discuss the amendment from the standpoint of the Assembly's message.

**Hon. A. LOVEKIN:** I hope the House will insist on this amendment. If the Minister's view is correct, where does it lead us to? In the event of Assembly members passing a Bill to raise their salaries to £5,000 per annum, we could not amend that.

**The Minister for Education:** We could throw it out.

**Hon. A. LOVEKIN:** Under the Constitution we have equal powers with another House, except that we cannot originate a money Bill.

**Hon. J. CORNELL:** Though I voted for the retention of the clause, I regard it as debatable whether this House cannot delete the provision. The clause limits the allowance for travelling expenses in respect of all persons other than members of Parliament to £15 per annum. It is a question whether, by deleting the clause, we would not benefit all persons other than members of Parliament, because the Commissioner of Taxation might allow many taxpayers a greater sum than £15 for travelling expenses. Thus the burden of taxation would probably be increased on members of Parliament only. In all the circumstances I would have liked to see the Assembly agree to the deletion of the clause. I find myself on the horns of a dilemma.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	13
Majority against					9

#### AYES.

Hon. A. Burvill	Hon. H. Stewart
Hon. H. P. Colebatch	Hon. F. A. Baglin
	(Teller.)

## NOES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. Duffell	Hon. G. Potter
Hon. V. Hamersley	Hon. A. J. H. Saw
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. E. Rose
Hon. A. Lovekin	(Teller.)

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

No. 5—Clause 5—Add the following subsection to stand as 5a:—"So much of the assessable income as is paid in calls or shares in a mining company or syndicate carrying on mining operations in Western Australia for gold, silver, base metals, or other minerals."

**THE MINISTER FOR EDUCATION:** The reason given by the Assembly for disallowing this amendment is to my mind a very sound one: "because it is considered an investment of capital." I think we should do everything possible to assist all industries, but we should do it in a straightforward manner. An unfair discrimination could be set up by our amendment, which would permit of the investment of capital by way of payment of calls, which would escape taxation. Under the assessment Act dividends from incorporated companies are exempt from taxation. They simply pay under the Dividend Duties Act, except where the amount of the dividend paid to one individual, either by itself or with his other income, exceeds £2,267. As to mining companies, I have it from the Taxation Department that in this State there are very, very few cases where the dividends paid would, in the case of an individual, amount to as much as £2,267. Therefore there would be nothing to take the allowance out of so far as mining dividends are concerned, and the allowance would simply have to come off the taxation on the individual's other income.

Hon. H. Seddon: Why do the Federal Government make that exemption?

**THE MINISTER FOR EDUCATION:** The Federal people have a different method. They assess the individual in each case, and at a very much higher rate.

Hon. A. Lovekin: So do we now, really.

**THE MINISTER FOR EDUCATION:** No. The Federal assessment is 2s. 8d. as against our 1s. 3d. Therefore, they can afford to make this provision. We cannot afford to do so. I move—

That the Council's amendment be not insisted upon.

Hon. H. SEDDON: There is one point to which the Minister has not referred. Many small syndicates contribute towards a small show in order to keep work going. This money might be regarded more as maintenance, than as the investment of capital. We should insist upon the amendment as it is beneficial to the mining industry.

**The Minister for Education:** It would be beneficial to the industry if those concerned were exempted from taxation altogether.

Hon. H. SEDDON: Unless we are prepared to do something to assist those who are contributing to the mining industry in order to make it successful, we will be unfairly penalising them because of the risks they take. Money invested in the mining industry is different from any other form of investment, for a mine is a wasting asset. Money spent in sinking a shaft is wholly lost if the gold values disappear.

**The Minister for Education:** That is a different point altogether. We make exemptions regarding money spent in the development of mining.

Hon. H. SEDDON: In my opinion, not sufficient allowance is made, especially in the case of small prospectors and syndicates. We could amend the provision to conform with the ideas of hon. members.

Hon. A. LOVEKIN: I press the view that we want to do something to encourage people interested in mining.

**The Minister for Education:** Well, do it in a straightforward way and not as is suggested.

Hon. A. LOVEKIN: If I make £1,000 profit out of my business, and I choose to sink a hole in the ground to ascertain if I can find a gold mine, it cannot be said that I am investing my capital. I am running a risk.

Hon. A. J. H. Saw: Would you be sinking a hole or looking for gold?

Hon. A. LOVEKIN: I would be looking for a mine. If I succeeded, the results would be beneficial to the State. If people who undertake this work are to be penalised, they will refuse to do so, and—

Hon. J. Duffell: They will let the gold stop where it is!

Hon. A. LOVEKIN: Which is the better, to encourage people to spend money in the development of the mining industry, or to collect a miserable amount by way of taxation?

Hon. A. J. H. Saw: To use your own illustration, what would you have done with the money if you had not invested it in the mine? Would you have wrapped it up in a napkin?

Hon. A. LOVEKIN: I would probably put it to some use which would provide me with a certain return, rather than to put it into a hole in the ground. We must induce people to undertake this work and we should give them encouragement.

**The Minister for Education:** Why not say the same thing about the man who engages in farming?

Hon. A. J. H. Saw: Or who builds a house?

Hon. A. LOVEKIN: In both cases, the investor has a growing, tangible asset of some value.

**The Minister for Education:** A great deal of money spent in connection with farming is on experiments and may be lost.

Hon. A. LOVEKIN: That may be so.

Hon. J. NICHOLSON: I supported this clause in Committee, and I trust members

will insist upon it now. The argument used by the Leader of the House is a forcible one. The Minister for Education: You realise the manner in which this may be abused?

Hon. J. NICHOLSON: Yes, I realise that.

Hon. A. Lovekin: We can tighten it up.

Hon. J. NICHOLSON: It is possible that some people may abuse this provision, but that is no reason why we should not agree to it in the interests of the small mining man. We should insist upon the amendment and when it is considered by the managers they may arrive at something which will be equitable.

The Minister for Education: How do you propose that it shall be amended?

Hon. J. NICHOLSON: That could be considered by the managers.

The Minister for Education: If there is a deduction, that deduction must be allowed.

Hon. A. Lovekin: But it can be limited.

The Minister for Education: To what?

Hon. A. Lovekin: To legitimate expenditure.

Hon. A. J. H. Saw: On a hole!

Hon. J. NICHOLSON: I cannot suggest straight away the form the amendment should take.

Hon. E. H. HARRIS: The object of the amendment is to encourage the call-paying community, whether they be small companies or individuals or syndicates, who contribute towards the support of prospectors to carry out the search for gold-bearing country. At the conference with the managers a compromise might be arrived at by deleting the reference to mining companies.

The Minister for Education: Last session we exempted prospectors from the payment of tax when they find something good and make a profit on it.

Hon. E. H. HARRIS: When we passed that, we thought we were exempting prospectors altogether, but we now find that it only applies once. If a prospector finds another show and sells it, the department regard him as engaged in a business and he is not exempt in respect of other than the first deal.

The Minister for Education: But a bona fide prospector can get exemption!

Hon. E. H. HARRIS: After becoming a seller once, he is regarded as engaged in a business.

Hon. A. J. H. SAW: I opposed the amendment last night and, in spite of the special plea that has been put up, I have heard nothing to change my opinion. I regard the principle as pernicious. There is nothing about mining to warrant it being singled out for exemptions, which cannot be applied to other industries. Instead of mining being one of the most valuable of our industries, I do not regard it in the same light as do some other members. If this principle is conceded to the mining industry, I cannot see why it should not be extended to the timber, horticultural and agricultural industries and to the building of houses. The time for setting up a privileged class who shall be exempt

from taxation—except in cases of great necessity—should have passed with the French Revolution.

Hon. J. J. HOLMES: I am prepared to admit that the amendment as it stands is surrounded by a fair amount of danger. I shall vote for insisting upon it, with the object of an equitable compromise being arrived at by the managers during the conference. There are ways of overcoming the difficulty. As to the case cited by the Minister regarding a company, we could get over that difficulty by stipulating that a percentage of the share capital has to be paid in cash, and then after spending that money in the development of the mine, they could go on calling up their capital, and deduct it from their profits, if any. The difference between the mining industry and the agricultural industry or the buying or selling of city property, is that the mining proposition is a wasting asset, seeing that the more gold one takes out of the ground the less valuable the property becomes. On the other hand, with a pastoral or agricultural holding, the more it is developed, the better are the results achieved. The clause certainly requires amendment and careful consideration. Perhaps it requires the brains of another place to lick it into shape!

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

Ayes	..	..	..	..	5
Noes	..	..	..	..	11

Majority against .. .. 6

#### AYES.

Hon. C. F. Baxter	Hon. A. J. H. Saw
Hon. H. P. Colebatch	Hon. E. Rose
Hon. V. Hamersley	(Teller.)

#### NOES.

Hon. J. Cornell	Hon. J. Nicholson
Hon. J. Duffell	Hon. G. Potter
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. A. Burvill
Hon. G. W. Miles	(Teller.)

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

No. 6. Clause 5.—Council's amendment—Insert the following:—“Section 30 of the principal Act is further amended by adding to Subsection (7) the following:—‘In ascertaining the sum to be allowed under this paragraph, the Commissioner shall determine the estimated life of the machine, implement, utensil, rolling stock, or article, and shall allow as a deduction in each year of the estimated life of the machine, implement, utensil, rolling stock, or article (whether in the use of the taxpayer or not) the sum obtained by dividing the cost of the machine, implement, utensil, rolling stock, or article, by the number of years of its estimated life; but the taxpayer shall bring into account in the year of sale any sum received by him on the sale of the machine, implement, utensil,



rolling stock, or article. For the purpose of this subsection the estimated life of the machine, implement, utensil, rolling stock, or article shall be its reasonably effective life, assuming it is maintained in good order and condition."

Assembly's modification—Strike out the words "whether in the use of the taxpayer or not," and after "article," at the end of the penultimate sentence, insert "in excess of the depreciated value."

The MINISTER FOR EDUCATION: The Assembly's modification is not, I think, of very great importance. It is that the words "whether in the use of the taxpayer or not" be struck out from the Council's amendment. The Assembly's reason for this is that depreciation should not be allowed on machinery which is not in use. In addition the Assembly have modified our amendment by inserting after "article" in line 16 the words "in excess of the depreciated value." I move—

That the Assembly's modifications be agreed to.

Hon. A. LOVEKIN: I think we might agree to this. Although the words proposed to be struck out are in the Federal Act, they appear to be meaningless.

Hon. G. W. MILES: Some machinery depreciates more rapidly when not in use than when it is running. For instance, the machinery in meat works is very sensitive to depreciation when those meat works are closed down. Evidently there was some good reason for putting into the Federal Act the words proposed to be struck out.

Hon. J. J. HOLMES: When first we were considering this amendment I thought the words now proposed to be struck out were unnecessary, but on looking further into the matter I think they ought to be retained. Surely a man is entitled to get full rebate on machinery for which he has paid but which is no longer in use.

Hon. J. CORNELL: We take different views of the meaning of the words proposed to be struck out. In my opinion they are intended to mean machinery which one taxpayer, the owner, has leased to another taxpayer to be used.

Hon. H. STEWART: The words proposed to be struck out should be left in. Unless we be very careful in amending this provision, which has been taken from the Federal Act, we shall find that we have nothing at all. I am opposed to the Assembly's modification.

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

Ayes	..	..	..	..	5
Noes	..	..	..	..	11

Majority against .. .. 6

#### AYES.

Hon. H. P. Colebatch	Hon. A. J. H. Saw
Hon. J. Duffell	Hon. J. Nicholson
Hon. E. Rose	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. J. Cornell	Hon. G. Potter
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. A. Burvill
Hon. A. Lovekin	(Teller.)

Question thus negatived; the Assembly's modification not agreed to.

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

No. 7. New Clause.—Add the following new clause to stand as Clause 9:—"Section 3 of the Land and Income Tax Assessment Act, 1921, is repealed."

The MINISTER FOR EDUCATION: This would be an extraordinary provision at any time, but particularly is it extraordinary now when such generous assistance is afforded to anyone wishing to improve his land, and when the whole cry of the State is that people shall make use of their land. All that is required of a taxpayer to get an exemption of one-half of his tax is that he shall improve his land to the extent of £1 per acre or one-third of the unimproved capital value, whichever may be the less. Yet this proviso enables a man who spends two-thirds of the unimproved value on one block to hold another block under 10 miles away in idleness. Such a provision should never have been enacted. The rebate is granted to encourage the improvement of land. Unimproved land is supposed to pay the full tax. Years ago when the tax was first passed there might have been some slight argument in favour of the provision. I cannot see the slightest argument for it now. I move—

That the Council's amendment be no longer insisted on.

Hon. H. STEWART: The Land Act lays down that a certain amount of money shall be expended on the whole of the land which a man holds. If any compulsion over and above what is already provided is required, an amendment of the Act should be brought down. Under this amendment a man has to spend the same amount of money on the land he holds, but because of the conditions of his holding, he is allowed to concentrate his improvements. If the distance of 10 miles is too great, it can be reduced.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	12

Majority against .. 6

#### AYES.

Hon. H. Board	Hon. A. J. H. Saw
Hon. H. P. Colebatch	Hon. F. A. Baglin
Hon. J. Cornell	(Teller.)
Hon. G. Potter	

## NOES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. V. Hamersley	Hon. E. Rose
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. A. Burvill
Hon. R. J. Lynn	(Teller.)
Hon. G. W. Miles	

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

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

# BILL—LICENSING ACT AMENDMENT.

## Assembly's Message—Governor's Amendment.

Message received from the Assembly, intimating that the Bill had been amended in accordance with a recommendation of His Excellency the Governor and desiring the concurrence of the Council in the amendment, now considered.

## In Committee.

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

The MINISTER FOR EDUCATION: His Excellency, in returning the Bill to the Assembly, suggested that Clause 99—Clause 96 in the Bill as introduced—be deleted, as he was advised, in view of his instructions, that otherwise the Bill must be reserved for the signification of His Majesty's pleasure. This clause relates to the employment of Asiatics. It is not necessary to question the advice tendered to His Excellency. We can only act upon His Excellency's recommendation. It would be a serious matter if the Bill had to be reserved for Royal assent as it could not come into operation for some months. I move—

That the amendment be agreed to.

Hon. A. LOVEKIN: I cannot understand why the Government allowed the Bill to come to us in this form. The Governor's instructions on these matters are perfectly clear. Clause 7 contains the following:—

The Governor shall not . . . assent in Our name to any Bill of the following classes:—(4) Any Bill, the provisions of which shall appear inconsistent with the obligations imposed upon us by treaty. (5) Any Bill of an extraordinary nature and importance, whereby Our prerogative or the rights and property of Our subjects not residing in the State, or the trade and shipping of the United Kingdom and its dependencies may be prejudiced.

"Todd" contains numerous instances of Bills from Queensland, Victoria, New South Wales and Canada having been reserved. In the face of this, the Licensing Bill was brought down containing that clause. In December, 1920, the same point was raised in connection with

the Factories and Shops Act, and the Minister had to bring the Bill back to amend the clause so that it would come within the ambit of the Governor's instructions. Where any law exists it can be perpetuated, but no extension of laws relating to subjects who belong to nations under treaty can be made without the Bill being reserved for Royal assent. In face of all these precedents and of our own recent experience, the Bill was sent to us containing that clause. I took exception to the clause previously. I was going to raise this question at the conference. However, there were reasons why I refrained from doing so at the time. I hope we are now on the right track.

Hon. J. J. Holmes: Is the procedure right now?

Hon. A. LOVEKIN: I presume it is, and I suppose also that we shall get another Bill containing this clause.

Hon. J. Nicholson: Yes, there is another Bill.

Hon. J. J. HOLMES: The constitutional knowledge of Mr. Lovekin has cleared this matter up. The Governor can either assent to such a Bill as this, or reserve it for the Royal assent.

Hon. A. J. H. SAW: As one who objected very strongly to this clause being put into the Bill, I think it is a subject for congratulation to the majority of members of this House, and to those who are concerned for justice, that there has been a higher authority able to rectify what was undoubtedly a gross injustice on the part of Parliament. I must confess that when the Conference managers came back to us, I was extremely dissatisfied with what I can only call the abortion of a compromise at which they have arrived. I was grievously disappointed that our managers had in any way lent their assistance towards the perpetration of a gross injustice on the members of the coloured races who are in our midst. That has always been my attitude, and as long as I am here I shall express it. The Chinese, while possessing many admirable qualities, unfortunately have not the power of organisation and cohesion for the defence of their own country. In that respect they resemble some of the inhabitants of Australia, who are not willing to give the Government the power adequately to defend this great continent. Because of that defect in the Chinese and because of the internal strife in their own country, China is to-day lying absolutely powerless, a prey to any strong neighbouring State that wishes to encroach on her rights and privileges. The clause includes not only the Chinese, but also our allies in the late war. Anybody who knows the patriotism of those allies must realise that they are not in the least degree likely to submit, when they have an opportunity to do otherwise, to the pinpricks and stigmata to which they are continually being subjected in this continent. Further, the clause includes our fellow subjects the Indians. As one who saw thousands upon thousands of these

Indians in the desert and in Palestine fulfilling their obligations to the Empire during the great war, and as one who bears in mind that the Indians did their duty in Gallipoli and France, I can only say it is a subject for congratulation that they are rescued from the indignities to which a certain section of Parliament would subject them. I am extremely glad that the higher authority has, for constitutional reasons, had to intervene and cause this provision to be deleted from the Bill.

Question put and passed; the amendment agreed to.

Resolution reported, and the report adopted.

# **BILL—LICENSING ACT AMENDMENT (No. 2).**

## **All Stages.**

Bill received from the Assembly and read a first time.

## **Second Reading.**

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [7.50] in moving the second reading said: The only explanation I wish to offer is that the clause relating to employment of Asiatics having been taken out of the Licensing Act Amendment Bill in order that that measure may be assented to and may come into operation immediately, the same clause, as agreed to by the managers of the two Houses, has been placed in another Bill, which, if approved by Parliament, will be reserved by His Excellency for the Royal assent. The Bill is in exactly the same terms as were agreed to at the conference, and I trust the House will agree to this Bill, not because I myself am a supporter of the principle which it lays down, but because it was a part of the arrangement arrived at between the managers of both Houses. It was on that understanding that the Licensing Act Amendment Bill was agreed to. The clause has been taken out of that Bill, not because of any dissent by either House, or because there was any reason why it should not appear in that Bill, but simply in order that the Bill in question might receive His Excellency's assent. In the circumstances I think it is due to the Conference managers that this Bill should be passed. I move—

That the Bill be now read a second time.

Question put, and a division called for.

Hon. J. Nicholson: May I ask whether copies of the Bill are available for distribution? I think some members—

The PRESIDENT: It is too late to ask that now the division has been called. The clause is the same as that in the other Bill.

Division taken with the following result—

Ayes	..	..	..	..	14
Noes	..	..	..	..	7

Majority for	..	7
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## **AYES.**

Hon. F. A. Baglin	Hon. R. J. Lynn
Hon. H. Boan	Hon. G. W. Miles
Hon. A. Burvill	Hon. G. Potter
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. Cornell	Hon. H. Seddon
Hon. J. Duffell	Hon. J. W. Hickey
Hon. J. Ewing	(Teller.)
Hon. A. Lovekin	

## **NOES.**

Hon. C. F. Baxter	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. J. Nicholson
Hon. J. J. Holmes	(Teller.)

Question thus passed.

Bill read a second time.

## **In Committee.**

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

Clause 1—agreed to.

Clause 2—Employment of Asiatics:

Hon. A. J. H. SAW: I trust the Committee will not carry this clause. I do not wish to go over the arguments I used before, but I think it must be apparent to every member of the Chamber that if it was not possible for His Excellency to assent to this clause when it was in another Bill, it will also be his duty to refuse to assent to it now and to refer the question to His Majesty, for His Majesty's consideration.

The Minister for Education: He will do so.

Hon. A. J. H. SAW: I maintain that that is not a course which we should impose on His Excellency and on His Majesty unless the clause meets with our approval. I do not wish to strain the arguments I used before, but I do appeal to hon. members to consider that this clause, if passed, may in the future land us in war with Japan. It may also cause very serious trouble to the Empire in India. As we all know, educated Indian opinion is closely watching pinpricks of this kind; and this is nothing more or less than a pinprick. For the sake of excluding a few Chinese from employment in hotels, we are going to run the risk of possibly embroiling the British Empire with our fellow subjects in India, or with the great empire of Japan, an empire which fulfilled its obligations during the great war, and without whose assistance that war could not have been won.

Hon. F. A. Baglin: What does this clause exclude?

Hon. A. J. H. SAW: It excludes all Asiatics from certain employment.

Hon. F. A. Baglin: Nonsense! It merely means that they shall be registered.

Hon. A. J. H. SAW: It is the meanest clause—except that meaner one excluding Indians from the humble occupation of watchmen—I have ever known. The Minister commends the clause because it was agreed to by the conference. I

say that conference was an abortion, and a discredit to those taking part in it.

Hon. A. Lovekin : I object to that.

Hon. A. J. H. SAW : You may do so. I know that in practice we are supposed to support any decision of a conference, but I contend it is within the discretion of the House to reject this clause.

The MINISTER FOR EDUCATION : I am not going to advance any argument in favour of the clause, but I say it will be in the nature of a breach of faith with another place if the Bill be not passed. When we went into that conference we could either agree or disagree, and the House could either agree or disagree with what we did. But we came to an agreement, and both Houses adopted it. Now, merely as a matter of convenience, it has been decided that portion of that agreement shall be placed in a separate Bill. It would be a breach of faith on the part of the House if, now that we have the rest of the Bill, we were to reject this provision agreed upon at the conference. It would set up a most dangerous precedent and would destroy the possibility of future conferences between the two Houses.

Hon. A. LOVEKIN : It would be utterly dishonourable on our part to refuse to pass the Bill. Dr. Saw says it may lead to war. That is the very reason why the clause has been put in a separate Bill. Who are the best judges of whether it is harmful or not ?

Hon. A. J. H. SAW : Anybody with any common sense. The managers have thrown us over.

Hon. J. J. Holmes : The majority of the House passed it.

Hon. A. LOVEKIN : The Imperial authorities are the best judges of whether the Bill is harmful.

Hon. H. STEWART : It is not to be accepted as a matter of course that the House will always unanimously approve of the steps taken by managers in conference. Any member is perfectly entitled to express an opinion in regard to what has been done at a conference.

Hon. J. NICHOLSON : I voted against the clause on a previous occasion, and I will do so again. I regard the matter seriously. Whilst it is the prerogative of Parliament to pass any measures it thinks fit, still if those measures are calculated to work harm it is our duty to carefully weigh the consequences.

The Minister for Education : Would the consequences have been less serious if this clause had been left in the other Bill ?

Hon. J. NICHOLSON : I opposed it in the other Bill, and I will oppose it in this. We are within our rights in objecting to a clause which is decidedly harmful to all Asiatic races. If the Asiatics were a menace to us because of their numbers, I could understand action being taken, but since there is only a handful of them in the State I cannot conceive why we should have a measure like this, calculated to cause friction.

Hon. J. DUFFELL : On two previous occasions I voted against this clause. But we consented to a conference of managers, and since that conference agreed to this clause in its present modified form it is our duty to honourably uphold their finding.

Hon. J. CORNELL : The time has passed when the merits of this proposal should be discussed. On two occasions this House has rejected this clause. However, since then the conference managers have accepted it in a modified form, and in my view we should stand by the work of the conference. We cannot go back on the understanding we have arrived at. It was decided by Parliament that should be the law in Western Australia. It is right that this particular question should be placed in a Bill by itself.

Hon. A. J. H. SAW : This will go forth as a Bill promulgated by the Legislature of Western Australia. It prevents the employment of Asiatics in a menial capacity in licensed premises. It contains a scandalous clause.

Hon. F. A. Baglin : It only provides for employment after registration.

Hon. A. J. H. SAW : No Asiatic who is not already employed can get employment as a yardman or cook in any licensed premises in the State except in the North Province. This Bill should be burned by the public hangman.

Hon. J. J. HOLMES : I voted against this clause on the Licensing Act Amendment Bill. I then became one of the managers to confer with the managers of another place. My opinion of this clause has never altered, but after we had strenuously argued the question the conference arrived at the compromise as it appears in the clause. The conference reported to this House and the report was adopted. That finished my jurisdiction as one of the managers representing this House. If, however, the compromise had been disputed here I should have voted for it. For Dr. Saw to tell me indirectly, for the first time in my life, that I have thrown over this House, is not quite fair. I have never thrown over anyone yet. If I thought I had thrown the House over I would walk out of the Chamber forever. Having finished with the Licensing Act Amendment Bill I now start with this new Bill, and my intention is to vote against this clause.

Hon. G. W. MILES : The House has accepted the manager's decision on this question, and expressed itself in agreement with the clause as it now appears in this Bill. I intend to support it although had things been otherwise I would have opposed it.

Hon. F. A. BAGLIN : I would not have voted as I did in connection with this clause if I had known that a trick would be played upon us. I voted as I did solely on the understanding that this required the Royal assent.

The MINISTER FOR EDUCATION : It is important that good feeling should exist between the two Houses. This is something both Houses agreed to. It is the law awaiting only the Governor's assent or the Royal assent. It was pointed out in another place that the inclusion of this clause in the Licensing Act Amendment Bill might delay it for four months, and it therefore brought down a Bill containing this clause on the assumption that this House, having already passed it in the other Bill, would ratify it now. If we refuse to do so, another place, which was very strong upon the clause, will take up the attitude that it has been tricked by the Council and that we have gone back on

our decisions. That would set up a most undesirable state of affairs.

Clause put and passed.

Clause 3—agreed to.

Bill reported and the report adopted.

Read a third time and passed.

*Sitting suspended from 8:38 to 9 p.m.*

## BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

Request for Conference.

Message from the Assembly received and read requesting a conference on the amendments insisted upon by the Council and intimating that should a conference be agreed to, the Assembly would be represented by three managers.

The MINISTER FOR EDUCATION: I move—

That a message be transmitted to the Assembly agreeing to a conference and that the Hons. R. J. Lynn, A. Lovekin, and the mover be appointed managers on behalf of the Council and that the conference meet in the President's room forthwith.

Hon. A. J. H. SAW: In supporting the motion I express regret that in the heat of an argument a few minutes ago, I made an interjection that the managers of the late conference with reference to a certain clause had thrown this House over. I desire to withdraw that statement.

Members: Hear, hear!

Question put and passed.

*Sitting suspended from 9 p.m. to 10.45 p.m.*

### Conference Managers' Report.

The MINISTER FOR EDUCATION (Hon. P. Colebatch—East) [10.45]: The report of the managers of this House is as follows:—

The managers of the Legislative Council report that they have met the managers of the Legislative Assembly in regard to this Bill, and have reached an agreement on the clauses in difference, as follows:—No. 1, Clause 2: After the word "by" in line 1, insert the words "striking out all the words after the word 'rate' in line 5 of Subsection 2 and inserting in lieu thereof the words 'without any deduction for insurance premiums, medical expenses, travelling expenses, or deductions allowed for children or dependants, or any deduction under the second proviso to Subsection 1 of Section 16 of the principal Act as amended by Clause 6 of this Bill.'"

This amendment refers to the increased tax upon absentees. It has been agreed that the increased tax shall be abandoned, and that the clause shall be made to read "on the income of any absentee"—we leave the definition of "absentee" as it is—"the tax shall

be payable at the declared rate." Then the substitution of the words which I have just read, for the words struck out, will have this effect, that the absentee will pay only at the ordinary rate of taxation, but will not be allowed to make the deductions which are allowed to resident taxpayers for children, or insurance premiums, medical expenses, travelling expenses, or the £200 deduction. That, I think, is in conformity with the Federal Act, which deprives the absentee of those deductions.

No. 3, Clause 2: The amendments made by the Legislative Council, as amended by the Legislative Assembly, were agreed to.

That is in regard to walk-in walk-out sales. We put in the amendment the date of the 30th June; the Legislative Assembly made it the 31st August. To that we have agreed, and we have also agreed to the proviso which the Legislative Assembly inserted in order to protect the revenue in cases where the property still continues in the hands of the same person.

No. 4, Clause 4: It was agreed that this clause be maintained in the Bill, subject to the following amendments to the proviso:—Strike out the words "be at the rate of" in line 5, and insert the words "not exceed;" strike out the word "allowance" in line 7, and insert the word "expenses"; and strike out the words "be at the rate of" in lines 7 and 8, and insert the words "not exceed."

The effect of that agreement is that Clause 4, relating to deductions for travelling expenses, remains in the Bill, and is unaltered as it affects the ordinary taxpayer; but as regards the travelling expenses of members of Parliament, instead of their being fixed and allowed at £50 in the one case and £100 in the other, they can be only the travelling expenses actually incurred by members of Parliament, and they shall not exceed £50 in the one case and £100 in the other.

No. 5, Clause 5: The amendment of the Legislative Council was agreed to subject to the following amendments:—Strike out the words "company or" in line 4; strike out the words "carrying on mining operations" in line 5, and insert in lieu thereof the word "prospecting," and in line 6, after the word "metals" insert the word "oil."

The effect of that agreement is to retain the provision desired by this House for deduction of calls, but instead of making it a deduction for calls in a company or syndicate carrying on mining operations, it allows only deduction for calls in a syndicate prospecting. Further, oil is included. I suppose, as a matter of fact, oil would be included in "other minerals."

Hon. H. Stewart: Certainly it would be.

The MINISTER FOR EDUCATION: Really the only alteration is that the agreement confines the deduction to prospecting syndicates.

No. 6, Clause 5: The amendment made by the Legislative Council, as amended by the Legislative Assembly, was agreed to. This refers to small alterations made by the Legislative Council in the depreciation clauses. The Assembly accepted our clause, and we accepted the Assembly's amendment. I think the words were properly deleted, because the main clause says that the machinery must be used by the taxpayer in the production of his income. I am not able to tell the House, nor is the Commissioner of Taxation able to say, why those words appear in the Federal Act.

No. 7, New clause: The amendment made by the Legislative Council was agreed to, subject to the following amendment:—Strike out the word "repealed" in line 4, and insert in lieu thereof the words "amended by inserting the word 'one' instead of the word 'ten.'"

The effect of Mr. Stewart's amendment would have been to retain the proviso. Instead of doing that, we alter the distance from 10 miles to one mile, so that in the case of any person owning two blocks of land not more than a mile apart, the improvements on the one block count as improvements on the other. I move—

That the Conference Managers' report be adopted.

Hon. H. STEWART (South-East) [10.53]: In the light of the explanations given by the Minister, the managers have done very well, considering the circumstances. I do not know that any good purpose would be served by considering these agreements in detail, or, indeed, whether such consideration is allowed. But as regards amendment No. 6, in Clause 5, dealing with depreciation, I think our amendment made the position clearer and was less liable to misrepresentation. It seems to me that the agreement represents no improvement. As regards No. 7, dealing with improvements, the amendment is in the only possible direction, but in my opinion the distance has been cut down rather too low. One mile is very little indeed. I think two miles should have been the least distance.

Hon. A. LOVEKIN (Metropolitan) [10.55]: I suggest that before long we should get a meeting of the Standing Orders Committee to make a regulation regarding the procedure following upon a conference. It has been usual, I believe, to adopt the report of the managers; and then it has been held that the adoption of their report merges the amendments into the Bill automatically. I cannot help thinking that that procedure is not right. The course is one which is not followed elsewhere. How can we put amendments into a Bill when we have not the Bill in our possession? This particular Bill, for instance, is at the present moment in the possession of the Legislative Assembly; and the Legislative Assembly adopts the report of its managers and puts these amendments into the

Bill. The Assembly will then in due course send the Bill to us for our concurrence. In my view, when that Bill comes for our concurrence, it should be taken into Committee, and the amendments put into the Bill by us as well as by the Assembly. That course would give us an opportunity to discuss the amendments one by one. If we put them in, as we did yesterday, automatically, members have not that opportunity which they ought to have to discuss them.

The PRESIDENT: I do not think the hon. member is quite in order.

Hon. A. LOVEKIN: I am pointing this out because that is the course we are bound to adopt on this Bill. We are bound to adopt the report of the managers; and, when we have done so, the amendments will go automatically into the Bill. I do not think that is a right practice.

The PRESIDENT: There will be another opportunity for discussing that phase. I do not think it is in order at the present moment.

Hon. H. SEDDON (North-East) [10.58]: I desire to express my thanks to the managers for the work they have done in connection with the clause I suggested. The principle has been achieved of assisting the prospecting syndicate, the small working party doing their best to develop our mineral resources. The results are such as will be highly appreciated by the prospectors.

Hon. J. J. HOLMES (North) [10.59]: There is one point I desire to have made clear. Under the principal Act—I am speaking from memory—a taxpayer is entitled to deduct reasonable expenses incurred in earning his income, whatever reasonable expenses he may incur from one end of the State to the other. But under this Bill a taxpayer, though he may have to travel all over the country in earning his income, will be allowed a maximum deduction of only £15 for travelling expenses.

Members: No.

The Minister for Education: This refers only to travelling from the place of living to the place of employment.

Hon. J. J. HOLMES: A maximum deduction of £15 is all very well to pay for train fares, say, from Mount Lawley to the city. But a man travelling all over the State in earning his income may incur hundreds of pounds of travelling expenses. Up to now he has been entitled to deduct those expenses. But under this Bill a man will not be able to deduct a total of more than £15. Surely that is not right.

The Minister for Education: The original provision as to travelling expenses still remains. That is not taken away from the taxpayer. The Bill merely gives him this additional right to deduct expenses incurred in travelling from his residence to the place where his income is earned.

Hon. J. Cornell: It seems to me like an Irishman's rise.

Hon. J. J. HOLMES: This is a matter that affects the general community. The de-

finition given by the Leader of the House is only his opinion, but that view may not be the one adopted by the Taxation Department. It is quite possible that the department will take a different stand altogether.

Hon. H. Stewart: That is extremely likely.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [11.3]: I do not see how anything could be much clearer. It has been held that a man cannot deduct travelling expenses from his residence to the place where he earns his income, because that expense is not incurred in the earning of that income.

Hon. J. Cornell: Then what is it?

The MINISTER FOR EDUCATION: If a man lives at Fremantle and works in Perth, the expense of coming to and going from Perth is not regarded as incurred in connection with the earning of the income.

Hon. J. Nicholson: Take a man with a station in the North-West. If he has to travel from Perth, what then?

The MINISTER FOR EDUCATION: These are reasonable travelling expenses incurred in the production of his income. I do not say that such deductions are not reasonable, but the fact remains that they are not allowed.

Hon. J. DUFFELL: (Metropolitan—South) [11.5]: If the provision be agreed to, it will be taken as the maximum amount. If a man earns £4 a week and it costs him 6s. a week to go and return from his work, that means that his earnings are not £4 a week, but £3 14s. To fix the allowance at £15 might meet a case of that sort, but not the other case mentioned.

Hon. J. J. HOLMES (North) [11.6]: The principal Act says that there shall be a reasonable deduction for these allowances. Now the amendment, in effect, fixes the total sum allowable at £15. That is the interpretation I put on it and I think the Taxation Department will probably adopt that interpretation too. That amount would be all right for Perth or Fremantle, but when a man has to travel about the country in connection with his business that amount would not be sufficient.

Hon. J. Duffell: But he would get reasonable expenses.

Hon. J. J. HOLMES: If Mr. Duffell were Attorney General, I would be prepared to accept his version, but I am afraid the Taxation Department will allow only £15, no matter what the expenses may be.

Hon. J. NICHOLSON (Metropolitan) [11.8]: The contention of Mr. Holmes is a reasonable one.

Hon. H. Stewart: A very probable one, too.

Hon. J. NICHOLSON: I believe the department will interpret this provision in the way Mr. Holmes suggested and fix the amount allowable for travelling expenses at £15. In the case of a man owning a station in the North-West and travelling about in connection with his business, £15 would not be sufficient to cover his travelling expenses, but this

would limit his allowable expense to that amount, although it might cost him £50 or more. Under the principal Act, he would be able to collect travelling expenses otherwise than from his house to his place of business. That is to say, if a man travelled from one station to another, there would be a deduction for a reasonable amount of travelling expenses, but for that part of the expense incurred in travelling from the home property there would be a limitation of £15.

Hon. H. STEWART (South-East) [11.10]: I am in accord with the contentions of Mr. Nicholson and Mr. Holmes. Certain sections of the community are always allowed travelling expenses as deductions from their taxable income. These include doctors who leave Perth to go to the country for consultations, architects, consulting engineers and others. An allowance of £15 would not cover the cost of one trip.

The Minister for Education: The Act provides for reasonable deductions to be allowed.

Hon. H. STEWART: The Commissioner will probably regard the £15 as the maximum allowed for this deduction. The proviso should be embodied in a separate paragraph and if that is not done, I cannot agree to the report being adopted. We know that a mess was made of the Assessment Bill last year.

Hon. J. Cornell: Part of it was lost!

Hon. J. Nicholson: Portion of the report as submitted to us is absolutely useless and the Leader of the House wondered if some of the words which were included were correct. As it appeared on the Notice Paper, the amendment was "New clause to stand as Clause 9—"

The PRESIDENT: The question before the House is that the report of the conference be adopted.

Hon. H. STEWART: But if one of the recommendations of the conference is not commonsense—

Hon. J. W. Hickey: The hon. member has an audience now, Mr. President.

Hon. H. STEWART: The amendment continues: "Section 3 of the Land Tax and Income Tax Act, 1921, is repealed." Section 3 provides that Section 10 of the principal Act is amended by omitting the proviso to Subsection 2 of the parent Act, which provides that any improvements made on one parcel of land shall extend to any parcel of land belonging to the same owner if the parcels of land are not more than 10 miles apart at their nearest boundaries.

Hon. F. A. Baglin: On a point of order. Is it possible for members to discuss in detail the managers' report?

The PRESIDENT: It is generally conceded that the managers have had the confidence of those who sent them to the conference, and consequently as a rule their report is adopted. Still, there is nothing to prevent any member from criticising it.

Hon. A. Lovekin: On a point of order. We are now having a Committee debate, instead of a debate in the House. Mr. Holmes has spoken a couple of times, and

Mr. Stewart also. We cannot have a Committee debate in the House in this way.

The PRESIDENT: I do not think Mr. Holmes has spoken twice. I did not know it. Mr. Stewart is quite in order.

Hon. H. STEWART: There is no sense in the proposed amendment. The recommendation from the conference is not in its proper form. Surely we are not going to pass something which is quite wrong?

The MINISTER FOR EDUCATION: In explanation, let me say the intention of the conference is quite clear as expressed in the decision arrived at. But in having that decision typed I omitted certain words. The intention is that it should be 10 miles instead of one mile. I overlooked the fact that instead of amending the proviso to Section 10, we were really amending Section 3 of the Act of 1922. It was entirely my fault in forgetting that we were amending this section instead of Section 10.

Hon. H. STEWART: That is just what I was endeavouring to show the House. It is not proper for us to pass this in the form presented here. I take it it will be modified in the way suggested by the Minister. As it stands, it would mean striking out "Section 10" and inserting "Section 2." It would be absurd.

Question put and passed; the conference managers' report adopted.

The MINISTER FOR EDUCATION: When the intention is clear but the wording is wrong, there should be some simple process of putting it right. I do not know that it could be done by the Clerk of the House. Perhaps the most satisfactory way would be to ask the Assembly to correct the error. It is my error. I move—

That a message be sent to the Assembly requesting that the correction be made.

Question put and passed.

#### Assembly's further Messages.

Message from the Assembly received notifying that it had agreed to the amendments suggested by the conference managers.

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

#### BILL—LAND TAX AND INCOME TAX.

In Committee.

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

Clauses 1, 2—agreed to.

Clause 3—Rate of income tax:

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

That in line 3 the figure "7" be struck out and the figure "6" inserted in lieu.

The MINISTER FOR EDUCATION: We shall have to recover the taxation we have lost. If the amendment is carried, we shall lose £30,000.

Hon. A. LOVEKIN: I am satisfied that the .007d. will produce more than the Government have given away; .0065d. would be ample. Seeing we have made the exemption £200 and have provided for various travelling expenses and got rid of the absentee tax I am going to vote for the .007d. with an understanding on my part that if the tax yields more than £30,000, I shall next session endeavour to reduce it.

Hon. G. W. MILES: I support the amendment. On the second reading I gave my reasons for opposing any increase of taxation. I am surprised to hear that Mr. Lovekin has changed his mind.

Hon. R. J. LYNN: I support the clause. I voted against the Land and Income Tax Assessment Bill. Had that measure been rejected the Government would have been placed in the same position as they occupied last year. Having been out-voted and the position having been compromised, I cannot possibly take from the Government the concession contained in the Assessment Bill and deprive the Government of the means of procuring the amount rebated under that measure.

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

Ayes	..	..	..	3
Noes	..	..	..	9
Majority against				6

#### AYES.

Hon. V. Hamersley	}	Hon. G. W. Miles
Hon. J. J. Holmes		(Teller.)

#### NOES.

Hon. F. A. Baglin	}	Hon. A. Lovekin
Hon. A. Burrell		Hon. R. J. Lynn
Hon. H. P. Colebatch		Hon. G. Potter
Hon. J. Duffell		Hon. J. Nicholson
Hon. J. W. Hickey		(Teller.)

Amendment thus negatived.

Clause put and passed.

Clauses 4 and 5—agreed to.

Clause 6—Super tax of 15 per cent:

Hon. J. NICHOLSON: I move an amendment—

That in line 7 before the words "income tax" the word "net" be inserted.

The MINISTER FOR EDUCATION: I do not object to the amendment.

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

Clause 7—agreed to.

Title—agreed to.



Bill reported with an amendment, and a message accordingly forwarded to the Assembly requesting them to make the amendment, leave being given to sit again on receipt of a message from the Assembly.

*Sitting suspended from 11.54 p.m. to 11.54 p.m.*

## BILL—LAND TAX AND INCOME TAX.

### Assembly's Message.

Message received from the Assembly notifying that it had made the amendment requested by the Council.

### In Committee.

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

Title—agreed to.

Bill reported without amendment, and the report adopted.

### Third Reading.

Read a third time and passed.

## ADJOURNMENT—CHRISTMAS HOLIDAYS.

The MINISTER FOR EDUCATION: I move—

That the House at its rising adjourn till Tuesday, the 9th January.

I desire to thank hon. members for their courtesy and consideration, particularly during the last two or three days. I wish to extend to you, Sir, the compliments of the season, and I hope that you and all members of the House, and those associated with them, will enjoy a merry Christmas and a happy and prosperous New Year.

Question put and passed.

*House adjourned at 12 o'clock midnight.*

## Legislative Assembly.

*Thursday, 21st December, 1922.*

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The Deputy Speaker took the Chair at 2.30 p.m., and read prayers.]

### STRANGER IN CHAMBER.

The DEPUTY SPEAKER: I hope no member has brought a lady into the Chamber during the reading of prayers. It is contrary to practice.

Lt. Col. DENTON: I am sorry, Mr. Deputy Speaker. Overlooking the practice of the House, I brought my wife into the Speaker's gallery.

### STANDING ORDERS SUSPENSION.

The PREMIER: I move without notice—

That during the present sitting so much of the Standing Orders be suspended as is necessary to enable Messages received from the Council to be taken into consideration forthwith, and also to permit of the introduction without notice of Bills, and their passing through all stages at the one sitting.

It may be necessary to put through a Bill after we receive a message from the Council. I want the Standing Orders suspended to permit of this being done.

The DEPUTY SPEAKER: I have counted the House, and I find there are more than 26 members present.

Question put and passed.

### BILL—ROAD CLOSURE.

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

### BILLS (2) THIRD READING.

1, Industries Assistance Act Continuance.