

on the clause relating to plural voting, which has been negatived.

(Clause put and negatived.

Clause 22—negatived.

Progress reported.

House adjourned at 10.28 p.m.

Legislative Assembly.

Tuesday, 2nd November, 1937.

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

QUESTION—YOUTH EMPLOYMENT, ROYAL COMMISSION'S REPORT.

Mr. SHEARN asked the Minister for Employment: Is the report of the Royal Commission on Youth Employment completed and in the hands of the Minister?

The MINISTER FOR EMPLOYMENT replied: No.

BILL—TIMBER INDUSTRY REGULATION ACT AMENDMENT.

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the undermentioned Bills:

1. Main Roads Act Amendment.
2. Main Roads Act Amendment Act, 1932, Amendment.
3. Jury Act Amendment. (No. 1.)

MOTION—GOVERNMENT BUSINESS, PRECEDENCE.

THE PREMIER (Hon. J. C. Willecock—Geraldton) [4.35]: I move—

That on Wednesday, the 3rd November, and each alternative Wednesday thereafter, Government business shall take precedence of all Motions and Orders of the Day on Wednesdays as on all other days.

It is customary, when the session is progressing towards its end, to move a motion somewhat similar to that which I have placed before the House, but instead of the usual proposal that private members' business shall give way to Government business at each sitting day, on this occasion we consider that if Government business is permitted to have precedence on alternate Wednesdays, that will provide members with an opportunity to have any business they desire to place before members dealt with satisfactorily. During this session we have had a considerable volume of private members' business and, contrary to custom, instead of adjourning early each Wednesday night we have sat on until 10 or 11 o'clock in order that that business may be given adequate consideration. There is no desire on the part of the Government, in common with other Governments from time to time, to shut down entirely upon the consideration of private members' business, and we think that with alternate Wednesdays set aside for the purpose, members will have sufficient time to enable them to deal with their business that is listed on the Notice Paper at present and also any additional business they may desire to bring forward. If necessary, I can give the usual assurance that members will be given ample opportunity to discuss their business, as in past sessions.

HON. C. G. LATHAM (York) [4.37]: I do not desire to raise any objection to the motion, but I think the Premier might have informed the House as to how long it is pro-

posed to continue this session. Judging by the Notice Paper and also by statements in the Press, it is possible that the sittings will be extended, and I cannot see that we shall be able to finish the session before Christmas.

The Premier: I am hopeful that we shall.

Hon. C. G. LATHAM: I understand it is proposed to bring down a Redistribution of Seats Bill, and that is always a very controversial matter. Such a Bill will not be passed very readily in this House. Already there are 17 Orders of the Day on the Notice Paper relating to private members' business, and this afternoon we have had indicated another addition, bringing the total to 18. I realise that quite a number of the items can be disposed of fairly rapidly.

The Premier: Nearly all of the matters have been debated already at considerable length.

Hon. C. G. LATHAM: Some of them have been debated, and I suppose that if we were able to deal with many of them as we handled the business last Wednesday, some of the items could be speedily disposed of. It is right that Government business should take precedence, although not all their business is of equal importance to that of some introduced by private members. Some Government business could well be set aside in favour of some private members' business. However, I do not take any exception to the motion and I am glad to have received the assurance of the Premier that the business submitted by private members will be adequately dealt with. It is usual for a Government to give such an assurance, and I know that there is no desire to depart from that attitude on this occasion.

MR. SAMPSON (Swan) [4.39]: I take this opportunity to suggest to the Premier that rather than precipitately proposing that private members' business be deferred until the 10th November, he might agree to altering the motion so that it will become effective as from Wednesday of next week, instead of as from to-morrow. There is quite a large volume of private members' business, and it was not expected that the motion under discussion would be submitted at this early stage of the session.

The Premier: I have moved the motion considerably later than is usual.

Mr. SAMPSON: For some reason or other, the tendency on the part of private

members to submit business for consideration has developed rapidly during the session.

Hon. C. G. Latham: That is because there are so many potential Ministers looming up.

The Premier: Yes, on the Opposition side of the House.

Mr. SAMPSON: Members represent various constituencies and have duties to perform. Unfortunately, even if their business survives the ordeal in this Chamber, it has to be passed by the Legislative Council. Perhaps the Premier will agree to making the motion effective as from the 10th November instead of from the 3rd November. If he were to adopt that attitude, then if we sat late to-morrow night, members could make a mental decision, even if not expressed to be brief in their remarks. I have already done that, and I hope that the Premier, with the permission of the House, will agree to amend his motion as I have suggested.

Question put and passed.

BILLS (3)—THIRD READING.

- 1, Anniversary of the Birthday of the Reigning Sovereign.
- 2, Forests Act Amendment Continuance.
- 3, Road Transport Subsidy.

Transmitted to the Council.

BILL—INCOME TAX ASSESSMENT.

Second Reading.

Debate resumed from 26th October.

HON. C. G. LATHAM (York) [4.42]: The Bill is very extensive and, although I have devoted a lot of time to a study of its clauses, I cannot pretend even now to understand all its ramifications. I can quite understand that the Premier himself desired a lot of time to give consideration to it. The Bill is really the outcome of the recommendations of a Royal Commission that sat to inquire regarding uniform taxation measures throughout Australia. It is also the result of quite a number of conferences between representatives of the States and some members of the Royal Commission. It is time that Australia had some uniform type of taxation, and on that account I do not think it is reasonable to oppose any considerable portion of the Bill. Some objections will be raised to various provisions

The Premier dealt with the Bill very fairly when setting out the alterations that were proposed and, in perusing the Bill carefully, I found that in most instances where they are calculated to derive any benefit, the Government has accepted the suggestions, but where there are concessional deductions under the Commonwealth Act the Government has refrained from adopting them for this State. I think we could well amend the Bill in some respects in order to secure the benefit of at least some of those concessional deductions. At the same time I do not think the loss of these concessional deductions deprive the Government of a great deal of revenue. There are one or two things I propose to speak about. After all, this is the last State to adopt this uniform legislation. All the other States have already adopted it. Probably on account of that there is quite a lot of work involved in checking it over, because there are some differences in some of the States' statutes. Queensland, for instance, has made a slight alteration, and in other States there are certain slight alterations from the Commonwealth Act. It is difficult to get a uniform Act, because the Commonwealth deals only with taxpayers outside of Australia, whilst each State deals with taxpayers outside that State. So it would not be possible to get an Act that was perfectly uniform in that respect. But there are one or two things I might mention, as, for instance, dealing with concessional deductions. It is provided in our Bill that they shall not apply to any taxpayer outside the State. In all the other States except Queensland there has been a concession allowed to the taxpayer whose income is not sufficiently high in the State where he lives to enable him to get the benefit of the concession there. So I think we might adopt the Acts of the other States, except Queensland. If I quote from the Victorian Act to show what they have done it may appeal to the Premier, and so he may agree to a proposal I shall have to make. Section 73 of the Victorian Act reads as follows:—

Where a taxpayer who is domiciled in another State of the Commonwealth does not by reason of the insufficiency of his income in that State receive the full benefit of the concessional deductions and statutory exemption allowable under the law of that State, the Commissioner may allow either the whole or such part of the deductions allowable under the last preceding section or Section 75 of this Act as in his opinion is just, having regard

to the taxpayer's income in Victoria as compared with his total income.

The desire of everybody is to try to get people to invest their money in this State. If they invest a great deal more of their capital in this State than in the State where they reside, this State benefits at the cost of the other State. I think if we adopted the lines of the Victorian Act and the New South Wales Act it would improve the Bill, and would also allow some encouragement to the investor to invest his money in this State. That is one of the points I wish to raise, and I hope the Premier will give consideration to it. It is one of those questions that are pretty difficult for an ordinary member of the House satisfactorily to amend without interfering with other clauses in the Bill. I am desirous that any amendments I move shall not upset any other portions of the Bill; because taking the Bill generally I think it will be acceptable to the House. It does impress me that a great deal of consideration was given to this legislation, and we may undo some of the good work in the Bill if we tamper too much with amendments. Another important consideration arises in the provisions for a court of review. It looks to me that, after all, while providing for a court of review that court is going to be very much restricted. I hope we shall be able to give some power to the court, as much power as is given to the commissioner. If there is an appeal from the commissioner to the court the court should have some standing in deciding what is the right thing to do. There is very little in the Bill that will give much consolation to any appellant appealing against a decision of the commissioner. So I hope the statutes of the other States may be adopted in this respect, for all the other States have set up a board of appeal which has equal rights to those held by the commissioner. That would be a big improvement, and would give some kind of standing to the appellant. Section 163 of the Victorian Act reads as follows:—

For the purposes of reviewing such decisions, the board shall, subject to this section, have all the powers and functions of the commissioner in making assessments, determinations and decisions under this Act, and such assessments, determinations and decisions of the board, and its decisions upon review, shall for all purposes (except for the purpose of objections thereto and

reviews thereof and appeals therefrom) be deemed to be assessments, determinations or decisions of the commissioner.

It is not proposed here to give our court of review any such power, but I hope the Premier will agree to extend the power given, because without some extension it will be very little use appealing to the court of appeal. Of course the appeals to the Victorian Board will be on questions of fact rather than questions of law, but it is such questions of fact that I have in mind. The Bill provides that there shall be a differentiation between income from personal exertion and income from property. The Premier did make some reference to this in his introduction, but I am a little suspicious about it.

The Premier: I can now give you the assurance that you would desire.

Hon. C. G. LATHAM: When first I read the Bill I thought perhaps we were going to have differential rates of tax.

The Premier: And we may have, but there is no proposal for that in the Bill.

Hon. C. G. LATHAM: Very well, we can set aside that question. If some future Government should want to bring down any such proposal Parliament will have to be satisfied about it. On reading the Bill and seeing right through it what is provided, I become somewhat suspicious, and I wondered whether the Treasurer had in his mind some idea of receiving taxation from this source. However, I do not believe there will be any great increase in taxation as the result of the proposals in the Bill. It certainly does something that we ought to have done long ago, that is to say, where incomes are earned in this State we ought to receive the taxation in this State, and it should not be payable in any other State. I do not think it makes any difference whatever to the firm involved, except that perhaps the tax is lower in the State where the firm's head office is situated. But under the Bill we should get some increased revenue in that way. Practically all our banks here have headquarters in the other States, so there will be no big kick coming from that source. We have no desire to do anything at all that will discourage the investment of money in this State: indeed we greatly desire the investment of money in this State, because after all there is so much to do here. I have

heard the member for Boulder (Hon. P. Collier) speaking of the State's potentialities waiting for someone to invest money in them. We want to encourage that as much as possible. I do not suppose this Bill is going to be quite as acceptable to various taxpayers as it is to me. I rather think a lot of them expected to get a great deal of relief by the co-ordination of these Acts in the various States, because in some of the other States the assessments are more generous than they are in this State. However, I do not think that would make very much difference.

The Premier: The Bill simplifies the whole question of taxation.

Hon. C. G. LATHAM: That is true. It makes much simpler the filling in of taxation forms. It is a Bill that must have a great deal of consideration when in Committee, and while a lot of it is simply re-instituting what has been passed before, what we have provided in the existing law, I hope we shall have plenty of time to deal with it in Committee. Therefore I do not propose to take up much time on the second reading. Some members may not agree with that attitude, but I have given a great deal of thought to the Bill, and have checked it up wherever I possibly could. There is little doubt the Treasurer will oppose one or two of the amendments I may have to move.

The Premier: Am I not a most reasonable man?

Hon. C. G. LATHAM: I remember an amendment I once had to move but to which the member for Boulder objected.

Hon. P. Collier: With the assistance of members of the then Opposition you made it almost perfect.

Hon. C. G. LATHAM: I think we might adopt that provision which the Federal Parliament has adopted, and allow an exemption of £50 to a married taxpayer. That is one of the amendments I propose to introduce. The argument that will be submitted there is that the tax does not start until the married taxpayer receives £200 per year. But when he reaches £300 he is taxed exactly the same as a single man. I should like to see it so devised as to encourage the single man to marry. I also intend to move one or two other amendments, but not to upset the Bill. We ought to give this legislation a trial. It is the outcome

of conferences which have been held between those responsible for the drafting of the measure. Apparently, the legislation is acceptable in the other States, where it was introduced last year. Evidently no objection has been raised there. In the circumstances I propose to agree to the second reading.

MR. McDONALD (West Perth) [5.1]: The Bill is designed as far as possible to make uniform the income tax laws. It also removes a number of difficulties which have appeared in the past in respect of people and companies who have derived their income from two or more States. For this reason it is a welcome measure, and one that should be approved by the community in general. I have a few amendments I propose to submit in Committee, and will reserve any further remarks I have to make until we reach that stage.

MR. SAMPSON (Swan) [5.2]: Generally there is a belief in the usefulness of this measure. Various amendments are, however, desirable if the reception which the Act will receive is to be favourable. The story related by the Premier was plainly told, and easily understood. It had a soporific effect to an extent upon members, and also created a soothing effect. Underneath some of the clauses there are difficulties which perhaps have not yet made themselves quite manifest. The advantage that will arise because of the uniformity of taxation is, of course, a good thing. One objection which I would voice is as to the urgency with which a Bill such as this is being forced through the House.

The Premier: Urgency!

Mr. SAMPSON: It was introduced on Tuesday last. It is a big Bill, and members generally have had no opportunity to give it the study that is essential if they are fully to understand it. I do not know whether the Premier desires to continue the Committee stage to-night. If so, it will be exceedingly difficult for members because they will not have on the Notice Paper those amendments which they desire to submit. That is very important. I am surprised, since those who prepared the Bill have had all the time there is in which to prepare it, that they should not have brought it down at an earlier stage. That would have given members an opportunity to focus the necessary consideration upon it. During

the speech of the Premier surprise was expressed by a member that a certain exemption was not generally known. If that is the case in regard to Acts which have been in existence for a long time, what is to be the position with respect to this Bill? It is not a piece of literature which one can read and assimilate very readily. I understood the Premier to say he had read the measure four times. Evidently since he has been Treasurer there has become engendered in him a love of the consideration of finance which is not natural to everyone. Undoubtedly there will be difficulty in getting a full grip of the measure. The object of securing uniformity is undoubtedly a good one. The scythe of taxation imposition will cut with a wider swathe than ever before. There are certain things in the Bill to which many members will object.

Hon. C. G. Latham: What are they?

Mr. SAMPSON: The Premier indicated a generous disposition on this matter. It calls for skill to say an unpleasant thing in a pleasant manner.

Hon. P. D. Ferguson: A sugar-coated pill.

Mr. SAMPSON: Since that achievement is one of the attributes of the Premier, the Bill has not been received with that doubt and misgiving with which it would have been received had he scowled and expressed the sentiments he did in a different voice and tone.

Hon. C. G. Latham: What you mean is, if it had been introduced by the Minister for Lands.

Mr. SAMPSON: I would draw attention to the fact that gifts to public schools have disappeared from among the exemptions. There is, however, an allowable deduction for gifts that are made to residential educational institutions. These, undoubtedly, should receive consideration, but the withdrawal from the deductible amounts, gifts in money to public schools, savours to me of treatment that is unworthy of any Government.

The Premier: Then there must be many unworthy Governments in Australia, because none of them has given it.

Mr. SAMPSON: If it is essential that the Bill be in uniformity with others of the same kind we might as well accept it in toto and say no more.

Hon. C. G. Latham: It is not quite identical.

Mr. SAMPSON: I hope we still have a little power left. If so, I have sufficient faith in the Premier to believe that he will recommend the amendment I propose in this respect to move in Committee. I intend to recommend that those who provide money gifts to public schools shall be permitted to treat them as deductible amounts. I have no objection to funds for war monuments being deductible, but that is not one bit more important, if as important, than is the case with public schools. The ordinary State school, as members know, is very poorly equipped. If one goes into a school, particularly outside the city areas, one sees that the maps shown are obsolete, that the lines of demarcation indicating different countries have been altered in many cases long since the original maps were issued. This applies not only to maps but to furniture, books, etc., in the schools. All this poor equipment calls for consideration on the part of people who might be expected to be sympathetic towards the schools. I hope in view of the importance of encouraging a measure of philanthropy in respect to our schools that consideration along the lines I suggest will be given.

The Premier: Do you think you can promise me some donations?

Mr. SAMPSON: Between some of us we might be able to do something to assist the outlying areas of Geraldton and even the Swan electorate.

The Premier: You make the proposition.

Mr. SAMPSON: There is another matter which affects everyone who is in possession of his own home. Hitherto amounts spent in renovations, repairs, etc., in connection with a man's own home were deductible. If a person is sick the money spent on making him well has been allowed as a deduction. If a person has not efficient shelter, he is not in a position to work. Since these deductions are not to be permissible, it will only be a matter of time when the owner of the house will have a home in which it is not fit for him to live. People who have homes should be encouraged to keep them in good repair, and should be permitted to deduct from their income the amount they expend in that direction each year. If that is not done, the homes of the people generally must become dilapidated and stand more and more in need of repair. The Minister for Employment might learn later on that a good deal

of unemployment, which would not otherwise have been apparent, will arise as a result of this change. Previously, if a person purchased a house with the intention of letting it, the money he spent in putting that place into a lettable condition was also allowed as a deduction. This, however, is not as important as is the case with the house in which the owner lives.

Hon. C. G. Latham: Income is derived from the lettable house as a result of expenditure upon making it lettable.

The Premier: They might want to be let off their income tax also.

Mr. SAMPSON: The Premier might lessen the deduction by limiting the proportionate amount to be spent.

The Premier: The expenditure is adding to the capital value of the property.

Mr. SAMPSON: To suggest that this represents capital expenditure is to say that those who have been in control of income taxation in the past have not carefully studied the position. No one would, of course, agree with that view. It is necessary to have painting done and repairs effected in the case of all houses, and that class of work should be encouraged. If deductions are allowed for such expenditure, the work will be encouraged, with advantage to the property and the State as a whole. We should encourage people to own their own homes. It would be a practical encouragement if, having purchased a home, it was made easier to keep it in good order.

The Premier: A good case could be made out for their not paying any taxation at all.

Mr. SAMPSON: These persons may not pay to the income tax collector, but they do pay to the local authorities. In many ways they pay taxation. No man can live in a civilised community without being taxed. He pays taxation without knowing it. You, Mr. Speaker, when you go out in your car and put in six gallons of benzine pay about 4s. in tax.

The Premier: The Speaker does not realise that, because he has not got a car.

Mr. SAMPSON: I was under the impression that Mr. Speaker had.

The Premier: Your benevolence might extend to giving the Speaker a car.

Mr. SAMPSON: I would be glad of Mr. Speaker's company on any occasion. I would make the same offer to the Premier, but I understand he has not the humiliating experience of paying petrol tax.

The Premier: Yes, I have.

Mr. SAMPSON: Then the Premier will appreciate the significance of the fact. I know the hon. gentleman has long realized that every man, woman and child, whether aware of it or not, pays taxation. There is cause for satisfaction that certain organisations and societies are to be called upon to pay tax on certain rentals. I must admit I was surprised to hear that various life assurance societies have not been called upon to pay tax. I presume it is payable through their head offices.

The Premier: They do not pay it at all.

Mr. SAMPSON: There was a method for many years past whereby certain funds could be collected.

The Premier: A good case could be made out for exempting the life assurance people, since all the money goes back to the assured.

Hon. C. G. Latham: They pay on their interest earnings.

Mr. SAMPSON: Following that statement, I marvel that the Bill proposes to cut down the deductible amount for insurance from £100 to £50. Why should it be reduced? Even the Minister for Employment favours the taking of steps by citizens to provide for the future, but the Premier himself in this Bill proposes to reduce the deductible amount from £100 to £50. I hope the Premier has not definitely decided upon that. In Federal taxation the deductible amount has always been £100. We might just as well get in step with the principal authority with which the Bill claims to get into step. If we are to adopt the Federal pattern in some things, let us also adopt it in regard to the deductible amount for life assurance. I hope that when the Bill is in Committee some at least of its clauses will be amended.

MR. MARSHALL (Murchison) [5.20]: I do not oppose the Bill, for I frankly admit that I have not been able to give it the consideration a measure of such importance should receive. If the contents of the Bill have been correctly stated by the Premier, and if taxation is essential, the measure is absolutely indispensable. Taxation is not a pleasant subject for Parliament to discuss, but unfortunately no Government can exist without finance. The principal means of financing a State is to gather in taxes, either to meet expenditure directly or to keep the financial condition of the State sound by pay-

ing interest on borrowed money. The only matter I desire to discuss is the imposition of taxation. Every care and regard should be paid to the cost of collection. The simpler the method provided for those subject to taxation to furnish returns, the better. I say without fear of contradiction by other than chartered accountants that there is not a member of Parliament capable of filling in the ordinary return of income from personal exertion.

Members: Oh!

Mr. Patrick: I have filled in mine for years.

Mr. MARSHALL: Members like myself fill in that return to the best of our ability, but if we took the completed return to the Taxation Department an officer there would point out many directions in which the return was incorrect.

Mr. Patrick: But the taxation officers always accept the returns.

Mr. MARSHALL: Yes, because it is the best the taxpayer can do. I have challenged the ability of hon. members to fill in the return. How much less competent for that work is the individual who is not a member of Parliament! He knows far less about the filling-in of returns.

Mr. Sampson: If he makes a mistake, the Taxation Department correct it.

Mr. MARSHALL: I know that the Taxation Department, once they get in the ruck of the information, the total amount a person earns in a year, whether he is married or single, and the paltry deductions to which he is entitled, can make out an assessment. However, I challenge hon. members to fill in correctly the return of income from personal exertion, as required by the department.

Mr. McDonald: Speak for yourself.

Mr. MARSHALL: I do not want the member for West Perth to get annoyed. He represents an aristocratic section of the community. While admitting that he has the honour to represent the aristocratic and more intelligent and more learned section of the people, I suggest that if I were to put the same question to his constituents as I have put to hon. members, they would agree that they could not fill in the return. I admit they cannot vote intelligently, but that does not matter in connection with this subject. The returns are really difficult to fill in. Let us get away from the return of income from personal

exertion, the simplest of all the returns. Has any hon. member attempted to fill in a return for a friend who conducts a business? Nothing more complicated could be found in such a small space as that return which the unfortunate trader has to fill in. The form is almost impossible to follow. I had intended to bring one of these forms to the Chamber and exhibit it to hon. members.

Hon. C. G. Latham: The form is not difficult to fill in provided the proper books are kept.

Mr. MARSHALL: The Leader of the Opposition now calls upon the unhappy farmer, who cannot even make a living, to keep a set of books.

Hon. C. G. Latham: Speak for yourself.

Mr. MARSHALL: The farmer cannot scratch out a living although he works from daylight to dark, and now he is to keep books in his spare time, presumably between 10 p.m. and 2 a.m. Is the farmer a business man? It is all very well for members who can afford to pay for the keeping of books and the furnishing of returns. I can speak of a pastoralist with whom I have on various occasions sat up night after night to fill in the returns correctly. I admit those returns utterly defeated me. There are in this State producers who have not had any education whatever. One who comes to my mind, a pastoralist, had three years' schooling. Just let hon. members get hold of one of those forms directing "State number of stock, natural increase, to be brought forward from G8 to B2"—the most complicated instructions imaginable. While I may have erred slightly in regard to the ability of hon. members to fill in returns of income from personal exertion, I feel sure that I have made no mistake as to farmers and pastoralists.

Hon. C. G. Latham: Give me ten minutes to-morrow and I will show you how to fill in the returns.

Mr. MARSHALL: Thanks. I venture to say that if I produced to the Taxation Department returns filled in with the aid of the Leader of the Opposition and inquired whether those returns were as desired by the department, the answer would be, No. A great disability encountered in trying to explain such matters here is that hon. members desire to exalt themselves by making out that all these matters are simplicity it-

self—not even excluding the payment of taxation. Some members have the audacity to state that a sustenance worker or a person below the basic wage ought to be taxed in order to make him realise his responsibilities as a citizen. Various members have expressed themselves to that effect. There may be some logic in it, for when a person gets hungry he naturally looks for the cause.

Mr. Thorn: You always introduce that stuff into discussions.

Mr. MARSHALL: Many persons in the Toodyay electorate will agree with me.

Mr. Thorn: Yes, but you were on the right track just now.

Mr. MARSHALL: I am right on the track now. Mr. Speaker will notify me when I am off the track.

Mr. Thorn: You are bringing in propaganda now.

Mr. MARSHALL: It is just as well to have propaganda for a proper goose!

Mr. SPEAKER: Order!

Mr. MARSHALL: Taxation is a delightful subject for the Chamber to dally lightly with, but let us consider the struggle people have to exist at all, because of taxation. Hon. members take it as a matter of hilarity and joking, but their own supporters are staggering under the burden of taxation and leaving their farms after years of toil and ambition. Yet when I raise the point and try to draw the Government's attention to the necessity for making the cost of collecting taxation as low as possible, and the returns as simple as possible, it causes hilarity among members opposite.

Hon. C. G. Latham: That statement is not true. You should not make such misleading statements.

Mr. MARSHALL: I am not doing so. "Hansard" will show exactly what led up to my statement.

Hon. C. G. Latham: You said that men had not intelligence enough to fill in forms.

Mr. MARSHALL: I said nothing of the kind. I never said any individual had not enough intelligence. I said it was beyond anyone's capacity to do it.

Hon. C. G. Latham: What is the difference?

Mr. MARSHALL: I have to fill in returns and I assist other people—pastoralists and prospectors.

Hon. C. G. Latham: On your own argument you must be the only one that can do it.

Mr. MARSHALL: I am trying to point out what the hon. gentleman would understand if he were not dull at comprehending my remarks, that although I can succeed in furnishing a return sufficient for the department to analyse the position and make an assessment, I do not fill in these returns as correctly as they would demand by virtue of the requirements of the form itself. Of course one need not send in a return at all. One might just indicate that one earned so much and his costs were so much and that he was a married man and from those three statements the department could give an assessment but I am talking about the technicalities embodied in the forms, which are beyond the comprehension of any person. It is impossible to fill them in thoroughly and correctly.

Mr. Cross: It is quite a nightmare to a lot of people.

Mr. MARSHALL: It is a nightmare to anybody. Apart from the knowledge that they have to pay taxation, people are faced with all this worry and trouble in furnishing a return. I know of a chartered accountant who filled in a return which we have since found out was filled in wrongly and I am applying for an amended return because of the mistakes made. Yet we expect the ordinary farmer and producer and worker to be able to fill in these returns correctly. It is utterly impossible. It is a most expensive method of collecting taxes. I want a much more simplified method, and economical method.

Mr. Thorn: We agree on that point.

Mr. MARSHALL: I am glad the hon. member has returned to the right way of thinking.

Mr. Thorn: You started to make propaganda out of it.

Mr. MARSHALL: If I understand the contents of the Bill correctly, companies will be affected by it, companies which up to date have evaded paying taxation because the law has so far not affected them. It is time those companies were brought into line with other individuals who derive income from this State. Only a night or two ago we heard a lot about compound interest, but there has been no reference to those companies evading their responsibility and demanding compound dividends by virtue of being able to evade taxation. Every hon. member knows that companies, from time to time, more particularly if they

are successful in business, or the enterprise in which they are engaged, water their stock. Money is taken from the reserve fund to supply those extra shares, and then dividends are demanded on top of the shares which, of course, comprise compound dividends or dividends paid upon profits received from the business in the past. So I am pleased that these particular people will have to come into the category of taxpayers and pay equally with other individuals, having regard to the deductions permissible under the Act. There is another feature of taxation with which I disagree. I protest against it because of the silence that has been observed for years by different Governments who profess to possess sovereign rights and to be administrators of the State over which they are alleged to have supreme control. They have made no protest in regard to the fact that in the final analysis they are merely tax gatherers for those who use the public credit for private profit and gain. When we look at the position outlined by the Treasurer on the last occasion, we find that half the money raked in by taxation will go away from the Treasurer in payment of interest and sinking fund, while there are thousands of people in our midst without homes, food or clothing. I would not mind if the money we borrowed—and the money raised under this Bill will have to go in payment of interest on that borrowed money—belonged to private individuals and was borrowed by the State from private individuals. One might say that an individual was legitimately entitled to get interest on his private property; but when it is realised, as most members do realise, that the issuing of this credit is based upon the public's capacity to produce and consume goods, and that is the real wealth which brings money into circulation and makes the tax possible, then I take strong exception. On all public works and institutions credit should be issued by the sovereign State and issued debt free, because of the fact that it is the public's credit that we use, and in constructing public works and establishing public institutions the public are entitled to those institutions and those works and the credits authorised and are entitled to money debt free. The Bill increases taxation to a degree. It is not increased much, but in the course of another 12 months our national debt will have increased to such an extent that a

further increase in taxation will be necessary. Exactly which Government will have to get it and in what way that Government is going to get it, I do not know at the moment, but it is astounding to see the multiplicity of forms of taxation. There is a sales tax, a flour tax, an amusement tax, a Customs excise, income tax, financial emergency tax, hospitals tax, stamp duty and so on. I suppose if we mentioned a hundred different ways in which different Governments are imposing taxation directly and indirectly, we should not have completed the list then, and in the final analysis half of it will be paid away to individuals because they have been permitted to use the powers of the Crown and demand payment on public credit that should have been granted to the public debt free. With people homeless, without clothes and hungry the time has arrived when our representatives should take a stand at the Premiers' Conference and the Loan Council that they are only borrowing public credit and that they refuse any longer to tolerate converting the Government into a body of tax gatherers to pay interest on credit created by the public, and they should then take the necessary action to feed, clothe and house the people rather than give consideration to bondholders.

MR. WATTS (Katanning) [5.42]: I find myself to a very large extent in agreement with the previous speaker in regard to his observations concerning the absence of simplicity in the forms that have to be filled in in respect of the preparation of income tax returns. For many years I have yearned for someone who would come forward and provide us with a means of paying our income tax without in the first place having to fill in such documents as were referred to by the member for Murchison (Mr. Marshall). So bad has the position become that there are now to be found throughout the country—and indeed there are special provisions made for them in the Bill—persons who have to be employed by taxpayers for the purpose of making out the returns they are obliged to put in. So the net result of the absence of any simplification of these forms is that not only do the small taxpayers—and particularly those in the outer areas of the State—pay a small tax, but they are also obliged to expend money in order to have these involved returns made

up for them so that they may ascertain whether they have to pay a tax or not. While I do not agree with the member for Murchison that the filling in of the personal exertion return is beyond the capacity of a number of members of this House, I consider that some effort should be made to simplify the form that one is obliged to fill in for this purpose. There is nothing in the Bill to simplify these forms in any way, but rather I should say the information required will tend towards rendering their completion yet a little more difficult. It seems to be that we have been rather too complacent as members of legislatures in various parts of the world in allowing our income tax laws to become more and more involved. There have been times when taxpayers have contested the ruling and assessments of the Commissioners of Taxation before the highest courts of the land and succeeded. Yet we find in almost every case that the efforts of these people to bring home to the commissioners that their methods are wrong have been nullified in the next session of Parliament by legislation enacted to wrest from them the reward for their care and expense in going to the courts. I contend that the Legislature in that regard has been too complacent and too inclined to make the Commissioner of Taxation, as it were, the highest and mightiest person in the land. Instead of his being the servant of the people, the people are rapidly becoming his servants. While I admit that there is a necessity for taxation and while I admit that there must be some means to prevent the fraudulent from defrauding the Government in regard to taxation, I think some effort should be made to simplify the law to enable a man to pay his tax without having to submit to the considerable preparation and labour necessary at present and to remove that feeling, which exists in the minds of many people; that the Commissioner of Taxation is not there as a public servant but is one who at all times is more or less to be feared. When I heard the suggestion that there was to be a revision of the income tax law on a more or less uniform basis, I was hopeful that some attempt would be made to reduce the multiplicity of paragraphs required for the calculation of what one should pay by way of income tax, to reduce the difficulties of taxpayers in regard to their returns, to save them some of

the expense they are obliged to incur for tax agents and generally to simplify the position. Yet I find nothing of the kind in this Bill.

The Premier: Half the trouble is that there are so many deductions, and they have to be included in the return or the Commissioner will not allow them.

Mr. WATTS: There is a great deal more than deductions to be found in this Bill. I do not propose to occupy the time of the House by endeavouring to analyse the provisions of the measure, but as I have been speaking about tax agents I will make reference to one particular provision that appears to be very unfair. The Bill provides that the board may cancel the registration of any tax agent who has prepared a return that is false in any material particular. The greater number of tax agents are obliged, especially where a very full book-keeping programme is not conducted by their clients, to take the information that their clients give. For more reasons than one they are unable to ascertain, except by examining and questioning the person concerned, exactly whether the information is entirely truthful or not. I assume that in the majority of cases they get truthful information, but there will certainly be cases in which information is given that the taxpayers know to be false, though the tax agent has no knowledge of it.

Mr. Marshall: And by the examination the officials get the taxpayer so embarrassed that he does not know where he is in the finish.

Mr. WATTS: In such cases it would be unfair to refuse a renewal of registration to a tax agent simply because a return supplied by him in good faith was subsequently found to be false.

The Premier: If he did it in good faith, there would be no cancellation.

Mr. WATTS: As the clause is worded it merely stipulates that the agent has prepared a return that is false. In view of the Premier's interjection I trust he will accept an amendment providing that the tax agent must knowingly supply a false return before he is deprived of registration. I regret that the Bill contains nothing to simplify the method of assessing taxation so far as taxpayers are concerned.

Mr. Marshall: It is not the method of assessment; it is the return.

Mr. WATTS: I regret that there is no provision for the simplifying of returns, but as there is no prospect of anything being done in that way at the present juncture, and as I presume it will be better to have uniformity between the various States of the Commonwealth and the Federal Government, so far as possible, in the absence of anything better, I propose to support the second reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [5.50]: Seeing that every member who has spoken on the Bill has indicated his intention to support the second reading, I have not much to say by way of reply. Different members have different ideas as to how the income tax laws should be amended, and that was responsible for the fear I expressed in moving the second reading. Here we have a deliberative assembly of 50 members, each of whom has an idea differing from that of the others, and we get 50 ideas as to how a measure of this kind should be amended. Thus we are apt to get away from uniformity and to cause confusion. It is all very well for people to put up a plea for the remission of taxation in certain directions. Such an object is quite laudable, but if we gave consideration to all the requests, some of which have been for further deductions, we could easily whittle away the amount of taxation received and be in a worse position than previous to the introduction of the Bill. Perhaps also it would result in such a lack of uniformity that, instead of our doing a service to the people when preparing their income tax returns, we may cause them to be worse confounded. When moving the second reading I expressed the hope that the House would treat the Bill as one and indivisible. In saying that I did not mean to infer, as the member for Katanning indicated, that no alteration could be made and that a man who bona fide sent in a wrong return would be deprived of registration. Our laws are administered with common sense and reason, and I have no doubt that will apply to the administration of this measure. If somebody made a mistake that rendered a return incorrect or even false, unless it was done deliberately and knowingly to benefit the taxpayer, no objection would be raised to a renewal of the agent's registration. To

some portions of the Bill we might be able to give consideration if members desire amendments, but I hope there will not be any general attack on the existing system in order to secure fresh exemptions, or any attempt to retain the benefits offered by the Bill in the shape of additional deductions while seeking to include all the deductions allowed at present. At present we cannot afford to reduce taxation by £30,000, £40,000 or £50,000, and even if we were, I would much prefer a straightout Bill to provide for a lower rate of tax under a system operating throughout Australia. Uniformity of this kind would make the work of preparing taxation returns much simpler and much more satisfactory from a commercial standpoint. Some members have remarked upon the size of the Bill. The old law was not sufficiently explicit to cover all the circumstances that might arise, and that necessitated Commissioners of Taxation placing their own interpretation on the law. The Bill has the advantage of providing for almost every possible contingency that has arisen in the course of business, so that interpretations in future will be uniform and taxpayers will not experience the trouble with which they have been confronted in the past. As most members agree that the measure is a Committee Bill, it would be profitless to discuss it further on the second reading, but I wish to express appreciation of the manner in which the House has received the Bill.

Question put and passed.

Bill read a second time.

BILL—BUSH FIRES.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [5.56] in moving the second reading said: Repeated requests have been made by farmers and other country residents for an amendment of the Bush Fires Act with the object of giving more power to local authorities to control outbreaks of bush fires. This Bill is the outcome of such requests. At present the law dealing with bush fires is governed by the Bush Fires Act 1902 as amended by the Acts of 1904 and 1925. The main sections of the existing legislation provide for the declaration by the Governor of fire-protected areas where the bush can be burned only

with the permission of the Minister or an officer authorised by him. There are only two fire-protected areas—one at Mundaring and one at Collie. Existing legislation provides for the gazettal of prohibited periods of burning in specified districts during which burning is prohibited except for the protection of buildings or stacks of hay, etc., subject to the ploughing of breaks and burning taking place between eight o'clock in the evening and midnight. State forest and railway land may be exempted for six weeks. Existing legislation also provides that there shall be no burning between the 1st October and the 30th April outside prohibited times unless four days' notice be given to neighbours and unless there are three men in attendance. Other provisions of the existing law are (a) prohibition of use of ignitable wadding in firearms between the 1st October and the 30th April. That is obsolete but the provision is retained in the consolidating measure now before the House. It is provided also that no fires shall be lighted in the open air for camping or cooking, etc., except in a space that is properly cleared, and then the fire must be extinguished before those who lit it leave the locality. There must be no smoking within 20ft. of a stable or of a stack or field of hay. Provision is made for a penalty for lighting or attempting to light a fire with intent to injure personal property. This is commonly known as arson and the Criminal Code also provides a penalty. It is also set out that the coroner shall hold an inquiry into a bush fire at the request of a road board or person suffering damage. The provisions of the existing Act are embodied largely in this measure, and, as I said, it has been found that the existing law is deficient in certain directions. And so this is a consolidating Bill to meet situations which arise from time to time through outbreaks of fires in country areas. At the present time there are no persons, apart from forest officers, whose duty it is to see that the provisions of the Bush Fires Act are carried out. The forest officers act with the authority of the Minister in fire-protected areas to see that provisions relating to burning are observed, and they also endeavour to police the Act in areas where fire would endanger State forests. Local efforts to combat bush fires are handicapped by the lack of power to insist on the burning of breaks, or to enter upon private property to take necessary action to prevent the spread of fire. Under the existing law, anyone en-

tering on private property and taking such action would be liable for damages. Fires frequently occur during the prohibited period, and it is difficult to prove that they are not accidental fires. If it suits the owner to burn during that period, he may allow the accidental fire to continue, even if it means considerable damage to his neighbour. There is no power in the existing Act for putting out these fires. The fires may continue to burn week after week, and it may be stated that they were accidentally caused, and there is no power to compel anyone to extinguish them. These fires are often the nucleus of fires that devastate the country. For the purpose of collecting clover burr, it is necessary to burn clover paddocks during the prohibited period, but in the existing Act there is no power to allow this, and therefore such burning is illegal. The Bill proposes (a) to give powers to local authorities and the establishment of bush-fire brigades and (b) to include the present sections with certain additions found to be necessary. It is proposed also to give powers to local authorities as follows:—

(a) Ordering the ploughing of breaks where considered necessary, and entering on any land to carry out such work if the order is not obeyed, and recovering the cost from the owner.

(b) Appointing fire-control officers.

(c) Organising bush fire brigades and appointing officers of such brigades.

(d) The spending of revenue on the prevention, control or extinguishing of bush fires, including the purchase of equipment and the subsidising of voluntary fire brigades.

Under the authority of a road board, bush fire-control officers will have power (a) to see that the provisions of the Act are carried out and (b) to enter on private property, pull down and remove fences, and cause fire-breaks to be made for the purpose of preventing and extinguishing bush fires, and generally to take charge of any efforts for the control and extinguishing of such fires. The local authorities have for some time asked for power to enter upon any man's property on which a fire occurs, in order to do anything that might prevent the fire from obtaining a hold. It is impossible to prevent the spread of a bush fire unless some authority is given to go on property and to make breaks and take such steps as may be considered necessary to minimise serious results that might otherwise follow. The Bill also provides for the creation of voluntary fire brigades. It is necessary to

have voluntary fire brigades in different centres and the Bill provides for the registration of these bodies. They may be established, maintained and equipped by the local authority, or formed by voluntary association. Where the bush fire brigade is organised by the local authority, its officers are to be appointed by the local authority, and where they are voluntary organisations registered under the Act, they may be appointed according to the rules of the association.

Mr. Sampson: Under what rules will these officers be elected?

The MINISTER FOR LANDS: No rules at all; the local authorities will elect them. A voluntary fire association may be formed and that association will make its own rules. It will be registered under this measure when it becomes an Act, and the local authorities, I have no doubt, will appoint one of the officers the captain of the brigade.

Hon. P. D. Ferguson: Have the members of voluntary associations that power also?

The MINISTER FOR LANDS: Yes, they will have that power and the same immunity. The powers and authority given to the bush fire brigades are, where the question of extinguishing a bush fire is concerned, practically the same as those given to the fire-control officer. As I said before, when a fire-control officer is representing the local authorities, he will take charge of all operations.

Mr. Cross: What happens if he should go into a district where there are permanent men?

The MINISTER FOR LANDS: These are bush fire brigades. There will not be any overlapping. The bush fire brigades will be appointed under an entirely different Act, and the functions also will be entirely different. The Bill will provide immunity for any damage caused in exercising any of the powers given in the Bill to the local authority, bush fire brigades and officers of such brigades, bush fire-control officers, forest officers, and any persons acting under their directions.

Hon. P. D. Ferguson: Will there be power to compel the Railway Department to make firebreaks?

The MINISTER FOR LANDS: The Railway Department control their own firebreaks.

Hon. C. G. Latham: Most of the fires originate from the railways.

The MINISTER FOR LANDS: I am not aware of fires having occurred as the result of the Railways burning any of their lands.

Hon. C. G. Latham: I have.

Mr. Patrick: I got damages from the Railways once.

The MINISTER FOR LANDS: Even in such cases the fire-control officer would take charge. Formerly I was averse to giving power to enter on private lands, tear down fences and set fire to crops or grass for the purpose of preventing the spread of a bush fire; but legislation which gives such powers without providing immunity would be hopeless. The local authorities have had power to plough breaks. That has been of some value, but it has not nearly met the situation. So, despite my reluctance, I have provided the powers which I have referred to, and also immunity for damage caused by the exercise of those powers.

Mr. Cross: They are dangerous powers to hand over to anyone.

The MINISTER FOR LANDS: I have known of instances where fires have been set alight on a person's property to counteract another fire and there has been no immunity.

Mr. Patrick: I have assisted to do that.

The MINISTER FOR LANDS: That kind of thing has been done for the best possible reason. Now it is proposed to protect those people who take action of that kind.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR LANDS: Before tea I was referring to the fact that fire control officers were to be given power to enter on private lands for the purpose of preventing the spread of a bush fire, and that immunity from any damage caused in exercising any of the powers under the Bill was provided in respect of the local authority, bush fire brigades and officers of such brigades, bush fire control officers, forest officers, and any persons acting under their directions. The Bill also provides for any such damage coming within the meaning of any policy of insurance against fire. It also proposes to strengthen the present prohibition of fires during the prohibited period by placing a duty upon any owner or occupier of land on whose property an accidental fire breaks out, to take all possible measures to extinguish that fire and, if unable to do

so, to notify the local fire control officer. For that matter, it applies to any fire, but I prefer to regard them as accidental if they occur during the prohibited period when, of course, there ought to be no such fires at all. That places on the owner or occupier of the property the obligation to take all possible steps to extinguish the fire, but if he does not do so, the local fire control officer or a forest officer is empowered to enter on the property, extinguish the fire, and recover expenses from such owner or occupier.

Hon. P. D. Ferguson: That is pretty drastic.

The MINISTER FOR LANDS: Let us see whether it is drastic. If a fire occurs on a property, it may burn for days or even for weeks. The owner or occupier may take no steps whatever to put out the fire. He may not bother at all about it. In such an instance, the fire-control officer is entitled to enter on the property and extinguish the fire at the owner's or occupier's expense. I do not think there is anything unreasonable about that.

Hon. P. D. Ferguson: But what about a bush fire that may sweep through the farm? What happens then?

Hon. C. G. Latham: It may set fire to 50 acres of scrub.

The MINISTER FOR LANDS: I have explained that position. If the occupier cannot cope with the fire, he must notify the fire control officer, and then his obligation ceases.

Mr. Stubbs: But he will have to pay the expenses.

The MINISTER FOR LANDS: No, not if he notifies the fire control officer. It is only when the occupier does not notify that officer and the fire is discovered on his property, that he becomes liable. If the occupier notifies the fire control officer, then he merely shares the responsibility with the rest of the community.

Hon. P. D. Ferguson: But the rest of the community do not share it with him, and that is the trouble.

The MINISTER FOR LANDS: If he does not notify the authorities, that is his neglect. This is really a penalty for neglect.

Hon. P. D. Ferguson: How can it be regarded as neglect on his part if a spark from a railway engine sets fire to his farm and the occupier knows nothing about it?

The Minister for Railways: But that sort of thing does not occur.

Hon. C. G. Latham: Doesn't it? I can take the Minister to a district where it occurs every year.

The MINISTER FOR LANDS: I cannot imagine a fire like that occurring without the owner knowing what has happened.

Hon. P. D. Ferguson: That could easily happen.

The MINISTER FOR LANDS: If the occupier discovers that a fire has started, then if he cannot cope with the outbreak, he can notify the fire control officer. If such a fire were to break out on the hon. member's farm, what would he do? He would send a request to his neighbour to give him a hand. If he does that, and they cannot cope with the fire, then the departmental officers can be notified, and they can assist in extinguishing the outbreak. Provision is also made in the Bill for permits to burn clover paddocks during the prohibited period. At present farmers do burn their clover paddocks, and if they do that during the prohibited period, they are liable to a penalty, and if the fire should get away, they are faced with a liability for damages as well. Provision is therefore made in the Bill for permits to burn clover paddocks during the prohibited period, subject to certain conditions, which include the stipulation that a fire-break of at least 10 feet wide shall be made round an area not exceeding 20 acres. That means that they will not be permitted to burn at one time more than an area of 20 acres. Another condition is that the ground around standing trees shall be cleared for a distance of six feet. Notice must also be given to adjoining owners and the local authority, while burning must be carried out between 4 p.m. and midnight, with three men in attendance. Those obligations should not be regarded as harsh.

Hon. P. D. Ferguson: No, they are not harsh.

The MINISTER FOR LANDS: The Bill also provides that in the case of burning between the 1st October and 30th April, but outside the proclaimed prohibited times, in addition to giving four days' notice to neighbours, notice shall also be given to the local authority and fire control officer and, if within two miles of a State forest, to the forest officer, and that, in addition

to having three men in attendance, breaks of at least 10 feet shall be made around the land to be burned. When fires are lighted in the open air for camping or cooking purposes, an additional condition is that no such fire shall be lighted within three feet of any log or stump between the 1st October and the 30th April.

Hon. C. G. Latham: Why not make it 12 feet? You know that a fire will reach a log three feet away on a hot day.

The MINISTER FOR LANDS: The hon. member can move to make the distance 12 feet.

Hon. C. G. Latham: It would be better, for three feet is really nonsensical.

The Minister for Agriculture: Make it 50 feet!

The MINISTER FOR LANDS: With their greater experience, hon. members can make the safeguard what they like.

Hon. C. G. Latham: It will not meet with the approval of people, whatever safeguard is stipulated.

The MINISTER FOR LANDS: The Bill also contains a prohibition upon the sale or use of wax matches within specified districts during specified periods. I think that is an unnecessary prohibition, because I know that if you go on some farms, the farmer will ask you to give him your wax matches, and he will give you a box of wooden matches. That happens frequently. However, that prohibition is included at the request of local authorities, and they are the people who ought to know. The Bill also prohibits the throwing of lighted cigars, cigarettes, and so on, from any moving vehicle outside a town.

Mr. Stubbs: How can you police that provision?

The MINISTER FOR LANDS: Most of the fires I have seen have been caused by lighted cigarettes. Personally I would like to prohibit their use on farms.

Mr. Sleeman: A man will not be able to smoke when travelling along a main road.

The MINISTER FOR LANDS: The average cigarette smoker is quite an irresponsible person. He will smoke when working on a haystack and throw down the lighted butt. Then he will want to know how the fire occurred.

Hon. P. D. Ferguson: If that provision is agreed to, people will not be able to smoke in a railway carriage, in a motor car, or when travelling in any other vehicle.

The MINISTER FOR LANDS: They can put out their cigarettes. I would remind hon. members that the Bill refers to "lighted" cigarettes or cigars. Of course, that provision is included in the pious hope that it will effect some good results. I do not say it will, because very few people will bother to put their cigar or cigarette out before throwing it away. The Bill also provides that where an owner ploughs a break along his fence and his neighbour does not, and the fence is damaged by fire, the owner will be empowered to compel his neighbour to repair the fence, and, if he does not do so, to recover the cost from him. That is a very proper provision to include in the Bill. A number of farmers may plough breaks and a neighbour refrains from doing so; then, should a fire occur, the neglectful neighbour should be held responsible for any damage caused. That sort of thing frequently happens.

Mr. Patrick: My word it does.

The MINISTER FOR LANDS: It arises merely from laziness. A farmer could plough 12 miles of fire-break in a day, and so I think that provision, too, is reasonable. I have outlined the main points in the Bill, which is entirely non-party. It has been requested particularly by the farmers, and they are the men who ought to know what is required. This legislation has been discussed by several Governments, and I think the Bill should receive the support of the House. I move—

That the Bill be now read a second time.

On motion by Hon. P. D. Ferguson, debate adjourned.

BILL—LEGAL PRACTITIONERS ACT AMENDMENT (No. 1).

Returned from the Council with an amendment.

BILL—INCOME TAX ASSESSMENT.

In Committee.

Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Definitions:

Mr. SAMPSON: No definition is provided of child or children, and so a stepchild or an adopted child is not considered a child in the Bill. However, in Clause 103,

dealing with trusts and minors, we get this definition:

"Child" includes stepchild and adopted child.

Clearly there should be a definition of "child" in Clause 5. I move an amendment—

That, after the definition of "Business," there be inserted the following definition:—"Child" includes stepchild and/or adopted child.

The PREMIER: I do not think this is necessary. The definition of "child" in the clause dealing with trustees includes adopted child and stepchild. All children are necessarily children, so there is no need to say in the definition clause that "child" includes stepchild and adopted child. It is not in the old Act.

Hon. C. G. LATHAM: But there may arise a misunderstanding where deductions are made under Clause 79. The clause refers only to the children of a taxpayer, but whether it would cover a stepchild or an adopted child, I do not know. Generally speaking, there should be no necessity for the proposed amendment, but there may be just that point I have mentioned, so I should like the Treasurer to give some consideration to it.

Mr. SAMPSON: Subclause 3 of Clause 103 states—

In this section "child" includes stepchild and adopted child.

Then Clause 79, dealing with concessional deductions, contains an explanation that "dependant" means a relative of the taxpayer by blood, marriage, or adoption. That reference, like the reference in Clause 103, connotes that there is something different between those references and a natural definition of "child" or "children."

Amendment put and passed.

Mr. NORTH: I ask the Premier whether under the definition of "income from personal exertion," he intends to collect tax upon the winnings of sweepstakes.

Hon. C. G. LATHAM: I find that the definition of "livestock" does not include animals used as beasts of burden or working beasts in a business other than a business of primary production. I suggest that the words "other than a beast in primary production" be struck out.

I do this because a deduction has to be allowed for beasts of burden or working beasts in a business other than a business

of primary production. I contend that the same should apply to a beast engaged in primary production. Farm work is very hard on horses and surely the fact should be recognised that they depreciate.

The Premier: The suggested deletion is not at all necessary.

Clause, as previously amended, put and passed.

Clauses 6 to 16—agreed to.

Clause 17—Gross income from certain sources:

Mr. SAMPSON: This brings the Bill into line with the Federal Income Tax Assessment Act, which is a very unfair basis of taxation. For instance, the department is well protected against any person forming a company with the object of defeating taxation. Again, in the majority of large industrial companies, the shares are held in small parcels by taxpayers of the poor or middle-income class. Also, tax is received by the department from the company at a much higher rate than is likely to be paid by the majority of the shareholders. Clearly the inclusion of dividends has the effect of increasing the rate of all other income, which, in the majority of cases, would be much lower. It means that the taxable amount is increased. The income might be a small one, not liable to tax, but if there were added say £300, it would mean that the amount on which the tax would be paid would be £500, and so the £500 rate would apply. In many cases this would have the effect of assessing otherwise exempt income at an extortionate rate. We have the case of Messrs. Foy and Gibson, in whose concern a large number of citizens have taken up shares. The dividend when it is distributed will be paid to a number of people and, notwithstanding that the company has already paid dividend duty, all those people will suffer a higher assessment for income tax. It is felt that this imposition on companies would have the effect of retarding progress, as it certainly would. It seems unfair that dividends, upon which the company has already paid duty, should be liable to taxation when passed into the hands of the shareholders.

The Premier: Dividends help to determine the rate of tax upon an individual.

Mr. SAMPSON: The rates will be increased by reason of the distribution of the

dividend. It is improper that a dividend on which a tax has already been paid should be utilised to increase the rate of tax the individual has to pay. In the case of a man whose income was £200, the dividends he received might bring him up to £350.

The Premier: But that would not apply to a man on less than £1,500.

Mr. SAMPSON: It would affect the rate. If Clause 17 is not amended the public will be disinclined to go in for ventures which would otherwise be attractive. The inclusion of dividends in income should not be for the purpose of arriving at the rate of tax until such time as the rate for the individual taxpayer would equal or exceed the flat rate paid by the company. I move an amendment—

That paragraph (a) of Subclause 1 be struck out.

The PREMIER: This does not affect the taxpayer's income in the sense conveyed by the hon. member. It only affects the rate. Whatever the company has paid as dividends will be allowed as a rebate on the tax paid by the individual. It will affect people who derive part of their income from dividends and part from personal exertion. A man may receive an income of £1,500 a year by way of a salary and another £1,500 a year out of dividends, making a total of £3,000 a year.

Mr. Patrick: Then his rate of tax would be based on the £3,000.

The PREMIER: Yes. Such a man should not pay only 1s. 5d. in the pound, for that would be inequitable. This system of calculation is now the law elsewhere in Australia.

Mr. SAMPSON: I am glad to hear that a rebate is provided for, but I still contend that the distribution of a dividend should not affect the rate of tax paid by the individual. The tax on the dividend would already have been paid by the company, but by this Bill the income tax rate of the individual will be affected by the dividend upon which duty would already have been paid to the department.

Hon. C. G. LATHAM: What the hon. member wants is to provide that where dividends are taxed there shall be a rebate on the income. If we voted with the hon. member I do not know from what source the Premier would derive his taxable income.

The PREMIER: The rebate is dealt with in Clause 35. One man may receive £800 a year from personal exertion, and another re-

ceive £400 from personal exertion and another £400 from dividends. It is only equitable that the rate of tax should be the same in both cases. The rate is determined by the gross income received.

Amendment put and negatived.

Mr. McDONALD: The explanatory memorandum says that Subclause 2 refers to an agreement between the States for the avoidance of dual taxation on interest. I am not certain whether there would not be some degree of dual taxation on dividends under Subclause 1. If I receive dividends that are earned partly in South Australia and partly in this State, being a resident of Western Australia I would pay tax on the whole amount received. If South Australia has the same legislation would it not tax me as a non-resident on that part of the dividend which is referable to income earned in South Australia? In that way there may be some dual taxation.

The PREMIER: I do not think the hon. member is right. Special arrangements were made by the States with regard to dividends from companies. Each State will only tax its own residents on dividends received. It will not tax non-residents on such dividends.

Clause put and passed.

Clauses 18 to 23—agreed to.

Clause 24—Value of livestock at end of year of income:

Hon. C. G. LATHAM: Do I understand that the Commissioner will fix the cost price or will he take the market price at the time? The natural increase would not bear cost price.

The Premier: Another clause deals with the question of what the value of stock will be—whichever the taxpayer elects.

Hon. C. G. LATHAM: But suppose the taxpayer does not elect to come under that provision at all? Under the other clause he can adopt any price between minimum and maximum. I do not understand the meaning of the words "cost price" as used here. Would it be the selling price at the end of the financial year?

The PREMIER: No. It would be the market value at the time he acquired the stock. The actual price is taken when determining the value at the end of the year. If the stock cost in March £1 per head, that price can be taken, or else the selling value.

Hon. P. D. Ferguson: But the wool might have been taken off meantime.

The PREMIER: The returns from all products sold from the farm would be shown. If the taxpayer wants to adhere to the cost price it can be done, or at his option he can adopt the market value. But the owner cannot adopt one system for six months, and the other system for the next six months. The Commonwealth valuation of stock has to be taken into account also. The taxpayer must decide which value he will adopt for income tax purposes. There are advantages in different directions, whichever method the taxpayer chooses.

Mr. Patrick: And one can fall in with either method.

The PREMIER: That is so.

Hon. C. G. LATHAM: A little further on the Bill sets out what I want to know. I do not think the Premier understood what I was wishing to ascertain. What are the values of livestock at the end of the year for taxation purposes? If a person did not elect a price to be paid on his livestock, what would the Commissioner do? The clause says that he would take the lower price. To me that is perfectly satisfactory.

Clause put and passed.

Clauses 25 to 44—agreed to.

Clause 45—Rebate of dividends:

Mr. SAMPSON: I move an amendment—

That in Subclause 1 the following words be struck out:—"in his assessment of the amount obtained by applying to that part of the dividends which is included in his taxable income a rate equivalent to (a) the rate of tax payable by him on income from property; or (b) the rate of tax payable by companies for the year of tax, whichever is the less."

This has relation to the aspect recently discussed, in respect of which the explanatory memorandum gives some information. What would have been the position had the Premier taken the same figures for both the examples given in the memorandum? I understand that when £1,500 is reached, there is a greatly increased rate.

The Premier: No.

Mr. SAMPSON: I thought there was a big bound then.

The Premier: No. The tax goes up for each £1 on the same principle.

Mr. SAMPSON: If my amendment is carried, I shall move the insertion of words

which will make Subclause 1 read—"A shareholder shall be entitled to a rebate in his assessment of the total amount assessed to companies in respect to dividends included in his assessment or the amount by which his tax has been increased due to the inclusion of such dividends." I fail to see why there should be an alternative amount suggested in the clause, which says that the rate of tax payable on income or by companies shall be whichever is the less. Since the tax has already been paid by the company, should the unfortunate, or fortunate, holder of shares find that the Commissioner will have the right to impose on him a tax, whichever is the less, irrespective of the fact that the tax has already been paid?

The PREMIER: Although the hon. member was not very clear when he started the discussion on Clause 17, and perhaps to the uninitiated I may not have been extremely clear in my explanation, this question is similar to that which was discussed under Clause 17, and so far as paragraph (a) is concerned, it has no application in this State. It may be in future that we will have a separate rate for taxation on property. If we do, then paragraph (a) would apply, but until then it cannot apply, and is only put there to make the Bill uniform.

Amendment put and negatived.

Clause put and passed.

Clauses 46 to 55—agreed to.

Clause 56—Depreciation:

Hon. C. G. LATHAM: This clause provides for depreciation on plant, etc., used on farms, and for other purposes. I would like to know whether it includes fencing and dams for the preservation of water, and other improvements. Would depreciation be allowed in respect of those?

The Minister for Agriculture: Would not the things you mention be included under "repairs"?

Hon. C. G. LATHAM: I doubt it. It all depends upon the interpretation of the word "articles." There are those, particularly pastoralists, who have dams and wells which have had to be cleaned out, and that is done very often by contract. If the work is done by wages, the amount might be allowed as a deduction, but when it is done by contract it is not allowed. In certain districts, too, netting has to be replaced. The salt air is affecting netting

badly in some places. Unless depreciation is allowed in this respect it means double capital expenditure without relief being afforded for income tax purposes.

The PREMIER: There is no depreciation in respect of fences or dams allowed for, but there is provision in the Bill for these things under "repairs," and every item of money spent on repairs is allowable as a deduction.

Hon. C. G. Latham: How would you repair a dam?

The PREMIER: Suppose a dam needs cleaning out, or banking up, or a portion is washed away by an overflow of water and has to be repaired—all these items are regarded as repairs, and allowance is made accordingly. If a man makes improvements of a capital nature and then lets them go without repairing them, he is not deserving of consideration. He is not allowed depreciation because there is no depreciation on these things, but he is allowed deductions for money expended on keeping them up to their original value.

Hon. C. G. Latham: Take a matter of five miles of wire netting fence. Surely there is depreciation there.

The PREMIER: If portion of a fence needs repairing and a man buys wire to repair it and claims it as a deduction, that will be allowed in every instance. But there cannot be an allowance for maintenance and repairs so that the property may be kept up to market value and then have a writing off for depreciation at the same time.

Mr. Patrick: Supposing a fence were burnt down?

The PREMIER: That would be allowed. All expenditure necessary to keep a fence in order is allowed as a deduction. A flood might occur and wash down portion of a fence. Instead of allowing that to occur again, a man might divert the water to any portion of the farm. That would be regarded as maintenance and the expenditure would be allowable as a deduction, even though it was capital value.

Hon. C. G. Latham: I would rather have you there than the Commissioner of Taxation.

The PREMIER: I find that he is rather easy.

Hon. C. G. LATHAM: I move an amendment—

That in Subclause (2) the words "other than a business of primary production" be struck out.

It is set out in the subclause that "plant" includes animals used as beasts of burden. According to the subclause, if a man is a woodcutter and uses a horse for delivery purposes, he is allowed depreciation for that horse because it is used in a business. Every encouragement is given by all Governments, irrespective of their political colour, to farmers to use horses, yet if a farmer is using a horse, no allowance is made for depreciation. I know of nothing that wears a horse out quicker than farm work, especially when ploughing, seeding, and fallowing are being done. The effect of this clause, which prevents a farmer from claiming a deduction for depreciation, will be to induce him to buy a tractor, on which depreciation would be allowed. I know the excuse will be made that there are farmers who deal in stock, and it would be difficult to determine whether the horse was a beast of burden or was acquired for speculative purposes. That, however, is easily definable, because in the returns there has to be shown the number of horses bought and sold, and the number at the beginning of the year and at the end. It is easy to ascertain whether or not a man is a dealer. I know it is not in the Federal Act, so the Premier need not tell me that.

The Premier: This is in the present Act. There is no alteration of the existing practice.

Hon. C. G. LATHAM: If it was not an allowable deduction previously, it should have been. When the existing Act was framed there were no tractors on the farms. I believe that provision of this kind formerly appeared in the Federal Act. If there was a stoppage of fuel importations, the farmers using tractors would have their operations held up. Let us be a little different from the Federal people.

The PREMIER: The amendment would affect other provisions, amongst them the one allowing primary producers to take stock at the beginning and at the end of the year and show the difference as the natural increase. If a farmer has ten horses and one dies and a foal is born, he pays nothing.

Hon. C. G. Latham: Neither would an ordinary business man.

Hon. P. D. Ferguson: A farmer might buy a horse for £40 and, if it died, he would get no depreciation.

The PREMIER: If he loses stock during the year he is allowed a deduction. We cannot allow depreciation plus deduction on

account of losses. There has been no complaint of hardship against the existing provision.

Hon. P. D. FERGUSON: This subclause means to the Government, "Heads I win, tails you lose." Though the clause has been operating for years, it has proved detrimental and people have been unable to get redress. Federal legislation has been more favourable to the primary producer than has the State legislation. If a farmer has 20 horses and loses two during the year, he gets an adjustment on the number, but they are all taken at the same value. A farmer might have paid £40 or £50 for a horse and by the time it was 12 or 15 years of age, it might be worth only 30s. The working life of a horse is about equal to the working life of a harvester and, if a farmer is entitled to depreciation on the one, he is equally entitled to depreciation on the other. A differentiation is being made between the primary producer and other sections of the community that own horses.

The Premier: Because the primary producer receives consideration by taking the number of horses at the beginning and end of the year.

Hon. P. D. FERGUSON: It means that if a man owns racehorses, he is allowed depreciation, but if he owns farm horses, he is not allowed depreciation. That is not fair.

The PREMIER: A horse bought for £40 might be sold at the end of four or five years for £10. Allowance is made for that.

Hon. P. D. Ferguson: What if a horse dies?

The PREMIER: The farmer is allowed deductions according to the loss. I cannot see that the provision operates inequitably. If a farmer had a special horse bought at a high price, he could have it treated separately. I am anxious to meet any reasonable request on behalf of primary producers.

Mr. McDONALD: I sympathise with the principle contained in the amendment, but it is one we cannot lightly make, because I believe it is covered by the special provision previously included. An authority, referring to the Commonwealth Act, says that the livestock of primary producers is excluded from the Commonwealth law because it comes under the special depreciation clauses. If we made the amendment, we would probably be allowing deprecia-

tion twice. The depreciation clause is intended to apply to taxpayers who do not receive the special consideration allowed to farmers.

Mr. WARNER: If a farmer lost two horses by death during the year, the value of those two would be struck off. As provision is made for depreciation, I cannot see that the amendment would be of advantage.

Hon. C. G. LATHAM: If a business man loses a horse, he writes it off at the end of the year, less depreciation, and shows it as a loss. The argument advanced by the Premier against the primary producer should be advanced against the business man.

The Premier: No, the farmer gets depreciation.

Hon. C. G. LATHAM: If, after having ten per cent. written off, a horse dies, any loss is a deduction. My desire is that no injury shall be done. I cannot see why we differentiate, because if it amounts to a loss in one respect there must be a loss in any other. I am anxious to see that the farmer gets the same consideration as is given to anyone else.

The PREMIER: I have no wish to make undue progress with the Bill, and if the hon. member desires to give the matter further investigation I shall not object to the postponement of the clause.

Hon. C. G. Latham: I should like to look into it.

The PREMIER: It is only reasonable that we should defer consideration of the clause if the hon. member has not got the exact meaning, and if he wishes further to look into it.

Hon. C. G. LATHAM: Then if I am permitted to do so I shall withdraw my amendment and suggest that the further consideration of the clause be postponed.

Amendment by leave withdrawn; the further consideration of the clause postponed.

Clauses 57 to 73—agreed to.

Clause 74—Rates and taxes:

Hon. C. G. LATHAM: I move an amendment—

That at the end of paragraph (b) the words "for Commonwealth income tax" be added.

There has been a deduction all along. The Federal people always allow the State tax to be deducted, and so it is quite right that

we should be permitted to deduct the Federal tax. This is something we have to pay after having earned the income, and here we are taxed on a tax. The principle is wrong.

The PREMIER: There has been ambiguity with regard to the application of our law as previously the Federal income tax was not deductible under the Dividend Duties Act. If we allow what the hon. member desires it will extend considerably the exemptions that we have and it will amount to a very serious reduction of the taxes we collect. I do not think the hon. member desires that. A considerable proportion of money comes from dividend duties. Therefore any reduction will apply to companies, and that has never before been extended. I went into the matter and discussed it rather thoroughly with the Commissioner of Taxation. I asked him to put up a memo so that we could see who would be affected and to what extent. It is only when incomes are rather high, say, a couple of thousand pounds a year, that it will make much difference at all to the amount paid by the taxpayer. To the man with an income of £2,000 it would make a difference of about £6, while to the man with an income of about £500 the difference would be only 7s. or 8s. I propose to read the memo which I think will explain the position.

This question is one which does not concern the greater number of persons who are liable to pay State income tax. The annual number of State assessments issued is 52,230, while Federal assessments amount only to 19,980 (latest figures available).

The position is that the State taxes the whole field of income while the Commonwealth, coming later into this field, has recognised that it would be unfair to charge tax upon tax, and has thus legislated to tax only what is left after the State tax is paid.

For the State then to amend its own assessment to allow Federal income tax as a deduction is not reciprocation, but duplication, and is so recognised everywhere else except in Western Australia.

Our law provides for an exemption in the case of the financial emergency tax. In no other State is the income tax or unemployment tax exempted. Here we allow exemptions for the amount paid as emergency tax.

Hon. C. G. Latham: And still we are the second highest taxed State in Australia.

The PREMIER: This will not affect the incidence of the tax to any extent. The

Commonwealth Royal Commission dealt with this phase, and it might be of interest if I read an extract from the report—

We received many requests that Commonwealth income tax be allowed for the purposes of both Commonwealth and State income tax. Commonwealth income tax is not allowed as a deduction by the Commonwealth, and is allowed as a deduction for State purposes in one State only (Western Australia). In this State the deduction is allowed to individuals, but not to companies.

We are not prepared to recommend that Commonwealth income tax should be allowed as a deduction either for Commonwealth or State purposes. If this concession were allowed by the Commonwealth it would merely mean that an increased rate of tax would have to be imposed upon the residue of income so that in the long run the taxpayer would probably not benefit. If it were allowed for State purposes the yield of State income tax would be so materially diminished as to compel the States to completely revise their existing rates. For that reason alone we consider the proposal to be impracticable. Further, as uniformity is sought the concession should be discontinued by the only State which now allows it.

It will be seen that the commissioners were so opposed to the proposal that they did not go deeply into its technical merits or demerits. Their views as to revenue losses if the deduction was to be allowed were based upon the logical assumption that if it were to be allowed at all, it would be allowed to companies and individuals equally and not only, as in this State, to individuals.

The cost of extension of the deduction to companies would be prohibitive and would necessitate, as the Royal Commission has indicated, a revision of the rates of tax to replace the lost revenue. It is a question whether, if the deduction to individuals is to be restored, the Government can afford to give the additional concessions granted by the Bill in other directions. Its revenue effect, as it stands, can only be regarded as a rough estimate, and without this factor of increase, the Government will suffer a grave risk of the net effect of the Bill being a reduction in income tax revenue, which cannot be afforded. If any person has a grievance by reason of the fact that he has to pay two income taxes, that grievance should be directed against the Commonwealth and not against this State. The effect of granting the deduction for Federal income tax is to increase the Federal income tax payable by the taxpayer, for the deduction he gets in the Federal assessment is much less, and his taxable income, therefore, that much more. It would seem to be an extraordinary thing if this State, with its general attitude towards Federation, should insist upon continuing to be the only State which is prepared to reduce its own revenue, to the benefit of the Commonwealth revenue, by the allowance of this deduction.

Hon. C. G. Latham: It will not benefit Commonwealth revenue.

The PREMIER: It will to an extent.

Hon. C. G. Latham: I cannot see how it can.

The PREMIER: It does when you work it out to the full extent. I just want to show what comparatively small effect the proposal will have on the sections of the community who pay lower taxation. Take a man who is married and has two children. If such a man has an income of £500 left after deducting all expenses incurred in earning it, the difference which the allowance would make in his tax would represent only 1s. 3d. If the individual's income were £1,000 net, the difference would be £1 1s. 5d.; if it were £2,000 net the difference would be £7 8s. 6d. It will be seen, therefore, that the benefit would be derived only by those in receipt of the higher income. That section is comparatively small. About 900 or 1,000 individuals pay taxation on incomes of over £2,000, and they are the people who will be benefited by the effect of the amendment. Companies have always had to pay, so they will not be affected at all. Of a total of 52,230 taxpayers, 32,250 will not be affected at all because they are not liable for the payment of Federal income tax. The effect upon the remaining taxpayers is illustrated by the figures I have quoted. To continue quoting from the Commissioner of Taxation's memorandum:—

It will be obvious that while the deduction remains, the taxpayers in the lower grades are bearing more than their fair share of State income tax, having regard to the negligible value of the concession to them, and the much larger benefit in the assessments only of the wealthy. I may add that the statistical figures for the latest complete year available, which will appear in my next annual report, show that the number of individuals with a net income in excess of £1,500 was 937, and it can be said that the real benefit of the deduction is confined to this small section of the community.

The only effect of the amendment would be to give a benefit of considerable value to the wealthy.

Hon. C. G. Latham: That is not proportionate to their income.

The PREMIER: Yes, it is.

Hon. C. G. Latham: If you unnecessarily stress the position, I shall call for a division!

The PREMIER: Then I will not proceed any further.

Hon. C. G. LATHAM: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. C. G. LATHAM: Paragraph (c) relates to sums paid by the taxpayer in the year of income "for State or Commonwealth land tax." As that stands, it would allow the Commissioner to grant either State or Commonwealth land tax. I think the word "or" should be substituted by the word "and." I move an amendment—

That in paragraph (c) "or" be struck out and the word "and" inserted in lieu.

Mr. McDONALD: I had the same idea as the Leader of the Opposition but, on further considering the matter, arrived at the conclusion that possibly I was wrong. I find that in all the other State Acts the word "or" is used.

Hon. C. G. Latham: That does not make it right.

Mr. McDONALD: I do not know that it does, but I would prefer to leave the paragraph as it stands.

The PREMIER: I found that to be the position when I looked into this matter. I do not think there is any real necessity to alter the paragraph. Of course, the Commonwealth land tax would only apply to properties valued at £5,000 or more, so I do not think it will make any difference. The fact is that the paragraph is in the form in which it appears in other State Acts.

Hon. C. G. LATHAM: It seems to me that the word "and" should appear in the paragraph, for as it stands the Commissioner could decide which he would allow. The Commissioner is not always right.

Amendment put and negatived.

Mr. SAMPSON: Provision is made in paragraph (d) for the deduction of rates to the extent to which they are charged or levied in respect of property producing the assessable income. That is all very well as far as it goes, but that would exclude the owner of a private house from claiming the rates he pays as an allowable deduction. He should be allowed to claim a deduction on account of the rates paid, irrespective of whether his property was paid for or not.

The Premier: Why not allow as deductions the cost of the food he eats, the clothes he wears, or the piano he plays?

Mr. SAMPSON: A piano is a luxury and at all times a nuisance, but a house is a necessity. I move an amendment—

That all the words after "for rates," in line 1, be struck out with a view to inserting the following words:—"charged or levied for such property whether such property is purchased or in course of being purchased."

The PREMIER: It is very nice to allow deductions in respect of various items, and, in fact, it would be nice not to be required to pay taxation at all. We are dealing with income tax and if part of the income is derived from a specific source, the taxpayer is allowed a deduction in that regard. If part of his property does not produce portion of the assessable income, then no deduction should be allowed in respect of that part.

Mr. Sampson: A deduction is allowed on account of hospital fund contributions.

The PREMIER: That is one we allow.

Mr. Sampson: And also in respect of medical services.

The PREMIER: Yes; I think we have been too generous.

Hon. C. G. Latham: You have held that view only since you have become Treasurer.

The PREMIER: No; I think when I was sitting in Opposition I moved that the rate should be .007d. in the pound instead of .006d. and that really meant an increased return to the Treasury.

Hon. C. G. Latham: You know that you as a private member could not move to increase taxation.

The PREMIER: But I suggested to the then Treasurer that that should be done, and we carried it. I only wish there was some one on that side that wanted to increase taxation for me. As for this amendment, there is no reason for having a deduction on something which is not income at all.

Mr. SAMPSON: I hope I made the amendment perfectly clear. If carried it would mean that whatever a man paid by way of rates would become deductible from his income tax payment.

Amendment put and negatived.

Clause put and passed.

Clauses 75 to 77—agreed to.

Clause 78—Gifts and contributions:

Mr. SAMPSON: I am anxious that the Premier should provide that a gift made by a taxpayer to certain institutions in Western Australia should be an allowable

deduction. In the parent Act there is provision, that an amount paid in cash to a school subsidised or controlled by the State shall be a deductible amount. I appreciate the importance of encouraging monetary gifts to schools, for schools generally in this State are very poorly equipped.

The PREMIER: But people never make any monetary contributions to schools.

Mr. SAMPSON: Then this amendment will not cost the Treasury any money.

The PREMIER: And so it is not worth while inserting it in the Bill.

Mr. SAMPSON: I move an amendment—

That the following paragraph be inserted:—“(ix) to schools subsidised or controlled by the State.

The PREMIER: If I thought there was any necessity for a deduction of this kind with which to reward gifts by the people, I would not mind, but there is no necessity for it whatever. There was a donation of £1 or £2 given to one school, and the giver applied for an appropriate deduction in his income tax. But so rarely has it occurred that the assessing officer did not know that the provision was in the Act. A considerable amount of assistance is given to State schools by the Parents and Citizens' Association, a most excellent body, which exists in connection with about half the schools in the State. However, it never makes monetary gifts.

Hon. C. G. Latham: Could not we get donations of free milk for schools?

The PREMIER: I think the hon. member wants to start a discussion that might last a long time.

The CHAIRMAN: Moreover, he is getting away from the amendment.

Amendment put and negatived.

HON. P. D. FERGUSON: I move an amendment—

That the following stands as paragraph (ix):—“(ix) Gifts to bona fide agricultural or horticultural societies.”

There are 50 or 60 of these societies scattered throughout the country, and their main object in life is education. We provide as exemptions gifts to all sorts of educational institutions, and it is only right that this form of education should be encouraged.

The PREMIER: I scarcely think we can accept this amendment. I have no objection to people supporting agricultural and

horticultural societies, but what is the minimum amount that would be regarded as a gift to such a society? Surely not the £1 or £1 1s. that a man occasionally gives to one of those bodies!

Hon. P. D. Ferguson: You get a membership ticket for it.

The PREMIER: One is not always able to take advantage of that. Is this supposed to apply to the gift of a cup or some such thing? If it applied to some endowment of a show ground or hall, it might be a different matter.

Hon. P. D. Ferguson: It might be an endowment of the University.

The PREMIER: It might also apply to a rifle club. Football clubs would then ask if the same principle could apply to them.

Mr. North: And to surf clubs.

The PREMIER: Yes. All these things are very desirable in their incidence. People who give to them do not worry about saving a little on their income tax, but usually take pleasure in making those donations. We all give small sums to charitable institutions and the like, and never think of deducting them from our assessable incomes. I do not think the matter is of sufficient importance to warrant our adopting the suggestion.

Amendment put and negatived.

Mr. NORTH: I move an amendment—

That after “employees” in line 5 of paragraph (b) of Subclause 1, the words “including the relatives of the taxpayer” be included.

Some objection may be made to the relatives receiving the benefit of this superannuation money.

The PREMIER: I cannot accept the amendment. This is really an extra deduction that we are allowing to encourage private employees to contribute to a superannuation fund. Only certain large firms have embarked upon a superannuation scheme, but to encourage others to do so and the employees to take part we are saying that any money paid into a superannuation fund can be used as a deduction. If people contribute to a superannuation fund, a deduction will be allowed.

Amendment put and negatived.

Clause put and passed.

Clause 79—Concessional deductions:

Mr. STYANTS: I move—

That consideration of this clause be postponed.

Motion put and passed; the clause postponed.

Clause 80—Losses of previous years:

Mr. McDONALD: This clause requires very careful consideration, especially with regard to the averaging of income over a period of years. It discriminates between different taxpayers. Some provision might be made here such as is contained in the Commonwealth Act. With a view to looking into the matter, I think the clause might be postponed.

Progress reported.

BILL—JURY ACT AMENDMENT (No. 2.)

Second Reading.

Debate resumed from 12th October.

MR. WATTS (Katanning) [9.58]: There is no doubt this Bill is worthy of support, and there is no need for me to dwell upon it. It seeks only to prevent the necessity for persons responsible for the navigation and safety of aircraft from having to do jury service. It should be impossible for them to be called upon at any time, as is the case with others who serve on juries. It seems to me the Bill is worthy of commendation, and I therefore support the second reading.

Mr. Marshall: I support it too.

Question put and passed.

Bill read a second time.

In Committee

Bill passed through Committee without debate, reported without amendment, and the report adopted.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [10.4] in moving the second reading said: This is a continuance Bill, extending the time of operation of the principal Act from 1938 to 1941. Hon. members know well the purposes of the Act. Since January, 1936, operations under the Farmers' Debts Adjustment Act have been practically confined to applications under Section 11, connecting with the Rural Relief Fund. At the end of last season 265 farmers were operating under Section 5 of the Act (receivership control).

Of this number, 181 have had their accounts adjusted under Section 11, and stay orders have been cancelled. Up to the 30th September last 2,990 applications had been received, and the number of applications dealt with totalled 2,161. Of these the trustees have accepted 2,106 and rejected 55. The trustees have finalised 1,680 cases. Of these settlers a number had liabilities to the Agricultural Bank totalling £2,710,215, and from this sum the Bank has agreed to write off £655,377. The liabilities of farmers to unsecured creditors were £908,727. The creditors were paid £225,493 from the fund, and they wrote off £662,983, leaving an adjusted debt of £20,251. This represented a payment from the fund of approximately 5s. in the pound. The total amount advanced from the fund is £511,387. The total amount written off farmers' liabilities is £1,697,105. An amount of £1,127 17s. 8d. has been repaid to the fund by farmers who received assistance. These figures are given because, as I previously pointed out, operations under the Act are practically confined to Section 11, connecting with the Rural Relief Fund. I move—

That the Bill be now read a second time.

On motion by Hon. P. D. Ferguson, debate adjourned.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 26th August.

MR. NORTH (Claremont) [10.7]: The Act has to be renewed, but it has been suggested to me by many electors that some notice should be given in advance as to the time when the legislation is likely to be done away with. It is said that if the Act is suddenly ended, there will be almost chaos in the way of claims and changes of mortgages, whereas if reasonable notice is given, perhaps two or three years ahead, those concerned will be enabled to make other arrangements and prevent all these matters coming up for settlement at the same time. I support the second reading of the Bill, in the hope that the Government will adopt the suggestion I have put forward.

MR. CROSS (Canning) [10.9]: I am largely in agreement with the previous speaker, because when the parent Act was

passed, in 1931, emergency action was necessary. Since then, however, conditions have changed entirely. In fact, there is a considerable amount of cheaper money available now than there was at that time. I understand that certain corporations and trust bodies in this State have large amounts of money available for investment at lower rates of interest than are paid by some of the people tied up with long-term contracts. In addition, there is at present a number of small investors being penalised because they cannot get control of their funds. The House should give some indication that this emergency legislation will be discontinued. I would like the Minister to agree to amend the Bill in Committee so as to provide that the Act shall be continued for two years and no longer. I am pleased to see the member for West Perth (Mr. McDonald) return to the Chamber. I have discussed this subject with him, and I know that his views coincide with mine. There is a considerable body of people desirous that the legislation should be discontinued. However, it is only fair and reasonable that people should be given ample time to make other arrangements. A continuance of the Act for two years would afford ample time. Further contracts, as they fell due, could be arranged otherwise. I hope that in Committee the Minister will accept an amendment on the lines I have suggested.

MR. McDONALD (West Perth) [10.12]: As I understand the member for Canning (Mr. Cross), his idea is that the Act shall be extended for two years instead of one year, and that there shall be an intimation, though not expressed in the Bill in so many words, from Parliament that at the end of the two years the Act will not be extended further. I would be prepared to support such an amendment. I think we have reached the stage when we need to have some definite policy about this legislation. All other people have been released from financial emergency legislation, excepting mortgagees. Salaries have been restored: we have even restored our own salaries. In the case of landlords and tenants the financial emergency provision for reduction of rents has been repealed. The salaries of civil servants have also been restored. This legislation, which is highly restrictive in character, remains applying to a certain class, and a very arbitrary class, because all people who have lent their money on mort-

gage or have sold land under contract of sale before the 19th August, 1931, are under the ban of this legislation; but if, instead of lending money on mortgage or entering into a contract of sale before the 19th August, 1931, one did so on the 21st August, two days later, one is perfectly free. All people who since the 19th August, 1931, have lent money on mortgage or sold land under contract of sale are perfectly free so far as their contractual relationships are concerned. So I do not see that we can continue indefinitely a piece of legislation which affects one other class, continuing to put that class under peculiar disabilities when all other members of the community have been relieved from the particular restrictions imposed by the emergency legislation.

Mr. North: And the securities of that class have depreciated, too.

Mr. McDONALD: Their securities are depreciated because there is a certain market for mortgages. If a man wants to realise the money he has lent on mortgage, he may sell it, but people will not pay the same price for a mortgage which is under the disabilities of the Mortgagees' Rights Restriction Act as for mortgages free from that disability. That stands to reason. At the same time we are all agreed that this legislation cannot be removed without notice. I have on previous occasions set out different theories or ideas for removing the legislation. I will not repeat them now. However, we had a similar problem in Australia to remove moratorium legislation brought about by the war. We overcame that difficulty by the Moratorium Termination Act in an equitable way. That is one way which could be utilised to get rid of this emergency legislation; but the people concerned who owe money on mortgage or owe money for purchase of houses must be given reasonable notice in order to arrange their affairs. Possibly we shall have to consider some special provision in the case of those who own rural properties, because there is still today a difficulty in the case of a farmer in raising money in order to repay a mortgage. At the present time there is a considerable sum of money available in the hands of investment companies awaiting investment at a comparatively low rate of interest, and those whose securities are now affected by the Mortgagees' Rights Restriction Act would be well advised not to

wait until this legislation is terminated to take the opportunity of reborrowing sufficient money to discharge their debt. If this legislation finishes and all the mortgagors, or a large number, come suddenly on the market, money will be scarce and rates will rise. I have drafted a Bill myself with the idea of bringing it in this session to terminate this legislation on an equitable basis, but I find it difficult because of its putting a fair number of mortgagors on the market at the same time. It is to the interests of these people to go on the investment market and make arrangements while money is plentiful and rates low.

Mr. Cross: In many cases it would pay them to do so.

Mr. McDONALD: It would pay them to do so because in some cases they could borrow at 5 per cent., as against £5 8s. 6d., which they are paying now. Their property has depreciated to a certain extent and not as much can be raised on it now as in the more palmy days. Nevertheless, property generally has appreciated in the last few years and conditions now are better for mortgagors to rearrange securities than they were four years ago, as far as city and suburban properties are concerned. The cost of building has risen considerably and that means that houses stand at a higher value on the property market.

Mr. Marshall: Could not negotiations be carried on without interference with this measure?

Mr. McDONALD: That is what I am saying. Mortgagors would be wise to rearrange securities now. They are perfectly free to do it and they should try to do so. Correspondence has appeared in the paper which would lead one to infer that in respect of money which has been lent on mortgage lenders are absolutely debarred from recovering it. But they can go before the Supreme Court judge, and the judge will look into the position of both parties, and if he thinks the landowner should repay the mortgage and the mortgagee wants the money, he can order the money to be repaid. Some think that the expense is a bar. Unfortunately there is some expense. Mortgagees can make application themselves. Some do. But if they engage a lawyer, the average expense in the case of city or suburban property, when no complications are present, including court fees, might be seven or nine guineas, and that is a consideration. But

it may be well worth paying if mortgagees are anxious to get the money and consider that the mortgagor can pay. I support the second reading of the Bill because we cannot terminate this legislation without some fair notice.

MR. BOYLE (Avon) [10.20]: I support the second reading but regard with a good deal of apprehension the idea that this legislation shall terminate in two years' time. The Minister for Lands has to-night given one reason why it should not. There are 3,000 applications under the Farmers' Debts Adjustment Act. Many men under that Act are working under stay orders. The idea of terminating this Act even in two years' time is viewed with a great deal of apprehension on this side of the House. The member for West Perth (Mr. McDonald) has said that salary cuts have been restored and that a state of normality has been reached in the metropolitan areas, but the same state of affairs has by no means been reached in the producing areas, and it would be a calamity of the first magnitude to repeal this legislation even in two years' time. I ask the member for Canning (Mr. Cross) and the member for West Perth to consider what would ensue from the adoption of what they propose. I ask them to consider what it would mean to the farmers of this State, very few of whom are free from mortgages. The Mortgagees' Rights Restriction Act to-day is not a hundred per cent. measure. There are many things that must be done before its protection may be availed of; but the fact remains that it is a deterrent to action being taken by mortgagees against mortgagors.

MR. HEGNEY (Middle Swan) [10.22]: I am rather surprised at the suggestion made by the member for Canning. If he had had any regard for the difficulties of many workers, he would not have made the proposal he did. There are any number of men who have mortgages existing on their properties and it is touch and go with them as to whether or not they shall forego their houses. If this legislation goes by default in four years' time those men will go back to the terms of their original contract, and in many of the contracts provision is made that they shall pay 7 or 8 per cent. interest. When they made the contracts, in 1930, or

about that time, the basic wage was £4 8s. To-day it is a penny under £3 15s. They are 13s. down in their wages and that is provided they are getting full weekly employment.

Mr. McDonald: This Bill would not affect them.

Mr. HEGNEY: If a man goes back to the original contract, the mortgagee has the right to impose the terms of that contract if he so desires. From the point of view of the wages worker in this community at the present time, it would be disastrous.

Mr. Patrick: Would it not be an improvement to extend the Bill two years? This extends it one year.

Mr. HEGNEY: We have been extending the Bill from year to year; it is an annual measure, and I do not see why we should not continue as we have been doing. If circumstances improve in two years, or three or four years' time, as the case may be, we can then give consideration to repealing the Act, but to say that at the end of two years' time it shall cease to exist is not a good thing from the viewpoint of the industrial workers.

Mr. Patrick: This Act ceases to exist in one year's time.

Mr. HEGNEY: It has come down to us as a yearly measure, and I do not think any one in the House is willing to vote it out. The Country Party, the Labour Party, and the National Party are not willing to vote it out this year or next year. There would be chaos in the community if it were voted out. Because I know of workers who would be in difficulties if the measure were discontinued, I am dissociating myself from the suggestions made by the members for Canning and West Perth.

HON. P. D. FERGUSON (Irwin-Moore) [10.25]: This is one of those protective Acts of Parliament introduced into this House by a previous Government at the onset of the depression. It has fulfilled the expectations it was expected at the time it would achieve. The Minister for Lands in introducing the Bill the other night told us of some of the benefits it had effected, and there is not a shadow of doubt that it has been of inestimable value to more than one section of the community. I know quite a number of small producers within a few miles of this House who have had occasion to seek protection under it. They have been

protected ever since and they appreciate the value of the measure. I also know of a number of farmers several hundred miles from here who have had similar protection, and it would be unfortunate for those people were they to be deprived suddenly of the protection the measure affords them.

Mr. Doney: Borrowers of all types get protection.

Hon. P. D. FERGUSON: Those who borrowed prior to the introduction of the measure do. Reference has been made to the fact that if notice were given, mortgagees could see to it that they made some arrangement to finance in some other quarter so that mortgagees could utilise their money in other directions. I would point this out for the benefit of members, that a great many mortgages raised prior to this Bill becoming law were very difficult propositions to finance. It would not be easy to finance them to-day. If they were capable of being transferred to other hands, I venture to say that those who borrowed money on them prior to 1931 would leave no stone unturned to have their mortgage transferred to some other institution such as a bank or an insurance company, or any individual who might be prepared to lend them the money, but it is not so easy as would appear on the surface. Money is difficult to borrow in amounts such as the borrowers want on the security they have to offer. It is because the margin of security is not sufficient that the position of the borrowers is made more difficult, and I venture the opinion that if the protection this measure affords were taken away, serious injustice would be done to more than one section of the community—not only to metropolitan and suburban dwellers, but to country borrowers as well. While I do not believe that this type of legislation should remain on the statute-book indefinitely, I do believe that while it is capable of achieving any good for anyone at all, it should remain there. Let us look for one moment at the number of cases of injustice in respect of those people who have lent money and about whom the members for Canning and West Perth are concerned. I believe there are isolated instances of where mortgages have fallen into the hands of those who now badly want the money, but they are isolated instances. I know of scores of men and widows who have reaped very considerable benefits in the way of protection under this legislation, and their

interests are more vital, and they should receive the consideration of this House, rather than the isolated instances of hardship imposed upon lenders in the unfortunate position of wanting to collect their money. I can assure the member for Canning that if the borrowers are in the position to pay off the mortgage they will be only too glad to do so at the first opportunity, because they would probably be able to borrow money at a much lower rate of interest than in 1931.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment. and the report adopted.

House adjourned at 10.32 p.m.

Legislative Council,

Wednesday, 3rd November, 1937.

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

QUESTION—STATE SHIPPING SERVICE.

Freight Rates to East Indies and Malaya.

Hon. C. F. BAXTER asked the Chief Secretary: 1, What are the present net freight rates on flour to ports in the Dutch

East Indies and Malaya? 2, Has the Minister any knowledge of representations having been made to the State Shipping Department by Eastern States shipowners, Messrs. Burns Philp & Co. and K.P.M. Line, to agree to an increase in freight rates on flour to the Dutch East Indies and Malaya? 3, What tonnage of flour has been shipped from Western Australia in each year, 1927 to 1937? 4, What has been the tonnage carried by the State Shipping Service in the period 1927 to 1937? 5, What is the tonnage carried by other shipping lines from Western Australia? 6, Has the Minister agreed to an increase of freights charged by State Shipping Service? 7, Has any request for increases in freight rates been received from other shipping lines engaged in the business from Western Australian ports? 8, Is the Minister aware that refusal of the State Shipping Department to agree to any increase will have a beneficial influence upon all freight rates on flour from Australia to the Dutch East Indies and Malaya?

The CHIEF SECRETARY replied: 1, 30s. per ton of 2,000 lbs., ex Eastern States ports; 25s. per ton of 2,000 lbs., ex West Australian ports to main ports Dutch East Indies and Malaya. 2, Yes. 3, 1927, 15,610 tons; 1928, 19,184 tons; 1929, 23,267 tons; 1930, 23,451 tons; 1931, 19,146 tons; 1932, 19,335 tons; 1933, 24,015 tons; 1934, 37,084 tons; 1935, 39,833 tons; 1936, 35,504 tons; 1937, 36,631 tons; total, 293,060 tons. 4, 60,597 tons. 5, 232,463 tons. 6, No. 7, No. 8, This will depend upon the action of other shipping companies.

QUESTION—AGRICULTURAL DEPARTMENT.

Hon. H. V. PIESSE asked the Chief Secretary: 1, What is the number of employees in the Agricultural Department? 2, How many are resident in the country districts?

The CHIEF SECRETARY replied: 1, On the salaried staff there are 138 officers. 2, Sixty. It is pointed out there are also a large number of employees paid on wages sheets employed in country districts. Further, many officers with Perth as headquarters are almost continuously visiting country districts.