Legislative Council,

Monday, 22nd December, 1924.

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PRESIDENT'S ABSENCE.

The Clerk announced that, owing to the absence of the President on leave granted by the Council, it would be necessary to appoint a Deputy President.

The COLONIAL SECRETARY: I move—

That the Chairman of Committees be appointed Deputy President during the temporary absence of the President.

Question put and passed.

The Deputy President took the Chair at 3.2 p.m.

LEAVE OF ABSENCE.

On motion by Hon. J. Ewing (for Hon. E. H. Gray), leave of absence for six consecutive sittings granted to Hon. G. Potter (West) on the ground of urgent private business.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

In Committee.

Resumed from the 19th December. Hon. J. W. Kirwan in the Chair; the Colonial Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 5 which had been partly considered, an amendment having been moved to strike out the proviso to Subclause 8.

Hon. A. LOVEKIN: The proviso set out in effect that where the income of any person includes the dividends of a mining company paid out of profits exempt from taxation, the rate of taxation shall be increased to the extent of the dividends payable, and after the rate of tax has been increased, the amount of the dividend is to be deducted. That really amounts to no deduction at all. If dividends are to be exempt, then they should be exempt in reality and should not be added to the income in order to increase the rate of taxation.

The COLONIAL SECRETARY: The amendment aims at granting a further exemption to taxpayers. The effect of the amendment will be to reduce taxation and alters a vital principle applied to the taxation proposals. It means that if a person has an income partly from dividends and partly from other sources, the income from the other sources only will be taxed and that will mean a considerable loss in revenue. The effect of Mr. Lovekin's amendment, in figures, will give the following results:—The aggregate income of a person may be £2,000. Included in that amount is £1,500 derived from dividends. The rate of tax on £2,000 is 15.3d., which would give a tax of £127 10s. Allowing a rebate of the £1,500 at the rate of tax on dividends of 1s. 5¼d. this would amount to £107 16s. 3d. Adding the super tax of 15 per cent., which would amount to £2 18s. 11d., there would be a tax payable of £22 12s. 8d. Under the method proposed by the department the tax on the £2,000 at 15.3d. would give a return of £127 10s., plus the super tax of £19 2s. 6d., which would make up a total of £146 12s. 6d. Then the taxpayer would be credited with the amount paid in connection with dividends to the extent of 1s. 5¼d. on the £1,500, which would amount to £107 16s. 3d., leaving a tax payable of £38 16s. 3d., as against £22 12s. 8d. under Mr. Lovekin's proposal. Thus, at one stroke there will be a loss of revenue of £16.

Hon. A. LOVEKIN: There is no loss of revenue whatever. The Government have declared that they will exempt dividends from taxation, but on the other hand, they propose to take those dividends into account so as to increase the rate of tax payable by the individual. Whatever is the rate of tax fixed, that should be the rate without taking dividends into consideration at all. The object of the exemption was to encourage mining. It would be a bad thing for the Government and for the State if, on the one hand, the Government said they would exempt dividends from taxation in order to assist the development of a waning industry, and then, on the other hand, by a mean despicable process, as I regard it, take those dividends into consideration in fixing the rate of tax.

Hon. G. W. Miles: Does this apply to mining companies only?

Hon. A. LOVEKIN: Yes.

Hon. V. Hamersley: And they will still pay under the Dividend Duties Act?

Hon. A. LOVEKIN: Yes, just the same. These miserable petty things will do this State no good.

Hon. J. J. HOLMES: This is either capital or income. We say on one hand that after a certain date capital shall be exempt from taxation. If that is so, we cannot subsequently treat it as income. Over the page we say that we treat it as

income to be added to the taxable income in order to justify a higher rate. Mr. Lovekin aims at treating the amount as capital until the capital has been returned.

The COLONIAL SECRETARY: It is not desired to tax the total income. Take a man who has £1,500 from dividends. That £1,500 is added to his other income of £1,500, making a total of £3,000, and so fixing the rate of tax.

Hon. G. W. Miles: But £1,500 is a return of capital.

The COLONIAL SECRETARY: And he gets credit for it.

Hon. A. Lovekin: No, you do not give him credit, because you make him pay under the higher rate.

The COLONIAL SECRETARY: I want to show the relief to be granted under this provision. The £1,500 from dividends and the £1,500 income makes a total taxable income of £3,000, the rate for which is 25.645d. The amount of income tax payable is £320 11s. 3d., and the rebate of dividend duty £107 16s. 3d., leaving income tax payable of £212 15s. Under the amendment the relief grant would be £160 5s. 3d., leaving income tax £52 9s. 4d., and dividend duty £107 16s. 3d. But his £1,500 income would still be taxable at 25.645d. in the £.

Hon. E. H. HARRIS: It seems most improper to take the exempt income and add it to the income from personal exertion to arrive at the rate of tax to be paid. If a man is to be exempt from dividend duty, let him be exempt. The Minister has quoted an instance running into hundreds of pounds, to show the Committee that a man can afford to pay because he has a large income. But take a smaller man: if I have £1,500 coming from dividends and I earn, say, £100 by personal exertion, I will have to pay in tax more than the £100 I earned, merely for the privilege of earning it. In effect the Government say to the small man, "When you receive income from dividends, we invite you to do nothing else. If you earn any more, we are going to tax you more than you earn." It is putting a premium on idleness. A man might have £5,000 or £10,000 capital in a mining transaction. For the time being he is out of pocket to that extent. Then £1,500 comes to him from dividends. If by personal exertion he has earned £50, he has to pay in tax about £83 or £84. Had he done nothing but collect his dividends, he would not have to pay anything. The proposition is manifestly unfair.

Hon. A. LOVEKIN: The Minister has taken the figures that you, Sir, quoted on the second reading. Under the Minister's methods, there will be taken from the taxpayer £75 9s. 4d. that ought not to be taken. The Commissioner arrives at that by adding the dividends to the ordinary income to find the taxing rate, which is then applied to the income, less the dividends. By that process he gets at the unfortunate taxpayer for £75 9s. 4d. The instance quoted by Mr. Harris is even stronger; for the taxpayer should not be asked to pay anything at all on the £100 from personal exertion. Yet, because he is getting a return of capital to the extent of £1,500, it is added to his £100 from personal exertion, and the tax rate on the income of £100 is fixed on an income of £1,600. That is quite wrong. We do not want it to go out that whilst, on the one hand, we are giving this encouragement to mining by the exemption of dividends duties until the capital is returned, on the other hand we are sneaking it out of the taxpayer's pocket.

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

Ayes	11
Noes	6
Majority for ..	5

AYES.

Hon. A. Burvill	Hon. J. M. Macfarlane
Hon. J. Ewing	Hon. G. W. Miles
Hon. J. A. Greig	Hon. J. Nicholson
Hon. E. H. Harris	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. A. Lovekin	(*Teller.*)

NOES.

Hon. J. M. Drew	Hon. J. W. Hickey
Hon. J. Duffell	Hon. T. Moore
Hon. V. Hamersley	Hon. E. H. Gray
	(*Teller.*)

PAIRS.

AYES.	NOES.
Hon. C. F. Baxter	Hon. J. R. Brown

Amendment thus passed.

Hon. E. H. HARRIS: The proviso has now been struck out. But I had on the Notice Paper an amendment to strike out the proviso and insert another in its place. I move an amendment—

> *That the following be inserted in lieu of the proviso struck out:—"Provided that the amount to be credited under paragraphs (2a) and (2b) shall be first deducted and be deemed to be deductions from the income of every taxpayer liable thereunder for the purpose of ascertaining the taxable amount on which such taxpayer shall be assessed."*

There is no need to labour the question. We have pointed out how unfairly the clause would operate if the fictitious rates were reached by adding the dividends to the personal exertion income. The amendment will make it perfectly clear to the Commissioner of Taxation that any dividends derived from gold mining shall be exempt, and that income from personal exertion shall alone be taxable.

The COLONIAL SECRETARY: This is another effort to get over the Taxation Department. Mr. Harris intends that the amount of the dividends shall be deducted, as well as the duty paid on the dividends. If that is done, it will mean considerable loss of revenue to the State, differentiation between taxpayers and therefore an anomalous position. Let me show the effect of the proposed amendment. Assume that the aggregate income, including £500 from dividends, is £2,500, the taxpayer would pay £219 3s. 2d. If the amendment were agreed to the taxpayer would pay £183 4s. 5d., or a difference of £35 18s. 9d.

Hon. E. H. HARRIS: The proposed new Subsection (2c) begins, "Subject as hereinafter provided, Subsections (2a) and (2b) shall not apply so far as the dividends were paid out of profit," etc. Thus the desire is that any income received from that source shall not be added to other income. There is no wish to deprive the department of taxation; I merely want to make it perfectly clear that the Commissioner, when calculating the assessable income, shall not add to the income dividends that we say are to be exempt. Otherwise the Commissioner will arrive at a fictitious rate as hitherto.

Hon. T. MOORE: To talk of fictitious rates and all the rest of it is likely to do a lot of harm. The Government are endeavouring to give a certain amount of relief to the mining companies, but members are adopting the attitude that the Government, having proposed to give so much, will give more. On the eve of the last elections the then Government made concessions in water charges to the mining companies to the extent of £50,000, and the present Government have to finance for that. It is for the Government to say what further relief they can afford. The Government are proposing the measure of relief that calculation has shown to be possible, but members here want to say, "Although you are giving a certain amount, and an amount in excess of what the previous Government proposed to give, you can give more."

Hon. A. Lovekin: No, the Government intend to do what we say.

Hon. T. MOORE: If we continue to take more and more, I do not know how the Government can carry on the affairs of the country. We should not go any further in interfering with the Government's taxation proposals.

Hon. J. J. HOLMES: If Mr. Harris proposes to go further than we have already decided, I do not know that members will follow him. If his proposal is merely intended to emphasise the effect of the vote just taken——

Hon. E. H. Harris: That is all.

Hon J. J. HOLMES: I am not clear about that. We have done well for the mining companies, but I wish to be clear regarding the effect of the amendment.

Hon. A. LOVEKIN: I do not care whether this amendment goes in or out. If it is passed it will merely be hammering the nail a bit harder. I do not think any harm will result if the amendment be withdrawn.

Hon. E. H. HARRIS: The proviso in the Bill really stultified the action of the Government. They were going to exempt dividends from taxation, but they inserted a proviso stipulating that some portion of the dividend would be paid in tax. It was to prevent the Commissioner taking this view that I moved my amendment. If it is the wish of the Committee, I shall withdraw the amendment.

Amendment, by leave, withdrawn.

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

That all the words after "provided" in line 6 be struck out and the following inserted: "the value adopted in relation to any live stock, as the value of that live stock, as at the end of the period in which the income was derived, shall, for the purposes of the assessment of the person's income derived in the next succeeding period, be deemed to be the value of that live stock as at the commencement of the next succeeding period: Provided also that any option exercised in pursuance of this subparagraph for the purposes of an assessment for the financial year beginning on the first day of July, 1924, or any subsequent year, shall be irrevocable and shall, if the person, in the notice of his option, so requires, apply to the assessment of his income tax for the financial year beginning on the first July, 1923, and shall apply to the assessment of the person's income derived in the period in respect of which the option is exercised and to assessments in respect of all subsequent periods. Provided further, that any live stock acquired by any person by the natural increase of his stock, which natural increase the person may elect to omit from his account, shall not be brought to account until the year in which that natural increase of the live stock so acquired is sold or otherwise disposed of.

The object is to bring the taxation of live stock into line with the provisions of the Federal Act. The proposal of the Government is a new departure, and is not at all fair. They propose to tax profit before it is made, and that is unreasonable. One does not mind being taxed when the profit is made, but to tax it in anticipation and say that credit for any loss made will be given later on, is not equitable. This proposal comes right on top of a drought when sheep and lambs are going out by the thousand. We know that a fictitious value has been placed on sheep owing to the unprecedentedly high prices of wool. If the

highly-priced sheep die, the Taxation Department say, "You will get credit next year, but let us have the tax this year." We want unanimity with Federal taxation methods wherever possible, and the amendment passed by the Federal Parliament last session is considered equitable. I desire nothing more than equity for the people developing lands as well as for the city merchants.

The COLONIAL SECRETARY: The amendment strikes at the root of the method adopted ever since the inception of the tax in 1908 to calculate the rate for natural increase, and that method has given general satisfaction. The proposal is to introduce the new Federal arrangement, which is causing no end of complication. Mr. Holmes proposes that the taxpayer shall not bring to account the natural increase in his stock from year to year until that increase is sold. I am advised that this method of rendering returns to the Taxation Department would be contrary to all accountancy and sound principles of finance. It would be impossible to say at the end of each accounting period how a man's stock on hand was made up, what would be purchased stock and what would be natural increase. How would it be possible to find out what the natural increase would be?

Hon. J. Nicholson: When it is sold.

The COLONIAL SECRETARY: Exemptions of this kind are not made in other instances, and why should they be made in the case of the pastoral industry? I am informed that this method would lead to no end of trouble and involve complications, without proving successful.

Hon. H. STEWART: The natural increase is supposed to represent an asset. Before it is marketed a considerable portion of it may die. Take the case of wheat and hay that are grown by a farmer. Until the produce is sold, it has no value, and before the time comes for selling it, half of it may be lost as the result of drought. The farmer accounts for only what he sells, and the same principle should apply to the pastoralist.

Hon. J. DUFFELL: The points raised by the Minister were raised by certain members in the Federal Parliament when this very provision was under consideration. It was generally admitted it would be for the benefit of the country if the law was amended in this way. The Deputy Commissioner of Taxation has, however, informed the Colonial Secretary that the new system is not running smoothly. We know that whenever a change is made in the taxation it is said to cause endless trouble unless it ends in the financial aspect of it being on the right side of the ledger for the Commissioner.

Hon. A. Lovekin: The provision was passed only the other day.

Hon. J. DUFFELL: The Federal Parliament has seen fit to alter the law in this way, and it is the duty of the State Parliament to fall into line. If the alteration proves to be irksome, it can be reviewed next year.

Hon. A. LOVEKIN: The reply of the Colonial Secretary affords another instance of how the department puts matter before him. He said the proposition resulted in no end of complications. I would point out that the Act was passed only at the end of last session, so that the Commissioner does not yet know whether it works well or ill. Mr. Holmes' amendment will bring the law into line with the Federal law. There is a good deal of merit in it, especially where it deals with the natural accretions of stock. In the Geraldton district a farmer owned 1,200 sheep, from which he had a number of lambs. He made out his return in July and accounted for his sheep and lambs. Before he received his assessment notice, all the lambs and nearly all the sheep had died through drought. The Taxation Department, however, said, "We insist upon your paying the tax, for you had the sheep on the 30th June last." Under Mr. Holmes' amendment this man would be taxed on the sheep, but not on the natural increase until it had been disposed of. This man, and others in similar circumstances, had nothing with which to pay the tax, and yet he was pressed by the department for the money! The amendment is far more equitable than the present method.

The COLONIAL SECRETARY: I know that the new provision has not been put into operation. The Commissioner, however, said it would involve complications and be difficult to apply. Under the Federal Act a stockowner must at the end of each accounting period prepare a return showing the number of purchased stock on hand. How will he distinguish between purchased stock and natural increase? He may have bought 2,000 more sheep and added them to his ordinary flock. How will he determine the natural increase in the case of the two lots of sheep?

Hon. J. J. Holmes: No one would want that to be determined.

The COLONIAL SECRETARY: This leaves an opening for the evasion of tax.

Hon. J. NICHOLSON: The Minister will admit that every tax must be just in its incidence. We know there has been grave discontent on the part of stock owners with regard to what appears to them the unjust and inequitable method of determining their income by means of their returns of stock and increase. It seems irregular, and even monstrous, to determine a man's income simply by stating that a certain increase in progeny has taken place by the 30th June of each year, and that therefore he is so much the richer. Income can only be determined by one means, namely, the receipt of cash from the sale of the product, whatever

that product may be. When the article is sold, it is credited in the accounts, and there is a debit in the accounts for the outgoings in connection with the business. So, at the end of each year, on the 30th June, the man determines what is his profit. I see no need for the present returns with regard to stock, so long as true and correct returns are made in other respects. If the department have doubts about the truthfulness and accuracy of any return, they have full opportunities of making an inspection. If a man should be guilty of making a false return, let him be punished severely. I quite agree that one could not distinguish between stock purchased and stock originally on hand, except in the case of small lots. But that should not affect the position in any way. What is to be taken into account is the annual sales. The owner has a capital account dealing with purchases and sales, and there should be no difficulty in arriving at the income by that method. What the man has actually earned in cash is the true measure of his income, not what he has made by increase of stock. As Mr. Lovekin has pointed out, it is quite possible that at the 30th June a man might have a certain increase in his stock, but that he may lose that increase through drought. So it may happen, and frequently does happen, that instead of making a profit he makes a loss. He should not be made to pay tax on what he does not actually possess. By this provision the Government are seeking to add to the woes of a man who sees his flocks dying before his eyes.

Hon. A. BURVILL: I support Mr. Holmes's amendment. I do not see, and never have been able to see, why increase in stock should come in at all when one is making up taxation returns. I do not happen to keep stock, but I can give an illustration from fruit-growing. Suppose an orchardist plants fruit trees; he does not have to put down the additional fruit trees in his taxation return. He might propagate fruit trees from fruit trees and sell them, but he does not show them in his taxation return until he has sold them. The position should be the same with regard to stock. The increase in stock between one year and another might die. Again, a good dairyman with well bred stock might put down the increase at a certain value, and at the end of 12 months the young stock might turn out to be much better than anticipated. They might prove to be saleable at high prices as pedigree stock. Moreover, the stock are capital, in the same way as land is, though the stock are not so secure a form of capital. Nothing much can happen to the land, but the stock are liable to disease and other risks which may depreciate their value. At the end of the year a stock owner may find that his capital, instead of returning him 8 or 10 per cent., has returned him nothing. The Taxation Department should not tax a man on a profit which he has not received.

Hon. C. F. BAXTER: The inclusion of the natural increase in income tax legislation is a misnomer. The natural increase is not income, and it cannot be income until such time as it has been disposed of. I cannot follow the Colonial Secretary's argument when he says that purchased stock cannot be separated from the natural increase. Every stock owner marks his stock, and the natural increase would be marked differently from purchased stock. Moreover, the purchased stock would be of a different age from the natural increase unless the purchased stock were very young. Say one purchases sheep and there is a drop of lambs; then those lambs are marked as natural increase. Every station keeps a record of such matters. I do not know of any station that does not record them.

Hon. E. H. Gray: Don't you, actually!

Hon. C. F. BAXTER: Any stock owner not keeping a careful record would very soon go off his property, to be replaced by another man. Under the income tax law a lamb dropped in June, say a fortnight before the end of the month, is valued at 10s.; but by no stretch of imagination could that lamb be regarded as actually worth 10s. Again, a calf dropped in June is supposed to be worth £4 10s. at the end of June. In point of fact it is not worth that amount at the age of 12 months. An owner experiencing a good season finds himself landed with a heavy tax, and the next year he may be battling with adverse conditions. It is absolutely wrong to bring in natural increase for taxation purposes until that increase has been disposed of. Under such conditions there might be a slight falling off in the amount of tax yield for the first year, but after that the sale of the natural increase would take place and owners would be paying taxation on their true incomes. It is ridiculous to have this provision in the Bill.

Hon. J. J. HOLMES: The Minister's reference to identification of stock and sheep is too absurd. The Federal taxation people allow one to include or exclude natural increase; but once it is included and the rate fixed, it is irrevocable. Suppose a man excluded 2,000 lambs from his taxation return. If he sells those lambs at 30s. per head he is taxed on the 30s., whereas if he had included them at 10s. he would have been taxed on £1. The Government would be wise to accept the amendment in view of the number of stations changing hands; because it is at such a time that the seller is caught by the Taxation Department. The underlying principle of the amendment adopted by the Federal Taxation Department is this: You are taxed on the profits when made, not in anticipation of profits.

The COLONIAL SECRETARY: There is only one way of keeping accounts, and that is the proper way. At the beginning of the year you debit your account with the value

of the stock on hand, and at the close of the year you credit your account similarly.

Hon. J. Nicholson: But that is on capital.

The COLONIAL SECRETARY: At the end of the year the number of stock purchased during the year, together with the natural increase, is taken into account. That is the existing system. Ten shillings per head is allowed as the value of the natural increase. Suppose a man starts the year with 2,000 sheep and there is a natural increase of 1,000. He sells none. Yet certainly he has made a profit during the year, notwithstanding which, under the amendment he would not pay a penny in taxation.

Hon. J. J. Holmes: Yes, he would pay it on the wool.

Hon. V. HAMERSLEY: The Minister says there is only one way of keeping accounts and that is the correct way. I put up these figures to him: a man with 5,000 sheep has had them taken into account for several years at an average value of 10s. He purchases another 5,000 at 24s. per head, shears them and estimates that he has taken off a profit of 9s. worth of wool. He then sells those sheep at 15s. per head. His original 5,000 were valued at 10s. per head or £2,500 in the aggregate, whereas the second 5,000 are valued at over £6,000. So when he had the 10,000 sheep, they were valued at £8,500. He sells 5,000 at 15s., or £3,750 which, deducted from £8,500, gives the value of his remaining 5,000 sheep as £4,750. Under the system embodied in the clause, the value of his remaining sheep is, not 10s. per head, but 17s., and his second transaction has returned him a profit of £500. What has actually occurred is that he has made a loss of nearly £2,500, because he has sold for 15s., 5,000 sheep for which he has paid 24s. per head.

Hon. J. Nicholson: He has received 9s. for his wool.

Hon. V. HAMERSLEY: But that goes into a different account. Under the clause the whole of the sheep would be taken at a value of 24s. I should like to know from the Minister what is the correct way of keeping that account. I think it is provided in the amendment.

Hon. A. LOVEKIN: The case quoted by the Minister is not applicable. In his view livestock accounts should be kept in the same way as ordinary business accounts. But livestock may not be an asset after all. I put this to the Minister: on the last day of his accounting period a man owns a lamb. On the day after the accounting period closes the lamb dies. Does the Minister really want tax on that lamb because the taxpayer had it the day before the accounting period closed? The man has already found the money 12 months in advance and instead of being one lamb it is of course 10,000 lambs, and so the taxpayer has had to incur a liability at the bank, borrow money and pay interest on it.

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

Ayes	14
Noes	5
Majority for	9

AYES.

Hon. A. Burvill	Hon. A. Lovekin
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. A. Greig	Hon. H. A. Stephenson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland
Hon. J. J. Holmes	Hon. J. M. Macfarlane (*Teller.*)

NOES.

Hon. J. M. Drew	Hon. T. Moore
Hon. J. W. Hickey	Hon. E. H. Gray (*Teller.*)
Hon. W. H. Kitson	

PAIR.

AYES.	NOES.
Hon. C. F. Baxter	Hon. J. R. Brown

Amendment thus passed; Clause, as amended, agreed to.

Clause 6—Repeal of Section 17:

Hon. V. HAMERSLEY: This is quite a new departure. On the second reading I pointed out the need for encouraging people to invest in land. If we retain the clause, it will amount to a levy on capital as well as taxation on the income derived. Such an imposition does not apply to any other form of investment. People who invest in land often do not make more than 2½ per cent., whereas other forms of investment frequently return 6 and 8 per cent.

Hon. H. STEWART: Section 17 of the principal Act reads—

> Whenever any person is assessed for income tax on profits derived directly during any year from the ownership of any parcel of land, or derived directly from the use or cultivation of any parcel of land, such person may claim and shall be allowed an abatement of so much of the amount payable for income tax on the profits derived from the ownership of such parcel of land, or directly from the use or cultivation thereof, as equals the amount paid by him for land tax in respect of the same parcel of land. Provided that any profits derived from—(a) the quarrying, digging, treatment and sale of stone, gravel, sand, clay, guano, or soil found on such land; or (b) the cutting, treatment and sale of timber found on such land, shall not be deemed profits derived from the ownership, use, or cultivation of such land within the meaning of this section.

That shows clearly the intention is to abolish a rebate that has been allowed to the man who takes up land and uses it for agricultural or pastoral purposes. He is to be taxed on his capital as well as on the income.

Hon. J. EWING: I oppose the clause. It simply means that primary producers will have to pay a double tax—both land and income. This will mean an additional £40,000 taxation a year from farming and pastoral people, a very serious increase.

Hon. A. Lovekin: The land tax last year was only £71,000.

Hon. J. EWING: The amount of £40,000 was quoted in another place and was not contradicted. Whatever the amount might be, the principle is wrong.

The COLONIAL SECRETARY: I have not the figure that the increase would represent, and I do not think it has been calculated, but it seems preposterous to suggest £40,000. When this concession was granted, land values were very low; but they are now increasing and the concession means something to the State. There is a distinction between the State and the Commonwealth income tax. The Commonwealth Government severely tax income derived from property.

Hon. H. Stewart: But not income derived from land used for agricultural purposes.

The COLONIAL SECRETARY: Under the State Act there is no differentiation between the personal exertion and property rates.

Hon. H. Stewart: That has no bearing whatever on this section.

The COLONIAL SECRETARY: It is a great concession to property; therefore the clause should be retained.

Hon. J. EWING: I think the Premier admitted that the concession would amount to over £10,000.

The Colonial Secretary: Not more than £10,000.

Hon. J. EWING: We do not know whether it will be £5,000 or £50,000. The Minister should have been able to give us the figure. I shall not take any risks, but shall oppose the clause.

Hon. A. BURVILL: I oppose the clause, which represents class taxation pure and simple. The man who invests his money in a farm will have to pay a tax on the land as well as on his profits. If he let his land lie almost idle, he would have only land tax to pay, but if he made an income from it he would have to pay land tax as well as income tax. There should not be a double tax on the farmer unless a corresponding tax is imposed upon capital invested in other ways. We are asking people to come here and take up land, and now it is suggested that we put a class tax upon them.

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

Ayes	6
Noes	13
Majority against ..	7

AYES.	
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	Hon. T. Moore
Hon. J. W. Hickey	Hon. J. A. Greig
	(*Teller.*)

NOES.	
Hon. A. Burvill	Hon. G. W. Miles
Hon. J. Ewing	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. A. Lovekin	Hon. J. Cornell
Hon. J. M. Macfarlane	(*Teller.*)

PAIR.

AYES.	NOES.
Hon. J. R. Brown	Hon. C. F. Baxter

Clause thus negatived.

Clause 7—Amendment of Section 29:

Hon. A. LOVEKIN: I ask the Committee to strike out this clause. It is a miserable and petty attempt on the part of the tax-gatherer to get in a few extra shillings. This applies to the Agent-General and his staff. Is it right we should tax these people?

Hon. H. Stewart: This must have come from the Taxation Department. Surely it did not emanate from the Government.

Hon. A. LOVEKIN: The Agent-General is not paid enough salary to enable him to keep up the reputation of the State as it should be kept up. The staff of the office is also underpaid without their being taxed upon their incomes. According to the cables the British Government the other day agreed that Agent-Generals and their staffs should not be taxed, and that they should be put in the same position as ambassadors. The Government are now trying to extract from these people a few pounds by way of State income tax.

The COLONIAL SECRETARY: It was the intention of Parliament that persons belonging to the Civil Service, or employed by the Government and who were living outside the State, should pay income tax. That has been paid by the Agent-General cheerfully for many years. It was discovered, however, that the law had a defect, and the object of this amendment is to put the law into proper order, as was intended by Parliament. There is no reason why these people should not pay the tax. They are drawing salaries from the State and paying no taxation in England.

Hon. A. Lovekin: Only the Agent-General, not the staff.

The COLONIAL SECRETARY: If the salary of the Agent-General is not adequate,

it should be increased. We should not establish a principle like this. Everyone should be liable to taxation by the State when they are employed by the State.

Hon. A. LOVEKIN: The section of the Act dealing with this subject says that no tax shall be payable in respect of incomes earned outside Western Australia. Does the Minister wish to adopt the principle that taxes should be paid on all incomes earned outside the State? If so, I fail to see how he can recover them. Mr. Colebatch is an excellent Agent-General. His salary, however, is the same that was paid years ago when the purchasing power of the sovereign was greater. It costs much more to live in London now than it did. I am surprised that the Government have yielded to the behests of the Taxation Department in making a despicable attempt to secure this tax.

Hon. G. W. MILES: I hope the Committee will not pass the clause. The Agent-General and his staff were appointed on the understanding that they would have to pay no income tax to the State. Some years ago the Government were paying the income tax on the salaries of the Agent-General and his staff. Recently the Home Government exempted them from taxation and licenses, and in that way have reduced the burden on the State. One of our Agent-Generals some years ago got exemption from payment of the tax.

Hon. J. Nicholson: Sir James Connolly.

Hon. G. W. MILES: In the case of one Agent-General, who had left an agent here to conduct his affairs, he found that the Taxation Department had illegally collected the tax on his salary. He applied for a refund, but the Government, to their shame, sheltered behind the Statute of Limitations and refused to make good the amount. This is how some of our officers are treated. It is a disgrace to think we have a Government that would refuse to refund to one of its officers an amount that had been improperly taken from him.

Hon. E. H. Harris: Which Government did that?

Hon. G. W. MILES: The previous Government to this one. I think it was the Mitchell Government.

Hon. J. Ewing: You ought to be sure about it before you say that.

Hon. G. W. MILES: I hope the salary of the Agent-General and his staff will be increased.

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

Ayes	5
Noes	15
Majority against	10

Ayes.	Noes.
Hon. J. M. Drew	Hon. T. Moore
Hon. J. W. Hickey	Hon. E. H. Gray
Hon. W. H. Kitson	*(Teller.)*

Noes.	
Hon. A. Burvill	Hon. J. M. Macfarlane
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. A. Greig	Hon. H. A. Stephenson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland
Hon. J. J. Holmes	Hon. J. Ewing
Hon. A. Lovekin	*(Teller.)*

Pair.	
Ayes.	Noes.
Hon. J. R. Brown	Hon. C. F. Baxter

Clause thus negatived.

Clause 8—Amendment of Section 30:

Hon. V. HAMERSLEY: I move an amendment—

That Subclause (1) be struck out.

It is a paltry thing for the Taxation Department to wish to confine a person's repairing account to £50. There are many premises in the city to repair which would cost an infinitely larger sum than this, and mean the employment of a large number of persons. If the amount is to be restricted to £50, a good deal of this work will be left undone.

Hon. J. Cornell: This has only to do with dwelling-houses.

Hon. V. HAMERSLEY: The painting of some houses would cost more than that. Surely it is not intended by the Government to rake in small sums by methods of this kind. They keep their own buildings and works in a bad enough condition. If the public buildings were owned by private individuals they would never be allowed to look as they do.

Sitting suspended from 1 p.m. to 2.30 p.m.

The COLONIAL SECRETARY: To buildings other than private residences the restriction contained in the subclause does not apply. However, a practice has grown up throughout Western Australia for what are virtually improvements to be added to dwellings and then to be returned as repairs. Often there is great difficulty in distinguishing between what are repairs and what are improvements. Many taxpayers submit year by year deductions for repairs up to £100 and £150, and even more. They are really improvements. The Taxation Department would be involved in great expense if they had to send out inspectors to determine what are improvements and what are repairs.

Hon. A. LOVEKIN: I have no objection to the Taxation Department getting tax on money spent in improvements to private residences, because that is really capital expenditure; but the maximum of £50 is not enough. Owners paint their houses every three years or so, but one can get very little painting done for £50 nowadays. People

should be encouraged to keep their premises in decent order.

Hon. V. HAMERSLEY: The arbitrary limit of £50 fixed here is ridiculous. A few years ago one could get much more done for £50 than one can get to-day. The value of money seems to be getting less and less. Money spent in repairs is largely spent in the form of wages. This subclause means a limitation on the employment of labour by owners of private residences.

Hon. J. NICHOLSON: In the case of many premises the repairs which have been effected have resulted in increased rentals being paid, and the Taxation Department get the benefit of those increased rentals in the payment of taxes. Therefore it is fair that amounts so spent should be allowed by way of deduction. The department should not object to the means used for providing increased income.

Hon. T. MOORE: The principal Act allows deductions of the cost of repairs to premises let, or to be let, to tenants.

Amendment put and passed.

Hon. A. LOVEKIN: I move an amendment—

That Subclause 4 be struck out.

This refers to the allowance of £50 for insurance premiums paid by the taxpayer to insure his own life or that of his wife, or those of his children, or for a deferred annuity or other like provision for the wife and children. After many years it is proposed to disallow a miserable allowance of £50 set aside by a man for the benefit of his family.

Amendment put and negatived on the voices.

As to Division.

A division was called for.

Hon. A. Lovekin: Subclause 4 refers to the deletion of Subsection 5 (a). There are two Subsections 5 (a) in Section 30 of the principal Act. We are dealing with the first Subsection 5 (a), which refers to premiums paid by the taxpayer. The other Subsection 5 (a) refers to calls paid on mining shares.

The Chairman: I think it is the second Subsection 5 (a) that the Bill refers to. I thought there was some mistake, but I did not wish to point it out to the hon. member, who is usually so careful.

Hon. E. H. Harris: I do not think the subclause can refer to the second subsection, Mr. Chairman.

The Chairman: It seems to me it is the second 5 (a) that is referred to. Perhaps the Minister might throw some light on it.

Hon. A. Lovekin: I am not voting for the deletion of the second 5 (a).

The Chairman: The call for a division might be withdrawn, and the matter further discussed.

Hon. E. H. Harris: It is obvious that it must refer to the first 5 (a).

The Chairman: I should like the Minister's opinion on it.

The Colonial Secretary: It came as a surprise to me, because I took it that Mr. Lovekin was dealing with the second 5 (a).

The Chairman: I suggest the division be called off and the Minister make it clear as to which 5 (a) is referred to.

Hon. J. Cornell: Obviously it is the second 5 (a), because the exemption in the last proviso of the first 5 (a) finds a place in the Land and Income Tax Act.

Hon. A. Lovekin: I withdraw my call for a division.

Call for division, by leave, withdrawn.

Hon. A. Lovekin: It is obviously intended to refer to premiums on life insurance. I ask the Minister to put 5 (a) in parentheses and so earmark it as the one to which I am referring, otherwise I shall have to put up a new clause at the end of the Bill.

The Chairman: Perhaps the Minister will suggest some way of making it clear as to which 5 (a) is referred to.

Hon. T. Moore: Have we not already by an amendment dealt with money paid into mining? This is dealing with calls on mining shares.

The Chairman: That is not quite clear.

The Colonial Secretary: The second is the one referred to.

Discussion Resumed.

Hon. E. H. HARRIS: I should like some information respecting the first 5 (a). In the repeal of that 5 (a) is it the object of the Government to assist the mining industry?

The COLONIAL SECRETARY: The object is that dividends received are to be exempt from taxation until the paid up value of the shares in mining companies has been returned to the shareholders. If the subclause were struck out, mining companies would not only have their share capital allowed to them in the form of dividends, but would also be able to claim a deduction in respect of calls on shares. I understood that Mr. Lovekin was moving with that object in view.

Hon. A. Lovekin: No.

Hon. E. H. HARRIS: This provision relates to deductions, and apparently it is desired to repeal it for the reasons given, notwithstanding that the Federal taxation people have decided to allow it to remain in their Act.

Hon. H. STEWART: If the amendment has been withdrawn——

The CHAIRMAN: Only the call for a division was withdrawn. That call having been withdrawn, it has been decided that Subclause 4 be not struck out.

Hon. A. LOVEKIN: Yes, you, Sir, on the voices decided against me and I called

for a division. That call having been withdrawn, your decision stands. If we want the subclause again we can recommit it.

The CHAIRMAN: That is so.

Hon. J. J. HOLMES: I want to know from the Minister what the Government are aiming at in Subclause 5.

The COLONIAL SECRETARY: This is the departmental explanation: Where a person employs sons and daughters over 16 years of age in a trade or occupation, such sum may be deducted for their salaries as may be prescribed by an arbitration award or as the Commissioner may deem reasonable. That is on the present provision. But it has been found to be unworkable, unfair and inequitable. A father employs his sons and daughters on a farm, paying them no wages. Yet he is entitled to claim as deduction the amount payable under an Arbitration Court award. The proposed subsection restricts the deduction to the sum actually paid by the taxpayer. The proposed subsection has been taken from the Federal law.

Hon. H. STEWART: I have no objection to the proposed subsection; but the Minister puts forward as a reason why we should adopt it the fact that it is in the Federal measure; whereas only a little while before the luncheon adjournment he used the same argument to defeat an amendment by an hon. member.

Hon. J. Duffell: That is what you call give and take.

Hon. H. STEWART: Knowing how strict and autocratic the taxation officers are, I think the word "exclusively" should be deleted from Subclause 5. I have no objection to a deduction being allowed if the son and daughter of a taxpayer are paid for their work, but the word "exclusively" makes the subclause too restrictive.

Hon. T. Moore: And what will it be if you strike out "exclusively"?

Hon. H. STEWART: The inclusion of the word would mean that this had to be the sole occupation of the son or daughter during the 12 months. If the word be deleted the taxpayer would be able to deduct the sum actually and reasonably expended. I move an amendment—

That in line 8 of Subclause 5 the word "exclusively" be struck out.

Hon. T. MOORE: A boy might be home for six weeks vacation from school or might be spending a short holiday at home from work, and quite a lot of work could be attributed to him, for which a deduction could be claimed. The word "exclusively" is necessary.

Hon. E. H. HARRIS: Has the Minister any instances to prove that the provision in the principal Act has been unworkable?

Hon. J. A. GREIG: I agree with the amendment. I think the intention is to prevent a man allowing his son or daughter a higher rate than he would pay to anyone else. This provision will not prevent rogues from unfairly claiming deductions. It would apply to a person working 11 months outside and one month on his father's farm.

The COLONIAL SECRETARY: A taxpayer would be permitted a reasonable amount for the 11 months in which the son or daughter was exclusively employed on his farm. The word "exclusively" is used to prevent the charging up of wages not actually paid.

Hon. H. STEWART: I take exception to the Minister referring only to the farm. The subclause would apply to all kinds of business. Every man employing his child, whether on the farm or in any other business, should pay the child the same rate as he would pay to a stranger.

Hon. T. Moore: A boy might milk the cow only in the morning.

Hon. H. STEWART: Full wages would not be paid for that. To retain the word "exclusively" would mean cutting out the deduction for casual labour. All wages paid for work actually done, whether for a week, a month or 12 months, should be an allowable deduction.

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

Ayes	10
Noes	9
Majority for	1

AYES.

Hon. A. Burvill	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. J. A. Greig (*Teller.*)

NOES.

Hon. J. Cornell	Hon. J. W. Hickey
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. Duffell	Hon. T. Moore
Hon. E. H. Gray	Hon. W. H. Kitson (*Teller.*)
Hon. E. H. Harris	

Amendment thus passed.

Hon. A. LOVEKIN: Subclause 6 increases the amount deductible in respect of children, from £40 to £62. That amount brings us into line with the Federal Act. But there is an additional £10 in the taxing Bill. I understand that if we agree to the £62 here, the Minister will delete the additional £10 from the taxing Bill. If that be so, I will offer no objection to this £62.

The Colonial Secretary: It will not be £72.

Hon. A. LOVEKIN: I move an amendment—

That Subclause (7) be struck out.

Section 11a and Section 30 of the Act provide for a deduction of £40 for each de-

pendant. The second proviso to Section 16 provides that a married person with a dependant is exempt from taxation if the income does not exceed £200. Subsection 1b of Section 16 provides that if the income is over £200 there shall be £200 deducted, and the rest shall be chargeable. The amendment, therefore, means, first, a deduction of £40 will not be allowed in the case of an unmarried person, and, secondly, a deduction is not allowable when the income does not exceed £200 if there is only one dependant, but is allowed, if this amendment be passed, if there is more than one dependant. If, therefore, there are two dependants, £80 can be deducted, but if there is only one, nothing can be deducted. That is the analysis of this particular subclause. I do not think this was ever intended. If it is struck out, the Crown Solicitor will have an opportunity of looking into the matter. The subclause ought not to be left in the Bill as it is.

The COLONIAL SECRETARY: No doubt it is very involved, but a careful analysis gives this position: A married man gets an exemption of £200 and the unmarried man or widower gets an exemption of £240 if he has one dependant. At present a married person who has a dependant is allowed a statutory exemption or deduction, as the case may be, of £200 and £40 for each child. It was never intended that the unmarried taxpayer should get a deduction of £200 plus £40 as against the married person receiving a deduction of £200 only. The proposed amendment allows £200 exemption to the unmarried person on the first dependant, and if he has more than one he gets an allowance of £40 in respect to each dependant in excess of one.

Hon. A. LOVEKIN: I will not press this amendment, having drawn attention to it, but I am sure that the interpretation the Minister puts upon the subclause is anything but right. He is, however, responsible for the Bill. If he likes to let the matter go, well and good, or he may prefer to consult with the Crown Law authorities and see whether they adhere to the view they have taken.

Amendment by leave withdrawn.

Hon. J. NICHOLSON: I move an amendment—

That in subclause 9 the second proviso be struck out.

This deals with land acquired for sale.

The COLONIAL SECRETARY: This refers to the sale of land after taxation had been paid upon it. It is usual when a person sells land to add to its value what he has paid in taxes.

Hon. J. NICHOLSON: The Minister is wrongly informed. If a man sells a piece of land he gets the best price he can for it, but before he sells it he will have paid taxes upon it. He should, therefore, be allowed to show what he has paid in taxes and deduct the amount from the proceeds of the sale.

The COLONIAL SECRETARY: This applies to land owned by persons who buy and sell land as a business. In such a case the land is always loaded with the taxes that have been paid upon it. I know of instances where taxation has been loaded on the capital value of the land.

Hon. J. NICHOLSON: All I need say in reply to the Minister is that if a man makes a business of this sort of thing, buying and selling land, and makes a profit out of it, then the man pays on the profit made because it is income. The clause should not be in the Bill at all.

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

Ayes	9
Noes	7
Majority for ..	2

AYES.

Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. G. W. Miles
Hon. J. Nicholson	(*Teller.*)

NOES.

Hon. A. Burvill	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. J. Duffell	Hon. E. H. Gray
Hon. J. W. Hickey	(*Teller.*)

PAIR.

AYES.	NOES.
Hon. C. F. Baxter	Hon. J. R. Brown

Amendment thus passed.

Hon. A. LOVEKIN: I move an amendment—

That the following be added to stand as Subclause 10: "Any charge or expense other than capital expenditure incurred in the carrying on or conduct of any business, profession, trade, employment or vocation."

That is one of the provisions in the tax Bill which I propose to transfer to this Bill, which is its proper place.

Amendment put and passed.

Hon. A. LOVEKIN: I move an amendment—

That the following be inserted as Subclause 11: By inserting before "provided" in line 7 of paragraph 14 the following words: "or donations in money to Government or incorporated institutions established for benevolent, charitable, scientific or educational purposes, or for the promotion of research in respect to diseases and/or pests, and appertaining to

mankind, animals and plants, or moneys expended for educational scholarships or bursaries.''

The words referring to promotion of research are from the Federal Act, and they are probably more necessary than even the earlier words. The result of carrying this amendment will be to place the whole of the exemptions in one clause.

Hon. J. DUFFELL: I notice that both ''educational scholarships'' and ''educational purposes'' are mentioned in the amendment.

Hon. A. Lovekin: That is right. They are different things.

Amendment put and passed.

Hon. A. LOVEKIN: I move an amendment—

That the proviso to paragraph (d) be struck out, and the following inserted in lieu:—''Provided that there shall be deducted from the taxable amount so ascertained as aforesaid the sum of £50 in respect to every member of Parliament representing a metropolitan, metropolitan-suburban, or West province, or an electoral district therein, and a sum of £100 in respect to every member of Parliament representing any other province or electoral district therein.''

It is admitted that paragraph (d) of Section 30 of the taxing Act is not clear. This amendment makes the matter clear, and puts the provision into the Act in which it ought to appear.

Amendment put and passed.

Hon. A. LOVEKIN: If the Minister will look at Clause 8 of the taxing Bill, he will see that all the deductions therein are now contained in this assessment Bill.

Clause, as amended, agreed to.

Clause 9—Repeal of Section 34:

Hon. J. NICHOLSON: I have an amendment on the Notice Paper to strike out this clause. The Minister has used the argument that he wishes to keep this measure as far as possible in line with the Federal Act. That is a very good idea, seeing that the Federal authorities do the collecting, and we want to make the State returns as uniform as possible with the Federal returns. If we strike out Section 34, we shall be creating a disparity between our Act and the Federal Act. Section 34 of our principal Act provides that the Commissioner of Taxation may order a refund of any excess of tax that may have been paid in respect of any assessment if an application for refund of any excess of tax is made within three years. Section 37 of the Federal Act provides that when any alteration of an assessment has the effect of reducing the taxpayer's liability the Commissioner may refund to the taxpayer any amount overpaid, provided that where the alteration in the assessment is due to an application by the taxpayer, no refund shall be given if the application has not been made within three years after the tax was originally due and payable. Thus the two sections, State and Federal, are almost identical.

The COLONIAL SECRETARY: The reason why it is sought to repeal Section 34 is that it is virtually duplicated in Section 62.

Hon. J. Nicholson: I was not aware of that. Yes, I see; that explanation is quite satisfactory.

Hon. H. STEWART: But it would be better to delete Section 62; for Section 34 gives the Commissioner wider scope than does Section 62.

Hon. J. Nicholson: I move an amendment—

That there be inserted at the beginning of the clause ''Subsection (1) of.''

Hon. A. LOVEKIN: Section 34 gives the Commissioner a measure of discretion. Under it he may do certain things, whereas Section 2 is mandatory on him.

Sitting suspended from 4.5 to 4.30 p.m.

Hon. J. NICHOLSON: I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Hon. J. NICHOLSON: I move an amendment—

That the word ''repealed'' be struck out and the following inserted in lieu: ''amended by striking out the word 'may' in the first line and inserting 'shall' in lieu thereof; and adding 'Section 62 is hereby repealed.' ''

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

Clause 10—Repeal of Sections 8, 49 and 50:

On motion by Hon. A Lovekin, Subsection (3) of the proposed new Section 49 amended by striking out ''appellant'' and inserting ''either party'' in lieu.

Hon C F BAXTER: I move an amendment—

That the following be added to Subsection (1) of the proposed new Section 50: ''Provided that ninety days shall be allowed to a taxpayer resident in the North-West districts to lodge an objection.''

Forty-two days is not sufficient for taxpayers situated at such long distances, where there is a mail service perhaps only once a month, to lodge objections against assessments

The COLONIAL SECRETARY: The 42 days provision is in accordance with the Federal Act, and even for the North-West should be ample, as the 42 days commence

from the date of the receipt of the notice of assessment. Apart from that, the Commissioner always grants an extension if the application is reasonable.

Hon. C. F. BAXTER: Both the present and the past Commissioners have been generous, but we should not leave this matter to the discretion of an officer. Due provision should be made for it in the Act.

Hon. J. J. HOLMES: The "North-West districts" will not define anything. Should not the amendment stipulate the North Province?

Hon. A. LOVEKIN: I do not know that the Federal authorities show too much consideration for taxpayers here; nor do they realise the immense distances between the central taxing authority in Perth and people at places like Hall's Creek. If we insert 90 days, the Federal authorities may amend their Act and come into line with us. I move—

That the amendment be amended by striking out the words "West districts" and inserting "Province" in lieu.

Amendment on amendment put and passed; amendment, as amended, agreed to.

Hon. A. LOVEKIN: Subsection 2 of the proposed new Section 50 provides that notice of objection must be accompanied by payment of at least one-quarter of the tax assessed. At present the whole of the tax assessed has to be lodged, and it works a hardship on many taxpayers. In one instance there was £3,500 tax to be paid, and the person could not put up the money to enable him to appeal and perhaps get justice. If we provided for no lodgment of tax at all, the department could not be much penalised. Subsection 5 provides that a taxpayer dissatified with the decision of the Commissioner may within 30 days request the Commissioner to treat his objection as an appeal. Under the Federal Act 60 days is allowed for the payment of the tax after the assessment is received. If a person gives notice of appeal it is quickly heard under this provision; the department does not lose interest on the money, and the taxpayer is not penalised by being kept out of his rights because he has not the money to pay an unjust tax. I move an amendment—

That Subsection (2) of the proposed new Section 50 be struck out.

The COLONIAL SECRETARY: Under the existing Act the taxpayer has to lodge the whole of the amount of the tax. This Bill seeks to grant a concession by requiring the taxpayer to lodge only one-quarter of the tax assessed.

Hon. A. Lovekin: Why should he?

The COLONIAL SECRETARY: It is the practice throughout Australia.

Hon. H. Stewart: How much does he have to lodge under the Federal Act?

Hon. A. Lovekin: One need not lodge it under the Federal Act now.

The COLONIAL SECRETARY: There should be some provision for the deposit of at least a portion of the tax; otherwise there would be scores of frivolous appeals.

Hon. A. Lovekin: What harm can be done? The taxpayer has only 30 days to do it in.

The COLONIAL SECRETARY: The effect would be to extend the time for payment.

Hon. A. LOVEKIN: A man of whose case Mr. Nicholson knows the particulars was wrongfully taxed £3,500, and he could not appeal because he could not put up the money. He could not even have put up a quarter of it. Why should taxpayers be ground out of existence?

Hon. E. H. HARRIS: The clause is generous in requiring a deposit of only a quarter of the tax. In the case of municipalities and road boards an appeal must be accompanied by one moiety of the assessment. Unless there was some penalty attaching to an appeal, many people would simply postpone the date of payment by lodging appeals.

Hon. A. BURVILL: I support the clause. There must be some method of stopping frivolous appeals.

Hon. A. LOVEKIN: Hon. members should not forget that if a person does not succeed in his appeal, he is penalised to the extent of 10 per cent. on the assessment. He will be late in paying the tax, and the Commissioner will add 10 per cent. to the amount. That is a sufficient penalty to prevent frivolous appeals. It is all very well to suggest that a quarter is liberal; but suppose the tax is £3,000 in respect of valueless mining scrip, the man being assessed at the face value of the scrip. We want to get into line with the Federal system, which requires no deposit. Taxation Commissioners sometimes act arbitrarily. I have here an assessment of £40 put up by the department, whereas ultimately the department admitted that nothing was owing. Why should the person wrongly assessed have to put up a deposit when the claim was purely a mistake of the department?

Hon. J. J. HOLMES: The extra 10 per cent. would be quite sufficient safeguard. Hardship has occurred and will occur from insistence on payment before an appeal is made. I have here particulars of a case where the Taxation Commissioner made an assessment of £1,287 against a man who merely had some scrip in a Kimberley oil venture. That man has got out of the country. Another man was taxed £2,235 in similar circumstances. He is unable to get away, and he has been told that if he lodges the amount he can appeal. Under the present proposal he would have to lodge between £500 and £600. He has now called a meeting of his creditors.

Hon. J. NICHOLSON: The case to which Mr. Lovekin referred was that of a man interested in some oil areas.

Hon. T. Moore: Has not that provision as to payment of tax on shares been struck out?

Hon. J. NICHOLSON: No. The man in question received £1,700 in cash and 8,500 shares of the face value of £1 each. Taking the shares at the face value, the Taxation Department added a sum of £510—which they afterwards admitted was wrong—thus making the total consideration £10,710. The man was taxed on that amount for £5,207 18s. 6d., being some £2,700 Federal duty and some £2,400 State duty. The only cash he had received was £1,700, out of which he had a good many expenses to pay. Probably he could not have sold the shares at 2s. each. In any case, as they were vendor's shares he was unable to dispose of them while the boom was on. The final result is that the man is left with the shares and has got nothing. He could not appeal because he could not lodge the amount of the tax. Representations were made to the Taxation Department, and they at last reduced the consideration from £10,710 to £9,000, on which they assessed the man for £3,516, being some £1,200 Federal duty and some £2,200 State duty.

Hon. A. Lovekin: They taxed the man about double what he received in cash.

Hon. J. NICHOLSON: Yes. The department have added 10 per cent. to that assessment, but of course the man has not the money. A question arose as to whether he could not claim exemption, but he could not appeal, because under the law as it stands he would have had to deposit the amount of the tax before appeal. So his position is absolutely hopeless. There should be some saving clause for such cases.

The COLONIAL SECRETARY: I have been made very familiar with the case to which Mr. Nicholson refers. At every centre at which I had a meeting during my election campaign, the same old case was presented with the same old typewritten papers. In the case in question the law is shown to have been defective if the man suffered an injustice. But this clause does not contemplate such a situation. It merely requires the man who wishes to appeal to deposit a quarter of the assessment. The case quoted by Mr. Nicholson is that of a man victimised, I will not say by the department.

Hon. J. Nicholson: It was a mistake of the legislature.

The COLONIAL SECRETARY: Yes. I believe there is some protection now.

Hon. T. MOORE: I am not too positive that Mr. Lovekin is correct. This is an arrangement to make the position easier. We propose to bring it down to a quarter.

Hon. A. Lovekin: Take it off altogether.

Hon. T. MOORE: There must be a limit. It has been found possible to carry on with half, and now that it is proposed to reduce it by 50 per cent., the position should be met. Mr. Lovekin should show us that an appellant, having lost an appeal, will pay an extra 10 per cent. It is clear that 10 per cent. is not added.

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

Ayes	..	..	8
Noes	..	..	10
Majority against		..	2

AYES.

Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. J. A. Greig
Hon. J. Nicholson	(*Teller.*)
Hon. G. Potter	

NOES.

Hon. J. E. Dodd	Hon. J. M. Macfarlane
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. A. J. H. Saw
Hon. E. H. Harris	Hon. A. Burvill
Hon. J. W. Hickey	(*Teller.*)
Hon. W. H. Kitson	

PAIR.

AYES.	NOES.
Hon. C. F. Baxter	Hon. J. R. Brown

Amendment thus negatived.

Hon. C. F. BAXTER: I move an amendment—

That the following proviso be added to paragraph 5:—"Provided that 90 days shall be allowed to a taxpayer resident in the North Province for sending in such request to the Commissioner."

This will give the resident of the North Province time in which to appeal against the Commissioner's decision. It is just as necessary as my previous amendment.

The COLONIAL SECRETARY: It seems to me that this will provide not 90 but 180 days. Under the amendment already agreed to 90 days is afforded, and a further 90 days is to be allowed after the Commissioner has given his decision against the taxpayer. Thus nearly half a year will have passed.

Amendment put and negatived.

Clause 11—Amendment of Section 68 (a):

Hon. J. NICHOLSON: I move an amendment—

That all the words after "Section 68" be struck out and the following inserted in lieu:—"is amended by adding the following paragraph at the end of the said Section 68:—'It shall be a defence to a prosecution for an offence against paragraphs (a), (b) and (c) of this section if the defendant proves that the false statement or false answer was made through ignorance or inadvertence.'"

This will bring the position into line with the Federal Assessment Act.

The COLONIAL SECRETARY: This gives the taxpayer too great a loophole.

Hon. J. Nicholson: It is in the Federal Act.

The COLONIAL SECRETARY: It is not a sound proposition and goes too far.

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

Ayes	10
Noes	5
Majority for	5

AYES.

Hon. J. E. Dodd	Hon. J. M. Macfarlane
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. A. Lovekin	Hon. E. H. Harris (*Teller.*)

NOES.

Hon. A. Burvill	Hon. J. W. Hickey
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	(*Teller.*)

PAIRS.

AYES.	NOES.
Hon. J. J. Holmes	Hon. T. Moore
Hon. C. F. Baxter	Hon. J. R. Brown

Amendment thus passed.

Hon. A. LOVEKIN: I move an amendment—

That the following words be added to the previous amendment: "Section 68 of the principal Act is amended by inserting after the word 'who' in line 1 the words 'knowingly and wilfully' and by adding a proviso as follows: 'provided that any offence under paragraphs (a), (b) and (c) shall be deemed to have been knowingly and wilfully committed unless the contrary be proved.'"

Anyone may fail to send in a return, and when he does so may fail to include some item of income, or put in a deduction in excess of the amount actually expended. If that were done the taxpayer would deserve some consideration, but if it were done wilfully he should have no sympathy. The proviso in the amendment will protect the Commissioner. At present the mere fact of a taxpayer failing to put in a return enables the commissioner to fine him.

The COLONIAL SECRETARY: I am afraid Mr. Lovekin is throwing upon the Department the responsibility of proving that the taxpayer knowingly and wilfully neglected to do these things.

Hon. A. Lovekin: The reverse is the case.

Hon. J. CORNELL: A taxpayer is not permitted to plead ignorance of the law for any failure to comply with the Act. If this amendment were passed I am afraid the usual number of returns would not be furnished to the department. If the amendment be agreed to, the Commissioner will have to take action and it will be more costly to the taxpayer than if the law as it stands to-day were allowed to operate.

Hon. A. LOVEKIN: I do not seek to add to the difficulties of the Commissioner of Taxation, nor do I seek to excuse anyone who fails to put in his returns. The penalties at present are severe, and if a man is absent from the State or is sick and unable to furnish his returns within the required period, why should he be penalised without having an opportunity to furnish an explanation to the Commissioner? Unless my amendment be agreed to, such taxpayers will not have an opportunity to do so. The amendment represents mere justice as between the Commissioner and the taxpayer.

The COLONIAL SECRETARY: I do not know why the amendment should be regarded as necessary. If a taxpayer, through ignorance, fails to put in his return he should be penalised. It is known throughout the State by means of posters and advertisements in newspapers when taxation returns are due, and the amendment will simply encourage evasion.

Hon. A. LOVEKIN: Does the Minister say that the amendment will encourage evasion by men who are sick in hospitals and who cannot help themselves or who are out of the State and cannot furnish returns within the stipulated period?

The Colonial Secretary: Such men can furnish explanations to the Commissioner!

Hon. A. LOVEKIN: Without the provision covered by the amendment, the Commissioner would have to point out to such people that there was no equity in taxation matters and that he had no option but to impose the statutory fines.

Hon. J. E. DODD: I know of instances where young people have been under the impression that they were not required to send in returns until they reached the age of 21 years. Recently I have ascertained that that is not the position. It is possible for such young people to be penalised by the Commissioner and that would be unfair. I know of one instance where a man, making a mistake regarding the exemptions from land tax, failed to send in returns for ten years. He found out his mistake and sent in the returns. He had to pay the statutory fines. That was unfair because in all probability the Commissioner would not have found out anything about it had not the man voluntarily corrected his own mistake. Some allowance should be made in such instances.

Hon. A. LOVEKIN: The instances cited by Mr. Dodd are pertinent. Why should young people in ignorance of the exact provisions of the law be penalised in such cir-

cumstances? On the other hand, if they knew that they could go to the Commissioner and explain what had happened, without risking the statutory penalty, they would go to the Commissioner openly about the matter. If they know they will probably be penalised, there will be a temptation not to reveal the position from the outset.

The COLONIAL SECRETARY: The amendment is quite unnecessary because such cases come before the notice of the Commissioner every day. The Commissioner exercises his discretion generously, and such people are not penalised when they have a reasonable excuse.

Hon. J. CORNELL: Discretionary power is vested in the Commissionner in that the Act says that the taxpayer shall be liable for these penalties "on demand." If the demand is not made, they do not suffer the penalty. If the amendment be agreed to, the discretionary power will be taken away and the Commissioner will have to take action in every instance.

Hon. A. Lovekin: The amendment will throw the responsibility on to the taxpayer.

Hon. J. CORNELL: An infinitely better way will be to allow the Commissioner to retain his discretionary power, and to permit defaulters to appeal to an appeal board.

Hon. A. Lovekin: That would not be ground for an appeal.

Hon. J. CORNELL: You are making it a ground for an appeal. Does the hon. member desire that the Commissioner shall retain his present power? If so, the Commissioner will decide whether or not it was knowingly and wilfully done; or does the hon. member desire to take away from the Commissioner the power of levying upon the defaulter? We shall be setting up a worse state of affairs than exists.

The COLONIAL SECRETARY: Under Section 68a, any person who fails to furnish a return, is liable to a fine not exceeding 10 per cent. of the assessable tax. It is provided that the Commissioner may remit the additional levy or any part thereof. The Commissioner has absolute power, and he exercises it.

Hon. A. Lovekin: That is the whole point. It is the discretion of the Commissioner solely and the innocent taxpayer has no appeal.

Amendment put and negatived.

Clause as previously amended, agreed to.

Clause 12—agreed to.

New clause:

Hon. H. A. STEPHENSON: I move—

That the following new clause be inserted:—"Amendment of Section 18. Section 18 of the principal Act is amended by adding after the word 'premiums' in line 1, the words 'other than retiring allowances and gratuities paid in a lump sum.'" And by adding a subclause to stand as Subclause (2) as follows:—"(2) All retiring allowances and gratuities paid in a lump sum shall be deemed to be income to the amount of five per centum of the value of such retiring allowances and gratuities."

My amendment will bring the Bill into line with the Federal Act, which taxes only five per cent. of retiring allowances or gratuities. At present the State taxes the full amount of retiring allowances, and this operates very harshly on the taxpayer.

New clause put and passed.

New clause.

Hon. E. H. HARRIS: I move—

That the following new clause be inserted:—"Section 19 of the principal Act is amended by adding new subsections as follows:—'13. Cash or shares received from a company as consideration for the transfer of any claim, lease, license, tenement or holding under the mining Act 1904, or any amendment or re-enactment thereof.' '14. The income derived by any person or company from any mining property, claim, tenement, or holding in Western Australia worked principally for the purpose of obtaining gold or gold and copper, where the amount of gold is not less than 40 per centum of the total value of the output of the mines. This exemption shall extend to dividends paid by a company out of such income.'"

Section 19 refers to exemption from income. I want to provide that cash or shares received by individuals shall not be taxable as hitherto. There are 12 subsections to Section 19, and I propose to add two more following on the same lines. The Committee has repealed Section 16, Subsection 5 of the principal Act, which imposed a tax on the proceeds of sale of a mining company. This has rendered prospectors liable to be taxed on the sale of their properties, as set out in Section 16, Subsection (1) paragraph (c). Prospectors selling their leases to mining companies have received shares in payment, and have been taxed to the full face value of those shares. In consequence, in many instances, the tax is greater than the market value of the shares. It is to protect the prospector that I seek to insert this amendment. The second portion of the amendment is to provide that the income derived by any person or company from any mining property, where the amount of gold is not less than 40 per cent. of the total value of the output, shall be exempt. We have heard a lot about the risks taken industrially, and it is only fitting to consider the risks in mining. There are not a great many prizes in mining; blanks predominate. Mining has hitherto been taxed heavily, and to stimulate the industry, the Government have sought to extend some measure of relief. At

an early date the Premier is to go to London, where he is sure to meet many investors interested in Western Australian mining. We have many low-grade propositions capable of being worked only by the introduction of considerable capital, and we should strive to induce London capitalists to invest in them. When the Minister for Mines was in Kalgoorlie in November he was tendered a civic reception, and a speech he made was reported thus—

> He was pleased at what had been said as to his efforts to induce the Federal Government to do something for mining. . . . The Federal Treasurer, in his Budget Speech, had announced that in future gold mines would not be taxed until all capital invested in them had been returned. That was a recognition that mines were a wasting asset. On behalf of the State Government he was in a position to announce that a similar concession would be made, and money that was not profit but merely a return of capital would not be taxed.

We were pleased to have that assurance from the Minister, and to ensure that any capital returned will not be taxed, I am moving my amendment. Since that time the Federal Parliament has passed its taxation Act. The member of Kalgoorlie (Mr. A. E. Green) asked the Federal Treasurer whether the exemption provided for gold mining companies would apply to all profits on all mining operations of companies and persons without limitation, that was to say that when the invested capital had been returned to the investors, the profits would still be exempt. The reply received by Mr. Green was that, according to advice received from the Commissioner of Taxation, the answer was in the affirmative. We do not propose to go so far as the Federal Parliament has gone, but it would be a fine thing if we were able to say to investors abroad, "Until the whole of your capital has been returned, you will not be charged any taxation whatsoever." That would assist to attract capital to this State, and would result in other industries being assisted as gold mining assisted them in the past.

The COLONIAL SECRETARY: I cannot accept the amendment, which practically means that gold mining, and every person connected with it, shall be exempt for all time and under all circumstances.

Hon. E. H. Harris: Until the capital has been returned.

The COLONIAL SECRETARY: The Federal Government have no responsibility regarding the administration of the industry. The State has to bear that responsibility. I am informed that there has been a loss of £40,000 a year on the water supplied to the mining industry. In many ways the Government have to assist the industry throughout the State. The two cases are not parallel.

Hon. J. CORNELL: The first portion of the amendment will be only a re-enactment of the existing provision. It will apply to new mines only. The other portion suggests adopting the Federal method of taxation. The only industry to which the Government could not extend some measure of relief during the war was gold-mining. Look at the pastoral industry, the rise in the price of wool and the profits being reaped! If there are risks in that industry, they are few as compared with the risks of mining. Not many pastoralists are found in the Old Men's Home.

Hon. J. J. Holmes: The pastoralists earn their money and know how to keep it.

Hon. J. CORNELL: I understand they are good spenders. Take the price of wheat and stock; take the price of timber and the profits made; take the base metal industry, and the price of lead, tin, zinc, silver and copper. All those industries have been able to command a corresponding increase for the price of their commodities, but in gold-mining the difference between the standard price for an ounce of gold to-day as compared with the pre-war price is about half-a-crown. Then people ask why investors are shy of gold-mining. Although the price of gold has been stationary, the imposition of taxation has been great and the wages paid and the cost of materials used have increased. The only thing that has remained stationary has been the price of gold. We have reached a stage when we should be able to say to investors, "Parliament has taken into consideration all the circumstances attending the industry, and have decided that it is fair and proper to relieve it temporarily of all forms of taxation."

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. LOVEKIN: I am sorry I cannot support the clause in its present form. It would allow a very large number of people receiving dividends from mines to go free.

Hon. E. H. Harris: It is an exact copy of what appears in the Federal Act.

Hon. A. LOVEKIN: A clause so wide as this, in a country where mining is so important an industry, would exempt far too many persons.

Hon. J. EWING: I am anxious to know whether this clause applies to anything outside mining, and whether businesses connected with mines might benefit from it? In that case I would be unable to support the clause. The provisions seem dangerous. How would it affect low-grade mines? Would it relieve taxation to such an extent that low-grade propositions could be developed?

Hon. E. H. HARRIS: The clause is a replica of a provision recently passed by the Federal Parliament. The Minister for Mines stated at Kalgoorlie that the lines adopted by the Commonwealth would be fol-

lowed here. Therefore the wording of the Federal Act has been adopted in this amendment. There is usually a small percentage of copper in gold mines. The State Taxation Department, so long as a mine is worked as a gold mine, do not trouble whether the percentage of gold is 40 or not. It is chiefly the low-grade propositions—in which the percentage of copper is highest—that will be relieved by this clause. Federal legislation goes even further.

Hon. W. H. KITSON: Unquestionably there is a desire to assist the gold mining industry, but if I read the new clause aright it goes much too far. Its real import seems to be that all mining companies and all shareholders deriving any monetary benefit from mining shall be exempt from income tax, while the workers in the mines shall not be exempt.

Hon. J. Cornell: We have dealt with the workers already, in the exemption clauses.

Hon. W. H. KITSON: This clause draws a distinction to which we should not agree. The Federal Government can well afford the concession they have granted to the mining industry. They have two barrels—income tax, and the tariff. There has been no suggestion that the Federal Government will give way in respect of the tariff in order to assist gold mining. The State Government have already granted a concession of £100,000.

Hon. E. H. Harris: Last year in point of water charges, do you mean?

Hon. W. H. KITSON: Yes. Immediately that concession was granted some of the mining companies increased the fees of their London directors.

Hon. E. H. Harris: That happened in only one case.

Hon. W. H. KITSON: In view of the State having agreed to exempt mining companies from dividend duty until the whole of their capital has been returned, and in view of the concession in the price of water, this amendment asks too much, especially as there is to be no exemption for the men who go down below.

Hon. E. H. Harris: Don't workers own mines as syndicates and work them as syndicates?

Hon. W. H. KITSON: Some do.

Hon. E. H. Harris: Scores of them do.

Hon. W. H. KITSON: The State has a deficit and the Federal Government have a big surplus. At the present juncture it is inadvisable for the State to go further in the matter of concessions to gold mining.

Hon. H. STEWART: The intention behind the new clause can to some extent be justified. The latter part of it has never been put forward by the Mining Association of Western Australia, who generally work in accord with the Chamber of Mines. What was sought was the removal of taxation from dividends of mining companies until the capital actually expended in developing the mine—not necessarily the cash capital subscribed—had been returned. In my opinion, and in the opinion of those associated with me, that developmental capital ought to be returned before there is any tax on dividends. What has already been authorised does not go far enough. The first part of the amendment is a safeguard to prevent the Commissioner of Taxation bringing in some person associated with the mining industry and taxing him under the dragnet clause which gives the Commissioner wide powers. I refer to paragraph (c) of subsection (1) of Section 16. The matter of companies, in my opinion, has been met by the exemption of dividends until the paid-up capital has been returned, but the proposed subsection goes too far. What the hon. member wants is to see that the mine owner or the syndicate working a mine is encouraged to develop the property and that the income is not taxed. The individual or the syndicate working a mine and making profits is entitled to exemption from taxation until all the capital invested has been returned. A property may be in course of development and £2,000 worth of work may have been put into it without anything in the semblance of a profit having been shown. Then in the next year a crushing may have returned £1,500. The holders of the property should not be taxed on that amount; there should not be any taxation until every penny of the capital invested has been returned. That is only a fair proposition.

Hon. A. LOVEKIN: The amendment proposed by Mr. Harris is in line with the Federal provision. The Federal provision, however, did not receive the consideration it should have had. Take the miner or the shift boss who may be employed on a mine. Both are persons "deriving an income" from the working of the mine.

Hon. J. Cornell: No.

Hon. A. LOVEKIN: Of course. The shift boss and the miner are deriving an income from the property, and that being the case, under the amendment both are exempt. I am sure members do not intend that. What we intend is the encouragement of mining by exempting from taxation all dividends until the capital expended has been repaid.

Hon. E. H. Harris: You must mention the individual as well as the company.

Hon. A. LOVEKIN: We are going too far. I ask Mr. Nicholson and Dr. Saw to read the clause as it stands and tell me what it means. As it is, the shift boss, the foreman, or anyone employed on the property who is "deriving an income" from it will, under the proposed new clause, be exempt from taxation.

Hon. J. CORNELL: This provision is identical with the Federal Act. It was intended that it should apply to a gold mine worked as such, or a copper mine if the copper contained 40 per cent. or over of

gold. No suggestion was made in the Federal Parliament that the amendment meant anything else. It was never intended to apply to shift bosses, mine managers, and such like people.

Hon. A. Lovekin: Then it should say what it means.

Hon. J. CORNELL: If we exempt mining companies from taxation, it is not necessarily a permanent exemption, for the matter can be reviewed at a later period; but we do want to encourage persons to invest their money in this industry by exempting them from taxation until their capital has been returned to them. The closing down of the Ivanhoe mine meant throwing 450 men out of permanent employment. If we average their wages at £5 a man per week, this meant withdrawing from circulation £117,000 a year. On the average every miner is sustaining five other people, so that altogether 2,200 persons were directly affected. Another mine on the Golden Mile is also tottering. It employs between 250 and 300 men, and if it closes down it will mean about £80,000 a year being withdrawn from circulation. What we are asking for is that the industry shall be immune from taxation for at all events one year. I am not for the moment concerned about those who are working on the mine, but I refer to those who invest their capital in mining. The exemption of the industry in this way would not mean more than a loss of £25,000 a year to the State.

The COLONIAL SECRETARY: There is no justification for the attitude adopted in this matter. The effect of the amendment has not been clearly explained. The bona fide prospector and the backer are fully protected and will get ample relief. The mine owner is exempt from taxation until his capital has been returned, and he does not become liable until he has made a profit in excess of his capital. The amendment, however, grants relief to the man whose business it is to buy and sell shares, and to persons who speculate in mining leases, licenses and mining tenements. It will exempt everyone who traffics in and makes a business of mining.

Hon. G. W. MILES: Seeing that the Federal Government have exempted gold miners and prospectors, it is the duty of this State, which is the biggest gold producing part of the Commonwealth, to follow suit. Mr. Kitson has spoken about the income derived from the industry by the Federal Government through the tariff. If we exempt the industry, we can then ask the Federal Government for further consideration in the way of decreasing those duties, and in that way assisting the industry. I understood Mr. Lovekin to say that these clauses were exactly the same as those in the Federal Act.

Hon. A. Lovekin: We have something different in our legislation. Look at Subclause 8 of Clause 8.

Hon. G. W. MILES: Knowing what the mining industry has done for Western Australia, it is our duty to do as much for the industry as the Federal Government have done.

Hon. A. BURVILL: I cannot support the amendment. Apparently anyone who makes money out of gold mining will be exempt from income tax. It is too sweeping.

Hon. J. EWING: The proposed new clause should be redrafted. If the Minister's statement be correct, I do not see how any hon. member can support the amendment.

Hon. E. H. HARRIS: The adverse criticism of the scope of the proposal suggests that members consider the amendment is too extensive. I will propose an amendment to the effect that all profits arising from or accruing to any person or syndicate, being the owners or holders of a mining tenement as defined by the Mining Act, 1904, shall not be regarded as income until such time as the expenditure on such mining tenements shall have been returned.

The CHAIRMAN: That is already provided for in Subclause 8 of Clause 8.

Hon. E. H. HARRIS: Yes, it seems to be along the same lines. In that case I can hardly go on with the proposed amendment.

The CHAIRMAN: I shall first put the first half of the amendment, which relates to the proposed new Subclause 13.

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

Ayes	12
Noes	5
Majority for	7

AYES.

Hon. A. Burvill	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. A. Greig	Hon. G. Potter
Hon. E. H. Harris	Hon. H. A. Stephenson
Hon. A. Lovekin	Hon. H. Stewart
Hon. J. M. Macfarlane	Hon. J. Ewing (*Teller.*)

NOES.

Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. J. Duffell (*Teller.*)
Hon. W. H. Kitson	

PAIRS.

AYES.	NOES.
Hon. C. F. Baxter	Hon. J. R. Brown
Hon. J. J. Holmes	Hon. T. Moore

Amendment thus passed.

Hon. E. H. HARRIS: I shall not proceed with the second part of the amendment.

Hon. G. W. MILES: If a prospector has been working four or five years without securing a find, and then discovers a profitable claim from which he secures £1,000, is he allowed to set off against the profits the expense incurred in the prospecting operations during the preceding four or five years?

The COLONIAL SECRETARY: On my reading of Subclause 8 of Clause 8, I should say that he was only able to claim a rebate in respect of the expenditure on the mining tenement where his income was derived. He would not be able to charge up his expenditure on account of prospecting elsewhere.

Hon. G. W. Miles: Some consideration should be given to prospectors so as to give them more encouragement.

Hon. E. H. HARRIS: A miner might have worked half a dozen claims without getting anything. Then he takes up another holding, and is successful. His capital expenditure on the successful show is perhaps only £5. Yet he has spent £10,000 on the other ventures without getting anything.

The CHAIRMAN: The discussion is quite out of order, there being nothing before the Chair.

Hon. E. H. HARRIS: Then I will ask to have the clause recommitted in order to make due provision for the case I have quoted.

Hon. A. BURVILL: I move—

That the following be added at the end of Section 19, to stand as Subsection (14): "Cash allowances paid and bonus shares allotted to shareholders in any co-operative company or society as rebate or discount on their trading with such companies or societies."

This is to preclude shareholders having to pay tax twice. Those companies pay a certain amount into reserve, and pay dividends, and an agreement is made with shareholders for a special reduction in prices as an inducement to trade. It is sometimes paid in cash and sometimes in bonus shares, in which case the tax has to be paid again.

The Colonial Secretary: I should like an assurance from Mr. Burvill that this is word for word with the amendment that originally appeared on the Notice Paper.

Hon. A. BURVILL: No, it is not. I have endeavoured to improve on the wording.

The Colonial Secretary: But I had agreed to the other.

Hon. J. CORNELL: I will oppose the amendment. It is rather cool on the part of the mover to try to get it in. If he had in mind legitimate co-operative companies, I would not be so hostile to the amendment. In a truly co-operative society the share capital is limited to £2,000. The Westralian Farmers is not a truly co-operative society, but is a registered company. The amendment would not benefit the Returned Soldiers' League Co-operative and Trading Co., which is in essence a co-operative society. It would not come under the amendment, for it pays dividends, not bonus shares, and does not endeavour to undercut the general trading community. Moreover, why should we seek to give to the co-operative investor a consideration we are not prepared to extend to the legitimate investor under company law? What is the difference between dealing for three months with the Collie Co-operative Society, and at the end of that period getting a bonus of £5 in cash; and on the other hand, dealing with the Returned Soldiers' Co-operative Society and at the end of three months receiving a dividend of £5? This amendment is not going to help the legitimate co-operative societies. I hope the Committee will not agree to it.

Hon. E. H. GRAY: I hope the Committee will agree to it. I cannot folllow Mr. Cornell's reasoning. Take the Mt. Barker Co-operative Fruit Export Co.

Hon. J. Cornell: They are co-operative in name only.

Hon. E. H. GRAY: They are co-operative in name and in practice. They handle all the fruit exported. Private enterprise was handling the fruit at 6d. per case. The co-operative companies got together and agreed upon a rate of 3d. per case. Then the Mt. Barker Co., working as a co-operative society, got it down to a net charge of ¾d. per case, and handed back to their shareholders 2¼d. That sort of business should be encouraged and it is just what the amendment will do. The R.S.L. co-operative company cannot be classed as a co-operative society, because they distribute their profits on their shares instead of among their consumers. I hope the Committee will give every encouragement to country co-operative societies, even if they are registered under the Companies Act.

Hon. E. H. Harris: Would you differentiate between the various companies?

Hon. A. BURVILL: Some of these co-operative companies are registered under the Companies Act of 1893, and some under the Co-operative and Provident Societies Act of 1903. The Westralian Farmers Ltd. is a real co-operative company, and the butter factories are also co-operative concerns.

Hon. J. M. Macfarlane: They trade as well.

Hon. A. BURVILL: Yes. It does not matter how many shares one has in the company——

Hon. J. Cornell: Is the Westralian Farmers' capital limited?

Hon. A. BURVILL: It is not all taken up.

Hon. J. Cornell: Only a primary producer could take it up, but anybody should be able to do so.

Hon. E. H. Gray: Primary producers are the people interested.

Hon. J. Cornell: So are the consumers.

Hon. A. BURVILL: The Bunbury butter factory pays only 6 per cent., but in

the last couple of years the dairymen have been increasing their cream supplies and the factory has been able to pay 1d. bonus cash allowance. Why should the company pay a tax on the 1d. and the shareholder afterwards be taxed again? The Federal Taxation Department was asked in these terms to give an opinion—

> We ask you to give an opinion as to the position of a co-operative company in regard to the assessment of profits where rebates of certain moneys are made out of purchases and business done by members of that co-operative company during the period of the assessment, and more particularly as to whether you consider a co-operative company is justly entitled to deduct from the balance appearing in the profit and loss account for the period under review the total amount of rebate given to its members. The balance will then represent the actual profits of the co-operative company for that period, and should be the assessable profits of such company.

The answer was—

> The purchases are made under a written or implied contract that there shall be some rebate or discount if the results justify it. The company is entitled to deduct a rebate or discount in arriving at its taxable income.

That is fair.

Hon. J. NICHOLSON: We have already provided that bonus shares shall not be subject to taxation. If cash be paid or credited to a shareholder, it should be taxable income. If we extend the exemption to co-operative shareholders, it would be proper for the shareholders of every limited liability company to ask for a similar exemption. Such a proposal would deprive the department of a large portion of its revenue. Therefore, I must vote against the amendment.

Hon. H. STEWART: The amendment is based on the precedent established by the Federal Government and by nearly all the Governments of European countries, of which Denmark is the outstanding example. There, it has been found sound policy to encourage the formation of co-operative companies. The profits distributed in the form of rebate, bonus, or bonus share are already taxed under the heading of the companies' dividends. Mr. Nicholson has taken exception to what has proved to be justified elsewhere, because of the good results obtained. I support the amendment. Any primary producer can buy a share in Westralian Farmers Ltd., but no one can buy more than 250 shares. The dividend is limited to 7 per cent. per annum. Mr. Cornell said the company has been built up by the bonus shares. Not one-tenth of the total capital represents bonus shares. If a man has 250 paidup shares and puts no business through the company, he cannot get one sixpence by way of dividend, bonus share, or rebate.

Hon. J. Cornell: He gets 7 per cent. on his money.

Hon. H. STEWART: What is the good of 7 per cent. on money to-day? A man with only £1 invested in a co-operative company may have 50 or 60 bonus shares, because of the volume of business he puts through the company. He does not get cash; he gets a share that earns at most 7 per cent per annum. A man might have £250 capital in the Westralian Farmers Limited, and yet he has only the same voting strength as the man who holds one share. I considered that too great a liberalisation of conditions, but I was beaten. I thought a man with 250 shares should have at least three votes.

Hon. J. DUFFELL: I move—

That the question be now put.

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

Ayes	..	..	10
Noes	..	..	7
Majority for	..	..	3

AYES.

Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. A. Greig	Hon. G. Potter
Hon. W. H. Kitson	Hon. A. J. H. Saw
Hon. A. Lovekin	Hon. V. Hamersley
	(Teller.)

NOES.

Hon. A. Burvill	Hon. H. A. Stephenson
Hon. J. Cornell	Hon. H. Stewart
Hon. J. Ewing	Hon. E. H. Gray
Hon. E. H. Harris	*(Teller.)*

PAIRS.

AYES.	NOES.
Hon. J. J. Holmes	Hon. T. Moore
Hon. C. F. Baxter	Hon. J. R. Brown

Motion thus passed.

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

Ayes	..	..	11
Noes	..	..	6
Majority for	..	..	5

AYES.

Hon. A. Burvill	Hon. A. Lovekin
Hon. J. M. Drew	Hon. J. M. Macfarlne
Hon. J. Ewing	Hon. H. A. Stephenson
Hon. E. H. Gray	Hon. H. Stewart
Hon. J. A. Greig	Hon. W. H. Kitson
Hon. E. H. Harris	*(Teller.)*

NOES.

Hon. J. Duffell	Hon. G. Potter
Hon. V. Hamersley	Hon. A. J. H. Saw
Hon. J. Nicholson	Hon. J. Cornell
	(Teller.)

PAIRS.

AYES.	NOES.
Hon. J. R. Brown	Hon. C. F. Baxter
Hon. T. Moore	Hon. J. J. Holmes

New clause thus passed.

Title—agreed to.

Bill reported with amendments.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to the Council's amendments Nos. 1, 11, 12, 15, 20, 21, 22, 26, and 32, but had disagreed to Nos. 2 to 10 inclusive, 13, 16 to 19 inclusive, 23, 24, 25, 27 to 31 inclusive, and 33, and had further amended No. 14.

BILL—LAND TAX AND INCOME TAX.

Assembly's further Message.

Message received from the Assembly notifying that it had again considered the request of the Council for amendments in the Bill and had decided again to decline to make them, and again requested the concurrence of the Council in the Bill.

Request for Conference.

Hon. A. LOVEKIN: I move—

That a Message be sent in reply to the Message from the Assembly requesting a conference on the Land Tax and Income Tax Bill, and that the Colonial Secretary, the Hon. H. Stewart, and the mover be appointed managers for the Council.

Hon. J. EWING: I want to know why the Leader of the House is not moving this motion. I think it is highly improper for any member to usurp the functions of the Leader of the House. The Colonial Secretary is our Leader, and is entitled to ask for proper consideration from every member of this House. If a private member asks for a conference with another place, it seems as if the business of the country is not being conducted by the Leader of the House. I wish, with all due respect to Mr. Lovekin, to ask him to hand over the motion to the Colonial Secretary.

Hon. A. LOVEKIN: I wish to see that something is done to help the business through. I should be most happy if the Leader of the House would do it, but the Leader did not rise.

Hon. J. EWING: I feel sure Mr. Lovekin is doing what he thinks is right, but I wish to maintain the prestige of this House.

The DEPUTY PRESIDENT: Order! There is no point of order. If the hon. member will allow him, perhaps Mr. Lovekin will——

Hon. A. LOVEKIN: I will withdraw my motion.

The DEPUTY PRESIDENT: It is usual for the Leader to move in such cases.

Hon. A. LOVEKIN: I had no intention of doing anything irregular.

The COLONIAL SECRETARY: I did not rise because I had not an opportunity of rising. About ten minutes ago Mr. Lovekin saw me and asked me had I any members in mind as managers. I said, "Yes, Mr. Ewing, Mr. Burvill, and Mr. Lovekin." There was a further suggestion made by Mr. Lovekin, and that, so far as I was concerned, ended the matter. I understood, however, that I had to move this motion. I am placed in a very awkward position, because I may make a selection not in accordance with the views of the House. I would prefer, if my selection is not in accordance with the views of the House, that other nominations should be made.

Hon. A. LOVEKIN: I withdraw my motion altogether. I had no intention of taking the business of the House out of the hands of the Leader.

The COLONIAL SECRETARY: I move, as I originally intended to move—

That a message be sent to the Legislative Assembly in reply to its Message No. 60, requesting a conference on the Land Tax and Income Tax Bill, and that the Hon. J. Ewing, the Hon. A. Lovekin, and the Colonial Secretary be managers for the Council.

I may say that I have not mentioned this matter to a single person. I just came to a conclusion during the discussion of the Land and Income Tax Assessment Act Amendment Bill, and I then pencilled down the names of the members whom I thought it would be desirable to appoint.

Hon. J. CORNELL: Before the question is put, I would desire to locate myself, if no other members has such a desire. I understand that under our Standing Orders Nos. 235 and 236, this Bill was sent back to the Assembly on the first reading with requests. What I am solicitous about is this: if the managers return with an agreement, what will be the position? Will the Bill have to be read a second time?

Hon. J. Ewing: It has not yet been read a first time.

Hon. J. CORNELL: It will have to go through all its stages then?

Hon. A. Lovekin: That is so.

Hon. J. CORNELL: And it would then be competent for any member of this House, either at the Committee or at the third reading stage, to move further requests?

Hon. A. Lovekin: That is right.

Hon. J. CORNELL: Well, we have had an Irishman's rise.

Question put and passed.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 6:

Hon. E. H. HARRIS: I move an amendment—

That in line 8, between "and" and "duty," the following words be inserted:—"Subject to the next following subsection."

If the amendment is carried I shall ask the Committee to add this subclause:—

After the 30th June, 1924, a company deriving profits from the working of a mine in Western Australia, principally for the purpose of obtaining gold, or gold and copper, shall not be liable to pay duty on such profits where the output of gold from the mine has been not less than 40 per centum of the total value of the output of the mine.

The major portion of the products of a mine is gold, but in many cases there is a certain percentage of copper, and in order that it shall not be said that the mine is other than a gold mine, it is proposed that the words and the percentage suggested should be added.

The COLONIAL SECRETARY: The amendment, if agreed to, will exempt all mining companies from taxation on their profits derived after the 30th June, 1924. The proposal will apply to existing and future gold mining companies and it goes even further. It will exempt gold and copper mining companies from taxation on profits, that is, where the output of gold from the mine is not less than 40 per cent. of the total value of the output of the mine. In this way the revenue of the State will be considerably affected. The Government consider they have gone far enough in granting exemptions from taxation of the gold mining companies until the capital has been returned.

Hon. E. H. HARRIS: The Federal Government have given the industry benefits far in excess of those granted by the State Government, and an agitation is on foot that the Federal Government should grant a bonus on gold produced. One of the arguments used against that bonus being granted is that 75 per cent. of the gold is produced in Western Australia, and until such time as the State Government are prepared to do something to assist the industry from which they derive so much, the Commonwealth Government do not feel seriously inclined to grant the bonus. It is in order to get that assistance from the Federal Government that I have submitted the amendment.

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

Ayes	6
Noes	12
Majority against ..	6

AYES.

Hon. J. Cornell	Hon. J. M. Macfarlane
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. A. Stephenson (*Teller.*)

NOES.

Hon. A. Burvill	Hon. J. W. Hickey
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. E. H. Gray	Hon. A. J. H. Saw
Hon. J. A. Greig	Hon. W. H. Kitson (*Teller.*)

PAIRS.

AYES.	NOES.
Hon. T. Moore	Hon. J. J. Holmes
Hon. J. R. Brown	Hon. C. F. Baxter

Amendment thus negatived.

The COLONIAL SECRETARY: I move an amendment—

That the following paragraph be added to the clause:—"The words 'and verified by a statutory declaration' in paragraph (a) of Subsection 1 of Section 6 are omitted."

If an individual sends in returns of income tax or land tax his mere signature constitutes a declaration. When a provision enabling this to be done was brought in, there should also have been an amendment to the Dividend Duties Act, enabling the manager, secretary or public officer of a company, to attach his signature to a return as constituting a statutory declaration. Now, every half-year after the balancing time of a company, when the profit and loss account is made up and returns have to be furnished, the public officer of the company has to make a statutory declaration before a justice of the peace. Under this amendment that will not be necessary, for he will need only to attach his signature to the return. I move this amendment at the suggestion of Mr. Stephenson.

Hon. H. STEWART: It is perfectly justifiable to ask that no dividend duties tax shall be imposed until that portion of the paid-up capital that has been spent in developing the mine, shall have been returned. The Government have, however, gone further than that. What was asked for was equitable, for the wasting asset of a mine demands that the capital should be returned before the taxes are paid. This Bill, however, says that the paid-up capital of the company shall be exempt.

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

Clauses 3 and 4—agreed to.

New clause:

The COLONIAL SECRETARY: I move—

That a new clause be inserted to stand as Clause 4, as follows:—"Amendment of Sections 8a and 9. 3. (1) Section 8 of the principal Act is amended by omitting the words "and verified by statutory declaration," in paragraph (a) of Subsection (1). (2.) Section 8a of the principal Act (inserted by Act No. 22 of 1913) is amended by omitting the words "verified by statutory declaration," in paragraph (a) of Subsection (1). (3.) Section 9 of the principal Act is amended by omitting the words "and may require such balance sheets and documents to be verified by statutory declaration."

New clause put and passed.

New clause:

The COLONIAL SECRETARY: I move:

That a new clause be added to stand as Clause 5, as follows:—Amendment of Section 21. (4.) A paragraph is inserted in Section 21 of the principal Act, as follows:—(d) Transmits to the Commissioner of Taxation a return, balance-sheet, or document containing a false statement to evade or attempt to evade duty.

Hon. J. NICHOLSON: Since 1915 the principal section of the Dividends Duties Act has been repealed, and to a large extent other sections have been merged in the Land Tax and Income Tax Act. This is misleading, and causes a great deal of confusion amongst people who have to find out exactly what the position is under the numerous amendments of the Dividend Duties Act and how they stand under the Land Tax and Income Tax Bill. There is, therefore, necessity that the Minister should bring the matter under the notice of the department, with a view to having the law merged into one Act, and all this inconvenience avoided. In my view Sections 12, 13, 18, 19, 24 and 25 could well be struck out of the Dividends Duties Act.

New clause put and passed.

New clause:

The COLONIAL SECRETARY: I move:

That a new clause be inserted to stand as Clause 6, as follows:—"Repeal of Subsection (1) of Section 29. 5. Subsection (1) of Section 29 of the principal Act is repealed.

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

BILL—TREASURY BONDS DEFICIENCY.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [9.42] in moving the second reading said: The Bill is required to fund the deficit in the Consolidated Revenue fund for the years 1920-21, 1921-22, 1922-23, 1923-24. Authority was obtained from Parliament to fund the deficits dating from 1912 to 1920, but since then no further legislation has been sought, and authority is, therefore, required to fund the following deficits:—1921, £686,726; 1922, £732,135; 1923, £405.363; and 1924, £229,158, a total of £2,053,382. The total deficit to the 30th June last was £6,140,087, which has been funded by the issue of inscribed stock and Treasury bonds to the extent of £3,945,342, leaving a balance unfunded of £2,194,745. As this amount has not been specifically funded, the money has had to be made available from other funds, necessitating excess borrowing on public works and services account. As an illustration of this I may say that no less than £2,046,097 stood to credit to the General Loan Fund on the 30th June last, as representing money raised on loan account proper and unexpended. The provision in the Bill is £2,050,000, made up as follows: Unfunded deficit £2,194,745, less balance available under previous Acts £227,255, a total of £1,967,490; cost of raising £82,510, the amount in the Bill being £2,050,000. The authority will enable the Government to take advantage of any money offering on reasonable terms—the maximum rate in the principal Act is 6 per cent.—to place the deficiency account on a proper basis, and to release the money raised for public works, etc., so as to be available for the purposes for which it was borrowed. Regarding the sinking fund, under the Act of 1918 authority was given to the Governor to suspend the contributions to that fund, but the authority was not continued in the three subsequent Acts. It became necessary, therefore, to contribute £3,750, last year for sinking fund purposes, and £5,450, will be payable this year. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and passed.

BILL—PERMANENT RESERVES (No. 2).

Second Reading.

The HONORARY MINISTER (Hon. J. W. Hickey—Central) [9.51] in moving the second reading said: In August, 1916, a proclamation was issued dedicating portion of Class "A" Reserve 1162, being portion of the reserve on which Parliament House is erected, for the purposes of the Perth City Council who desired to widen Hay-street. That dedication covered a depth of 20 links extending from Harvest-terrace to George-street. The Joint House Committee agreed, in a letter dated the 5th August, 1924, to accede to the request contained in previous letters relating to this transfer, subject to the proposed alterations and improvements being submitted to and approved by the Joint House Committee. Owing to the dangerous grade in the street adjoining the reserve, it was considered advisable to make a start with the widening of Hay-street at this particular point. While it was thought that the original proclamation was sufficient to authorise the handing over of the strip of land, the Solicitor General is of the opinion that Parliament should approve of the transfer by a special Act. For that reason the Bill is before hon. members. Since the Bill was drafted and considered in the Assembly, a little difficulty has cropped up. It is desired by the people concerned to widen Hay-street to the extent of 80-feet. The Minister for Lands and the Premier have agreed that instead of providing for a strip of 20 links, as proposed in the Bill, it would be better to double that strip so as to enable the local governing authorities to widen Hay-street as desired. To give effect to that proposal it will be necessary to amend the schedule in the Bill by altering the provision for 20 links to 40 links.

Hon. J. Duffell: I think it would be wise to adhere to the 20 links.

The HONORARY MINISTER: It has been found that that width is not sufficient.

Hon. J. Duffell: Who says it is not sufficient?

The HONORARY MINISTER: I am not quite sure who they are, but they are those concerned with this arrangement. The Premier, in a letter to the House Committee, has agreed to the alteration.

Hon. J. J. Holmes: The Premier has nothing to do with this. The House Committee alone are concerned.

The HONORARY MINISTER: The House Committee, I admit, are all-powerful in this matter

Hon. V. Hamersley: Is there any hurry for the Bill? Could it not stand over for six months to allow those concerned to make up their minds what they really do want?

Hon. E. H. Harris: We want the Joint House Committee's approval before we can know where we are.

The HONORARY MINISTER: Those in authority have agreed to the 40 links. The Bill is for that purpose, with the approval of the Joint House Committee.

Hon. J. J. Holmes: But only 20 links is specified in the Bill.

The HONORARY MINISTER: I propose to amend that to read 40 links. It has been approved by the authorities and passed by the Assembly, except that, as I say, it is now proposed to extend it to 40 links. I move—

That the Bill be now read a second time.

Hon. J. EWING (South-West) [10.3]: I hope the Honorary Minister will postpone the Committee stage until to-morrow in order that we may make some inquiries. He spoke of 20 links in the original proclamation. I understood it was to be a decent street. Even if we increase it to 40 links, it will be a poor old street after all. However, the amendment may make it right. The Committee stage ought to be postponed until we can make some inquiries.

Hon. J. M. MACFARLANE (Metropolitan) [10.5]: I congratulate the Government on the introduction of the Bill. I hope the request that the Joint House Committee extend the strip from 20 links to 40 links will be acceded to. This is all part of a scheme for the widening of Hay-street from Melbourne-road to Thomas-street. The City Council are in negotiation for the purchase of the High School block in order to permit of widening the street down there, and I understand the Bill is necessary to the completion of those negotiations. I hope the Committee stage will be postponed until to-morrow. The widening of Hay-street is an urgent matter. During the last 12 months there have been at least half a dozen narrow escapes from fatal accident at the corner of Harvest-terrace. Only on Friday last a car, trying to negotiate the corner, hit the fence on the opposite side of the street. The full 40 links will be required to make that corner safe.

Hon. J. J. HOLMES (North) [10.8]: The Minister will be well advised to postpone the Committee stage until to-morrow, and in the meantime get the consent of the Joint House Committee to the 40 links. If we deal with this question behind the backs of the Joint House Committee, and fix the strip at 40 links, the Joint House Committee might refuse to agree to it, in which event the City Council will get nothing at all.

Hon. J. CORNELL (South) [10.10]: The Minister has said that an arrangement

has been arrived at between the Premier and the Joint House Committee for the widening of the strip to 40 links. As a member of the Joint House Committee, I know nothing of that arrangement, nor do I think it is known to other members of the Joint House Committee. A proposal came to the Joint House Committee from the City Council, asking whether we had any objection to the granting of 20 links. The Joint House Committee replied that there was no objection, but that they distinctly desired it to be understood that they in no way pledged Parliament. There has been some undue haste in sending along this Bill. When one looks at Harvest-terrace and then again at George-street, one realises that it is doubtful whether or not the proposed strip of 40 links should be taken from this reserve and thrown into the street. Indeed, it is pretty clear that the position would be even worse than it is now.

Hon. J. M. Macfarlane: The stipulation you made in regard to the High School land is being carried out.

Hon. J. CORNELL: We made no stipulation. We merely suggested that that land should be acquired. The coming of the Bill postulates a want of confidence in the Joint House Committee. I agree with Mr. Holmes that the Committee stage of the Bill should be postponed till to-morrow, and in the meantime something definite secured from the City Council in respect of the High School ground. If that ground cannot be acquired, there is no necessity for the Bill.

Hon. A. J. H. SAW (Metropolitan-Suburban) [10.14]: The City Council have made a firm offer to the High School, which the High School authorities have signified they are prepared to accept. The offer of the City Council is contingent upon their acquiring this strip of land from Parliament. On the other hand, the City Council made that a condition, but naturally the High School cannot consent to hold up its land indefinitely in view of the fact that there have been several other purchasers after it. The High School authorities are anxious to settle the matter, and so the City Council have applied to Parliament for a Bill granting them this particular strip of land in order that they may complete their offer to the High School. It appears absolutely necessary that the Bill should be passed, because there is no other legal method of dealing with this particular strip of Parliament House grounds fronting Hay-street. I understand the City Council approached the Minister for Lands and finally he consented to introduce the Bill. They at first thought it unnecessary to introduce a Bill, but they now realise that that course was necessary. If the House is prepared to grant the 40 links to the City Council, I hope it will not stand on ceremony and refer the matter to somebody else.

Hon. J. Duffell: What is the area to be taken from the High School?

Hon. A. J. H. SAW: They have made an offer for the purchase of the whole of the block, and it is the council's intention to begin in this way and extend along the whole of Hay-street. If they do not get the High School site and this portion of Parliament House grounds, they will not proceed with the widening of Hay-street. If members are favourable to the granting the 40 links, I hope they will do it now.

Hon. J. NICHOLSON (Metropolitan) [10.17]: I welcome the Bill and am prepared to support it. I was not aware of the proposal to increase the strip by 20 links. It is recognised that if we are going to make Hay-street what it should be, having in mind the development of the city, the thoroughfare must be widened. It is a clear duty that confronts us; otherwise if the street be not widened we shall have a congestion of traffic that will become more serious as the years go on. Even though it is somewhat late now to begin widening Hay-street, it will be better to make a start than to delay longer. It is 24 years since the proposal was mooted to get a Bill through Parliament to define an alignment for buildings in Hay-street and as the old buildings were demolished and new ones erected, to compel owners to shift their alignments back so that gradually Hay-street would be widened. As this work was accomplished, it was thought that owners whose buildings might project for a time would find it desirable to move their alignments back. Unfortunately that proposal was not carried out as suggested. Consequently we have Hay-street becoming more and more congested. I hope something will now be done towards carrying out this necessary work.

Hon. J. DUFFELL (Metropolitan-Suburban) [10.21]: I am prepared to honour the undertaking given by the Joint House Committee as regards the number of links set out in the Bill, but I should refuse to agree to granting more without the consent of the Joint House Committee. If the committee recommended the granting of 40 links, I would stand by them. Two or three years ago a similar request came before the Joint House Committee, and they considered that the reserve, which has been grassed and which looks very attractive, should be retained as long as possible. In the centre of that reserve is a huge septic tank, and though it is not in use to-day, the road, when the street is widened, will be brought sufficiently close to reveal the presence of that tank. The Minister would be well advised to hold the Bill in abeyance until the next sitting so that further information might be obtained.

Hon. H. A. STEPHENSON (Metropolitan-Suburban) [10.23]: It would be a great pity if this opportunity were lost by the City Council to fulfil their offer made to the High School. If Parliament granted a strip of 40 links, which is only 26 feet 8 inches, and is little enough for the purpose, I am sure the City Council would purchase the High School grounds, and thus a very fair portion of Hay-street could be widened. It is absolutely necessary that the street should be widened down to William-street. I do not think we shall ever see Hay-street widened between Barrack-street and William-street, but there is every possibility of its being widened from William-street to Thomas-street in the near future. I hope the Bill will be passed.

Question put and passed.

Bill read a second time.

BILL—RACING RESTRICTION ACT AMENDMENT.

Second Reading.

Hon. W. H. KITSON (West) [10.26] in moving the second reading said: This small measure is introduced to provide the people of the Fremantle district with an opportunity to conduct trotting meetings on 12 occasions during the year. Racing in the metropolitan area is restricted by the Act of 1917, but it is not restricted in other parts of the State. As a result of the restriction, Fremantle, which at one time had a racecourse, is now without any facilities for sport apart from football and cricket. The Fremantle district has a population of about 50,000 people, and it is their desire to be able to enjoy trotting without having to travel to Perth for it. Fremantle is the chief port of the State, and it is the only port of its size in the Commonwealth that does not possess a course for galloping or trotting. The principal Act provides that there shall be 35 trotting meetings in the metropolitan area, together with five meetings for charity purposes. These are conducted by the Western Australian Trotting Association. The desire of the people of Fremantle is to be enabled to conduct 12 meetings yearly, two of them to be for charity. During recent years there have been repeated agitations by the Fremantle people for facilities of this nature. Two or three years ago a referendum was taken in Fremantle proper on the subject, and a substantial majority decided in favour of the proposal. That decision, however, has never been carried into effect, because the parent Act prevents it. If this amending Bill passes, there is an opportunity to establish the sport on a ground belonging to the Western Australian Trotting Association, which ground the association are prepared to hand over to the Fremantle Trotting Club. Further, the association are willing to assist the club to put the ground in a proper condition for the pursuit of the sport on right lines. I know there has been some criticism of the manner in which the sport has been carried on at various times, but no legitimate criticism could be passed on it during recent times. As a visitor to the trotting grounds at East Perth on several occasions recently, I can testify that they are as well conducted grounds as one could see anywhere. If Fremantle can live up to the reputation of Perth in this respect, there can be very little objection to the present proposal. Under the principal Act 76 galloping meetings are allowed annually, 26 of them on proprietary courses. The Western Australian Trotting Association, however, is a non-proprietary body; and any profits resulting from trotting meetings held in Fremantle will go back into the sport for the improvement of the ground in various directions and to improve the sport in other ways. Another point for consideration is that trotting is regarded as the working man's sport. Galloping, we must realise, is not a sport which can be patronised by the workers to the same extent as trotting. In the metropolitan area trotting is at present being carried on to a large extent by working men, who own trotters and drive them. Quite a large number of men who would not find it possible to take part in galloping, on account of the heavy expense involved, are enabled to take part in trotting. While during the war period it may have been necessary to reduce the number of racing fixtures, that argument does not apply now. We in Fremantle are, generally speaking, a sport-loving people. We are always prepared to support any sport that is clean and above board. Still, if we desire to take part in various sports, we have to come to Perth for the purpose. That position, we consider, should be altered. The claims of the large number of Fremantle residents who desire to enjoy the sport of trotting in their own neighbourhood should receive consideration. Trotting is almost an industry in Fremantle, large numbers of people there being dependent on the sport. Further, numbers of galloping horses are trained at the port, which has produced some of the finest horses that have raced on Western Australian courses. Yet the Fremantle people, when they are desirous of taking part in the sport of racing, have to bring their horses from Fremantle to the other side of Perth in order to compete. The suggested ground is thoroughly suitable for the purpose. Its value is £5,000, and at present it is lying idle. The Western Australian Trotting Association are prepared to accord the Fremantle Trotting Club sufficient support to enable them to put the ground in proper condition right from the start. The Fremantle people will be pleased to ensure that the two charity meetings will be most successful. There has been some

criticism on the score of there being racing in the metropolitan area practically every week during the year. That fact, however, does not invalidate the claim of the Fremantle people to have the sport of trotting in their own area. I commend the measure to the approval of the House; the Bill has only two clauses, and I hope it can be dealt with straight away, and pass all its stages this evening. I move—

That the Bill be now read a second time.

Hon. J. EWING (South-West) [10.39]: I do not wish to speak to the Bill at all, but I wish to express my strong feeling against a measure of this kind being brought forward at this late hour, when the session is drawing to a close, and that it should be given precedence over important Government business. I am not saying whether I am opposed to the measure or not, but I am not prepared to support it at this juncture. I consider it is not right of the Government, when we are so near the recess, to place this measure above such matters as the consideration of the Legislative Assembly's message regarding the Industrial Arbitration Act Amendment Bill. I do not want to criticise the Government severely, but I think they owe a duty to the country, and I think they should give an opportunity for consideration of the country's business before such a measure as this. I hope the House is not prepared to discuss this Bill. I do not know whether Fremantle should have these trotting meetings or not, but I do know that in view of the importance of various matters on the Notice Paper to-day it is not right to have such a measure as this brought forward just now. On that ground alone I offer my most strenuous opposition to the Bill.

Hon. J. J. HOLMES (North) [10.41]: I also desire to enter a protest against a private Bill being put ahead of Government business.

Hon. W. H. Kitson: It will only take a few minutes.

Hon. J. J. HOLMES: This House has been generous to the present Government. We have sat here for more days and longer hours than has been the case previously during my 11 years' membership of the Chamber. After being here from 11 o'clock this morning in order to get Government business proceeded with and reach recess, we find ourselves faced, after 12 hours' sitting, with a Bill that deals with racing. I have yet to be convinced that more racing will be an advantage to the State before I support the Bill. I think it will take more than five minutes to convince me, and also some other members. I cannot vote on the Bill because I have paired with Mr. Moore. Having put ourselves to all this inconvenience in order to expedite Government business, we find ourselves challenged with a private Bill of this description, delaying Government business and possibly involving a carrying-over of the session after the New Year.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [10.43]: I desire to explain my position with regard to the Bill. It has been before the House for some days now, and Mr. Kitson has repeatedly asked me to give him an opportunity to present it to members. I stated to-night that I would give him such an opportunity, provided it was a non-controversial measure.

Hon. J. Ewing: It is highly controversial.

The COLONIAL SECRETARY: I informed Mr. Kitson that if the measure would take up the time of the House at any undue length, I could not possibly agree to it at this stage. The Bill has been submitted, and if it is likely to delay Government business it must be postponed.

On motion by Hon. H. A. Stephenson, debate adjourned.

BILL—FAIR RENTS.

Second Reading.—Defeated.

The HONORARY MINISTER (Hon. J. W. Hickey) [10.45] in moving the second reading said: The Bill is not calculated to operate harshly in any direction. The object of the Bill is to deal with those people who charge excessive rents and who in no way attempt to satisfy themselves with a fair return on the capital invested. Most people will agree with the necessity for the introduction of some measure of reform regarding excessive rents, particularly in the metropolitan area. From time to time various individuals and organisations have drawn attention to the existing state of affairs and have protested strongly against it. In this Bill, as in the Bill introduced last year by the member for East Perth (Mr. Hughes), an honest attempt is being made to bring about an alteration. I, in common with other members, have had opportunities of visiting some of the hovels in Perth where most excessive rents, to use a vulgar expression, are being "bludgeoned" out of the people, who are not in a position to help themselves. It is pleasing, however, to record that this class of landlord is in a minority, but I think a majority can be found when it comes to the question of excessive rents for ordinary household and business premises. It is generally accepted that a day's wages should be a fair charge for a week's rent. Any more would be out of proportion to a man's earnings in these days of the high cost of living. A day's pay would amount to one-sixth of a week's wages, but the rent charged to-day is more like one-fourth of a week's wages.

Hon. A. Lovekin: And will they build houses that will enable working people to live in them at rents that you think should be paid?

The HONORARY MINISTER: To whom is the hon. member referring as "they"?

Hon. A. Lovekin: The people who build houses.

The HONORARY MINISTER: I know very few people in the metropolitan area who are in a position to build houses. I am living in a worker's home and it is the cheapest home I have had in my life.

Hon. J. J. Holmes: The Bill deals with all classes of tenants.

The HONORARY MINISTER: Yes.

Hon. A. J. H. Saw: Everything except hotels for which the Government have a strange solicitation.

The HONORARY MINISTER: Up to the present time the Government have believed in arbitration.

Hon. E. H. Harris: What about the future?

The HONORARY MINISTER: The future is in the lap of the gods. The Government believe in arbitration based on the just requirements of a man to keep a wife and family in decency with an ordinary degree of comfort. Yet we find rents soaring higher and higher and what is allowed by the Arbitration Court is filched by grasping landlords. Money which should be used to feed and clothe people goes in rent charges at the demand of Shylock. As a majority of the houses here have been built for a considerable time it follows that rents are being raised until we have reached a point where there is serious discontent and a general demand for some restriction by legislation to prevent rapacity of landlordism in continuing to extort from rentpayers amounts entirely unwarranted except for the fact that there is nothing for it but to do the bidding of the landlord and pay. Exception has been taken on many occasions regarding the compilation of Knibbs' figures in respect of rents. Knibbs says that the rent of a 4-roomed house is 15s. 2d. per week. We all know that a 4-roomed house cannot be secured in Perth at that rent. It would be nearer the mark to say £1 a week, and even then it would be found difficult to get a house. I have a graph here which members may peruse if they feel so inclined. This shows conclusively that rents have gone from 13s. in 1915 to 17s. 7d. today. This is a low estimate, too, as many members know.

Hon. A. Lovekin: You do not suggest that we should take any figures against those of Knibbs?

The HONORARY MINISTER: No.

Hon. J. J. Holmes: Then why produce that statement at this stage. You say it is authentic.

Hon. E. H. Harris: What is it based on?

The HONORARY MINISTER: On information supplied by the Commonwealth Statistician.

Hon. E. H. Harris: And yet you say it is different from Knibbs'.

The HONORARY MINISTER: The figures are authentic and I do not think can be proved otherwise.

Hon. A. Lovekin: You surely will not ask us to investigate these figures at this late stage?

Hon. E. H. Harris: Do the figures cover the whole of the State or only a part of it?

The HONORARY MINISTER: The whole of it. What applies to household rents equally applies to business premises. One could quote numerous instances of the extortion exercised by some landlords in this respect. In self-protection, of course, the business man passes on the increased rent to the consumer. Many instances have been quoted, but it is sufficient for the time to quote those authentic cases referred to by the Minister for Justice in another place. Then again, there is the scandalous practice of what is known as "selling the key." Those of us who have been on the goldfields and other parts of the State know that this pernicious system is in operation in the metropolitan area to-day. There are landlords who sell the key to the highest bidder. If necessary I could quote instances. But I need go no further than to refer to cases with which I am conversant. I may allude to the case of a widow who had a little business and was paying a rental of £4 a week for the premises. For some reason or other the rent was increased to £8 a week and the consequence was that she had to get out.

Hon. A. Lovekin: Why labour the Bill at this stage of the session?

The HONORARY MINISTER: A dago was put in her place at £8 a week. Members of the deputation which waited on the Minister for Railways, when it was decided to run the trams over the Horseshoe Bridge, demanded an increase in their rentals for that reason. I am not going to labour the question at this stage. I know well that Mr. Lovekin speaks for quite a number of people and that members are going to throw out this Bill. The hon. member can come into this Chamber at any time he likes and state that he has the backing of other members, and he now asks, "Why labour it?" For whom is he speaking? He is not speaking for many members.

Hon. A. Lovekin: I am speaking for myself.

The HONORARY MINISTER: He is often able to say he has a majority behind him, and is going to knock this and knock that. He is not going to knock me.

Hon. J. Ewing: He never said that.

Hon. A. Lovekin: I have never said that.

The HONORARY MINISTER: I heard Mr. Ewing interjecting the other evening and dissociating himself from Mr. Lovekin. I heard other members dissociate themselves from the statement made by the

Leader of the House the other day, and say they did not know anything about it.

Hon. J. Ewing: That is so.

The HONORARY MINISTER: What happened when the vote was taken? Members came over like a flock of lambs and voted with Mr. Lovekin. He now asks, "Why labour the question?"

Hon. J. Ewing: You do your duty.

The HONORARY MINISTER: His interjection reminds me that he has whipped up the House. He knows what the result of this Bill will be.

Hon. J. Ewing: He did not whip up the House.

Hon. A. Lovekin: I rise to a point of order. The Honorary Minister states that I whipped up the House. That is foreign to the facts.

The DEPUTY PRESIDENT: What is the point of order?

Hon. A. Lovekin: I object to the Honorary Minister's remarks that I have whipped up the House. I regard that as offensive.

The DEPUTY PRESIDENT: As Mr. Lovekin considers the Honorary Minister's remarks to be offensive, I ask the Honorary Minister to withdraw them in accordance with the Standing Orders.

The HONORARY MINISTER: Yes. I am sorry Mr. Lovekin took exception to what I said. I did not mean to be offensive. Judging from recent happenings, however, I thought I was paying him rather a compliment. Some remark was made with regard to licensed premises. There is a reason for their not being included in this Bill. The licensing board have very big powers over such premises, and it was thought fit to exempt them from this measure. I have no objection to their inclusion if members wish them to be put in. From the tone of the remarks and the interjections, it seems to me, without wishing to raise the ire of Mr. Lovekin, that he is quite certain the Bill will be defeated. I am not so certain of that. It has been agreed for some years that there has not been a fair deal given to tenants in the metropolitan area. I refer to both business and private premises. This Bill provides that they shall have a fair deal, and will restrict the return to the landlord, to the equivalent of the Commonwealth Bank overdraft rate, plus two per cent., which makes a return of nine per cent. on the capital.

Hon. E. H. Harris: Do you say nine per cent. is a fair thing?

The HONORARY MINISTER: There are many people of the hon. member's kind who invested £100 in the early days, and are to-day reaping huge profits.

Hon. E. H. Harris: I understand you to say that nine per cent. is a fair thing, whereas the Bill provides for only eight per cent.

The HONORARY MINISTER: That rate was altered to read two per cent. above the Commonwealth Bank overdraft rate. The rents in Perth are too high. This Bill is not aimed at the legitimate landlord but the people who are extracting extortionate rents. I have had as much opportunity of studying household arrangements in the metropolitan area as most people. I know these conditions do exist and that they should be altered. This can be effected by the Bill, which enables tenants to go to the court and make an appeal against the rents. The lessor can also go to the court and the lessee cannot do so unless he is a paid up client. I see no objection to the Bill. It is an equitable one. It gives the landlord a fair return for his money. The Bill should be welcomed and members should vote for the second reading. I move—

That the Bill be now read a second time.

Hon. A. J. H. SAW (Metropolitan-Suburban) [11.9]: The Honorary Minister has told us a great deal about grasping landlords, something about hovels, about Shylocks, the Arbitration Court and 15s. a day, but he has told us nothing about the Bill. He was wise. If he had enlightened members as to what was in it, he would have seen that he had very little chance of carrying it in a Chamber such as this. The Bill is called "the Fair Rents Bill." Standing Order 173 says that no clause shall be inserted in any such Bill foreign to its title. I am by no means sure that if we went into Committee we would not find that certain clauses of the Bill were out of order. I can find nothing that bears the slightest resemblance to fair rents in them. But I do not propose to take a point of order. Should the Bill go through in anything like its present form, I will certainly move in Committee that the title be amended. I suggest this would be a fitting title for such a Bill:

> A Bill to prevent the erection of all buildings; to throw out of employment all persons engaged in building trade; to transfer all profit from increased capital values to the tenant and all losses to the landlord; to deprive widows and orphans of their inheritance, and for other confiscatory purposes.

Should the Bill go through the second reading I will move to amend the title in this direction.

Hon. W. H. Kitson: What would be the short title?

Hon. A. J. H. SAW: A fraud. I do not know what tyro in economics the present Government have as their financial adviser or if they have one at all. I take it from whatever source this Bill has emanated it represents the collective wisdom of Cabinet.

Hon. J. J. Holmes: It does not say much for Cabinet.

Hon. A. J. H. SAW: No. If this is an example of the collective wisdom of Cabinet upon economic matters, the financial administration of the State is not safe in their hands. As everyone except Cabinet and the authors of this Bill know, rents obey the ordinary economic laws of supply and demand. The supply of houses depends partly on their cost, and the cost depends on the cost of material, labour and the price of money; that is the current rate of interest at which money can be borrowed. The demand depends partly on the increase and decrease in population, and partly on the increase or decrease in the prosperity of the State. Rents go up when the demand exceeds the supply, and fall when the supply exceeds the demand. If rents rise, the building trade is stimulated. The supply overtakes the demand and rents then fall. The authors of the Bill seek to eliminate the law of supply and demand. I was very much struck yesterday when I opened a recent London "Punch" dated November 19th. There was a cartoon in it of two workers who were discussing as usual some political question. One said to the other, "They tell me it cannot be done because of this law of supply and demand." The other replied, "Well, let us hope this new Government will have the sense to repeal it." That, I take it, is what this Government are out to do, namely to repeal the law of supply and demand. This Bill contains no marginal references to other Acts. The authors of the Bill were wise because there are a good many extravagant clauses in the Bill which find no parallel in any other of the Acts passed in Australia. This Bill out-Herods Herod and out-Queenslands Queensland. I am sorry that my friend, Mr. Brown, is not here, because I am sure that when he was informed that the Government had dared to bring in a Bill that was not along parallel lines with Queensland he would have risen in his wrath and voted against it. This particular Bill includes all classes of buildings except hotels. That is to say, it includes shops, warehouses, factories, offices, stores, as well as dwelling houses. In New South Wales only dwelling houses are included in the Act. Of these, only those subject to a lease not exceeding three years, and a rental value of £156 per annum are dealt with. In Queensland the only premises are those leased wholly or partially for residential purposes. Their Act does not include shops, licensed premises, board or lodging establishments, or residential chambers and flats. For the purpose of determining what is a fair rent, their Act provides that the court shall ascertain the unimproved value of the land plus the value of the dwelling house, which value shall be the cost of the dwelling-house to the owner up to the date of the hearing, less a sum for depreciation. The court, too, shall determine the fair rent at a sum not exceeding 10 per cent. of the value under those conditions. I will draw the attention of hon. members to this particular subclause in our Bill—

> Where the building has been erected on land which has not been purchased by the lessor, the actual cost to the lessor of the building added to the unimproved value of the land.

That means to say, in determining the fair rent the court shall ascertain the actual value of the land and building on this basis. This, of course, at once raises the question of land or buildings that have been inherited. There has been no actual cost to the lessor of the building in such circumstances. The unimproved value of the land is determined by the assessment and the valuation, and Subclause 4 says—

> The court shall adopt as the unimproved value thereof as determined for the purpose of the assessment of land tax under the Land and Income Tax Assessment Act, 1907.

The fair annual rental of a building is to be deemed not more than the total of the following items:—

> (a) A percentage on the capital value greater by two than the ruling overdraft rate at the Commonwealth Bank. (b) The amount of the annual rates and taxes. (c) The amount estimated to be required annually for repairs (including painting), maintenance and renewal (not exceeding the average annual amount expended for repairs during the last preceding five years; and (d) The annual cost of insurance.

The Bill does not include anything by way of a deduction for rent collection, management, bad debts or unoccupied buildings. The New South Wales Act of 1915 applied only to dwelling houses subject to a lease for any term not exceeding three years, and at a rental not exceeding £156 a year. As to the determination of what is a fair rent, the court there ascertains the capital value; that is, the unimproved value of the land, being the capital sum which the fee simple of the land might be expected to realise if offered for sale on such reasonable terms and conditions as a bona fide seller would require. To that is added the estimated cost of erecting a similar dwelling house thereon at the time of the receipt of any application, less such fair and reasonable sum as may be estimated for depreciation. Then the Act goes on to provide that the court shall determine the fair rent at a rate of not less than the rate of interest which is for the time being charged upon overdrafts by the Commonwealth Bank, and not more than 2½ per cent. above the last mentioned rate on the capital value of the house determined as I have indicated, plus the annual rates and taxes, an amount for repairs and mainten-

ance, renewals and insurance, and also an amount for annual depreciation. Then there is added an amount for the estimated time per year during which the dwelling house may be untenanted. That is a very important point. I draw the attention of hon. members to the different methods in operation in New South Wales and Queensland, compared with the proposal in the Bill before us. As the Bill stands now we shall determine what the fair rent will be and it shall be a sum not exceeding 9 per cent. Thus it will be seen that our Bill goes far beyond even the Queensland measure and in its injustice it bears no comparison with the New South Wales Act. Dealing with the question of inheritance, under the Bill anyone who inherits property will be required to charge a rental only on the assessment value of the land. Let me give hon. members instances to show what this means. I have parallel cases to the ones I shall quote but I do not wish to refer to people's private business and therefore I will merely cite parallel cases. "A" inherits land and buildings, the former being valued at £8,000 and the buildings at £17,000, giving a total of £25,000. At the present time the premises are let on a rental basis that returns 5 per cent. net. The owner, therefore, enjoys an income of £1,250 per annum. Under the Bill the owner could only collect 9 per cent. on £8,000, which would amount to £720. Out of that, the owner has to pay the cost of rent collection, management, and provide for bad debts, and for unoccupied offices. Existing leases are not respected under this Bill and I draw attention to Clause 11, Subclause 3, paragraph (ii), which reads—

> The rent paid by any lessee shall not exceed the fair rent determined by the court, notwithstanding any term or covenant in any lease current at the time of the application, or made at any time thereafter during such period, and any sum paid as rent during such period by any lessee in excess of such fair rent may be recovered by the lessee from the lessor to whom it was paid, by action in any court of competent jurisdiction.

Let me quote another instance drawn from existing conditions. "A" inherited a valuable property and five years ago leased it for a certain rental for 10 years, which rental was to be increased during the following 10 years. At the expiration of the 20 years the lessee had the option of purchasing the property at a fixed sum. If the Bill becomes law, that lessee can move to have his rent determined by the fair rents court and the rent then will be fixed on the basis of the assessment value of the land, plus whatever the buildings may have cost to the person who has inherited them. He has probably spent something on the buildings by way of improvements and the lessee will be enabled to secure the lease at a lower rental than he is paying at present. At the expiration of 20 years, there will be no necessity for him to exercise any option to purchase. He will have secured the place at such a low rental that no one would dream of buying it. Inasmuch as the rental can only be increased as the assessment value of the land increases, it would practically mean that so long as he remained in occupation of the buildings he would enjoy that privilege at a rental far below the proper value. The Bill, therefore, is intended to give all the increased profits to the tenants and to take them away from the landlords. During a period of depreciation here, "X" bought a very valuable property which, owing to certain causes, principally the depression and the financial outlook, was acquired very cheaply. The purchaser invested a considerable sum of money on what might have turned out to be a very bad speculation. Owing to good seasons and the improvement in the financial outlook, the period of depression having passed away, the investment turned out favourably. A little lower down, "Y" erected a building which cost him a considerable amount more than "X" paid for his building. The building possessed by "X" is a better one from the rental standpoint than "Y's" property and is more centrally situated. If the Bill be agreed to, "X's" tenants will get their rentals fixed on the basis of the cheap price at which "X" acquired his building, whereas "Y's" tenants, further down the street, will have to pay one and a half times as much for their accommodation as "X's" tenants will be called upon to pay. Is that equitable? If the Bill becomes law, I think the building trade will most certainly be paralysed. Anyone who embarks upon building operations to-day knows that he is taking a considerable risk because building costs are higher now than ever before in Perth. He knows that if there is a return to a more normal period he runs a risk of losing a proportion of his capital cost, because of the cheaper rates that will obtain then. Then again, nearly all the buildings erected are financed to a large extent on borrowed money, probably up to 50 or 60 per cent. of their value, according to the liberality of the lender. At the present time a rate of interest is paid ranging from 7 per cent. to 8 per cent. according to the locality where the house is being erected. The rate of interest on mortgages has relation to the interest the banks are charging for their overdrafts. I suppose about 7½ per cent. would be the normal rate at present for that class of work. Yet 9 per cent. is the maximum allowed under the Bill! So that there will be merely a margin of 1½ per cent. and that will have to provide for all expenses in connection with management, rent collection, and will have to cover the period when the buildings may not be occupied and will also have to cover bad debts. There will not be much mar-

gin for profit and consequently people will not be prepared to erect buildings under such conditions, knowing that they run the risk of losing their capital. There may be occasions during the history of a country when a real fair rents Bill, not a fraud of a thing such as this, might be justified. Such a condition did arise in England during the war, and at the close of the war, the reason being that the whole manhood of England was engaged in the war, and no building was going on, with the result that there was a great shortage of houses, and rents were soaring. But that is not our condition here. Building went on here even during the war, and is still going on, so far as the economic conditions will permit. What we want to do is what President Harding said: we require to get back to "normalcy." Such a Bill as this is only hindering that return. If the Government, instead of bringing in this Bill, would but devote consideration to other methods of building houses, such as is being tried in the Old Country, and encourage the builder and those prepared to invest money in household property, we might manage to return to normalcy. It is only by an increased number of houses being erected that rents can ever fall. If the Bill becomes law, building would stop, and inasmuch as to-day there are large numbers of houses being rented at less than 9 per cent. on the capital value the rents of all those houses would immediately go up. On the other hand, grave injustice might be done, as in the case I have pointed to. Unearned increment is too big a subject to deal with at this late hour. But whereas there may be unearned increment to a considerable extent in particular localities and under the influence of a boom, in the majority of instances there is no unearned increment in house property at all. I have known people ruined through investing in property and finding prices fall instead of rise. This Bill does not propose to do away with unearned increment, but only proposes to put it into the pockets of the tenants, instead of allowing the landlord, who has taken the financial risk, to participate. What purpose the Government had in introducing the Bill I cannot imagine; I can only imagine it is part of what I have seen going on throughout the whole of the session, for the purpose of electioneering propaganda to be used against this Chamber. The measure was forced through another place, and we know what spirit of loyalty prevails amongst the Labour Party: in and out of Parliament supporters of the Labour Party in their loyalty to party are blind, deaf and dumb to all other considerations. I can quite understand that when the Bill went through there was a general chorus of members in another place, repeating words the Premier himself is stated to have used some years ago, "Thank God for the Upper House." Then, I suppose, *sotto voce* they said, "There is another stone we can throw at the Council." I will vote against the second reading, and I trust hon. members will not allow the Bill to go further than that.

The HONORARY MINISTER (Hon. J. W. Hickey—Central—in reply [11.35]: Dr. Saw has talked about everything but the Bill. He said the Bill would be used as propaganda. As a member representing the Metropolitan Province, he should know well that no measure ever introduced into this Chamber has been more entitled to consideration, even at this late hour.

Hon. A. J. H. Saw: It is not the lateness of the hour, but the unfairness of the provisions in the Bill.

The HONORARY MINISTER: I am sure the hon. member cannot take exception to Clause 8, a provision that is justified throughout. It is the essence of the Bill, and it is full of equity and justice. I could understand the hon. member expressing disapproval of the bringing in of the measure at this late stage of the session, but he ought not to have attacked the Bill as he did. He cast reflections on the Government and said he doubted their sincerity. In other words, he said "Try it on the dog." The Bill is no more intended for propaganda purposes than were the hon. member's concluding remarks. There might yet come a day of reckoning for those opposing a Bill that has for its object the relief of persons suffering great disabilities to-day. Criticisms should be levelled at the Bill, not at the Government. If hon. members disagree with the Bill they should attempt to amend it in Committee.

Hon. J. J. Holmes: You cannot amend impossible propositions.

The HONORARY MINISTER: We might even amend the hon. member.

Hon. J. J. Holmes: You might easily make a better attempt at it than you have made at the Bill.

The HONORARY MINISTER: I trust the House will allow the Bill to go into Committee and, if necessary, there amend it.

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

Ayes	4
Noes	12
Majority against. ..	8

AYES.

Hon. J. M. Drew	Hon. J. W. Hickey
Hon. E. H. Gray	Hon. W. H. Kitson (*Teller.*)

NOES.

Hon. J. Duffell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. J. A. Greig	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. A. Lovekin	Hon. H. Stewart
Hon. J. M. Macfarlane	Hon. G. W. Miles
	(*Teller.*)

PAIRS.

AYES.	NOES.
Hon. T. Moore	Hon. J. J. Holmes
Hon. J. R. Brown	Hon. C. F. Baxter

Question thus negatived; the Bill defeated.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Assembly's Message.

A message having been received from the Assembly notifying that it had agreed to Nos. 3, 15, 17, 18, 21, 22, 23, 28 to 32 (inclusive), 40, 41, 42, 45, 50, and 56 of the amendments made by the Council; disagreed to Nos. 1, 2, 4 to 14 (inclusive), 16, 19, 20, 24 to 27 (inclusive), 34 to 39 (inclusive), 44, 46 to 49 (inclusive), 51 to 55 (inclusive), 57, and 58, and had further amended Nos. 33 and 43 in which further amendments the Assembly desired the concurrence of the Council, the message was now considered.

In Committee.

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

No. 1. Clause 2, Subclause 4—Delete paragraph (h).

The CHAIRMAN: The Assembly's reason for disagreeing is that the amendment proposes to delete one of the basic principles of the Bill and of compulsory arbitration, and in the opinion of the Assembly the deletion would materially interfere with the satisfactory operation of the measure and deprive the Court of a legitimate discretion.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

This question has been discussed at length and I hope the Committee will give way on it.

Hon. J. Nicholson: It relates to preference to unionists.

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

Ayes	5
Noes	11
Majority against ..	6

AYES.

Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. E. H. Gray
Hon. J. W. Hickey	(*Teller.*)

NOES.

Hon. A. Burvill	Hon. G. Potter
Hon. J. Duffell	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. M. Macfarlane	Hon. H. Stewart
Hon. G. W. Miles	Hon. J. Ewing
Hon. J. Nicholson	(*Teller.*)

PAIRS.

Hon. T. Moore	Hon. J. J. Holmes
Hon. J. R. Brown	Hon. C. F. Baxter

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

No. 2. Clause 2.—Delete Subclause (6).

The CHAIRMAN: The Assembly's reason for disagreeing is that it is opposed to the principles of justice to debar the workers sought to be covered by the clause from the protection afforded other sections of workers.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

This amendment deals with domestic servants, insurance canvassers, etc,

Question negatived; the Council's amendment insisted on.

No. 4—Clause 4.—Delete.

The CHAIRMAN: The Assembly's reason for disagreeing is that the operation of the present law in regard to the restriction to a specified industry has proved to be a source of industrial unrest, and interferes with the proper application of the principles of arbitration.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. J. CORNELL: This reveals an inconsistency on the part of the Assembly, because it is really consequential on the preceding clause to the amendment of which the Assembly agreed.

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

Ayes	3
Noes	15
Majority against ..	12

AYES.

Hon. J. M. Drew	Hon. E. H. Gray
Hon. W. H. Kitson	(*Teller.*)

NOES.

Hon. A. Burvill	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. J. A. Greig	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. E. H. Harris	Hon. H. Stewart
Hon. A. Lovekin	Hon. J. Duffell
Hon. J. M. Macfarlane	(*Teller.*)

PAIRS.

AYES.	NOES.
Hon. T. Moore	Hon. J. J. Holmes
Hon. J. R. Brown	Hon. C. F. Baxter

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

No. 5. Clause 5.—Delete.

The CHAIRMAN: The Assembly's reason for disagreeing is that no discretion should be allowed the registrar on a vital principle of the Act.

Hon. E. H. HARRIS: This amendment sought to provide that the registrar "shall" refuse to register certain societies. As the Bill provides that they shall be confined to certain industries an important principle is involved as to whether it is convenient for certain industrialists to belong to another organisation. The Act provides that the registrar "may" give a decision and from him there is an appeal to the president. The amendment inserted at the instance of Mr. Holmes was to divert certain duties from the president to the registrar and another place gave it as its reason for disagreeing that it was not proper to depute the functions mentioned from the court. I return the same answer to the Assembly. It is not proper to take away from the President of the Court the power he has as the deciding factor and give it to the registrar. I hope the Committee will stand for its amendment.

12 o'clock midnight.

Hon. J. CORNELL: I protest against the Assembly's reason. The discretion has been allowed to two registrars during the last 22 years, and the finger of suspicion as to partiality has never pointed at either of them.

Question negatived; the Council's amendment insisted on.

No. 6.—Clause 7, delete all words following the figures "42" down to end of clause, and insert in lieu thereof the following:—"42. The court shall consist of a president appointed by the Governor. The president shall be a judge of the Supreme Court. The president shall not be required to perform any duties of a judge of the Supreme Court during his appointment as President of the Court of Arbitration, and his appointment shall not prejudice any rights or privileges he may have or be entitled to as a judge of the Supreme Court":

The CHAIRMAN: The Assembly's reason for not agreeing to the amendment is that the constitution of the court as set out in the Bill is considered essential for the satisfactory and prompt operation of the Act, and for the attainment and maintenance of social justice and industrial peace.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

I hope the Committee will take the course I suggest. It must be borne in mind that this is an amendment of the existing Act. The court has been in operation for many years with a president and two lay members, one representing each side; and on the whole this system has given great satisfaction. The fact of the president having the assistance of the two lay members has conduced to the despatch of business and to the efficient representation of each side.

Hon. J. EWING: I happen to be the mover of the amendment; and although I appreciate what the Minister has said, and the good work done by the lay members of the court, I cannot depart from my opinion. The object of my amendment is to secure "industrial peace and social justice." Assessors can be brought in when necessary. I hope the Committee will insist on the amendment.

Hon. A. J. H. SAW: When the Council passed its amendment constituting the court only of a president, and decided that he must be a judge of the Supreme Court, I expressed the opinion that it was unfortunate the two matters should be mixed up in one motion. I was then quite prepared to vote for the retention of the lay members; but I was strongly of opinion that the president should be a judge, for reasons which I have given ad nauseam. Now I am in somewhat of a quandary. I think the Committee are firmly of opinion that the president should be a judge, because of the security of tenure possesed by a judge and because of the impartiality which is a tradition of the British bench and the Australian bench alike. I move—

That as an alternative to the Council's amendment, in Clause 7 of the original Bill the word "may," in line 9, be struck out and "shall" inserted in lieu, that the words "but shall not necessarily be" be struck out, and that the words "if the president is a judge of the Supreme Court" be struck out and the word "and" inserted in lieu.

That amendment would leave the president, as he is to-day, a judge of the Supreme Court, and would also leave the two lay members. Reflection has convinced me that the two lay members must be of great assistance to the president. The judge has a wide knowledge of law, and the two lay members have a wide knowledge of industrial matters, one on the side of the employers and the other on the side of the workers. If the amendment is carried, I shall move a further amendment making the tenure of the lay members seven years instead of three. Thus greater security of tenure would be obtained.

Hon. J. CORNELL: The Bill came to us with a court consisting of three members, but with power to appoint someone other than a judge as president. This House decided to eliminate the two members, and to delete the stipulation that the president

must be a judge. That is a departure from fundamental principles which have obtained for 22 years. I am of opinion that no self-respecting Government would accept such an amendment, and that insistence on it would mean the loss of the Bill. Whilst I am convinced that the Council is in many respects justified in going as far as it has gone, I do not think it should go the full length of the amendment; and I hope members will accept the compromise suggested by Dr. Saw.

Hon. J. EWING: There is a great deal of sentiment in this. The court has been composed of a judge and two laymen and both laymen have proved of considerable service, particularly Mr. Somerville. But there is no use in allowing sympathy and sentiment to come into a question of this kind. Members should not change their views because of newspaper comment and sympathy. I am not prepared to compromise on the matter because it is a thousand times better to have a judge, without anyone else on the bench. After all, it is the judge who decides. Every industry will have its direct representative in the court, and better work will be done. The judge will not be interfered with by one side or the other. Assessors will be more valuable and the results will be more satisfactory.

The COLONIAL SECRETARY: This is not a question of sentiment, and if it were it would be an awful reflection on every Government that has been in power since 1902. In that year, when arbitration was initiated, provision was made for a court of three, a judge and two laymen, and since that time many Ministries have been in power and there has not been any suggestion in regard to interference with the court. It has never been suggested that a judge only should constitute the court, and there has been no demand from the public for a change. The lay members of the court have done valuable work and have proved of immense help to the president. They have a knowledge by study of almost every trade in the State. Dr. Saw's amendment is a great improvement on the one previously adopted, but it does not go as far as the Government would wish.

Hon. A. Lovekin: Is this the only vital point in the Bill so far as the Government are concerned?

Hon. J. CORNELL: As things have been in the past very often the president has had to run away to sit in another court. That has been one of the causes of delay and the dissatisfaction that has arisen in consequence. If we provide for the appointment of a president for a term of seven years that will go a long way towards bringing about the expedition that all desire.

Hon. W. H. KITSON: I trust the amendment will not be insisted upon. I have heard no logical reasons advanced why we should do away with the laymen. Nothing has been said to prove that if the laymen had not been members of the court there would have been better results and fewer delays. The laymen have been of great assistance to the court. If unionists are to have confidence in the court, they should have one upon whom they can rely. They have stated they desire that there shall be lay representatives on the court, in order that their cases may be understood by the court.

Hon. J. Ewing: That is where all the trouble comes in.

Hon. W. H. KITSON: This gives both sides an opportunity of having all aspects of their cases dealt with and understood. I have no objection to a judge presiding over the court, but we should leave the laymen on the bench if we do nothing else. If we effect a change in the constitution of the court there will be a great deal of talk about it outside.

Hon. J. Ewing: What does that matter?

Hon. W. H. KITSON: If people outside want laymen on the bench they should have them.

Hon. E. H. HARRIS: If members of another place are anxious to retain the services of the laymen in the court, I will not stand in the way if this is considered to be a vital point.

Hon. J. NICHOLSON: If the constitution of the court on these lines will be a means whereby we can secure industrial peace, it will be a very desirable thing. What is required is that the judge shall give his whole time to arbitration work, in which he would be assisted by the two lay members. Having regard to what the Minister has said I will not raise any objection to the amendment.

Alternative to Council's amendment put and a division taken with the following result:—

Ayes	10
Noes	9
Majority for	1

AYES.

Hon. A. Burvill	Hon. J. W. Hickey
Hon. J. Cornell	Hon W H Kitson
Hon. J. M. Drew	Hon. J. Nicholson
Hon. E. H. Gray	Hon. A. J. H. Saw
Hon. E. H. Harris	Hon. G. Potter
	(*Teller.*)

NOES.

Hon. J. Duffell	Hon. G. W. Miles
Hon. J. Ewing	Hon. H. A. Stephenson
Hon. J. A. Greig	Hon. H. Stewart
Hon. A. Lovekin	Hon. V. Hamersley
Hon. J. M. Macfarlane	(*Teller.*)

Pairs.

Hon. J. J. Holmes	Hon. T. Moore
Hon. C. F. Baxter	Hon. J. R. Brown

Alternative to Council's amendment thus passed.

No. 7. Clause 8.—Delete all words following the figures "43" and insert in lieu thereof the following:—"43. In case of the illness or absence of the president at any time, the Governor may nominate a judge of the Supreme Court as acting president during such illness or absence and until the termination of any pending inquiry."

The CHAIRMAN: The reason given by the Assembly for disagreeing to the Council's amendment is that it is consequential on Council's amendment No. 6.

Hon. J. CORNELL: It would be better if the whole clause were deleted and then we would revert back to Section 43 of the Act.

Hon. A. J. H. Saw: But we have not got a full-time judge.

Hon. J. CORNELL: Yes, provision for the full time judge has already been dealt with. The amendment affects the appointment of a deputy president.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

That will have the effect of restoring the original section of the Act.

Hon. J. CORNELL: If we do not insist upon the amendment it may not meet the position. We might move as an alternative the Council are prepared to modify their request by deleting the whole clause. That will have the effect of reverting to the parent Act.

The Colonial Secretary: It would be better to provide that Clause 8 be deleted and that would automatically restore Section 43 in its entirety.

The CHAIRMAN: Mr. Cornell could move an amendment to that effect.

Hon. J. CORNELL: I move—

That as an alternative amendment Clause 8 be struck out.

Amendment put and passed.

No. 8. Clause 9—Strike out all words after "repealed" in first line.

The CHAIRMAN: The reasons given by the Assembly for disagreeing to the Council's amendments No. 8, 9, 10, 11 and 12 are that they are consequential upon Council's amendment No. 6.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

This will mean that the original section of the Act will stand.

Hon. A. J. H. SAW: When speaking on the second reading of the Bill I indicated it was my intention to move that the lay members should be appointed for seven years in common with the president of the court. I move—

That as an alternative Clause 9 be struck out and Section 74 of the Act be amended by striking out the word "three" in line 2 and inserting "seven" in lieu.

The CHAIRMAN: If Clause 9 be struck out, Section 47 of the Act will remain.

Hon. A. J. H. SAW: Yes, and I propose to amend Section 47 by providing that the lay members shall be appointed for seven years in common with the president.

One o'clock a.m.

Hon. J. CORNELL: The difficulty of vexations changes in presidents may not be got over by the amendment. There is no machinery in the Act to allow the Government to continue the lay members after the expiry of their time. I suggest to Dr. Saw that he frame an amendment supplying that machinery.

Amendment put and passed.

No. 9—Clause 10, insert after "forty-eight" in line 1, the words "forty-nine, fifty, fifty-two, fifty-three, fifty-five, and fifty-six."

The CHAIRMAN: The reason given by the Assembly for disagreeing to this amendment is that it is consequential on No. 6.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. J. CORNELL: What will be our position if we agree to the Minister's motion?

The COLONIAL SECRETARY: If the motion be agreed to it will restore the original clause, which must then be consequentially amended.

Hon. J. CORNELL: I should like to see that part of the original clause remain providing that each ordinary member of the court shall receive so much salary, and that it be paid out of Consolidated Revenue.

Hon. E. H. HARRIS: Should it not be so arranged that the original clauses be re-inserted? Then, if necessary, at a later stage amendments could be made. I suggest that that course be followed.

The CHAIRMAN: I think they are all consequential.

The COLONIAL SECRETARY: In Section 48 we could allow the provision to stand as it originally was and then amend it, so as to strike out "if he is not a judge of the Supreme Court."

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

No. 10—Clause 11, delete:

The COLONIAL SECRETARY: This is consequential. I move—

That the amendment be not insisted on.

Hon. J. CORNELL: By not insisting on the amendment we shall be getting back to the original Bill, which is not ap-

plicable. To square with what we have done we require to get back to the original Act.

Hon. J. EWING: That leaves it in the hands of the Government to pay laymen what salary they think fit. We are not to have any say in the matter at all.

Question negatived; the Council's amendment insisted on.

Hon. J. Ewing: I think there is a misunderstanding.

The CHAIRMAN: So do I. I shall put the question again.

Question negatived; the Council's amendment insisted on.

Hon. A. LOVEKIN: We have been here since 11 a.m. yesterday and it is now 1.20 a.m. and, judging from what has recently transpired, members are too tired to carry on the work as they should do. I suggest it is a reasonable time for the Minister to report progress.

Hon. J. EWING: I hope the Minister will not report progress. Let us get through these amendments. I was travelling all last night and had hardly any sleep, and I am prepared to go on. Unless we continue we shall never get through.

Hon. H. STEWART: I suggest to the Minister that you, Sir, might be glad of a respite for a quarter of an hour.

The CHAIRMAN: I do not mind.

No. 11. Clause 12.—Delete.

No. 12. Clause 13.—Delete.

On motion by the Colonial Secretary, the foregoing amendments were insisted on.

The CHAIRMAN: I am certain the Minister is not doing what he thinks he is.

Hon. A. Lovekin: The trouble is we do not know what we are doing.

The CHAIRMAN: I ask the hon. member to withdraw that remark.

Hon. A. Lovekin: I withdraw.

No. 13.—Clause 14, paragraph (b).—Delete subparagraph (i) and delete "the Minister," in last line of subparagraph (iv), and insert in lieu thereof "a commissioner."

The CHAIRMAN: The Assembly's reason for disagreeing is that the provision is necessary for the quick settlement of urgent disputes.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. J. EWING: The position is ridiculous.

The CHAIRMAN: The hon. member must not say that.

Hon. J. EWING: I did not intend any reflection upon you, Sir, because you seem to hold the same opinion as I do.

The COLONIAL SECRETARY: We shall be restoring the principal Act by deleting the clause.

Hon. J. CORNELL: I hope the Committee will insist upon this amendment. The question is whether the Minister should have the right to refer a dispute to the court. If a union is not registered, it is tantamount to saying that it does not accept the law of the land. As regards the registered unions, the Minister does not need any power to get them into court.

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

Ayes	4
Noes	15
Majority against	11

AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. J. W. Hickey	Hon. E. H. Gray
	(Teller.)

NOES.

Hon. A. Burvill	Hon. J. Nicholson
Hon. J. Cornell	Hon. G. Potter
Hon. J. Duffell	Hon. A. J. H. Saw
Hon. J. Ewing	Hon. H. A. Stephenson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland
Hon. A. Lovekin	Hon. J. A. Greig
Hon. G. W. Miles	*(Teller.)*

PAIRS.

AYES.	NOES.
Hon. J. R. Brown	Hon. C. F. Baxter
Hon. T. Moore	Hon. J. J. Holmes

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

No. 14—Clause 15, line 5, delete the words "or the president, as the case may be":

On motion by the Colonial Secretary, the amendment was not insisted on.

No. 16—Clause 17, delete all the words after "Act," in fifth line:

The CHAIRMAN: The reason given by the Assembly is that the procedure before the court should be as simple and inexpensive as possible.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. J. CORNELL: This question was severely thrashed out in Committee. The amendment might cut both ways.

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

Ayes	4
Noes	14
Majority against ..	10

AYES.

Hon. J. M. Drew	Hon. J. W. Hickey
Hon. E. H. Gray	Hon. W. H. Kitson
	(Teller.)

NOES.

Hon. A. Burvill	Hon. A. Lovekin
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. J. A. Greig	Hon. H. A. Stephenson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland (*Teller.*)

PAIRS.

AYES.	NOES.
Hon. J. R. Brown	Hon. C. F. Baxter
Hon. T. Moore	Hon. J. J. Holmes

Question thus negatived; the amendment insisted on.

No. 19—Clause 24, delete:

The CHAIRMAN: The reason given by the Assembly for not agreeing to the amendment is that it is unjust to debar workers from obtaining the wages as determined by the court from the time specified in the clause.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

The clause deals with payments retrospective to the time when the case was listed.

Question negatived; the amendment insisted on.

No. 20—Clause 25, delete:

The CHAIRMAN: The Assembly's reason for not agreeing to the amendment is that the clause is essential for the protection of the workers employed by persons not directly engaged in the particular industry.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. A. LOVEKIN: I hope the Committee will insist on this amendment. This is the case of the general labourer being employed to paint a fence, and then suddenly turning round and claiming painter's wages, without any notice to the employer that he intends to do so.

Question negatived; the amendment insisted on.

No. 24—Clause 32, delete proviso to paragraph (i) of proposed new Section 83:

The CHAIRMAN: The Assembly's reason is that this amendment is consequential to amendment No. 19.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. A. LOVEKIN: We have already insisted on the amendment to which this is consequential. Surely we must insist on this.

Question negatived; the Council's amendment insisted on.

No. 25—Clause 32, Subclause 2 of proposed new Section 83, delete the following words: "and to the power of the court to give a retrospective effect to its awards and orders":

The CHAIRMAN: This amendment also is described by the Assembly as consequential to No. 19.

Hon. A. LOVEKIN: Since we insisted on the other amendment, we must insist on this also.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Question negatived; the amendment insisted on.

No. 26—Clause 33, delete Subclause 3:

The CHAIRMAN: The reason given by the Assembly is that the subclause is necessary for the elimination of unfair competition in industries.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. A. LOVEKIN: This is the case of the baker working for himself.

Question negatived; the amendment insisted on.

No. 27—Clause 37, in line 2 of proposed new Section 93a, after the word "may" insert "police or resident," and strike out in the next two lines the words "appointed by the Governor as an industrial magistrate for the purposes of this Act," and in the first and second lines of the proviso delete the words "before an industrial magistrate":

The CHAIRMAN: The reason given by the Assembly for not agreeing to the amendment is that the proposal to include all magistrates is not conducive to specialisation on industrial matters.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Question negatived; the Council's amendment insisted on.

No. 34. Clause 55.—Delete all words after "ninety-seven" in the first line down to end of clause, and insert the following: —"of the principal Act is amended by omitting the words 'nor shall any application be made to the Court by any such union or association for the enforcement of any industrial agreement or award of the Court,'" and in Subsection (i) by omitting the word "provided that if the resolution is for a reference of an industrial dispute it shall," and substitute the word "and."

Insert the following new paragraph:—"Insert after the word 'minutes' in the last line of Subsection (1) the following words:—"and any such ballot shall be a secret ballot and no form of voting shall

have any letter, number, or record thereon to show or indicate how such voters may have voted.' ''

The CHAIRMAN: The reason given by the Assembly for not agreeing to this amendment is that the procedure of approaching the Court should be made as simple as possible.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Question negatived; the Council's amendment insisted on.

No. 35. Clause 56.—Delete the words ''from time to time'' in first line of subsection (1) of proposed new section 100, and insert ''once in each year.'' After ''State'' in line five of same subsection, insert ''and such determination shall have force and effect during the ensuing twelve months. The basic wage so determined shall operate and have force and effect from the first day of July in each year, and shall from time to time be substituted for the wage fixed by every industrial agreement or award made before or after the commencement of this Act, notwithstanding that any such industrial agreement or award may prescribe a lesser or a greater wage.''

The CHAIRMAN: The reason given by the Assembly for not agreeing to this amendment is that the time should be left to the discretion of the court and that it is highly probable a fixed period would operate unfairly.

The COLONIAL SECRETARY: I move—

That the amendment be not insisted on.

Hon. A. LOVEKIN: I hope the Committee will insist on this amendment. We make the basic wage certain from year to year, whilst the clause as it stood left the position in a state of chaos and capable of being changed from time to time, when no one would know what the position was.

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

Ayes	4
Noes	14
Majority against ..	10

Ayes	Noes
Hon. J. M. Drew	Hon. J. W. Hickey
Hon. E. H. Gray	Hon. W. H. Kitson (*Teller.*)

Noes	
Hon. A. Burvill	Hon. A. Lovekin
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. Ewing	Hon. G. Potter
Hon. J. A. Greig	Hon. H. A. Stephenson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland (*Teller.*)

PAIRS.

Ayes	Noes
Hon. J. R. Brown	Hon. C. F. Baxter
Hon. T. Moore	Hon. J. J Holmes

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

Progress reported.

ADJOURNMENT—CLOSE OF SESSION.

The COLONIAL SECRETARY: I move—

That the House at its rising adjourn till 11 a.m. this day.

Question passed.

House adjourned at 2 a.m.

Legislative Assembly.

Monday, 22nd December, 1924.

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

QUESTION—RAILWAYS, COAL SUPPLIES.

Mr. WILSON asked the Minister for Railways: 1, Have instructions been given that Newcastle coal must be used exclusively on the Northern Railway lines, and if so, by whom? 2, Are all locomotives operating there fully and efficiently equipped with the latest spark arresters? 3, Is Mr. Muir aware that the cutting down of local coal orders prejudicially affects the coal miners at Collie?