

Legislative Council.

Wednesday, 5th November, 1930.

	PAGE
Question: Taxation penalties	1523
Bills: Stamp Act Amendment (No. 1), 2A.	1523
Traffic Act Amendment, further recom.....	1523
Roman Catholic New Norcia Church Property Act Amendment, returned	1531
Reserves, 2A.	1532
Land Tax and Income Tax, 2A., Com.	1532
Inspection of Scaffolding Act Amendment, Assembly's Message	1543
Anatomy, Com.	1543
Stamp Act Amendment (No. 3), 2A.	1544
Motion: Coal Industry, to Inquire by Royal Com- mission	1547

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

QUESTION—TAXATION.

Penalties on Overdue Payments.

Hon. H. J. YELLAND asked the Minister for Country Water Supplies: Owing to depreciated produce values and to the financial plight of a majority of primary producers, will the Government waive the 10 per cent. fines on overdue land and income tax payments?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: It is not desirable to waive the fines. No reasonable extension to pay taxes is refused a taxpayer who gives a *bona fide* reason for being unable to pay on the due date.

BILL—STAMP ACT AMENDMENT (No. 1.)

As to Recommittal.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.34]: I move—

That the Bill be now read a third time.

Hon. H. SEDDON (North-East): I give notice that I desire to move for the recommittal of the Bill to permit of the further consideration of Clause 2.

The PRESIDENT: The new Standing Order 204a reads—

No amendment shall be made in, and no new clauses shall be added to any Bill re-committed on the third reading unless notice thereof has been previously given.

There is a notice on the paper and, if no objection is offered, I shall take it as being sufficient notice of the hon. member's intention.

Hon. A. LOVEKIN: In order to ensure a little time to consider the position, I move—

That the debate be adjourned.

Motion (adjournment) put and passed.

BILL—TRAFFIC ACT AMENDMENT.

Further Recommittal.

On motion by Hon. H. J. Yelland, Bill again recommitted for the further consideration of Clause 4.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 4—Additional fees to be paid for certain vehicles used on roads in Fifth Schedule:

Hon. H. STEWART: I have drafted an amendment somewhat in the terms of the amendment originally accepted, but negatived yesterday when the Committee was differently constituted. I move an amendment—

That after "schedule" in line 5 the following be inserted:—"Provided this section shall not apply to a vehicle owned by an agriculturist or grazier when used for carrying only the produce of his farm to the most advantageous market or the most convenient railway station or siding, if the mileage of transport is thereby reduced by 10 per cent.; and of carrying any requisites for his domestic use or for use in producing the commodities so carried."

The amendment has been modified to meet the wishes of Mr. Miles regarding the carriage of petrol and such like goods, and I have sought to meet the needs of certain settlers who require consideration. The object of the Bill is to compel the people who damage the roads to pay for their upkeep. The producers I have in mind would make probably only one or two trips a year and would use proclaimed roads on very few occasions. Eighty per cent. of the pastoralists and farmers in the State cannot meet their obligations and pay their way, and they should not be restricted or have further difficulties imposed upon them. While

their position is so worrying and unlikely to improve, it would be wrong not to do all in our power to help them to effect savings wherever possible. As regards forcing traffic to the railway system, I am concerned about a number of people who in the western part of my province and the eastern part of the South-West Province are not protected by the amendment relating to perishable products. Their position is most difficult. Is it fair that they should be forced into a more difficult position still? The Railway Department can overcome the difficulty occasioned by people who penalise the system by giving it their wheat and super while they transport their wool by motor. Not many of the producers whose cause I am advocating own trucks. Public opinion forces wheatgrowers in the south to transport their wool by the same means as they transport their super and wheat. The amendment will safeguard the position, and I hope the Minister will accept it.

THE MINISTER FOR COUNTRY WATER SUPPLIES: An amendment of this nature has already been debated here at length, and rejected by an overwhelming majority. Mr. Stewart now says he has toned down the amendment, but in fact he has made it broader. His previous amendment did not have "advantageous" before "market." The most advantageous market would be any market the farmer may choose, even if the produce came from Wiluna. What is meant by "reduction of mileage of transport by 10 per cent." I do not know. The final sentence of the amendment means that anything whatever can be transported. People in the position described by Mr. Stewart would obtain permission to transport their wool by motor. Under the amendment, however, wool growers elsewhere would be able to send all their wool by motor, especially at a time of the year when the roads were soft and would be cut up. Consider the position of a traffic inspector on one of the named roads. A lorry appears loaded with wool. It is stopped by the inspector, and the driver is asked where he came from. The reply is "Katanning." The driver is then asked where he is going to, and he answers "Fremantle." The inspector asks, "Why are you going to Fremantle?" The driver says, "Because it is my most advantageous market place." The inspector then,

knowing that the road route from Katanning via the Williams-Perth-road is not nearly 10 per cent. shorter than the railway road from Katanning to Fremantle, can only say, "Pass on, friend; all is well." Apart from that, which in itself makes the amendment ridiculous, why should a grazier or agriculturist who cannot show that transport by road to his most advantageous market is less than the railway mileage, be placed at a disadvantage with a man who can prove that the road route is shorter? I appeal to hon. members to realise what this amendment means. Yesterday's amendment, which was much milder, was rejected. Under this amendment the measure could not be policed, nor could the necessary amount of revenue be got in. If we continue to allow vehicles to carry heavy loads without paying a commensurate tax, where is the necessary revenue to come from? Money to maintain the roads must be raised from somewhere. Clearly it should come from people using the roads and causing damage to them.

Hon. H. STEWART: I join issue with the Minister, who will persist in talking about the large amount of damage done to the roads. I contend that the damage done by the farmer with his own truck carrying his own produce is very slight. The Minister neglects that side of the question. As for the present amendment being wider and more dangerous than the previous one, if the Minister thinks there is a great difference between "the most advantageous market" and "the most convenient town," I do not agree with him. This amendment can be policed in the same way as the Government differentiate between taxi cars and motor cars. To that contention the Minister can only return a denial. The hon. gentleman can have the amendment tightened up as he pleases. It is a perfectly equitable amendment.

Hon. H. J. YELLAND: Speaking to a similar amendment yesterday, I pointed out that the concession is restricted to vehicles owned by primary producers. It would not apply to a truck for hire, which would be easily recognised by the different disc. The difficulty of policing the amendment would be minimised, and the benefit would be restricted to the primary producer using his own vehicle for the transport of his own produce.

Hon. A. LOVEKIN: I will go as far as any member in trying to help the primary producer. I suggest to Mr. Stewart that he should withdraw his amendment, having the public assurance of the Minister—an assurance also given to me outside the Chamber—that those settlers for whom Mr. Stewart is concerned will get exemption from the Minister at any time they want it, theirs being practically an exceptional case. The hon. member should withdraw the amendment and accept what he can get assuredly, rather than try to go further and perhaps get nothing. That is the prudent course.

Hon. H. Stewart: The Minister has not given such an assurance.

Hon. J. J. HOLMES: Mr. Lovekin is the one man in this State who insists on having everything included within the four corners of a Bill. Now he comes along with a suggestion that on this occasion we should do something different. If the primary producer is the man who is called upon to save this country—on the authority of no less a person than a representative of a great financial institution—

Hon. H. Stewart: And that will be realised 12 months hence.

Hon. J. J. HOLMES: We should give all the assistance we can to the primary producer. Although I do not like the amendment, I shall feel compelled to vote for it if the hon. member divides the House.

The MINISTER FOR COUNTRY WATER SUPPLIES: After all, this will not be such a wonderful benefit to the primary producer. The person that will take advantage of it will be the big wool grower who, with his teams, will do all the damage to the roads. That will come about by reason of the top-heavy loads being carried at a time of the year when the roads will not stand the traffic. Mr. Yelland contrasted the amendment moved last night with the one we are now considering. Last night's amendment was quite different; it was to meet the small growers, the majority of whom will not travel along proclaimed roads. This is quite a different matter. We shall be opening the door to allow them to cart wool mainly, and at the same time they will expect the railways to convey super to them. This will apply to the whole of the State, and I appeal to members not to take the very essence out of the Bill. We want the additional money to enable us to repair the roads

and if we cannot get it from that source, where is it to come from?

Hon. H. Stewart: What about your assurance?

The MINISTER FOR COUNTRY WATER SUPPLIES: I have given it three or four times.

Hon. J. NICHOLSON: I feel sure Mr. Stewart has overlooked an important point and it is that he is referring to the man who is supposed to be the owner of his own truck and is going to use it. The idea is very good when one looks at it the first time, but the Leader of the House has pointed out very clearly that it will not be possible for the Government to overcome the difficulty with which they will be confronted in trying to meet the position that has arisen through the financial stress. It will not be possible to police the roads and safeguard the position as well as the revenue it is hoped will be earned to help to rectify the serious position with which we are faced. If we look at the amendment we can raise against it the same objection that we used against the hon. member's previous amendment. There is nothing in the world to hinder an agriculturist or grazier to arrange with a carrier to say, "I will take a transfer of your vehicle and it will be mine for the time being."

Hon. A. Lovekin: We can block that.

Hon. J. NICHOLSON: If we pass this clause as it is we will leave the door so widely open that the Bill might as well be thrown into the waste-paper basket. There will be no safeguard, and it will be one of the most difficult things to provide a safeguard. We are here for the purpose of assisting to carry out wise legislation, but this proposal is very far from being wise. There has been an honest effort made in the Bill to meet the claims of the farmers. Look at the provisos that have been inserted to exempt the farmers. Every reasonable allowance has been made. The effect of the amendment will be that it will enable every motor vehicle owner to drive his vehicle, so to speak, through the Act, if it becomes an Act with the amendment included in it. If I considered my personal interest I would vote with Mr. Stewart, but we must have regard for the position of the State at large and the serious condition of the finances. Our duty then is not to agree to the amendment.

Hon. C. H. WITTENOOM: I intend to support the amendment and I hope Mr.

Stewart will not withdraw it. The Minister has mentioned that not only the small farmer will be carrying his wool but that the big growers and all pastoralists also will convey it by motor truck. I think that is done in very few cases. In most instances wool is carried by rail. Last Sunday week I was driving to Katanning and along the road I passed about 15 or more motor trucks each carrying three or four tons of wool and doing no end of harm to the road. I was particularly interested to notice that not one of the trucks was a privately-owned vehicle. All were ordinary carriers. I cannot see that there will be any difficulty in policing the proposal because it is quite easy to see whether the motor truck is privately-owned or whether it belongs to a public carrier. The farmer should be allowed to carry his own produce in his own truck when and wherever he likes.

Hon. J. M. DREW: I supported the Bill because I was convinced that the railways were losing a considerable amount of freight which was being passed over to motor vehicles. The amendment, if carried, will defeat that object because every farmer and every grazier who is growing wool will be able to claim exemption under the amendment.

Hon. H. Stewart: Not unless they own trucks.

Hon. J. M. DREW: If the amendment is carried, of what use will be the Bill?

Hon. C. H. Wittenoom: It will check the professional carrier.

Hon. J. M. DREW: Wool will be taken to the market by motor vehicles. It will pay every farmer to buy a truck to take his produce to market.

Hon. J. J. HOLMES: The primary producer has wheat and wool to carry. It is certain that he will not carry wheat by motor truck; he will send it by rail. I suggest that he be allowed to carry anything other than wool and that will force him either to send his wool by rail or give it to some carrier. I understood the Bill was designed to put the traffic back to the railways. Mr. Drew appears to have arrived at the conclusion that I came to, that we will not put it back, that it will still travel over the roads and that someone will be victimised. The Minister is concerned about

the damage that is done to the roads by wool teams. Then why not let us carry everything other than wool. The objection will then be removed.

Hon. Sir WILLIAM LATHLAIN: I cannot understand the attitude of Mr. Stewart. Members of this Chamber are always very lenient to farmers and do everything they can to assist them. Mr. Lovekin's amendment that was passed yesterday was a generous concession to every farmer. I trust Mr. Stewart's amendment will not be agreed to.

Hon. E. H. HARRIS: I supported Mr. Stewart in his former amendment, but I cannot support this one as it is worded, with regard to the reduction of the mileage by 10 per cent. It seems to me quite possible that a squatter in the North-West, being the owner of a vehicle, may continue to get his wool down by road, by reason of some professional driver taking a contract (using the owner's vehicle) to convey the wool to Fremantle. The same principle may apply in other directions. Unless I am satisfied on that point, I cannot support the amendment.

Hon. H. STEWART: In view of the very pertinent statement by the Minister on this point, and the evident opposition on the part of members to the inclusion of these words in the Bill, I ask leave to withdraw the amendment.

Amendment by leave withdrawn.

Hon. H. J. YELLAND: I move an amendment—

That in paragraph (d), line 4, the words "on the return journey" be struck out.

This paragraph appears on page 92 of the Notice Paper. If these words are not struck out, a great hardship will be caused to primary producers.

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

Bill again reported with a further amendment.

BILL — ROMAN ; CATHOLIC NEW NORCIA CHURCH PROPERTY ACT AMENDMENT.

Returned from the Assembly with an amendment.

BILL—RESERVES.

Received from the Assembly and read a first time.

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

Debate resumed from the 30th October.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [5.28]: In and out of season Mr. Stewart has persisted in his efforts to bring about a reduction of the land tax.

Hon. H. Stewart: You were joined with me in that last year.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: With him I believe that a reduction in the rate of tax on cultivated agricultural holdings is desirable, but I cannot agree that that necessary relief can be given at the present time. Moreover, if in defiance of the present financial position the reduction were made I feel that the loss consequent upon the reduction of the tax on all lands, metropolitan and otherwise, would ultimately rest on the agricultural community because the amount of the total reduction would not be available to the Government for the alleviation of land developmental difficulties, and the continuance of the present freight reductions on the railways. In the present crisis individual and political creeds must be set aside for the time being. If we are steadfast in that view, and if we are big enough to forget the bickerings on political platforms, the financial difficulties of the State will be overcome in no great time hence. I am not prepared to associate myself with the suggestion that the land tax be reduced to 1d., and that the Government should recoup the loss by the imposition of a tax on all wages and incomes. In making that suggestion Mr. Stewart appeared oblivious of the widespread distress in the ranks of the wage and income earners to whom, in some appreciable degree as general taxpayers, the agricultural industry is already indebted for the system of liberal assistance given to it in the developmental stages.

In common with the farmer, the wage-earner is experiencing very bad times, and it is yet too early to see what additional burdens, if any, the future has in store for the

latter in meeting our domestic obligations. Any further direct burden on him for the sole purpose of relieving the farmer would not be relished. In his statement that under the Bill a man who has lost the whole of his income will be called upon to pay increased land tax, Mr. Stewart steered clear of the fact that land tax is a first charge on the land, and is payable irrespective of whether any income is payable or not. The hon. gentleman also neglected to mention the provision that where a man makes a loss in his business in any one or more years, he is entitled to carry that loss forward and deduct it from the subsequent, or following, year's income. In other words, a loss in business is spread over a three-year period.

Hon. G. W. Miles: Where will he get the money to pay the land tax?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Farmers and pastoralists who may have made a loss during the current financial year owing to the decrease in the price of wheat and wool, may deduct that loss from the profits of the next two years, if the prices of wheat and wool go up and profits are made. In discussing the incidence of the land tax, the rates of tax and the amount of collections are distinct questions, and confusion will be avoided if we speak of them as such. In that regard, the rates of tax in this Bill are the same as those for the past four years. In looking at the separate question, it is not denied that the re-valuations of land have increased the collections; that the values are fixed for five years, or that in many cases, especially in the country, the values remain in operation for a much longer period. I shall have something to say on that aspect a little later on.

Hon. G. W. Miles: Are you not going to relieve that position?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Admittedly the Government anticipate receiving more on account of land tax this year than in previous years. That anticipation arises from the fact that each year a greater number of land tax owners are assessed for land tax, and in many instances they are assessed for the first time on departmental values which are fixed for five years. Mr. Stewart said that the Government had made the position of the man who had improved his land more burdensome, relatively, than that of the man

who owned land and did not improve it. The position is that the man who improves his land gets a rebate of 50 per cent. in the rate of tax as against the man who does not improve his land. For instance, the unimproved value of improved land is assessed at 1d. in the £ and the unimproved value of unimproved land, at 2d. in the £. I cannot see the trend of the hon. member's remarks in his contention that the Government could have brought down an amendment of the Land and Income Tax Assessment Act to provide that the person who gained his income from land should be relieved. If we are not speaking of separate questions, I would point out that under the provisions of the Land and Income Tax Assessment Act, a rebate of one-half the amount of the land tax is allowed to a taxpayer whose income is derived from the land.

Hon. H. Stewart: It used to be the whole of it.

The MINISTER FOR COUNTRY WATER SUPPLIES: Certain capital expenditure in the nature of improvements, such as fencing, or for the protection of the income, is allowed as a deduction from income tax. That benefit no other taxpayer receives under the Assessment Act. Mr. Stewart touched on the method of making new valuations. As explained in my reply to his question in this House, the unimproved values fixed by the Taxation Department are based on the selling value of the land.

Hon. H. Stewart: Not on its productive capacity.

The MINISTER FOR COUNTRY WATER SUPPLIES: In fixing such sale value, the Department must take into consideration the rainfall, the distance the land is from a railway or port, the classification and productivity of the soil, and its suitability for growing certain cereals. The productivity of the land does not in itself determine the soil value. The hon. member drew attention to the rebates under Section 9 of the Act and the extension of the relief provision to cases wherein the Under Secretary for Lands certifies in writing that the improvements prescribed have been effected, and stated that the conditions were rarely complied with. In that regard, I am assured by the Commissioner of Taxation that every care is taken by the valuers

of the Department to see that the improvements prescribed by the Land Act are carried out before any rebate in the amount of tax is granted and when an assessment is being made. Further, it should be remembered that the Government desire to encourage land settlement, and if drastic provisions for improving the land were insisted upon, and no rebate of land tax was granted, very few settlers would take up land in Western Australia. Mr. Stewart is hardly correct in his statement that if any man is enterprising enough to take up 5,000 acres of third-class land, its value to him would be far less than that of 1,000 acres of first-class land, but he gets exemption for one year before being taxed. To those comments, I would reply that any person taking up 2,501 acres or over of grazing and pastoral land mixed, including a percentage of agricultural land, under Section 68 of the Land Act, has to pay land tax from the date on which he takes up the land, whereas a man who acquires 1,000 acres or under of first-class land is exempt from land tax for a period of 5 years from the date of selection.

Hon. J. Cornell: What! Conditional purchase?

The MINISTER FOR COUNTRY WATER SUPPLIES: Yes.

Hon. J. Cornell: That is absolutely wrong. I can quote thousands of cases. All the miner settlers had to pay land tax.

The MINISTER FOR COUNTRY WATER SUPPLIES: Not under Section 68. It was under another section. I am sorry the hon. member did not follow me. I quoted Section 68 specifically. That is an anomaly, and I think Mr. Stewart had it in mind. Speaking personally, I would like to see the Act amended to provide that all conditional purchase land, irrespective of the area, should be exempt from land tax for a period of 5 years. Such a provision would remove many of the anomalies and enable the settler a reasonable period of time in which to get his land into working order, and to earn an income before being asked to pay land tax. With particular reference to Mr. Stewart's proposal for the reduction in the rate of land tax from 2d. to 1d., I desire to make it clear to hon. members that the proposed decreased rate would mean a loss of £110,000 per annum to the Treasury.

Hon. H. Stewart: The Government intend to raise more than that by means of the hospital tax.

The MINISTER FOR COUNTRY WATER SUPPLIES: When the Government increased the rate of the land tax from 1d. to 2d. in the £ in 1925-26, they reduced the railway freights on super and other farming commodities, and the reductions now amount to £65,000 per annum. The land tax in this State is imposed on much lower unimproved land tax values than in any other State of the Commonwealth. For example, 15-bushel wheat land in this State is valued for land tax purposes at from 15s. to £4 10s. per acre, whereas similar land in South Australia, Victoria and New South Wales is assessed at values ranging from £5 to £15 per acre. Although I favour a reduction in the rate of land tax when the time is opportune, I would point out that the rates of the tax in this State are not as high as the rates obtaining in some of the other States of the Commonwealth. For instance, the rates of land tax in Queensland commence at 1d. in the £ and go up to 8d. in the £; Tasmania from ¾d. to 3¾d. in the £; South Australia, ¾d. to 1½d. in the £, plus 25 per cent. super tax. In this State every taxpayer who is assessed for income tax on income derived from the use or cultivation of agricultural or pastoral land, is allowed a rebate of income tax up to one-half the amount of the land tax paid on the land producing the income. That concession is not allowed in any other State of the Commonwealth. The rates of income tax on incomes up to £2,000 are lower in this State than in any other State of the Commonwealth. The general and concessional deductions from income tax are more liberal in Western Australia than in any other State; especially is that so in respect to farmers and pastoralists. Within the last three years, the rates of tax, land and income, have been increased in all the States including the Commonwealth, but not in Western Australia.

Hon. J. J. Holmes: No, you put up the valuations here.

The MINISTER FOR COUNTRY WATER SUPPLIES: In reply to Mr. Seddon, I venture to say that it is difficult, under present conditions, with the low prices obtaining for wheat and wool and the decline in business generally, to state what

amount of tax will be lost during the current financial year. The amount of £150,000 is the estimate of the State Commissioner of Taxation and it is based on the financial position as it stood at the end of June last. Since then, prices have fallen, but notwithstanding that fact, the Commissioner of Taxation is hopeful of being able to collect the departmental estimates for income tax and dividend duty.

Hon. G. W. Miles: He has no hope in life.

The MINISTER FOR COUNTRY WATER SUPPLIES: But he anticipates a much larger falling off of taxation revenues in the financial year ending the 30th June, 1932, when the effect of the reduced prices will have operated right throughout the financial year. For the current financial year, there was a considerable carry over of assessments based on the incomes earned up to the 30th June, 1929, and during the first half of the financial year 1929-30, businesses showed fairly substantial profits, and the decline did not take effect until within the last three months of that year. The payment of the tax in monthly instalments would involve a considerable amount of unnecessary book-keeping, and while it would be beneficial to many taxpayers, it would result during the present financial year in a considerable loss to State revenue.

The assessments for the current financial year have not been prepared and cannot be issued until the present Bill is passed by Parliament. As it is impossible to issue the whole of the assessments before the 30th June next, it stands to reason that a considerable amount of income tax and land tax could not be paid before the 30th June. If such a method of payment were adopted, the Commissioner of Taxation estimates that the loss of income tax and land tax would be considerable. To meet individual cases wherein taxpayers have been unable to pay their taxes on the respective due dates, reasonable extensions of time have always been granted and permission has been given to the payment of the tax in instalments. The State income tax is payable one month before the Federal income tax, and as both assessments are issued at the one time, taxpayers naturally pay their State income tax before paying the Federal tax, but if the State tax is to be paid in instalments, many taxpayers would pay the first moiety or in-

stalment of the State tax and then pay the Federal tax. In that regard, there is an important provision in the agreement for the joint collection of taxes, Federal and State, which should not be lost sight of by hon. members when proposing any alteration for the collection of State taxes. It is that where both taxes are payable on the same due date, a taxpayer may request the Department to apportion the instalment of the taxes, but where the State tax is payable before the Federal tax, no apportionment is permitted; that is to say, the amount tendered must be applied in payment of the State tax. If, therefore, Parliament decides to allow taxpayers to pay their taxes in instalments, those instalments that would become due after the Federal tax is due, could not be apportioned between the Federal and State Governments without a specific direction from the taxpayer, with the result that the Federal tax would be payable in priority to the State tax. In the circumstances, I strongly urge that the present method of paying the tax in full on the due date be retained. The more satisfactory procedure is to allow the taxpayer to make his own arrangements with the Commissioner, as has been done in the past. Mr. Lovekin's contention that Clause 7 is *ultra vires* has been fought out in previous Parliaments. The legal advisers to the department again advise that the clause is not unconstitutional, as it merely deals with the terms of the payment of the tax the Bill fixes.

In his contribution to the debate, Mr. Nicholson introduced the question of the fixation of land values for five years. Although the Premier has decided to give serious consideration to the matter, I would point out that before the five year period was fixed under the State Land and Income Tax Assessment Act, taxpayers' valuations were constantly altered, especially in the city and metropolitan area, with the result that no taxpayer knew for how long his land tax value was going to stand, and when it would next be altered. The five year period has settled that position. While in a few cases it may operate detrimentally to taxpayers where there has been a decrease in value, in the main, in the opinion of the Commissioner of Taxation, it has been beneficial to the great majority of taxpayers throughout the State, especially in the country districts where the values have had to remain for a longer period than five years because it was not possible for the departmental valuers to

go over the land and revalue it during a quinquennial period. Some of the departmental values have remained in operation as long as eight and 10 years, beneficially to the taxpayers, especially in view of the present depression. Our procedure is followed in South Australia and in some of the other States of the Commonwealth. Recently the Federal values were altered from an annual to a triennial period of valuation. The Taxation Department prefers the longer period, namely five years, because it is more equitable in its application to taxpayers generally, and is less costly from an administrative standpoint. However, as previously stated, the Premier will investigate the matter at the earliest opportunity and in the meantime the five year period must stand.

In commenting on Mr. Nicholson's suggestion for the creation of an independent valuation department, the Commissioner of Taxation states that the present system is based entirely on a scientific determination of the unimproved values of all land throughout the State; and he claims emphatically that a better system could not be determined or adopted by any independent valuation department. In support of his view, the Commissioner says the Federal and ex-State officers attached to the Taxation Department have had a very long and wide experience of valuing land; and the system laid down and approved of by the Federal and State Commissioners of Taxation is based on scientific lines in accordance with the law and the decisions of the court. The Commissioner informs me that the system in operation here corresponds entirely with the system in the Valuation Department of New South Wales, which is separate from the Taxation Department. To assist members in discussing the subject the Commissioner will be pleased at any time to give Mr. Nicholson or any other member the fullest information in regard to the methods adopted.

Passing to the remarks of Mr. Miles, the Government hope the Bill will not be postponed, as suggested by the hon. member. Until the fates of the Salaries Tax Bill and other Bills are known, and the Premier has had an opportunity to study the situation after his return from the meeting of the Federal Loan Council, I am unable to commit the Government in any way. If any emergency measures are necessary—

I sincerely trust they will not be—consideration can be given to them later if the necessity arises. No good purpose will be served by delaying the passage of the taxing Bill. As a matter of fact it is urgently necessary that it should be passed at the earliest moment, because so soon as it is available to the Taxation Department the Commissioner can start the work of assessing, and collections will commence to flow into the Treasury at the end of one month after the issue of the assessments. At present the Taxation Department is at a standstill awaiting the passage of the Bill to begin the work of assessing, and in consequence the Treasury is being denied the much desired revenues from taxable incomes and land tax up to the 30th June last. If the Bill is postponed for, say, a fortnight, the taxation collections will be a fortnight later in reaching the Treasury. Therefore every day's delay by this House increases the difficulties of the Treasury in financing the State, and as I know that is not the wish of members, and that they are desirous of assisting the Treasury in every way, I trust the House will not hesitate to give its approval to the Bill as quickly as possible.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Grant of land tax and income tax for the year ending the 30th June, 1930:

Hon. H. STEWART: I move an amendment—

That in line 1 of Subclause 1 "twopence" be struck out and "one penny" inserted in lieu.

The MINISTER FOR COUNTRY WATER SUPPLIES: I trust the Committee will not agree to the amendment. Were the finances of the State in anything like reasonable order, I would be just as keen as is Mr. Stewart to have the amendment made. But the parlous condition of the finances renders it impossible for the Government to agree to this proposed reduction, much as they desire it. All members of the Cabinet think it is regrettable that

we should be forced to maintain this tax at 2d., but it cannot be avoided.

Hon. V. HAMERSLEY: Notwithstanding the fall in the actual values of land, all taxing valuations have been increased and this rate of land tax has been increased also. Thus the taxpayers have to pay the higher rate on the higher valuations—which are entirely fictitious—and so consequently it becomes an extreme burden on the farming community. Moreover, our valuations are fixed for five years, and therefore we have no chance of getting any relief in that respect. If this amendment be agreed to, the Government will still have the benefit of the immense increase in the official valuation. I will support the amendment.

Hon. H. STEWART: Ever since 1924, year by year this amendment has been moved in this House. But the policy of the late Government was to tax all lands without exemption, and so the action recently taken in another place by Opposition members was not in accordance with their platform. The moving of this amendment is strictly in accord with the policy I have adhered to for many years past. Moreover, I have been impelled to this action by the knowledge that farmers who have not any income at all to-day are to be asked to pay land tax. I do not want the Government to be without revenue; indeed I am prepared to help them get necessary revenue. But I am very much concerned about the existing position, because I am afraid the people in Western Australia have not realised that it is by the export of our primary products that the country has to stand or fall. Nor is it generally recognised that many of our primary producers will not be able to carry on. So I am seeking to draw attention to the fact that they need every consideration that can be given them.

Hon. H. SEDDON: In view of the very serious position of the State's revenue, I fail to see any justification for asking that this taxation should be reduced. When we are told that a number of farmers have lost all their income and so will be unable to pay land tax, we have to recognise that many other people, not farmers, have lost all their income and yet will have to contribute this year income tax on last year's income. We all have to face the music.

Hon. H. Stewart: That is what I want.

Hon. H. SEDDON: There is not the slightest doubt that the Government will not realise their estimate of land and income tax revenue this year because the conditions are such that the money will not be forthcoming. The whole community will have to face the situation. The farming community, like the mining community, will have to face it on the basis of the survival of the fittest. Many people will inevitably go to the wall unless conditions alter. Reference has been made to the price of wheat. The low price has driven thousands of farmers out of production, and I consider the present level cannot long be maintained. If we prevent the Government from collecting the amount of tax to which they are entitled, we shall be doing an injustice to the whole of the community for the sake of a section.

Hon. E. H. H. HALL: I support the amendment. If economic experts are to be believed, the prosperity of a country is based upon its production, and production costs must be reduced. If ever there was a time when the Government should act in the interests of the producers, it is the present. We have indulged in words too long. It is our duty to lighten the burden on the man on the land, for if all is not well with him, how can other sections of the community expect to prosper?

Hon. G. W. MILES: I regret that the Government have not undertaken to accept the amendment and bring down a supertax on income. If such a tax were collected by means of stamps, hundred of thousands of pounds would be obtained, the farmer could be relieved of 1d. land tax, and the Budget could be balanced. The Premier has no hope of balancing the Budget unless he imposes further taxation.

Hon. H. Seddon: That is why you wish to take some taxation off.

Hon. G. W. MILES: I wish to take some taxation off the man on the land. There are boys and girls earning £1 a week and upwards who could afford to pay 1d. or 2d. in the pound. If the tax were made 3d. on earnings of £1 a week and upwards, considerable revenue would be derived from the 150,000 wage earners in the State. The unions collect 6d. a week from their members, and if they can tax the community, the Government should do so. The Trades Hall authorities have put up the argument that the man on the breadline should not be taxed. Yet hundreds of men who are without food

are taxed by the Trades Hall authorities, who still collect their 6d. a week from the majority of the unions.

Hon. W. H. Kitson: You do not know what you are talking about.

Hon. G. W. MILES: A member of the Trades Hall Council told me he had to pay 6d. a week. Everyone should contribute to the taxation of the country. If that were done, the man on the land could be assisted and he in turn would provide work for the unemployed. The Government are pandering to the electors instead of handling affairs in the proper way. They are only tinkering with the job. It is time we took a stand to force the Government to conduct the affairs of the country as they should be conducted. The position is becoming worse for the farmer and for the unemployed and unless the problem is tackled properly, we shall get deeper into difficulty. I support the amendment.

Hon. W. J. MANN: Ever since I have been in the House I have favoured a reduction of the land tax, but we have arrived at a stage when we must consider the question in a different light. Previously the condition of the man on the land was bad enough, but to-day it is much worse. The latest report of the Commissioner of Taxation shows that in the last six years the valuations of country lands have increased by over £8,000,000. That is a big increase on which the country people are being taxed, and because of the increase I must support the amendment. I would be glad if the rural community were able to continue paying the present rate of taxation, but they cannot honestly be asked to do so. I hope the Government will seek other methods of raising the money necessary to carry on the affairs of the country.

Hon. G. FRASER: I oppose the amendment. I have a vivid recollection of what happened when a similar amendment was carried in this Chamber last year. It appears to be a waste of time to carry it. The Government will refuse to accept it, the measure will be returned to us, and we shall back down. It was a pre-election promise of the Government to reduce the land tax, but in the circumstances I shall oppose the amendment. If it be carried, I hope members will be prepared to stand to their guns.

Hon. A. LOVEKIN: I support the amendment because it should go forth as an intimation to the Government that we are not

satisfied with the methods by which they propose to balance the Budget. They are bringing in a lot of class and other taxes, instead of going straight to the point by bringing down a measure that would tax everybody according to his means. If the incidence were framed in a proper way, all the taxation required to balance the Budget could be obtained without taxing civil servants, members of Parliament and various other people by side issues. It is common knowledge that 80 to 90 per cent. of the farmers are practically bankrupt, and regardless of whether they have a loaf of bread in the house, they will be called upon to pay the land tax.

Hon. G. Fraser: If they are bankrupt, it will not matter whether the tax is 1d. or 2d.

Hon. A. LOVEKIN: It will make all the difference. To afford them some relief at this stage would be a good thing for the country. When the tax was imposed, valuations were about half what they are now.

Hon. H. Stewart: Less than half.

Hon. A. LOVEKIN: And the farmers are paying on the increased valuations at the rate originally imposed.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. W. MILES: I want the Government to take immediate action for the purpose of balancing the Budget. If the Minister will give an assurance that the Government within the next week or two will introduce a measure such as I have suggested for the purpose of obtaining additional revenue through a stamp tax on wages, or a super tax, and next session review the land tax, I shall vote against the amendment, although before tea I said I would vote for it. The Government should have called Parliament together months earlier and promptly brought down measures to balance the Budget. On the proposals brought forward up to date, the Premier cannot balance, but must impose extra taxation. The youth or girl earning £1 a week should pay something, at all events for a year or two. It is useless for the Premier to travel about the country and talk of further borrowing. Borrowing will not get us out of our difficulties. If we re-establish confidence, we shall be able to renew our

loans at lower rates of interest. The Arbitration Court fixes the basic wage on the cost of the keep of a man, his wife and three children; and the single man gets the benefit of that. Therefore the basis is wrong. The Government should suspend the operation of the Arbitration Act for the time being. Work can be found if the employer is allowed to pay a man what he is worth; but if the employer has to pay a man £4 6s. per week whether he is worth it or not, labour will not be employed. Assuming that there is an aggregate of 150,000 persons in this State employed at an average of £4 per week, a stamp tax of 6d. in the pound on wages will produce sufficient to relieve the man on the land of this extra tax. With the basic wage fixed as at present, the Government should bring in a bachelor tax if they will not suspend the operation of the Arbitration Act.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Stewart said I had rebuked him. I had no intention of doing so. If I did so, I apologise.

Hon. H. Stewart: It was in the course of your reply on the second reading.

The MINISTER FOR COUNTRY WATER SUPPLIES: I had no such intention.

Hon. H. Stewart: I accept the explanation.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Government are being asked to tax the community into prosperity. That is impossible. We all agree that it is essential to balance the Budget, to live within our means. For this we have to look to our exports, which must be on profitable lines. That position can be attained only if the cost of production is reduced sufficiently to admit of our producing at a profit. Every extra tax put on the community increases the cost of production. At present the Government cannot say whether they will or will not increase taxation. Their desire is not to do so, but to bring down the cost of production.

Hon. G. W. Miles: How are you going to balance the Budget?

The MINISTER FOR COUNTRY WATER SUPPLIES: To tax the community merely means taking money out of one channel and putting it into another, frequently with disastrous results. If the Gov-

ernment were not giving evidence of an intention to economise, there would be some justification for an attack on this Bill. The Government are in fact economising; and in the near future more will be known on that point. Public Service retrenchments and economies cannot show their effect for some time. By the end of next year that effect will be apparent. To reduce this tax by one-half means a loss of £110,000 of revenue. The Government are in the parlous position of having to carry on services. If we are deprived of revenue, how shall we carry them on? Are hon. members who show keenness in supporting the amendment prepared to support the Government in reducing the standard of our educational system? They are not. As regards the police, with the outlook ahead are hon. members prepared to reduce the force? Certainly not. These services have to be rendered, and provision must be made for them. How are the Government to carry them on with reduced revenue?

Hon. A. Lovekin: By better methods.

The MINISTER FOR COUNTRY WATER SUPPLIES: "Better methods" would mean further taxation, and an increased cost of production, the very thing that has brought Australia to her knees.

Hon. A. Lovekin: That is because the incidence of your taxation is wrong.

The MINISTER FOR COUNTRY WATER SUPPLIES: During the war one could walk along the street and in one day find twenty men who would have won the war before the end of 1917. It is the same thing now as regards men who are not members of the Government. The House would be taking a tremendous responsibility in depriving the Government of the revenue anticipated from this Bill. Hon. members representing pastoral and farming districts should bear in mind that their constituents are advantaged to the extent of £65,000 by the reduced railway freights which were granted on account of this tax. If the Government are deprived of £110,000 in land taxation, they will be compelled to restore the old rates of freight. That is not desirable. Let me emphasise that the whole of the £110,000 does not come out of the farming and pastoral areas. Every day lost in the passing of the taxation measures means the loss of a certain amount of revenue. When closing the debate on the second reading, I appealed

to hon. members to give the most expeditious passage possible to all taxation measures. In view of pending arrangements with the Commonwealth, the Government were necessarily late in bringing down taxing Bills. Now we ask hon. members to expedite them. The Taxation Department are actually waiting for these measures. I trust hon. members will realise the seriousness of the position and reject the amendment.

Hon. J. J. HOLMES: I cannot be charged with holding up this measure. I did not even speak on the second reading, and have not yet spoken in Committee. I find difficulty in following the Minister. He says the country cannot be taxed into prosperity. I am going to vote for the amendment and do all I can for the primary producers, because it has been brought home to me that upon the primary producer depends the prosperity of the country. When members speak about taxing people into prosperity, I find from the Taxation Department's latest return that country lands which were estimated to be valued at 10½ millions are now estimated to be valued at 18½ millions, an increase of 8½ millions. Really when this House slipped as it did in 1924 and allowed the tax to be increased from 1d. to 2d., we will slip further now if we allow, by a system of revaluation, the taxation increase from 2d. to 4d., for that is what it amounts to. It is the primary producer that is going to save the country. The Leader of the House also said that we must export at a profit. According to him, the way to export at a profit is to raise taxation values from 10½ millions to 18½ millions and then adhere to the same taxation.

Hon. Sir William Lathlain: They are not all the same people; there are more of them now.

Hon. J. J. HOLMES: If the hon. member will let me make my point, he can make his later. I point out to Mr. Miles that this country has got into its present difficulties by its continual promise to "leave it until next year." I have been here for 16 years and we have been going to tackle this position each year, but it is always put off until the next year. It is this evading of our responsibilities that has got us into our present difficulties. I very much regret that Mr. Miles has followed Mr. Lovekin's lead this afternoon on the assurance of the Minister, if it is worth anything. Ministers come and Ministers go. As Mr. Lovekin has

pointed out, if we want anything done it has to be put into the Act. Therefore assurances and promises of better results next year are of no use to me.

Hon. Sir WILLIAM LATHLAIN: One would imagine that the primary producer paid the whole of this taxation from the land.

Hon. H. Stewart: I never said that.

Hon. Sir WILLIAM LATHLAIN: The hon. member inferred it. The primary producer is the only man we hear anything about. I have just as much concern as anyone else for the man on the land. We have been told that assessments have been increased by about eight millions sterling. Assessments in the City of Perth during the term of office of the present Lord Mayor have increased by over 11 million pounds.

Hon. H. Stewart: They can stand it.

Hon. Sir WILLIAM LATHLAIN: Of course everybody can stand it except the other fellow. Taxes should be paid by the other fellow. Mr. Holmes puts in a plea for the man on the land and rightly so, but is this the time to talk of reduction of our revenue? The Government are adopting the best methods they can in the circumstances. Theirs is the responsibility, and our action is very much like members of a progress association coming along and telling a body like a properly constituted municipal council what they should do. In the present instance the Government have the full responsibility, and perhaps they have the best knowledge of the methods to adopt to gain the results they desire in the balancing of the Budget, in the quickest possible time. We should now do our best to assist them so that they may get early relief which this Bill in particular will give when it goes through. Whilst in previous years it may have been more reasonable to grant the concession now asked for, I shall not agree to any sacrifice of revenue at such a critical period of our history.

Hon. Sir CHARLES NATHAN: I feel that an amendment such as the one proposed cannot be taken by members other than most seriously. Realising the task that this Government, and in fact all Governments, have set themselves by agreeing, wisely or otherwise—I have my own views on that point—to balance their Budgets within 12 months, hon. members must seriously consider the existing position before they vote for the amendment. Mem-

bers of this House in speaking to other motions have agreed as to the necessity for attempting to balance the Budget. I have not previously expressed my views on that subject, but I believe the Premiers and the Prime Minister have taken on a task of extreme difficulty.

Hon. G. Fraser: An impossible task.

Hon. Sir CHARLES NATHAN: The hon. member has voiced my opinion exactly, but impossible as the task may be, we realise that the Government have made a promise and that the country has to stand behind them. It is our duty therefore, no matter what our opinions may be about the promise, to support the Government in the task that has been undertaken. Various members have expressed their views upon other taxation matters that have come before us, and the pity of it is that all the views that have been expressed have been largely sectional. If for the moment we could forget party interests, and the people of the State, as well as all the people of Australia, stood shoulder to shoulder in the position in which we are faced, the difficulties would not be within 50 per cent. of what they are. I am surprised and disappointed to see an amendment such as this proposed at such a time. If at such a time we are to throw our responsibilities on to some other section of the community, how far shall we get? The whole question has been approached from a sectional point of view, but this State has to face the responsibility of endeavouring to balance the Budget. Some of us have complained that the Government of the day have not gripped the position, have been altogether too lax in their methods, and have displayed signs of weakness in the way they have brought down taxation legislation, and then withdrawn it or altered it to meet other people's viewpoints. Is it not time that sort of thing stopped and that we approached these matters in the light of their importance to the State? We have something more ahead of us than the balancing of the Budget. We have to try to avoid creating a position of stagnation. But while we are engaged in attempting to balance the Budget, and to overcome the depression, the depression is becoming greater and greater. I have a great deal of sympathy for the Government, although I believe they might have been stronger in handling the position.

I am satisfied that if each of the 30 members of this House was allowed complete liberty, each could put up a Budget ten times better than that of the present Government, but I am satisfied also that none of the other 29 members would agree to it. Is it not time, as Mr. Holmes said the other night, that we realised that Nero is fiddling while Rome is burning? I feel that I am trespassing somewhat on the patience of members, all of whom have occupied seats on these benches for a considerably longer period than myself. I realise the seriousness of the position and would ask what will happen if the amendment is carried? Will it be accepted in another place? The Government are not likely to stultify themselves by accepting it. Then it will be sent back here and that will cause further delay. In the meantime hon. members will have left their sincerity open to be challenged by others. Mr. Stewart will be well advised to withdraw the amendment.

Hon. H. STEWART: I must protest against the remarks of Sir Charles Nathan, who has interpreted my action as being sectional. The rehabilitation of Australia depends upon exports. If I were representing a mining province, or a metropolitan province, I would take my stand on this because it is fundamental. It has always been my object to found all my actions upon fundamental principles. In this instance I consider, in reply to the concluding remarks of Sir Charles Nathan, that if this amendment went back to another place it would be accepted. The Government would then raise money in a more comprehensive way. It is because I agree with Sir Charles Nathan, and I am disappointed in the methods which have so far been adopted and in the lack of firmness on the part of the Government in yielding to sectional representation, that, for the sake of Western Australia, I take this stand. I have no intention of withdrawing my amendment.

Hon. J. J. HOLMES: This is sectional legislation. The Minister says it is essential that the Bill should be put through at once. This is the only taxation measure, apart from the Bill to reduce Parliamentary allowances, which it appears it is necessary to hurry along in order to balance the ledger. All kinds of promises have been made, and nothing has been done except to reduce the salaries of members, but not

those of Ministers. We have the assurance of the Leader of the House that Ministers' salaries are being reduced, but assurances are no good to me. That reduction should be legalised by Act of Parliament. When the Ministry goes out of office and another takes its place, members of it will draw their full salaries, and private members will continue to suffer the 10 per cent. reduction. It is my duty to point out that all that has so far been done has been done voluntarily by members of Parliament in the way of reducing their own salaries. Nothing else has been done to balance the ledger. Now we are told we must rush this Bill through. I am going to vote for the amendment. The day is not far distant when this House will have to take a firm stand, and that will probably come about before the end of the session.

Hon. G. W. MILES: The Leader of the House talks about taxing the country into prosperity. I want an assurance that the Government will broaden the measure of taxation. In 1927-28 50,000 people paid taxation. In the following year the number was 53,000, and last year it was only 28,000. We must spread the burden over all the people. It will not hurt anyone if 6d. per week is taken off the wages sheet on all the earnings. If the Government spread the tax they will get three or four times as much revenue as by any other means, and everybody will pay something instead of those who are creating the wealth and work for the country being crippled. I intend to oppose the amendment. I shall be with other members in holding up legislation if the Government do not bring down a measure of taxation spreading the burden over the whole of the people. Members of the Labour Party will undoubtedly support such taxation, and we can hold them to their word on this occasion.

Hon. G. Fraser: We always keep our word.

Hon. G. W. MILES: I do not suggest otherwise. We want a tax that will be spread over all. I shall be one of those who will hold up the business of the country.

The CHAIRMAN: Order! The hon. member is bordering on the improper when he threatens to hold up the business of the country.

Hon. G. W. MILES: I shall use my vote in this House to force the Government to spread the burden of taxation in order to balance the Budget. If they refuse to do that, let us have a double dissolution, and go to the country on the question. The deficit for four months is £750,000. If something is not done at once the State will be on the rocks.

Hon. J. M. DREW: That is a most extraordinary speech coming from a member of this House. Mr. Miles threatens the Government. He wants them to accept his own financial policy, failing which he threatens them with opposition and hostility.

Hon. G. W. Miles: Yours, too.

Hon. J. M. DREW: Never have I heard such expressions in this Chamber. It must be admitted that the Government promised to reduce taxation, but at that time the aspect of financial affairs was different from what it is now. They have been in office only a few months; and yet the hon. member wants them to forfeit straightaway a considerable amount of taxation.

Hon. G. W. Miles: I do not; I shall vote against the amendment.

Hon. J. M. DREW: Although the tax was increased in 1924 to double the amount, railway freights in the agricultural districts were substantially reduced, in fact reduced to the extent of the increase in the rate of tax. That was done so that the people of the metropolitan area should contribute towards the reduction of the railway freights in the agricultural and pastoral districts. I protest against the attitude of Mr. Miles. It is not the right kind of tactics to adopt.

Hon. G. W. Miles: That is a matter of opinion.

Hon. J. M. DREW: I object—

Hon. G. W. Miles: You can object.

Hon. J. M. DREW: — to the hon. member threatening the Government, even if I am opposed to them, and endeavouring to coerce them into adopting his own brand of politics.

Hon. G. W. Miles: For the benefit of the country.

Hon. W. H. KITSON: I feel I am treading on dangerous ground after listening to Mr. Miles. Mr. Stewart was quite consistent in his attitude, and is to be commended for the efforts he is making on behalf of the primary producers. But they are not the

only people who pay land tax. Actually they represent only 40 per cent. of those who pay it. The biggest handicap from which primary producers suffer is the revaluation of land. That affects not only the land tax, but other taxes. It affects the vermin tax, and in some districts the taxation imposed by local authorities, whose assessments are based on the new valuations. I was surprised to find this week that apparently the productive capacity of land is taken into consideration in some cases, even though the Minister for Country Water Supplies said that was not so. Those responsible for the valuation of land have divided it into a number of grades. Some of the grades are based on the number of acres required per sheep, and others on the number of bushels produced per acre. Productivity, therefore, has some bearing on the valuation. The Government must have revenue with which to carry on. Whilst I should like to see farmers relieved of some of their financial burdens, I am afraid the position is too serious to-day for us to agree to any reduction in taxation. I cannot support the amendment. I agree, however, there is room for alteration in the method of taxation.

Hon. G. W. Miles: Spread it over a wider field.

Hon. W. H. KITSON: Whenever additional taxation is to be levied, it should be applied to all sections of the community in accordance with their ability to pay.

Hon. G. W. Miles: That is all we want.

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

Ayes	9
Noes	14

Majority against .. 5

AYES.

Hon. W. T. Glasheen	Hon. W. J. Mann
Hon. E. H. H. Hall	Hon. H. Stewart
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. G. A. Kempton
Hon. A. Lovekin	(Teller).

NOES.

Hon. F. W. Allsop	Hon. J. M. Macfarlane
Hon. C. F. Baxter	Hon. G. W. Miles
Hon. J. Ewing	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. E. H. Gray	Hon. H. Seddon
Hon. E. H. Harris	Hon. J. M. Drew
Hon. W. H. Kitson	(Teller).
Hon. Sir W. Lathlain	

Amendment thus negatived.

Clause put and passed.

Clauses 3 to 5—agreed to.

Clause 6—Section 55 of 1907 No. 15 not to apply:

Hon. A. LOVEKIN: I intended to draw attention to the clause, but in view of the appeal by the Minister, who told us that he desires the Bill to be passed to-night, I shall not suggest the deletion of the clause. If hon. members look at Subsection 7 of Section 46 of the Constitution Acts Amendment Act, they will see that the clause can have no effect whatever, should anyone take exception to it. However, I agree to pass the clause as it stands.

Clause put and passed.

Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—INSPECTION OF SCAFFOLDING ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to amendment No. 1 made by the Council to the Bill, and had agreed to amend No. 2 subject to a further amendment.

BILL—ANATOMY.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—Short Title:

Hon. A. LOVEKIN: Under instructions from the House, the report of the select committee appointed to consider the Bill was to be taken into consideration at the Committee stage, and perhaps it is fitting for me, as chairman of the select committee, to say a few words regarding the report submitted to hon. members. At the outset, I wish to point out that the Bill has furnished an example of the value of referring such a measure to a select committee where it could better be examined than on the floor of the House. The Bill as it stands, is one that reminds us of Hamlet without the Prince of Denmark. It is really an absurd Bill and, as some of the witnesses described it, "an unthinkable measure." If hon. members look through the Bill, they will see what I

mean. In the first place, although I do not think it would probably happen, it could possibly be that any person or coterie of persons could establish a school of anatomy just as they could a kindergarten. There would be no control or supervision. An individual could become a student of that unsupervised school and that would entitle him to secure a license to receive bodies. Having got that license, he could possess himself of a body, and no provision is included in the Bill setting out that he should dissect it in any particular place, subject to any control whatsoever. True, provision is made for the appointment of inspectors but they are required to do two things only. The first is that the inspectors will have to report to the statistician every quarter regarding the number of bodies taken. The second job they will have to do is to inspect any place where the practice of anatomy is carried on. But beyond inspecting such places, the inspectors have no power to do anything, be the conditions ever so bad. A number of witnesses who are eminent in the community—their names will be found in the first paragraph of the report—appeared before the select committee and they told us that they did not realise that the Bill was such as they found it to be. They were under the impression that it followed the British Act of 1831 and the Acts that were based upon it subsequently for the regulation and control of schools of anatomy where dissection could take place under proper conditions. They were surprised that that provision was not embodied in the Bill. Dr. Atkinson was asked how the Title of the Bill had come to be altered and he told us he thought it must have been altered by the Crown Law Department. The matter was really not worth wasting time in investigating to find out why the Title had been changed, but I have heard from the Parliamentary Draftsman how it came about. The draftsman followed instructions to frame a Bill dealing with the practice of anatomy along the lines of the Victorian Act. Knowing little about the subject itself, the draftsman did his job according to instructions, and there was some confusion. All the witnesses before the select committee agreed that the first essential was a properly established school of anatomy, and that at such a school only, should dissection take place. The select committee agreed with that view and

have embodied that suggestion in the shape of an amendment the effect of which will be to establish a school of anatomy by license from the Governor, which school must be under proper regulation, discipline and control. That will be a new provision we suggest shall be embodied in the Bill. There are really only four amendments proposed by the committee and the rest of those appearing in the schedule of amendments are consequential. The second point I wish to make relates to the inspectors. From the evidence furnished to the select committee it appears likely that five or six bodies only will be examined in a year. It does not seem quite right to appoint inspectors to supervise five bodies, seeing that Dr. Atkinson said that an inspector should necessarily be a medical man. When Dr. Atkinson was interrogated further, he said that his Department could easily do the work required, without any additional expense. Therefore the select committee were able to frame another amendment that will be submitted to hon. members. It is to the effect that the Act shall be administered by the Commissioner of Public Health. We propose to delete the clause relating to the appointment of inspectors, involving the inevitable establishment of a new department. Then we suggest that students shall not take away from a proper school of anatomy, specimens from a human body either for use or exhibition. An amendment to that effect is required. There are times when, for research or educational purposes, it is necessary to take specimens. For instance, it is essential to have sections for examination when dealing with cancer cases and other diseases. The select committee propose that sections, or specimens, may be taken only with the approval of the Commissioner of Health and with the authority of those controlling a properly controlled school of anatomy, so that we shall not have students carrying parts of bodies about all over the place. Those are really the whole of the amendments, the remainder being consequential. If members will bear that in mind, we should not lose much time in putting the Bill through Committee.

On motions by Hon. A. Lovekin, all the amendments recommended by the select committee were then agreed to without discussion.

The CHAIRMAN: I desire to express my gratitude to the chairman of the select committee for the manner in which he has prepared the matter to assist the Chair and members of the Committee generally.

Bill reported with amendments and with amendments to the title.

BILL—STAMP ACT AMENDMENT

(No. 3).

Second Reading.

Debate resumed from the previous day.

HON. J. NICHOLSON (Metropolitan) [8.58]: We have been accustomed for a good many years to have presented to us at about this period of the session an amendment of the Stamp Act. The object has been to continue an imposition made some time after the war commenced to increase the duty on conveyance or transfer on sale of property. The Minister, when moving the second reading, explained that it was proposed to do away with the annual continuation Bills by making the increase, which was originally introduced as a temporary measure, permanent. The first part of the amendment proposed by Clause 2 provides that the permanent rate payable for duty on conveyances or transfers of land shall be at a rate equal to £1 per cent. I quite admit that for a good many years we have been accustomed to the payment of that rate; but I have taken the opportunity, as have other members, for several years past to express the hope that the double duty would pass and that we would find ourselves back once again in the happy condition of having to pay only 10s. per cent. on the consideration of any conveyance or transfer of property. I can understand that the Government, being beset with difficulties, think it better to make this a permanent and definite duty. Whether that is wise or not hon. members must consider for themselves. I realise that the Government have to get revenue somehow or other; and whilst not altogether favourable to this idea, I do not see that I can strenuously object to the proposal now, although on former occasions, when conditions were somewhat different from what they are to-day, I did hope to see an end of Bills of this nature which we were ac-

customed to have placed before us. Certainly I did not expect them to end by a permanent imposition of double the original rate of duty. Subclause 3 of Clause 2 provides a duty of 1s. for every £5 upon the transfer of scrip or shares of an incorporated company; except a mining company. That rate of 1s. calculated on the basis of £100 brings the duty on the transfer of shares in any incorporated company other than a mining company to practically the same percentage as that on conveyance of land, namely, £1 per cent. So that for every £100 of consideration for the transfer of shares in a company other than a mining company, the duty required to be paid—I admit it has been paid up to date—will be £1 per cent. It has been pointed out repeatedly in past sessions that the Government were losing a good deal of money by the imposition of this duty, because most of the companies carrying on business here have offices and share registers in other States. The position is peculiarly emphasised when we realise that in a good many cases companies carrying on business here have also offices and share registers in the State of Victoria, usually in Melbourne. In Victoria there is practically no duty on the transfer of shares in an incorporated company; I think the duty is merely 1d. or 2d. The consequence of that is that when people find a company carrying on business here and also having an office and a share register in Melbourne or elsewhere in the State of Victoria, if shares are not already on the Victorian register purchasers seek to have them transferred to that register before accepting the transfer. The object is to avoid payment of duty which otherwise would be payable in Western Australia. Thus we in this State lose the duty. We also suffer a further serious loss, which was emphasised in the case—known to the Leader of the House—of a fairly wealthy man who died leaving a considerable number of shares in a certain company which happens to have its head office in Melbourne. As a result of those shares being held on the Melbourne register, Western Australia was deprived of the probate duty, which otherwise would have reached our Treasury. That probate or succession duty, as it is called in Victoria, was paid to the State of Victoria instead of to the State of Western Australia.

Hon. V. Hamersley: Will the Bill rectify that?

Hon. J. NICHOLSON: No. The measure will perpetuate the mischief and the loss. So long as we continue on those lines, we shall suffer loss. To my mind it is indeed foolish to continue this method of imposing duty when we find that another prominent State is doing something that apparently wins purchasers over to the registers established in that State. I hope the Leader of the House will consider this matter seriously. It has been brought before Governments on a good many occasions. I think I spoke about it last session as well as in previous sessions. Perth stock brokers called my attention to it, and when one of those annual renewal Bills came up I took the opportunity of suggesting that the measure should include an amendment modifying the duty so as to put it as nearly as possible on a level with the duty payable in Victoria. I quite admit that all the other States have varying duties; but as numerous companies operating here have offices in Melbourne and also carry share registers there, one can see how it is that purchasers of shares insist upon the shares being transferred in the first place to the Melbourne register, before transfer is accepted. I suggest to the Minister that the rate should be 1d. instead of 1s. for every £5. That would be a moderate duty, and a little more than the Victorian duty. Subclause 4 of Clause 2 provides a duty of 1d. on each transfer of scrip or shares of an incorporated mining company carrying on the business of mining within this State. Why there should be this differentiation between a mining company and any other kind of company I do not know. There is in this State a brewery company which has its head office in Melbourne—the Swan Brewery Company.

Hon. Sir William Lathlain: All the soft-goods houses are registered over there.

Hon. J. NICHOLSON: I am glad Sir William Lathlain has mentioned that. Shares in soft-goods companies naturally would be dealt with from the Melbourne register, and the result would be that a person buying those shares would have to pay only 1d. or 2d. on the transfer of shares; in fact, merely the amount of duty on the receipt for the consideration. In Victoria the maximum amount of duty on a receipt is 2d.

That State has not the graduated scale of stamp duties on receipts which we have. One sees that there is a differentiation which needs a deal of explaining. Anyone seeing this differentiation would wonder why there should be a difference of that kind between a mining company and any other class of company. As far as possible they should be on a level. I always seek to help mining companies, which deserve all the assistance they can get. At the same time we should seek to place other companies on the same level, or as nearly as possible, in this respect. Another point to which I desire to call attention is also in Clause 3. The Minister has explained that owing to a ruling of the Commissioner of Titles it is necessary to insert a new provision in order to obviate the necessity for the payment of double duty where arrangements have been made with, say, the Agricultural Bank or any other institution to postpone a mortgage. It sometimes happens that a man creates a mortgage on his property in favour of a bank or an individual, and that after a time he finds that he has gone as far as he can go with that particular mortgagee. Then, in order to save the necessity for finding another person to take up that mortgage, he may arrange with the person from whom he borrowed in the first instance to allow the mortgage to be postponed if he obtains through, say, the Agricultural Bank money required for necessary improvements, perhaps in connection with the development of the property. The Agricultural Bank naturally wishes to be protected and says, "If you can arrange for that mortgagee to postpone his security to the mortgage which will be created in favour of us, then the Agricultural Bank will be agreeable to advance you money to enable you to go on with the clearing." It had been the custom until recently to insert a clause in the mortgages whereby provision was made that the mortgage in favour of the first party was postponed to that of the Agricultural Bank. That used to be accepted by the Titles Office until recently, and it saved trouble and expense which otherwise would have been occasioned if the parties had carried out the transaction in what was the correct way. That all meant extra expense and the paying of duties and fees so as to re-arrange the security putting the Agricultural Bank into the position as first mort-

gagee. That was a disadvantage to the poor man who needed all the money he could get. It might be worth while, when an amendment of the Transfer of Land Act comes forward, to introduce an amendment whereby a clause may be inserted in securities to provide for postponement without the necessity for making all these rearrangements. At present it cannot be done owing to the lack of provision in the Transfer of Land Act and something is now attempted through the Stamp Act. The full amount of the duty will not require to be paid, and accordingly there is the provision in the Bill before us that any discharge of a mortgage on land executed for the purpose of enabling a substituted mortgage to be registered, after a mortgage to the Agricultural Bank, then this is exempt. I am going to suggest that in view of the general position there may be found some other person who may be ready to give a helping hand as well as the Agricultural Bank. If so, I do not see why this exemption should be limited only to the case of a mortgage to the Agricultural Bank. I intend to ask the Leader of the House to accept an amendment and by adding at the end of Subclause 2 of Clause 3 the words "or to any company or person." What does it matter to whom it is so long as it is being done in a helpful way? The whole expense, of course, has to come out of the pocket of the man who is borrowing. As the Transfer of Land Act stands at present, one cannot insert in mortgages as was formerly done—and apparently wrongly done—a proviso which used to be accepted whereby one security was postponed to another. Subject to these remarks, I propose to support the second reading of the Bill.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [9.22]: There is certainly a great deal in what Mr. Nicholson said regarding the position of shares. It is very unfortunate that it has gone to this stage. The Act was introduced in 1922, and since then most of the damage has been done. Now we are faced with the position that for many years to come transactions covered by this Bill will not be of very great volume.

Hon. J. Nicholson: There will be other estates coming along.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: It would be inadvisable to make any reduction at the present

time that would interfere with the revenue, without any compensating benefit. Therefore I do not feel like agreeing to the proposal. Regarding Mr. Nicholson's later suggestion, that of amending Subclause 2 of Clause 3, I will have ample time to give it consideration because I do not intend to take the Committee stage to-night.

Question put and passed.

Bill read a second time.

MOTION—COAL INDUSTRY.

To Inquire by Royal Commission.

Debate resumed from the 22nd October on the following motion by Hon. G. W. Miles:—

That in the opinion of this House a Royal Commission should be appointed to inquire into and report upon the coal industry of the State, and particularly regarding—

1, The present position of the coal industry, including the production, carriage, distribution, bunkering, and sale of coal;

2, The capitalisation of collieries and other related enterprises in whole or in part by persons or corporations interested in the coal industry;

3, The cost of production, including interest, rent, royalties, commissions, salaries, wages, railway and shipping freights, and all other expenditure;

4, The profits or losses of collieries and other related enterprises controlled in whole or in part by persons or corporations interested in the coal industry;

5, The efficiency of management, marketing and control, including business methods, keeping of accounts, method of mining, and the utilisation of by-products;

6, The efficiency of labour and the effects of the limitation of output and of intermittency of employment upon the employees, upon wage standards, and upon costs of production;

7, The importation of coal into the State, the relative values of imported and State coals, and the possibilities of establishing a bunkering trade with local coal;

8, The economic values of State and imported coals, and any adjustments of the costs of production and other relevant factors which are necessary to make coal available to the community at a price corresponding to its economic value;

9, The conditions relating to the formation of colliery companies operating in the State, to examine books, accounts, contracts, and agreements, relating to the production and sale of coal, including fees, commissions, and other charges on sale costs, and report thereon;

10, The agreements, if any, between persons or companies having for their objective the fixation of prices or of anything in the nature of restraint of trade;

11, The effect of the present price of coal on railway freights and on industry within the State;

12, The possibility of recovering and exploiting the market for bunker coal.

HON E. H. HARRIS (North-East) [9.25]: The file that has been laid on the Table of the House reveals many side-lights in the history of coal mining of this State, and it would be no exaggeration to say that it is a dark subject or that it has rather a dark or coloured background. The file emphasises the necessity for having a good strong searchlight in any investigation that may be made into the industry. Mr. Miles has drawn attention to some important facts and he has urged that a Royal Commission be appointed. Opinions, however, differ somewhat as to whether there should be an ordinary inquiry, or whether it should be by Royal Commission. Personally I think a Royal Commission, by reason of its having greater power, should be the method of investigation. Since the matter was first introduced in this Chamber the Minister in another place had his attention directed to it and he said there was one point only and that was as to whether we were getting under the existing arrangements the best economic results from the standpoint of the railways out of our native coal, whether we were getting the best value from it in the interests of the community who had to use the fuel and had to pay for it. The Minister did not say anything about its use on locos or in the workshops or in the power house. I suggest that the State may be getting the best possible results out of the coal for one or more purposes. In fact, it is possible for the State to be getting 100 per cent. from the native coal, and if the scope of the inquiry is limited to that, as suggested by the Minister for Mines, it will not take us very far. I should say that the question we require to be investigated is, what is the value of the native coal as against imported coal landed at the railway station or at the power house, or are the local industries getting the maximum value for the taxpayers' money that is expended on coal by using the native article? But from what the Minister said, it would appear that so long as we were getting the best possible value from the local coal, there was nothing else to be investigated. The Commissioner of Railways said that the State was paying more for some coal

than it was worth. The Minister said the Government considered an inquiry was all that was necessary, adding that there was no need for a Royal Commission. He did not indicate how far the inquiry would go. If we are going to have an inquiry, we do not want a shandy-gaff one. We do not want a 16 c.p. lamp to illumine this dark spot. We want a good searchlight in the shape of a Royal Commission to ascertain the facts. Any investigation should be as thorough as is practicable without incurring great expenditure. The Minister said that New South Wales coal averaged 16s. per ton, and that Western Australian coal ranged from 17s. 3d. to 19s. per ton, or an average of 18s. 1½d. Taking Collie coal at 18s., a little under 30 cwt. would be required to equal 20 cwt. of New South Wales coal, and we would be paying 27s. for 1½ tons of Collie coal as the equivalent of a ton of Newcastle coal at 16s. Thus there would be a saving of 11s. by using imported coal. A factor that should be considered is the additional handling for firing, involving as it does increased work to get the same result from a ton of Collie coal. We should ask ourselves what sentiment is worth and whether we cannot pay too big a price for it. In other words, are we paying too much for sentiment merely to use native coal as against Newcastle coal? Would not the imported coal be cheaper from an economic point of view? The Collie coalfield depends for its existence on Government orders. They are the very lifeblood of the Collie field. In 1919 the total output was 523,000 tons, and of that quantity 420,000 tons were consumed by the railways and electricity departments. Therefore the field could not exist on other than a very small scale without Government orders. The Government being the largest consumers, the Commissioner of Railways, in negotiating for supplies, should be in a very strong position. He should almost be able to dictate terms, seeing that he is the only considerable buyer in the market.

Hon. Sir William Lathlian: The position for him is very humiliating.

Hon. E. H. HARRIS: Very humiliating. The unions conducting the negotiations practically dictate to the buyer the extent of the supplies, the quality and the basis of the supplies. If we conducted many other Government activities on the same lines, it could be said of them that the in-

dustrial organisations refrained from creating any industrial trouble whatsoever, because whatever demands they insisted upon were being conceded. That point should be investigated. The Commissioner of Railways has definitely stated that he is paying more for some coal than it is worth, and that statement should not be passed over merely by the promise of an inquiry. The contract for the further supply of Collie coal was made on the 28th February, 1930, and was to cover 91 per cent. of the total requirements of the railway service for a period of three years. According to the revelations made here, and borne out by a perusal of the file, the prevailing system is that the unions dominate the position when the Commissioner is trying to make arrangements with the coal owners. I think we are safe in saying that no other industry conducts its business along those lines. The unions demanded an assurance that the price of the coal would be fixed on the calorific value. That was because the miners' wages were fixed on that basis. As they had been fixed on similar terms in previous years, naturally the Government would not be an obstacle to the industrialists getting what they desired, and so the Government capitulated and signed the agreement.

Hon. J. J. Holmes: Which Government was that?

Hon. E. H. HARRIS: The Collier Government and the previous Mitchell Government. According to a question asked by Mr. Miles regarding the three-months' clause, it would seem that someone endeavoured to misrepresent the position. A statement was made in another place and also in this House, and a question was asked, and the statements do not agree. The statement was that the miners' wages were based on the calorific value and that the miners would not agree to be paid on any other basis because they might suffer a reduction of wages. On folio 61 of the file it is shown that Messrs. Johnson & Lumb, representatives of the Amalgamated Collieries, interviewed the Commissioner and said the hewing rate was contingent on the price paid for coal; any reduction in price would meet with strong opposition by the miners, and it would be disastrous if any attempt were made to reduce the price. Folio 85 contains a return submitted by Mr. Holm, of the Railway Stores, on the 3rd December, 1929, showing the increased burden imposed

by the coal tribunal of New South Wales. From time to time the Western Australian miners received increases aggregating 8s. under the Hibble award. In 1916 there was an increase of 6d.; in 1917, 1s. 11d.; in 1919, 2s. 7d.; and in 1920, 3s. Since then there has been no alteration in the price of coal. It will be seen that this a sort of Kathleen Mavourneen increase. It may last for years and it may last for ever. When looking up the terms of the tribunal which granted it, I found it was brought about in the Eastern States. Representations were subsequently made to Prime Minister Hughes, and a tribunal sat. The price of coal in Western Australia was increased 3s. I understand that unless the owners of the coal mines take the miners to the court, that will be the price for ever. Irrespective of what may be the cost of living, or whether the State can afford it, it seems to me that the procedure would be for the owners to take the union to the court. They refrain from taking that action because, as parties to the agreement, the price is to their mutual advantage. They have therefore preserved an attitude of masterly inactivity. It would be to their mutual benefit to do so. Although the State may be losing money, no move has been made by the coal owners. The State is, therefore, at a disadvantage all the time. A coalition it will be seen has been entered into between the coal-mining companies and the workers. This, Mr. Miles referred to as an unholy alliance. When we look up some of the circulars issued during different elections, we find some interesting matter relating to coalitions. I have here one from which I might read an extract. This is a circular issued by the Labour Party during the 1927 elections. It says—

A two-party pact in which the contracting parties have nothing in common except the desire to defeat the third party is, at its best, a temporary arrangement for an ulterior purpose.

By the two parties agreeing to make no move to alter the rate, a disadvantage accrues to the State, and it is because of the understanding that exists that the position remains as it is.

Hon. Sir William Lathlain: An honourable understanding.

Hon. E. H. HARRIS: That reminds me of the anthem of the Ancient Order of Frothblowers, "The more we are together, the merrier we shall be," This might be

paraphrased to read, "The more we are together, the richer we shall be." It is to the advantage of the coal companies and the workers that they should agree in this way. They can sit around the table and sing, "Your friends are my friends, and my friends are your friends; The more we are together, the richer we shall be." It seems a most proper anthem for the Frothblowers to sing when they fraternise together.

Hon. J. J. Holmes: The coal owners did not value the order. They did not put in a tender.

Hon. E. H. HARRIS: The railway order is the lifeblood of the mines. If the Government had had sufficient backbone to say they would call tenders in the Eastern States, we would have seen what would have happened. Apparently nothing of that sort was done lest, as a result of a counter move by the organisations concerned, there was immediately a cessation of the railway service of the State. The wages paid to skilled workers in the gold-mining industry, where the risks of accident and disease and the dangers to health are greater than they are in the coal-mining industry, do not reach the high standard that is reached in the latter industry. In the gold-mining industry it is impossible to pass on the cost. On the other hand the State is paying a higher rate of wages in the coal industry than is being paid in others. The previous Government, not being satisfied with what was being done in the gold-mining industry, arranged for the appointment of Mr. Kingsley Thomas as a Royal Commissioner to investigate the industry. That gentleman had a wide knowledge of mining in Africa. His report was a scathing indictment of many of the mining companies as to their inefficiency and inertness. Some of the supporters of the Government, who were responsible for bringing that gentleman here, quoted his report, in which he exposed the inefficiency of the industry and costs generally. If we had a similar investigation here by a qualified person into the coal-mining industry, we might get a report that would contain some startling features. The file clearly indicates that in calorific value the coal of the Griffin, the Premier and other mines is not of the same grade, and that the price should vary.

Since Mr. Miles opened up the subject, it is common talk that thousands of tons of what was termed coal has been taken out of mines at Collie and sold to the Government at 12s. 6d. a ton. I understand that a fire broke out in the coal mines and that a lot of ashes and cinders were sent up in trucks to the East Perth Power Station, the cost to the Government being 12s. 6d. a ton. I do not know whose duty it is to look after that, but if an investigation were made no doubt those responsible would be able to say whether there was anything in the statement. I do not know that any purpose would be served by relating other incidents of the kind. The Amalgamated Collieries are making substantial profits, chiefly out of the Railway Department, who can ill afford to pay more than they should pay. The coal company is a benevolent organisation. The employees participate under the Workers' Compensation Act, which is said to be the best of its kind in the world. They receive benefits under that, and in addition the company subsidise the Miners' Accident Fund to the extent of $\frac{1}{2}$ d. per ton on all coal mined. So it will be seen that the employees are on the very best of terms with the company. Naturally, in those circumstances an excellent feeling would prevail between the companies and the men. The more they sit around and the more they are together, the merrier they will be. On the goldfields the companies do not pay the men any more than they are forced to. On the goldfields the miners work two shifts, and in some cases three shifts, but the rate of pay is the same what ever the shift may be.

Hon. W. J. Mann: Do they work piece work on the goldfields?

Hon. E. H. HARRIS: Yes; and they do not make as much by piece work as the rates quoted in a big advertisement recently published in the "West Australian" by Mr. Wilson, the member for Collie. The work in the coal mines is not as dangerous as work in gold mines, and the rates are considerably higher. According to the "Industrial Gazette," wheelers, young fellows wheeling out the coal, receive shillings per day more than the men pushing out trucks in the mines on the Golden Mile. Mr. Miles has set out in 12 paragraphs the scope of the motion he desires. In my opinion, those

12 paragraphs possibly go a little far. No. 2 specifies—

The capitalisation of collieries and other related enterprises in whole or in part by persons or corporations interested in the coal industry.

To go into the capitalisation of these collieries, the investigator might have to visit London or the North of England. I do not know that the powers of a Royal Commissioner appointed by Western Australia would take him very far over there. Further, I do not know that such an investigation would assist us much, since the companies were formed a long while ago. The amount of money involved could be ascertained here.

Hon. J. J. Holmes: From where does the money come to build a power station?

Hon. E. H. HARRIS: I have not seen the balance sheets of the coal mining companies, but I understand they can be seen at the offices of the companies by persons entitled to see them. Not being a shareholder, I do not know what the balance sheets contain. I understand that the companies, without raising capital from the public, are erecting a power plant at the pithead. It is to be assumed that they are doing as many other companies do—investing some undisclosed profits by utilising them in that direction.

Hon. J. J. Holmes: Would that increase the efficiency of the mines?

Hon. E. H. HARRIS: Yes, and also the efficiency of the dividends to the shareholders.

Hon. J. J. Holmes: And those mines have established an insurance company.

Hon. E. H. HARRIS: It has been alleged that there are huge profits in the insurance business. Numerous insurance companies are operating in Western Australia, and to judge by some of their balance sheets they are not doing too badly. As coal mining employs a large number of men in a calling where the accident rate would not be very high, I should say it would be distinctly to the advantage of the coal mining companies to have an insurance company of their own, particularly with directors operating the two branches of business in common. Money could be saved in that direction, and utilised in the working of the mines. However, I am digressing somewhat

from the scope of the inquiry. Mr. Miles also wishes to look into—

The efficiency of labour, and the effects of the limitation of output and of intermittency of employment upon the employees, upon wage standards, and upon costs of production.

Hon. G. W. Miles: Is not that necessary?

Hon. E. H. HARRIS: It does not appeal to me as being highly necessary.

Hon. G. W. Miles: Are the other paragraphs all right?

Hon. E. H. HARRIS: I do not know that No. 9 is necessary—

To inquire into conditions relating to the formation of colliery companies operating in the State. . . .

That inquiry would go back to the companies originally formed, which I understand broke down.

Hon. G. W. Miles: What about the latter portion of the paragraph?

Hon. E. H. HARRIS: No. 9 continues—

to examine books, accounts, contracts, and agreements relating to the production and sale of coal, including fees, commissions, and other charges on sale costs, and report thereon.

As regards fees and commissions, if I am correctly informed, there is a company or an agency receiving 2s. 6d. per ton for selling coal to the Government, who take 80 per cent. of the output.

Hon. G. W. Miles: Is not that worth inquiring into?

Hon. E. H. HARRIS: Yes, if that allegation is correct. Most of the other paragraphs appear to be necessary if an investigation is to be held; but I suggest to Mr. Miles that by way of meeting the wishes of the Minister for Mines and the Leader of this Chamber, who look upon the scope of the inquiry as rather wide, he should limit it somewhat, in which case Ministers might be more favourably disposed to it by reason of the smaller expenditure involved in the appointment of a Royal Commission.

Hon. J. J. Holmes: Is the figure 400,000 tons of coal correct?

Hon. E. H. HARRIS: The total output for the year 1929 was 585,000 tons.

Hon. J. J. Holmes: And how much did the Government take?

Hon. E. H. HARRIS: Including the railways and electricity supply, 420,000 tons.

Hon. J. J. Holmes: If someone got 2s. 6d. a ton on that quantity, someone is getting £50,000 a year for selling the coal to the Government.

Hon. E. H. HARRIS: In that case he would be on an excellent wicket. It is a question whether we are paying too much for our coal by being patriotic enough to buy the local product when we could buy the other cheaper. As a representative of the goldfields, I am interested in the diminishing supply of firewood on the mines. The companies there unsuccessfully experimented with Collie coal for generating steam and in the roasting of refractory ore. The coal itself was suitable; but from information which I gleaned I understand that the mixture of Newcastle coal and Collie coal did not suit, in point of price, as compared with firewood. The mining companies now have to go 150 miles for their supplies of firewood, and in consequence they have investigated the use of crude oil.

Hon. J. Ewing: They could not use that.

Hon. E. H. HARRIS: If the Collie coal companies had commenced with a suitable price, the gold mining companies might never have introduced oil into Kalgoorlie. The new company operating at Wiluna are making the necessary preparations for the use of crude oil. The Kalgoorlie mines which formerly used firewood to produce steam for the generation of compressed air, have put in compressors to generate compressed air by the use of crude oil. By this means they have cut down costs one-half as against firewood. I am drawing attention to these facts to show that the gold mining industry, even though 400 miles away from Collie, might have been induced by a reasonable price to use the local coal. They could not, however, make a success of it at the price quoted. The mines are still running on firewood, but they have experimented successfully with crude oil. The Lake View mine has put in a large plant which will utilise crude oil. If Western Australian manufacturers are to be asked to compete with those operating in the Eastern States, where a lower basic wage obtains and where they have other advantages as well, we cannot afford to have our industries saddled with a higher rate for the product necessary to generate power than their competitors have to pay elsewhere. I will support Mr. Miles in his desire to have a Royal Commission appointed, but I think if he were to curtail slightly the scope outlined on the Notice Paper, the Government might be more inclined to meet him and to appoint some qualified person or persons, without any great cost to the State to conduct the in-

quiry and thereby arm us with information that should be of great assistance to the State.

Hon. G. W. Miles: It is for the House to amend the motion should it be so desired.

Hon. E. H. HARRIS: At any rate, I shall support the motion.

HON. V. HAMERSLEY (East) [10.1]: I regard the motion as most important. Looking back over many years in connection with the Collie coal industry, we know that efforts were made from time to time to open up what was regarded as a most important undertaking. For a long time grave objections were raised to the use of the coal because of the danger experienced during the summer months. As a result of careful planning and scheming, a wonderful improvement has resulted in the quality of the coal available, as well as in the construction of railway engines to facilitate the use of Collie coal. The result has been of the greatest benefit to the State. Had it not been for the energy displayed by those interested in the mines at Collie and the persistent endeavours on the part of various Governments to make full use of the coal, the probability is that the industry would have been wiped out many years ago, and we should have had to rely on imported coal for our railways. As a result of persistency in the past we have developed a splendid industry at Collie, where a large number of men are employed. That industry was of the utmost benefit to the State during the war period, when it would have been impossible to import coal from other parts of the world. Then again more recently it was of material benefit to us during the strike at Newcastle, which extended over a period of 12 months. Had it not been for the establishment of the industry, we might easily have been in the position of South Australia where they had to rely upon coal imported from England. That State was in grave difficulties for a long time regarding the running of the railways and the procuring of supplies for industries. Then again we know of the large number of industries we desire to build up in this State. In many instances the competition of crude oil is becoming a factor. Mr. Harris referred to the difficulties experienced on the goldfields where the firewood supplies are likely to run out, and there is a tendency to utilise oil instead of locally-produced coal.

Hon. Sir William Lathlain: Then there is the instance at Bunbury in connection with the electric lighting scheme.

Hon. V. HAMERSLEY: That is so. At Bunbury, without undue consideration to the building up of the local coal industry, the authorities decided to use crude oil in connection with the establishment of an electricity scheme, not only for the provision of lighting at Bunbury but of power for the butter factory and other factories operating there, including the large superphosphate works. As a result of that tendency, tribute has to be paid to oil companies in the outside world, whereas coal is available at their back door. Governments in this State are to be commended upon the enterprise they have displayed in promoting the interests of the Collie coalfields. From the earliest days, it has been argued in Parliament that the cost of coal production was altogether too great. I claim that whatever the cost has been, the establishment of the industry has been fully justified. As a result, the railway system has benefited considerably. If the prices charged are too high, then the inquiry by a Royal Commission should go a long way towards establishing that fact. In these times we must go closely into the question of costs because Western Australia has to compete with the outside world, and if the costs borne by the railways in various directions are too great, then they must come down. I have already spoken in a similar strain regarding another measure, and what I said then, applies equally to the Collie coal industry. It applies to coal just as it applies to farming, to our harbours, and to the handling costs of commodities in which we have to trade. Unless we can reduce prices and the cost of production, our industries will have little chance of holding their own in competition with the outside world. If the Royal Commission could throw light upon the question of costs, and it could be proved that our coal could be produced at a cheaper rate, so much the better for the railways, for the gold mines and for every other industry we desire to build up. I certainly think the inquiry, if conducted along those lines, will furnish an assurance to the people that proper results can be obtained. The Minister stated that the Government were in favour of an inquiry but did not believe in a Royal Commission. As against that, Mr. Harris and I have heard various

remarks. I certainly have heard much from various sources to the effect that unless a Royal Commission is appointed there are a great many features that will never come to light; that various matters upon which people would be quite ready to give evidence if put on oath will not be touched upon at any other form of inquiry. Only the other day I was speaking to an engine-driver in the country. I asked him if he knew anything about the qualities of these various coals, could he throw any light on the reports that had been made. He said he knew of one report by the engine-drivers. In this report the Griffin coal was placed at the top of the list, but he understood it was somewhere near the bottom of the list in the report made by the Commissioner of Railways. I told him I gathered from the reports of the Commissioner that it took a great deal more Griffin coal to do the same work as would be done by coal from other mines. He laughed at the idea. He said, "Do you think we railwaymen would have put that coal at the top of the list if it would be necessary for us to handle so many more tons of it in order to do the same work as would be done by any other coal?" Mentioning the name of another engine-driver, he said, "That man is well used to that coal, and he says he can go half as far again with that coal as with several other coals that are placed well ahead of it in certain lists." He seemed to know what he was talking about, and he gave me the impression that the inquiry that has already been held was not altogether satisfactory to that one coal mine which is outside the combine. It does seem strange that a number of Perth people who have put a very large sum of money into that mine have a big chance of finding there will be no orders from the Government for coal from that mine, no opportunity for the management to develop the mine. I claim that the State should encourage people to put money into the development of any good industry such as that, and so give the mining company an opportunity to demonstrate the quality of their product and get a return from the investment of their money. The shareholders in that company have put their money into a mining venture and are practically told they have only wasted their money. We have on the Table the report of the person who made the inquiry to determine whether that mine should

receive any orders from the railways. The report goes to show that it was not an economic proposition for the railways to use coal from that mine. But although it is said of many of the coals at Collie that they are not economic propositions for the railways, they can all be used and all get their proportion of orders from the railways; yet this mine, which happens to be outside the combine, seems to be penalised. In the report it is claimed that the coal from that mine is of the very highest quality in point of calorific value—upon which the quality of all coals is based. Consequently one would have expected that mine to be given an opportunity, at any rate to live, and receive orders from the East Perth power house for small coal. In the opening up of mines at Collie the greatest difficulty has been to dispose of the small coal. When the power house at East Perth was established, the idea was to get a cheaper coal by using the fines of the output of the mines. Many thousands of tons of those fines had been standing idle on the coal mines. Seeing that the Griffin mine had embarked such a large amount of money and had made great development in consequence of the excellent results obtained by the first tests and trials; and seeing that it was then claimed by the railways that its coal was not economically usable, it might reasonably have been expected that the mine would be given an opportunity for outside trade by putting its small coal into the power house. For it is a first class coal for that purpose, and the fine coal could be utilised there with distinct advantage. In that way the company would be able to sell its large coal, which it could not sell without an opportunity for getting rid of its small coal to the power house. It should be understood that there is always a proportion of small coal taken with the railway orders. The company was not able to get a large enough railway order. Only 400 tons were set aside for the company, whereas the original understanding upon which the shareholders invested in that company was that they were to have a good proportion of the reservation made from the opening up of new mines. That reservation was 20 per cent. of the total railway orders. It was the direct intention of the Government to encourage the development of new mines and it was an inducement to the people to invest their money in coal mines. Ow-

ing to their not getting what was promised, namely, 9 per cent. of the reservation, the company have experienced the greatest difficulty to continue operations. I do not know that I should stress the case of that particular mine, unless it be that I desire to see the industry encouraged. It is not a question of there already being sufficient mines opened up. We do not adopt that attitude to the production of wheat, timber or gold. The country should encourage the development of every one of its industries. If we can produce more coal, we might find an opportunity to secure a portion of the bunkering trade. In the past a fair trade was done in bunkering Collie coal.

Hon. G. W. Miles: You would get more of it if you lowered the price of the coal.

Hon. V. HAMERSLEY: And many of the vessels calling to load wheat would be glad to take supplies of native coal. It is all a question of price. The point I wish to make is that it is not for anybody to say that enough mines have been opened up. In my opinion we should open up more. We should encourage their development in order to give wider scope for employment. There would then be more mouths to be fed, and the operations generally would be in the best interests of the State. I cannot understand the attitude of those who contend that more mines should not be opened up, that it is a pity a particular mine is operating, and that it would be better to close it down. I disagree entirely with such views. It would be well to have an inquiry such as has been suggested by Mr. Miles, but there should be no question of the ability of the tribunal to extract the truth. The inquiry should be made by Royal Commission. I support the motion.

HON. W. J. MANN (South-West) [10.23]: Considering the talk current in the street, Mr. Miles is to be congratulated on having introduced the motion, if only because it will afford opportunity to clear the air and let us know exactly where we stand. The Government have promised to have an inquiry made into the industry. At the outset I was inclined to agree with the idea that an inquiry as promised by the Government would meet the position. Having perused a good deal of the file and heard additional statements, some by people quali-

fied to speak and many statements by others who were merely reiterating hearsay, I have come to the conclusion that it would be in the best interests of the coal mines and of the people of the State if a Royal Commission were granted. I do not approve of the long list of headings included in the motion. With Mr. Harris, I think they go too far. Quite a number of the headings might be deleted, because they have no direct bearing on the questions at issue. If a Royal Commission be appointed, I hope it will be conducted by someone who is qualified to sift evidence and who possesses technical skill and experience. He should be able to do a little more than we might expect of a Supreme Court judge or of anyone without experience of the industry. I have in mind a statement made by Sir Edward Wittenoom that the Amalgamated Collieries have no objection to an investigation, no matter how wide it might be. I have talked with leading members of the Coal Miners' Union who say they have no objection to an investigation. I believe I am correct in saying that the great idea underlying an investigation is the allegation that the Government are paying too high a price for their coal, and that the men on the mines are being paid too high a rate for their work, that they are getting more money than they are justly entitled to, and that there is some sort of collusion between the miners and the coal owners. I am not in a position to make any definite statement regarding an unholy alliance, but I should be rather surprised to hear that there was much of an alliance between the union and the company, for the reason that rarely a week passes without there being some sort of a dispute between them and a need for making continual adjustments. The fact that the miners' union and the company have got along so well for many years is to their credit, and it is not fair to allege from that fact that they have been exploiting the people. I think I am correct in saying that for quite a number of years the Collie coal industry was not a very payable one. Efficient management and careful handling have placed the industry on a sound footing. I can make a comparison by reason of the fact that recently I was in Yorkshire, and was shown over one of the largest coal mines in England. I was able to compare the methods employed there with those at

Collie, and was more than pleased and delighted to feel as I went away that the methods employed at Collie in hewing coal were far in advance of those I saw in England. I was astonished to find that coal-cutting machines were not used in the mines in Yorkshire, and that the old method of the pick was still being followed. The men were working sometimes on their backs, and mostly on their knees, and in all sorts of awkward positions in order to hew coal. In Collie most of the coal is taken out by machines. The men work in comparatively good circumstances. By reason of the better methods employed they are able to do more work and the output is greater. I do not usually subscribe to the doctrine that a man can do more work in six hours than in eight, but I have to admit, and the figures prove the assertion, that as soon as the Collie miners went on to piece work, although they were working shorter hours the output was very much greater. I understand from those who know that when the Collie miner is in the mines he works very hard. He does perhaps a little more than would usually be done by a wages man, and consequently he is entitled to a little more remuneration. We frequently hear it said that people do not mind paying a good wage for a good day's work. That has been said in this Chamber. People say they believe in payment by results. That is what has been brought about at Collie. The miner has been delivering the goods, and has been paid accordingly. Not only have I nothing of a derogatory nature to say of the Collie miner, but I think he is to be commended, and the State is not the loser for his industry. Our coal mines have been worked for a number of years and this work has been of distinct advantage to the State. Work has gone on very smoothly. I know of no instance in the last 14 or 15 years of any serious stoppage of work. I believe there is a case of a stoppage for one day, but this was not a serious matter. Industry generally has been able to function without any fear of being held up for coal supplies. The railways have also been able to draw their supplies regularly. When dealing with a question of this kind we should bear those things in mind. Whilst it may be true that the State is paying a little more than it should for its coal, it is also receiving wonderful advantage by reason of the presence of coal here. But

for our own coal supplies, we could easily have been in a worse position than South Australia. The difficulties of that State have been largely accentuated by the absence of coal deposits there. We are further away from the coal supplies of New South Wales than is South Australia, and it is fair to assume that but for our coal deposits, we should have been in an even worse plight than the sister State. I am prepared to support the motion, but I urge that whoever is appointed to conduct the inquiry should not be a layman. An investigation of this kind will involve many technical questions, such as the calorific value of coal and other matters of importance. Many conflicting statements have been made about the railway engine-drivers on the one hand and the Government on the other, about the company and so forth. An experienced man will, after a complete investigation, be able to bring down a report that should be of some benefit to the State. I hold no brief for any company, but I do want to see the State get the best possible results from the coal industry. All things being equal I think every company should have an equal chance for the business of the State. On the other hand, if it is found that the coal from any mine is inferior and unsuitable, the State should not be obliged to use it. If the right man be appointed to hold the investigation, it may even be found that the methods employed in using our coal are defective, and we may get a lead in that direction. We may be shown some way in which to use the coal to greater advantage than it has been used in the past.

On motion by Hon. G. Kempton, debate adjourned.

House adjourned at 10.37 p.m.