

Legislative Council,

Tuesday, 13th November, 1934.

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

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the Western Australian Aged Sailors and Soldiers' Relief Fund Amendment Bill.

ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMENDMENT BILL SELECT COMMITTEE.

Extension of Time.

On motion of Hon. J. Nicholson, the time for bringing up the report was extended to Wednesday, 21st November.

BILL—CITY OF PERTH SUPERANNUATION FUND.

Third Reading.

HON. J. NICHOLSON (Metropolitan) [4.35]: I move—

That the Bill be now read a third time.

HON. J. J. HOLMES (North) [4.36]: I regret that, through no fault of my own, I had no opportunity of addressing the House on this Bill.

Hon. C. B. Williams: We are all pleased to see you back.

Hon. J. J. HOLMES: I thank Mr. Williams for his remark. Holding the views that I do, I cannot allow the measure to pass without making reference to it. A perusal not only of the Bill under discus-

sion but of others appearing on the Notice Paper indicates that the trend of legislation is to put employees in permanent posts back into the position they occupied prior to the Premiers' Plan and, in respect of the present Bill, to improve their position. That is the one stage that seems to be aimed at. Another stage is that all men who come under the provisions of the Arbitration Act are to be restored to the position they were in prior to the enforcement of the Premiers' Plan. That can be done only at the expense of all other sections of the community. The Bill proposes to provide a superannuation fund for the employees of the Perth City Council.

Hon. J. Nicholson: For all their employees.

Hon. J. J. HOLMES: I will deal with that phase presently. The Bill applies to the City Council only. There is the City of Fremantle to be considered, and also the municipalities and road boards throughout the State. I presume the Bill will furnish the lead to be followed by all those other bodies in due course. What concerns me most of all and has induced me to speak is the paragraph in the "West Australian" this morning setting out that the Perth City Council have found it necessary to pay off 60 of their employees. I presume the men will have to ask the Government to provide them with sustenance work. I understand that it would cost the City Council £4,000 to keep those 60 men in employment until Christmas. That is the position with which the Perth City Council are faced; they have either to increase the rates, or dismiss 60 employees from the service. To my mind the two positions do not fit in. To legislate for additional benefits in the interests of men in permanent employment, we are asked to sanction the creation of a superannuation fund at a time when the Perth City Council cannot keep all their men at work. That sort of thing must tend to create dissension in the life of the community, and that is what none of us would wish. So far as I can see, there is no limit to the amount that the City Council can allocate for this purpose. The Bill makes it quite clear that they can allocate any sum they deem fit. We must remember that a large number of ratepayers not only in Perth

but throughout the other municipalities and road board districts, are so hard pressed that they cannot pay their rates. Yet under the Bill the ratepayers of Perth will be asked to allow portion of the rates they pay to be allocated to a superannuation fund for the benefit of the permanent employees of the City Council. This is to be done at a time when any money available should be spent on improvements to the city, and when men who have been thrown out of work will have to approach the Government for sustenance work. An idea of the difficulties confronting local authorities is to be found in the legislation appearing on the Notice Paper. There is the Road Districts Act Amendment Bill (No. 2), which has been introduced because people have not been able to pay their rates on properties and the local authorities cannot do anything with them. The proposal under that Bill is that the land shall be taken from the people who bought the buildings originally, and that the properties shall be sold to pay the rates, or if unsold, shall revert to the Crown. It is true that the superannuation fund must be approved by a majority of the Perth City Council, and that may be difficult to obtain at the present time. On the other hand, we have a Minister in charge of the affairs of local governing authorities, who claims he will not do anything with regard to water supply matters or hand over anything until certain things happen. First of all, he wants the abolition of plural voting.

Hon. E. H. Gray: Do not you think that will be a good thing?

Hon. J. J. HOLMES: And if we pass the Bill under discussion, it must be realised that we cannot tamper with a superannuation fund. We shall soon reach the stage when lodgers will be given a vote, and the time may arrive when the lodgers will out-vote the permanent ratepayers. In that event the lodgers, who have no responsibility with regard to the payment of rates, will probably be interested in making the superannuation fund better than it is likely to be under existing circumstances. There is another phase. The Bill is hedged round with conditions, and I notice that the ratepayers can object to the proposal. After particulars have been published twice in the "Government Gazette," the ratepayers can lodge their objections, and a referendum will

be taken. Why, at a time such as the present when the City Council have to pay off some of their employees, should the ratepayers be put to the expense of a referendum? Why should the ratepayers, who are already harassed and annoyed by the effects of financial emergency legislation, who are experiencing difficulty regarding rents due and in many instances are not able to pay their rates, be called upon to express their views on a proposal of this description, if put before them by the Perth City Council? Certainly the permanent employees of the City Council have not felt the depression to any great extent, nor, I suppose, have they lost a day's salary during the years of depression. Compare their lot as permanent employees with that of sustenance workers battling here and there in order to exist. Compare their lot with that of the primary producers, particularly those in the wheat areas, who are facing just as black an outlook as confronted them in 1914. What with rust in one area and with weeds, germinated by the summer rains, taking charge in other areas, the position of many of them is as bad as it was in 1914. The primary producers are in a very bad way and our attention should be directed to assisting that class of the community instead of creating a superannuation fund for men who have occupied cushy jobs for years. The Bill provides that superannuation shall be paid to wives and families in the event of a husband deserting or for similar causes. It seems to me that the Bill, if agreed to, will do more harm than good. It will mean that the men at the top, the men in permanent employment, will have their emoluments increased, while as to the men on the lower rungs of the ladder, well, 60 of them at any rate are faced with the probability of losing their work because there is not sufficient money to keep them employed.

Hon. E. H. Gray: Are those 60 men on the permanent staff?

Hon. J. J. HOLMES: I do not know, but according to this morning's newspaper, some of them have been employed for 14 years.

Hon. J. Nicholson: The scheme will include all or any employees.

Hon. J. J. HOLMES: The present is not the time to legislate along those lines, and I intend to vote against the third reading.

HON. J. NICHOLSON (Metropolitan—in reply) [4.48]: Let me preface my remarks on the Bill by saying that we all rejoice to see Mr. Holmes once more restored to health after his recent illness. I am sorry that he was unable to be here when the Bill was discussed. I pointed out what had transpired in connection with the Bill of 1928, and mentioned that the present Bill had been referred to a select committee appointed by another place, consisting of members in whom this House would have the fullest confidence. The report, which has been furnished to members, shows that the committee considered the Bill very thoroughly and made drastic alterations to the measure as introduced. They added, I think, five additional clauses, thereby introducing those very precautions upon which we would have insisted had the Bill come to us in its original form. The chief ground for complaint advanced by Mr. Holmes is that no limitation is expressed as to the amount the City Council may allocate. That is fully safeguarded by Clauses 5 and 9. Clause 5 provides that no proposition for a scheme for superannuation as permitted by this measure or for the establishment of a superannuation fund in connection therewith shall be adopted by the council unless the scheme has been approved by at least two-thirds of the members of the council.

Hon. G. Fraser: That is a safeguard that this House recommended six years ago.

Hon. J. NICHOLSON: I pointed out on the second reading that the select committee of another place had wisely followed along the lines suggested by our select committee when the previous Bill was before us. I was pleased to see that that safeguard was inserted, because it was the main safeguard that had been recommended here previously, although the method proposed to be adopted in 1928 was totally different from that proposed on this occasion. The two-thirds majority will safeguard the people responsible. Provision is also made for advertising the proposed scheme. Under Clause 9 power is given to make by-laws for various purposes, including the contributions to be made to the fund. That provision will give the Council a voice in the matter because, under the Interpretation Act, regulations or by-laws have to be tabled in Parliament and may be disallowed within a certain time. The select committee of another place, not content with the provision in the Interpretation

Act, went further, and provided by Clause 10 that in construing Section 36 of the Interpretation Act, 1918, the words "from the expiration of the time permitted for disallowance under Subsection 2 hereof" shall be substituted for the words "from the date of such publication" appearing in subdivision (c) of Subsection 1 thereof. The effect of Clause 10 is that instead of the by-laws taking effect from the date of publication in the "Government Gazette," they will not take effect until after the time permitted for their disallowance has expired. That is a safeguard. When I saw the amendments that had been made in another place, I realised that they followed what had been recommended by the select committee of this House six years ago, and I felt abundantly satisfied that the Bill was one that could be recommended for the acceptance of members. In view of those explanations, I hope Mr. Holmes will feel satisfied.

Hon. J. J. Holmes: This is an inopportune time. You have not answered that point.

Hon. J. NICHOLSON: During the second reading I pointed out that this Bill would, to some extent, take the place of Section 155 of the Municipal Corporations Act. That section provides that a municipal council may give a retiring allowance to an employee equal to one month's salary for each year of service. To grant that allowance has been regarded practically as a moral obligation on councils, and particularly the Perth City Council, on the retirement of an employee from the service. The amount disbursed by the Perth City Council since 1918 has amounted to £14,713.

Hon. V. Hamersley: A fairly substantial sum.

Hon. J. NICHOLSON: If a superannuation fund is established, the City Council, instead of paying that amount, will pay the sum due under the fund, and the man receiving it would not be entitled to anything under Section 155.

Hon. G. W. Miles: And the employee retiring will have contributed to the fund.

Hon. J. NICHOLSON: Yes. A superannuation fund will be better than the provisions of Section 155 under which the rate-payers contribute the lot.

Hon. V. Hamersley: Will not the council increase salaries accordingly?

Hon. J. J. Holmes: I think I saw in print that it would cost £100,000.

Hon. J. NICHOLSON: The amount that may be paid under Section 155 will naturally increase in course of time as the number of employees increases. A scheme will have to be prepared and by-laws have to be framed, and when the by-laws are tabled, Parliament will be able to inquire into the matter.

Hon. J. J. Holmes: Is the present time opportune?

Hon. J. NICHOLSON: The present is as opportune as any other time would be, because the establishment of a superannuation fund would, in a large measure, relieve the council from the responsibility of what is regarded as a moral obligation under Section 155. I hope Mr. Holmes will be satisfied with my explanations and withdraw his objection to the Bill.

Question put and passed.

Bill read a third time and *passed*.

BILLS (2)—FIRST READING.

1, Gold Mining Profits Tax.

2, Dried Fruits Act Continuance.

Received from the Assembly.

BILL—ELECTORAL ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendment subject to further amendments.

BILL—CONSTITUTION ACTS AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendment subject to further amendments.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Recommittal.

On motion by the Chief Secretary, Bill recommitted for the purpose of further considering Clause 2.

In Committee.

Hon. J. Cornell in the Chair: the Chief Secretary in charge of the Bill.

Clause 2—New sections:

The CHIEF SECRETARY: When the Bill was before the Committee at the last sitting, an amendment was made to Clause 2 on the motion of Mr. Nicholson. That amendment has not given satisfaction to the Parliamentary Draftsman, from whom I have received the following memorandum:—

1. Obviously Mr. Nicholson desires that before the land becomes vested in the Crown, all persons appearing to have any interest in the land shall be given an opportunity, by notice in writing, to pay the rates and thus preserve their interest in the land.

In my opinion, however, quite apart from several other objections, the amendments proposed by Mr. Nicholson as they stand will be ineffective to achieve the objective aimed at.

Amendment No. 2 is unnecessary and redundant. Amendment No. 1, as proposed, is incomplete in its terms, out of position in paragraph (a) of the proposed Section 285A and useless.

2. In my opinion those two amendments as proposed cannot possibly stand in the Bill without creating ambiguities and difficulties in the application of the section, and that Clause 2 of the Bill should be recommitted.

3. Upon recommitment the two amendments proposed by Mr. Nicholson should be deleted, and, if the Government approves, paragraph (a) of Section 285A should be amended to satisfy the requirements of Mr. Nicholson as follows:—

(a) delete the word "or," in line 18 on page 2 of the Bill, and insert in lieu thereof the word "and."

(b) insert after subparagraph (iii) a further subparagraph to stand as subparagraph (iv), as follows:—“(iv) The amount of the rates in respect of which the said order was made remain unpaid after the expiration of notice in writing of not less than one month or more than three months given by the Crown Solicitor to every person appearing by the records in the Office of Titles, or the Registry of Deeds, or the Department of Lands and Surveys to have any legal or equitable estate of interest in the said vacant land at the address of such person appearing on the records aforesaid, that unless the amount of the said rates is paid within the period specified in the notice, the said land is liable to become vested absolutely in His Majesty, or.”

4. The amendment to paragraph (a) of Section 285A suggested by me above is shown in red ink on the copy of the Bill annexed hereto.

I therefore move—

That subparagraph (i), inserted by a previous committee, be struck out.

Hon. J. NICHOLSON: I admit I prepared the amendment rather hurriedly. Under the Bill, as it came to the House, the

position was that once the land had been offered for sale and not sold, then automatically, after the expiration of three months from the date of the order, it passed over to the Crown, and, what was worse, it passed over, as provided in the clause, "free from all encumbrances, and the estate, right, title, interest, claim, or demand of any person whomsoever," so that nobody would have the opportunity of getting it restored, as it were, to its former position, because the expiration order automatically forfeited the land to the Crown. That certainly seemed a weakness in the interests not only of the road board concerned, but in respect of those who might have any interest in the land. It was only fair to provide for a final notice being given during that period of three months, so that there would be the opportunity for the land to be restored to its former position on the payment of the rates. I am not going to raise any objection to the amendment, but I think it should go in at the beginning of the paragraph, instead of at its conclusion.

Hon. V. Hamersley: Should not the notice be by registered letter?

Hon. J. NICHOLSON: It might with advantage be sent through the registered post.

The CHIEF SECRETARY: It has been complained that there is in the Bill no provision ensuring that the notice shall be received by the owner or mortgagee. But in the amendment there is a double precaution; in the first place, the board has to notify all persons concerned, while the Crown Solicitor also has to issue notices.

Hon. J. M. MACFARLANE: I am not satisfied that the Committee are in accord as to the giving of notice. The road boards have expressed objection to it. Anyhow, it can be dealt with in another way.

Hon. G. FRASER: I do not know that we should be greatly concerned over the form of notice. The owners will be notified by the road board secretaries that the land is being put up for sale. If we are going to give special notice to the owner, it should be given before the land is put up for sale, for it is of no use notifying the owner after somebody else has had opportunity to buy the land.

Amendment put and passed.

Hon. J. M. MACFARLANE: I move—
That the Chairman do now leave the Chair.

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

Ayes	7
Noes	13

Majority against	6
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AYES.	
Hon. C. F. Baxter	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. J. M. Macfarlane	Hon. V. Hamersley
Hon. H. S. W. Parker	(Teller.)
NOES.	
Hon. E. H. Angelo	Hon. R. G. Moore
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. J. M. Drew	Hon. H. V. Plesse
Hon. C. G. Elliott	Hon. C. B. Williams
Hon. G. Fraser	Hon. C. H. Wittenoom
Hon. E. H. Gray	Hon. A. Thomson
Hon. G. W. Miles	(Teller.)

PAIR.	
Aye.	No.
Hon. H. J. Yelland	Hon. W. H. Kitson

Motion thus negatived.

The CHIEF SECRETARY: I move an amendment—

That in subparagraph (iv) the word "or," in line 39, be deleted, and the word "and" be inserted in lieu.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That there be inserted after subparagraph (iv) a further subparagraph, as follows:—

"the amount of the rates in respect of which the said order was made remains unpaid after the expiration of notice in writing of not less than one month, or more than three months given by the Crown Solicitor, to every person appearing by the records in the Office of Titles, or the Registry of Deeds, or the Department of Lands and Surveys to have any legal or equitable estate or interest in the said vacant land at the address of such person appearing on the records aforesaid, that unless the amount of the said rates is paid within the period specified in the notice the said land is liable to become vested absolutely in His Majesty, or."

Hon. J. NICHOLSON: I move an amendment on the amendment—

That after "writing," in line 3, the words "by registered post" be inserted.

Hon. G. FRASER: I cannot see any advantage in having the notice sent by registered post. It means extra work and extra cost, without any advantage.

Hon. V. Hamersley: We want to be sure of its reaching the owner.

Hon. G. FRASER: You can be quite sure of that.

Hon. J. Nicholson: You get a receipt for the registered letter.

Hon. G. FRASER: But you have no proof of its delivery.

Hon. J. M. Macfarlane: You can get proof by applying to the Post Office.

Hon. G. FRASER: That would mean further expense. It is just as satisfactory to use the ordinary post in a case like this as the registered post. If the addressee does not receive the communication it is returned to the sender. I do not know that the change warrants either the expense or the trouble that would be put upon the department.

Hon. V. HAMERSLEY: It is a custom to notify electors when they have been struck off the roll. Very often the notices are not received. People are informed that they have been sent out, but the notice itself frequently fails to come to hand. When the elector goes to the poll he finds that his name is not on the roll. All such notices should be registered. The same thing can occur in the case of mortgages of property that we are now dealing with. They may learn that the property has reverted to the Crown, but may never have received any notice of the intending transfer. Some definite record should be available to show that the notice has been posted by the road board officials.

Hon. G. Fraser: The correspondence book should show that.

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

The CHIEF SECRETARY: I move an amendment—

That in paragraph (b) the words "subject to compliance with the provisions of paragraphs (a) and (b) hereof," inserted by a previous committee, be struck out.

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

Bill again reported with further amendments.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

Second Reading.

Debate resumed from 8th November.

HON. C. B. WILLIAMS (South) [5.35]: I generally support anything that will help anyone, or any section of the taxpayers, provided the members of the indus-

try concerned can put up a good case. I have never voted against anything that I thought would help people to carry the State and the Commonwealth along, and have particularly supported the producers. On this occasion I am forced to support the Bill before the House. Although I represent a goldfields province, I maintain that the measure does not go far enough. I understand that Mr. Cornell proposes to move an amendment when in Committee, but I hope he will not go on with it. Although the State has borne the brunt of compensation for sick miners, actually the mine-owners themselves should have been made to shoulder the responsibility. No member of Parliament can say what the liability to the State may be in generations to come. There are now 10,000 men employed in the industry, either on wages or engaged in prospecting, etc. Various Acts governing the industry cover the largest proportion of that number of employees. In six or eight years' time the mining industry may be back where it was three years ago, and may be employing only 2,000 men. The State, however, will have to face the liability for the 8,000 men who will have gone out of the industry. Under the laws of the country if any of these men develop any form of miners' phthisis, they will be entitled to compensation from the employer or the State. That liability is unknown. I admit that Mr. Cornell knows as much about mining as I do. He was in the forefront of the union movement on the fields when I was a boy. Probably I received some of my education at his hands. I cannot, however, follow him in his amendment. He seems to want to localise this tax in some way.

Hon. J. Cornell: That is altered.

Hon. C. B. WILLIAMS: I do not want any amendment, unless it is to make the tax higher. The industry can pay much more than 1s. 4d. in the pound on profits. Let me take the taxation the 10,000 employees in the industry are paying under the financial emergency measures. If the average is 6d. in the pound the amount must run into many thousands in the case of the wages men. They have no exemptions so far as the basic wage is concerned. They have to pay from 4d. to 9d., and a fair average would be 6d. in the pound. Mining is mostly on contract or piece-work, and generally the men receive far

above the basic wage, even though that be at the expense of their health. The Government expect to receive £80,000 from the tax on profits. I estimate that they already receive, on the basis of 6d. in the pound from the 10,000 wage earners in the industry, approximately £65,000 a year. And yet the Government are only seeking to raise £80,000 from the mining companies. They are being very lenient to them. I read a leading article in the "Kalgoorlie Miner." This took to task some members of another place for their attitude towards this tax. The "Kalgoorlie Miner" forgets that when mining was at a low ebb the State guaranteed one mine about a quarter of a million of money. The Government paid in actual cash to the Golden Horseshoe Company approximately £60,000, and about £75,000 to the Sons of Gwalia Mines. If the increased price of gold had not put the industry on its feet, and the depression had still come upon us, the taxpayers would have had to make good those amounts. Furthermore, the Golden Horseshoe would have closed down, and the same thing would have applied in the case of the Sons of Gwalia. But for the backing of the State and the increase in the price of gold the Wiluna mine would have been in a bad way. It was floated as a £2 per ton proposition, but has never gone above 28s. or 30s. per ton. The mine would, of course, have closed down. That is a Jeremiah point of view. The State, however, would have had to stand the loss of half a million pounds. That is to say, the other producers and the community would have had to foot the bill. Fortunately the State has not had to worry about the mining industry, only about the wheat, butter and stock producers. As I have already said, the workers in the mining industry of Western Australia will contribute about £65,000 annually on an average contribution of 6d. in the pound. The lowest rate is 4½d., and the highest is 9d. The majority of the workers will pay above 6d., being on piecework, and paying on the basis of their earnings. I fail to understand how any hon. member either of this Chamber or of another place can want to reduce the amount of tax payable by the mines. Up to 1933 there were only nine mining companies in this State paying dividends, and they have agreed that this new tax is fair. I should think they would acknowledge that, seeing

that the rate is only 1s. 4d. in the pound on profits, while probably 40 to 50 per cent. of the employees will be paying 9d. in the pound on their earnings. I do not know whether the Bill safeguards the position as regards companies paying back capital to their shareholders. In that respect I can give two illustrations. Last year the South Kalgurli mine paid back £62,501 capital, apart from dividends. Have the Government made sure that the Bill safeguards that position, so that companies will not return the whole of their share capital to the shareholders and thus pay no dividends and consequently no tax under the Bill? If companies pay back share capital, will they be taxed 1s. 4d. in the pound on such repayments as profits earned? That should be made quite clear, because it is a highly important phase of the question. To show that no member of Parliament should interfere with the Bill on the plea of leniency—the measure is most lenient—I quote a statement published on the 29th May last in the "Financial News" of London. It refers to a South African company, operating on the Rand, which made a profit for the year of £2,008,813. The company had paid no dividends for five years, but the South African Government said, "The State requires something of your profit," and took no less than £1,063,481. Thus the company's profit for the year was reduced to £945,332. It cannot be said that the Western Australian Government, which is supposed to be a sort of red Government—

Hon. J. J. Holmes: Who said that?

Hon. C. B. WILLIAMS: The hon. member has said it repeatedly.

Hon. J. Cornell: I do not think the hon. member went beyond pink.

Hon. C. B. WILLIAMS: The hon. member and I disagree as to the difference between pink and red. Western Australia's present Government is a Labour Government, one of those red Governments, next door to Communist, so it is said, and still the Western Australian Government ask the mining companies to contribute only £80,000 for the current year. Nine companies, as I previously indicated, will pay that taxation. Now I wish to quote some figures recently adduced in the Arbitration Court as to capital and share values of and dividends paid by Western Australian mining companies—

TABLE SHOWING GOLD MINING COMPANIES OPERATING IN WESTERN AUSTRALIA. WITH COMPUTATIONS SHOWING THE MARKET INCREASE IN VALUE OF SHARES :
ALSO DIVIDENDS DISTRIBUTED, WITH PERCENTAGE OF PROFITS TO CAPITAL EMPLOYED, ETC.

(Figures extracted from the "Financial News," published in London, and from records supplied by the Government Statistician of Western Australia, and also from the Companies' Register in the Supreme Court of Western Australia.)

Name of Company.	Issued Price of Shares.	Authorised Capital.	Paid-up Capital.	Market Quotations as per Kalgoorlie "Miner," Aug. 29, 1934.	Market Value of Shares Issued.	Increased Market Value.	Dividends Paid to 31st December.					Interim Dividends Paid 6 months to 30/6/34.	Declared Profits.			
							1929.	1930.	1931.	1932.	1933.		1930.	1931.	1932.	1933.
		£	£		£	p.c.	£	£	£	£	£	£	£	£	£	£
Great Boulder Propy., Ltd.	2/-	250,000	233,333	15/-	1,749,997	650	(9·37 p.c.) 21,875	...	(9·37 p.c.) 21,875	(28·12 p.c.) 65,625	(28·12 p.c.) 65,625	(9·37 p.c.) 21,875	(6·94 p.c.) Aust. 38,900	(18·23 p.c.) Aust. 102,118	(50·74 p.c.) Stg. 284,146	(78·44 p.c.) Stg. 439,305
Lake View and Star, Ltd.	4/-	500,000	500,000	35/-	4,900,000	775	...	...	...	(11·6 p.c.) 65,000	(40·8 p.c.) 270,000	(12 p.c.) 67,500	...	...	...	...
Sons of Gwalia, Ltd.	10/-	350,000	102,500	52/-	845,000	420	...	...	...	(10 p.c.) 16,250	(30 p.c.) 48,750	(20 p.c.) 32,500	...	...	...	...
Wiluna Gold Mines, Ltd.	20/-	1,600,000	1,200,000	83/6	5,010,000	317	...	...	...	...	...	(13 p.c.) 156,000	...	...	...	(25·6 p.c.) Aust. 307,787
Golden Horseshoe (New), Ltd.	3/-	...	165,000	5/-	275,000	60½	...	...	...	(33 p.c.) *55,000	(16·6 p.c.) 27,500	(16·6 p.c.) 27,500	...	...	...	...
Associated Gold Mines of W.A. (New), Ltd.	4/-	120,000	120,000	7/8	230,000	91·6	...	...	...	(12·4 p.c.) 14,844	(24·8 p.c.) 29,768	...	...	...	(14·4 p.c.) Stg. 17,337	(13·8 p.c.) Stg. 16,615
North Kalgorli (1912), Ltd.	2/-	100,000	100,000	23/3	1,162,500	1062	...	...	...	...	(18·75 p.c.) 18,750	...	...	...	...	(44·7 p.c.) Stg. 44,779
Boulder Perseverance, Ltd.	1/-	125,000	124,793	4/6	561,568	350	(10 p.c.) 12,479	...	...	(20 p.c.) 24,959	(30 p.c.) 37,438	(30 p.c.) 37,438	...	...	...	...
Boulder Perseverance, Ltd.	Notes	36,045	10 p.c.	10 years profit sharing	notes.	...	...	...	...	...	(74·8 p.c.) 20,968	...	...	...	...	...
South Kalgorli ...	10/-	...	(½ returned)	...	...	...	(25 p.c.)	(25 p.c.)	(25 p.c.)	(50 p.c.)	(150 p.c.)	(20 p.c.)	...	...	...	...
Consol, Ltd. (new)	5/-	150,000	62,501½	29/6	368,761	490	31,250	31,250	31,250	*125,000	†93,750	12,500	...	...	...	...

* Includes returns of capital; Golden Horseshoe (New), Ltd., £55,000; South Kalgorli Cons., Ltd., £82,500.

† Includes bonus, £31,250.

In reference to the table there are some facts to be pointed out. The Wiluna company, in addition to paying dividends, repaid an amount of £250,000 guaranteed originally by the State Government and subsequently by the Federal Government. The Golden Horseshoe Mine was sold to the Lake View Company. As regards the Associated Gold Mines, this owned a subsidiary company operating in the United States or Canada. Five or six years ago, the Western Australian company was cut adrift by the parent company, which said, "You must carry on on your own." The North Kalbarri, as you, Mr. President, and Mr. Cornell know much better than I do, did no mining at all for a period of 20 years, but the leases were worked by tributers. Since the price of gold went up, the company have been fairly prosperous, and have developed the mine with their own capital. The Boulder Perseverance represent a complicated position. The company issued debentures and those who were fortunate enough to invest in them received 50 per cent. profit for a period of about ten years.

Hon. H. S. W. Parker: When does that arrangement expire?

Hon. C. B. WILLIAMS: Next year. We know the troubles the company passed through before the new concern was floated. The old company went on tribute about 1913 or 1914. The property was offered for sale at £60,000. Thus the reconstruction was a pretty good job. No one need worry about these companies in view of the figures I have quoted. In fact, it should be realised that the companies are getting out of it very lightly indeed.

Hon. J. J. Holmes: You want to watch those refunds of capital.

Hon. C. B. WILLIAMS: Yes. I have been thinking about that. The Labour Party are too sincere. Having to work for their living, members of that party do not worry about finance, and that is what I am concerned about. However, that is the position regarding the mining companies. Then there is the Lake View and Star, Ltd. That company, up to the end of June last, showed a profit on the year's working of £460,238. I want to deal with the question of miners' phthisis compensation. The compensation paid during 1933-34 amounted to £65,825.

Hon. J. J. Holmes: That was about the same as during the previous year.

Hon. C. B. WILLIAMS: Yes; £69,042 was paid out in 1932-33. Since the year 1925-26, £419,416 has been paid out by the State. That expenditure represents a dead loss to the State in carrying that burden of the mining industry. That was paid at a time when the industry was not in a satisfactory condition. That was why I read out the record of the profits made by the various mines, to show that they are not now in that unsatisfactory position, even though they have had to pay, roughly, 10s. per week per man for all insurance purposes. The State will be faced with practically the same total expenditure for the current year. On top of that, there is the Mine Workers' Relief Fund, which is a contributory scheme to which the employers, the employees and the Government contribute on an equal basis. Payments to that scheme cost the State during 1933-34 £9,672, and since 1925-26 the total contributions by the State have amounted to £52,453. All that money has gone west, except, of course, that the Government could take the profits of the State Insurance Department and set them off against that expenditure. Nevertheless, last year £75,000, in round figures, was spent by the State under these two headings on account of men who had lost their health in the mining industry.

Hon. J. Cornell: A lot of that money was taken from Loan funds.

Hon. C. B. WILLIAMS: I do not worry where it came from; the money has been paid. I defy you, Mr. President, or any member of Parliament to say what this will cost the State in future years. No man can say what the wealth at present being produced from the gold mines will cost Western Australia. The Government Actuary could not give any exact computation. At present there are 10,000 men employed in the mining industry. Should the price of gold fall, and the mugs who have invested their capital in shy-poo mining syndicates lose their money, the industry will fall flat, and goodness knows how many men will be thrown back on to the labour market. Even though the industry should continue in its present prosperous condition for 10 years or more, annually a number of the workers will be taken out of the industry because of the condition of their health and the State

will have to contribute towards their support. They may be taken from the mines when suffering from silicosis in the early stages but inevitably in 15 years, perhaps sooner or perhaps later, those men will develop the disease in its advanced stages and will be entitled to full compensation.

Hon. J. Cornell: Every foot the mine goes down, the risk is increased.

Hon. C. B. WILLIAMS: When they reach that stage the men will be entitled to £750 each, and although the mining industry at that time may be defunct, the State will have to pay that money to the men. In view of the possible liability the State will have to undertake in the years to come, it is urgently necessary that we collect every shilling we can from the industry at present. Even though the collections should go into Consolidated Revenue for a period of 10 years, and £100,000 or more is recovered in excess of the requirements under the Miners' Phthisis Act, the State should see to it that as much of this revenue as possible is collected so as to provide for the contingencies of the future. Medical men have declared that if a man has been for six or eight years in a mine, it is a matter of certainty that he will contract miners' complaint in the primary stage. Members will see what an enormous liability the State will have to undertake in the end.

Hon. J. Cornell: They will realise it in due course.

Hon. C. B. WILLIAMS: I realise it now. No matter how honest and sincere the Mines Department may be, and how sincere and honest the mine owners may be, as the mines reach greater depths the conditions become increasingly difficult. Eight years ago the average life of a miner was 52. What must the average age be to-day when mines are down nearly 4,000 feet in vertical depth, and when the rock temperature alone is nearly as high as the regulations permit? Despite all the ventilation arrangements and so forth, healthy conditions cannot be expected at such depths. Therefore the State will have to face an increasingly difficult position. I regard the Bill as a gesture on the part of the companies and evidence of their willingness to pay the tax. In view of the profits I have read out, the tax will not be a hardship to them. It will relieve the State from some of the responsibility of payment for the wastage of human life in the industry.

Under an Act that has been a dead letter for more than two years, the State has to pay out large amounts, but the statistics I have read show that the decreased amount paid out last year must be accounted for either by the death of some of the men, the remarriage of their widows or by the fact that the children have reached the age limit. Under the Mine Workers' Relief Act the payments increased from £3,372 in 1932-33 to £9,672 in 1933-34. That increase is explained by the augmented number of men employed in the industry. I understand that there is a surplus of £20,000 odd in the Mine Workers' Relief Fund, but how long will that money last? When the mining industry slumps, the State will have to shoulder the increased burden, and what will happen then? It is because of this that I do not want any member to amend the Bill. I do not even agree with the amendment suggested by Mr. Seddon to restrict the operations of the Bill to 12 months, unless he can give me a satisfactory explanation of his reasons. In 12 months' time there may be many more mines on the dividend-paying basis. Should that be so, the State should be entitled to the extra money. I sincerely trust the Bill will be agreed to as it stands, and I want members to realise the financial liability that the State will have to shoulder in the future.

Sitting suspended from 6.15 to 7.30 p.m.

HON. A. THOMSON (South-East) [7.30]: I congratulate the Government on having introduced the Bill. I have only one fault to find with it, namely, that it does not go far enough. The figures quoted by the Chief Secretary were certainly very interesting and educational to most of us. Few of us realised the enormous amount that the Miners' Phthisis Act was costing the State.

Hon. R. G. Moore: Not as much as the Agricultural Bank.

Hon. A. THOMSON: It has been said that the mining industry, through disease, takes a greater toll of human life than does any other industry in the world, and one sometimes wonders whether, in view of the enormous amount of suffering, the industry is worth while.

Hon. C. B. Williams: That is true to-day.

Hon. A. THOMSON: I do not wish my friends from the goldfields to think that I am attacking the industry. It really placed Western Australia on the map some 40 years ago, and attracted many of us to this State, and it is still a great asset to the State. The figures show that the cost to the State under the Miners' Phthisis Act has been £418,165, the figure for last year having been £76,805. The industry at present is providing a much-needed fillip in the shape of employment. I was impressed with one remark by Mr. Williams, that though the industry is flourishing at present, we do not know what it will cost the State in a few years' time. I hope Mr. Cornell's proposed amendment will not be carried.

Hon. J. Cornell: Why?

Hon. A. THOMSON: If the industry declines, as must happen sooner or later, the State will have to foot the bill, as it has done for a number of years. The proceeds of the tax will be paid into revenue, and it would be better to leave the money in the hands of the Government. I agree with part of Mr. Seddon's proposed amendment, namely, that the measure should continue in force for one year and no longer. That would enable the House to review the position each year. I strongly support Mr. Williams's remark that we might have obtained a little more from this very prosperous industry. During the past five years an average of 90 miners have been inmates of Woolooloo Sanatorium, and the average cost to the State has been £100 each. I regret that the industry has been the cause of so many men having had to seek treatment in the sanatorium.

Hon. J. Cornell: They were men who had not worked in the industry for some years.

Hon. A. THOMSON: But the industry was responsible for their condition. Recently a deputation representing miners in the settlement at Southern Cross waited on the Government and pointed out that, through having remained on the land, they had forfeited their right to relief under the Miners' Phthisis Act. They had not been so shrewd as some of the other miners who joined the settlement. Let me point out how favoured are the unfortunates in the goldmining industry. This is the only industry for which the Government have made provision for the wives and families of those who contract disease in the course of their

employment. The Health Act provides that if a man is suffering from tubercular trouble, he may not work in a butcher's or baker's shop. Such a man may be driven out of the calling he has followed all his life, and he has no redress. No provision whatever is made for him or his dependants. For those engaged in the mining industry, however, provision is made under the Miners' Phthisis Act. I take no exception to that, but I cannot help pointing out that the Act is one of the most humanitarian measures ever approved by Parliament. Mining is the only occupation for which such provision has been made. To those who may be opposed to taxing the profits of goldmining companies, I reply that we should ensure that the State is not deprived of its just dues. Governments, past and present, have been very sympathetic to the mining industry, as well as to other industries, but the figures quoted by the Minister speak for themselves. During eight years, the total revenue received from the goldmining industry was £242,080, whereas the State paid, by way of subsidy for water and other services to the industry, £3,379,553. The sovereign to-day is worth over £2; in other words, its value has appreciated by 100 per cent.

Hon. C. B. Williams: Some people have not seen a sovereign.

Hon. A. THOMSON: To our children, it would probably be a curiosity. It is not within our province to increase the proposed rate of tax, but, in view of the difficulties through which the State is passing, the industry should pay a little more than is proposed under this measure. True, the estimated proceeds of the tax will show a small margin over and above the amount to be paid under the Miners' Phthisis Act, but at this stage efforts should be made to provide for the rainy day that must inevitably come.

Hon. J. Cornell: You could do that in only one way—the way I suggest.

Hon. A. THOMSON: That may be so. I might even support the hon. member's amendment, but, as it stands, I cannot say that I favour it. During the present gold mining boom an effort should be made to establish a fund from the money derived from this tax, over and above what is actually needed, and from that fund it should be possible to meet the commitments in the future of what we might call the victims of

the mining industry. The Bill is a step in the right direction. Very few realise the enormous tax the industry has imposed upon the people of Western Australia. No one wants to employ those who have been unfortunate enough to contract any of the miners' diseases, because they are too weak. Moreover, I should also like to see provision made for others who suffer from similar complaints, though not contracted as the result of working in the mines. Whilst I give my support to the Bill I regret that we are not getting a little more out of this flourishing industry.

HON. E. H. ANGELO (North) [7.48]: I intend to support the Bill which imposes a very moderate tax on the gold mining industry. Hon. members have been complaining that this new taxation baby of the Government is only a small one. Those members need not worry; the history of all taxation babies is that they grow rapidly. There is not one tax that has been imposed that has not grown from small proportions. I should like to see it grow if the industry can stand it, to create a fund for the purpose mentioned by members, namely, to relieve those men who suffer from following this vocation. I am surprised that some taxation has not been introduced by way of say a stamp duty on the transfer of mining scrip.

Hon. J. Cornell: It is about time, too.

Hon. E. H. ANGELO: A small tax is imposed, but only when scrip certificates are handed over for the first time, or when registered. Some of those certificates, however, change hands time after time, and the Government get nothing on the transfers. The effect would be to curtail, or perhaps handicap, a lot of the wild-cat flotations, not only in Western Australia, but in other parts of Australia. Such a tax might have the effect of minimising this trouble.

Hon. H. S. W. Parker: They would still pass the scrip.

Hon. E. H. ANGELO: There should be stamp duty on all the scrip that goes through the Stock Exchange.

Hon. H. Seddon: But all sales take place in Adelaide.

Hon. E. H. ANGELO: There are also many here. As suggested the other evening, a company should be compelled to have a registered office in this State. It is surprising that mining scrip can be handed

from one to another without the State deriving any benefit from the transaction. We impose a tax on bookmaker's tickets, and their transactions are no greater gambles than are many of those in scrip on the Stock Exchange. That would be another means by which the Government could raise revenue. In the meantime I intend to support the proposed very moderate tax.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [7.52]: Mr. Seddon attacked this Bill on various grounds. He says that it is sectional taxation, and that the mining industry is singled out for it. The principle is no new one, for the financial emergency cut in salaries and wages enforced throughout Australia was in reality sectional taxation. The gold mining industry is a distinctly sectional industry, though admittedly a valuable one, and one that was responsible for the first great step in Western Australia's progress. But, unlike many other primary industries, it represents a disappearing asset. In Western Australia some centuries may elapse before its end comes, but the day will eventually dawn when it will be no longer profitable to take gold out of the earth in this State. The same may be said of the coal mining industry but, besides an annual rental, there is provision for a royalty on coal of 3d. a ton for the first ten years of a lease and 6d. per ton thereafter.

Hon. G. W. Miles: Is that being collected?

THE CHIEF SECRETARY: Only 3d. per ton by reason of the fact that if 6d. were collected the additional 3d. would still go back to the company under an arrangement in connection with the purchase of coal. The previous Government came to the conclusion that no good purpose would be served by increasing the rate of royalty.

Hon. A. Thomson: The Government themselves would have to pay it.

THE CHIEF SECRETARY: It would be an additional cost, and that would have to be taken into account in connection with the price fixed. When gold is found associated with any other mineral on land held under a mineral lease, royalty at 1s. per ounce is payable, provided the gold is not in sufficient quantities to make it the most profitable product of the lease. If gold is the most profitable product and the lessee desires to retain the land as a mineral lease,

a royalty of 10s. per ounce of fine gold recovered is payable. There is also a royalty payable in connection with oil leases, being 5 per cent. of the output of any wells or bores for the first five years, and thereafter, 10 per cent. Royalty is another name for taxation and for sectional taxation. The gold mining industry, as we know it, pays no royalty. It gets a lease for 5s. per acre for the first 12 months, and after that it pays £1 an acre. The great mines in Western Australia are paying no more than £1 an acre to-day.

Surely at a time like this when every other industry is suffering, and when the price of gold has doubled, such a prosperous industry as the gold mining industry should contribute a little more than it has contributed in the past to the coffers of the State. South Africa, and I am informed Canada and New Zealand, each imposes a tax on gold production. Western Australia is, therefore, the only large gold producing British country where a tax on gold has not so far been imposed.

When the mining industry was in trouble, different Governments went to its rescue. I have already told hon. members the extent to which the price of water was reduced when the mines were finding it difficult to make ends meet, and the loss made up from Mines Development Vote. I referred to the cost of the Goldfields Water Scheme, but I regret that in the figures, which I gave and which were supplied by the department concerned without a knowledge as to the purpose for which they were required—I regret they included the extensions in the agricultural areas. This statement has now been supplied—

The bulk of the Loan expenditure was for the provision of the actual goldfields water supply. Agricultural extensions are only made with small 1½ in. and 2 in. pipes, and have not cost more than £50,000. Main pipes were large enough to provide for all requirements without extra provision to meet the needs of agricultural extensions. The provision of water to the agricultural districts has enabled the Department to refrain from charging higher rates to the goldfields.

I referred to the fact that for three years the Government paid the premiums for insuring miners under the Workers' Compensation Act, representing a total amount of £83,155, that the amount paid by the Government since the Act was passed totals

£418,000, and that the outstanding liabilities are estimated at £344,000. The Government also showed their concern for the gold mining industry by guaranteeing one company £51,500 and another, in conjunction with the Commonwealth, to the extent of £300,000. In both cases the companies met their obligations and discharged the liabilities. That assistance was rendered by the Government in times of adversity. But if the State had done none of these things for the gold mining industry, it would, in view of the high price of gold, still have a claim to impose on gold mining companies a tax on their net profits, especially when it is a tax which will still leave them 5d. in the pound lower than the maximum imposed on individuals and syndicates, who are engaged in commercial or other business undertakings. Mr. Seddon says a tax imposed in the form of increased premiums in connection with the industrial diseases section of the Workers' Compensation Act would have been a better method to adopt. I am surprised at such a suggestion coming from Mr. Seddon. The impost on some mines might be too great. A mine which was making only a small profit would have to pay as much tax per employee as the mine which was making huge profits. It must not be forgotten that the majority of the men now receiving miners' phthisis compensation were infected prior to the inauguration of the fund under the Third Schedule of the Workers' Compensation Act. Hence the fund, so far, has been called upon to meet only a portion of the burden. Liabilities are still accruing, but experience alone can tell whether the accumulation now taking place will prove sufficient to meet future obligations. The position, therefore, is that the fund is being built up to meet accruing liabilities, and meantime, we are paying compensation for disabilities due to the inaction of many previous years. At the present time, our total liability on cases under the Miners' Phthisis Act is estimated at £350,000. Compensation paid during the nine years ended 30th June last amounted to £419,417. In addition, we have contributed £52,544 to the Mine Workers' Relief Fund during the same period. We also have to meet incidental expenditure connected with the examination of miners, make a contribution to the Commonwealth Health Laboratory, and provide

after-care for a number of invalided miners. Commitments also have been entered into in connection with miners' settlements, on which there will be a heavy loss. But apart from this, it is due from the companies we propose to tax, that they shall, as I said before, contribute, in this time of depression and while they are enjoying high prices, something which does not equal the maximum rate at which syndicates and individuals have to pay tax to-day. By making the tax one on profits, we are not increasing production costs. An increase in the premium rate under the Third Schedule of the Workers' Compensation Act, or a tax on production would increase costs, and, as a result, some mines might be forced out of production, and prospecting would certainly be discouraged. If the present favourable position of the industry should collapse, the removal of any impediment to a continuance of activities must become a question of importance to be determined by the circumstances at the time. The Bill has been designed to do no more than this in a manner that will inflict the least hardship. The proposal was thoroughly considered by the mining industry, and the justice of the contribution recognised. It was considered by the leading mining companies to be most equitable. Although some companies will pay very much more than others, the burden will operate in proportion to their ability to pay.

Hon. G. W. Miles: Will they have to pay tax on return of capital and reserves?

The CHIEF SECRETARY: Yes, I have a note here. Whatever amount is credited will be regarded as net profit.

Hon. G. W. Miles: I suppose Clause 6 will cover that.

The CHIEF SECRETARY: The very phrase "net profits" means net profits.

Hon. J. Cornell: But return of capital is not profits.

The CHIEF SECRETARY: It is another word for dividends.

Hon. H. S. W. Parker: They cannot return capital out of income.

The CHIEF SECRETARY: We can make inquiries into that phase. Mr. Seddon is anything but specific when he says "certain goldfields districts are stagnating for want of crushing facilities." I should like to know where they are. Frequently application is made for the erection of a State battery and investigation shows

that there are only a few shows. It is then claimed there are only a few because of the lack of a battery. To try out the district the Mines Department grant subsidies on cartage of ore to the nearest State battery, and sometimes to the nearest private battery. So the prospector in the district affected is in no worse position than he would be if a battery were in the district. These cartage subsidies run from 6d. per ton per mile (after the first 5 miles) up to 25 miles (12s. 6d. per ton), up to 250 tons: the second 250 tons get a subsidy of 3d. per ton per mile; the third 250 tons 2d. per ton, and then 250 tons at 1d. per ton, and when 1,000 tons have been so carted the subsidy ceases.

Hon. G. W. Miles: Is that paid only up to the first 25 miles?

The CHIEF SECRETARY: There is no payment for the first five miles; up to 25 miles it is 6d. By this time the prospector should know his ground and take up a lease, or, if he has already a lease, he should be able to decide whether it is worth putting in his own battery. Where ore is carted over five miles to a railway siding a carting subsidy is allowable at the same rate on the distance to the siding, plus railage to the nearest battery up to a maximum of 12s. 6d. per ton. After all this assistance, and after 1,000 tons have been taken out of a mine the owner of the property ought to be in a position to decide whether he should go on and erect a battery himself. He should not expect the Government to pay out any further public money in the testing of his property. The erection of a State battery to crush perhaps only a few thousand tons of ore, would be waste of public funds. The methods adopted permit of a district being proved, and when it is shown to justify erection of a State battery by the tonnage and promise of a district, then a battery is considered. At the present time there have been agitations for State batteries in many different districts. Before investigations have been completed, it has transpired that the prospectors had sold their shows to companies which treated at their own plants, and so the need for the battery disappeared. The whole position has to be viewed in the light of common sense and reason, Mr. Seddon is not justified in his criticism. The hon. member is wrong again, when he says that increased crushing facilities would bring additional revenue to the Government. While in recent years, and for the first

time in their history State batteries have shown a profit on the treatment of tailings purchased and treated, yet when the losses on crushing charges, carting subsidies, and loan moneys on erection costs are considered, the systems shows a loss.

Mr. Cornell spoke as if this tax would be a tax on the goldfields people. It is not the people of the goldfields, except a very small percentage of them who enjoy the benefits of the profits, and so they cannot be hurt by the Bill. Those who are asked to pay have willingly agreed to pay, and that should be the end of this phase of the argument.

Mr. Cornell suggests that to tax the 25 per cent. exchange rate would be fair and reasonable, because the public generally would have returned to them something which they have created. That would be a logical act, he contended. It seems to me it would be logic run mad.

Hon. J. Cornell: What I said was to take part of the premiums, as is done in South Africa.

The CHIEF SECRETARY: That would kill prospecting straight away.

Hon. J. Cornell: If so, it is very easily killed.

The CHIEF SECRETARY: It would kill prospecting, for a man might have worked his show for nine months of the year, and in the remaining three months struck sufficient gold to save him from loss. That man would have his premium taxed. Some prospectors are unable to make a living out of low grade ore now. Take away a substantial part of his exchange—Mr. Cornell tells us the whole of it belongs to the people—and he would be an applicant for a job on the relief works. This tax will not injure prospecting, nor will it be felt by those who have to bear it. Mr. Agnew put the position well at the recent annual meeting of the Wiluna Gold Corporation Ltd. A cabled report of the meeting appeared in the "West Australian" of 29th October. This is an extract from the cable—

London, Oct. 26—The annual meeting of Wiluna Gold Corporation, Ltd., was held today. Mr. J. A. Agnew, the chairman, presided

Tax on profits relatively small.—Speaking of the tax on profits of mining companies which he said appeared to have given rise to some adverse criticism, and some little concern among investors, Mr. Agnew pointed out that the amount involved was a maximum of £80,000

Australian pounds yearly which was relatively small. It was hoped that the mining companies' ready acceptance of this responsibility would to a great extent meet the argument of those complaining that the mining industry was not prepared to contribute to public funds some share of the benefit it was at present enjoying.

Mr. Cornell says: "It is rather curious that, at a time when the mining industry is prosperous, we should consider a proposal to tax the industry to the extent of £80,000."

Hon. J. Cornell: When did I say that?

The CHIEF SECRETARY: The hon. member will find that in "Hansard." It would be more remarkable still to tax the industry at a time when it was not prosperous, for that would be like pushing a man when he was going downhill. Mr. R. G. Moore, a goldfields member made a remarkable speech in favour of the Bill.

Hon. G. W. Miles: What about Mr. Elliott's speech? He made an excellent one.

The CHIEF SECRETARY: Yes but he went rather too far. Mr. Moore never speaks without impressing members with his breadth of mind. He would strongly oppose a tax on production. In that he is on very sound ground.

Hon. J. Cornell: When you are taxing premiums you are not taxing production.

The CHIEF SECRETARY: The effect would be the same. It would be suicidal to tax production, or to take away any of the premiums which the mining industry enjoys. I have no doubt members will pass this measure, and hope they will do so without amendment.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Nicholson in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Gold mining profits tax:

Hon. J. CORNELL: I move an amendment—

That the following proviso be added:—"Provided that the proceeds of such tax shall be used for the purpose of defraying any Government disbursements made under the Miner's Phthisis Act, 1923, and the Mine Workers' Relief Act, 1932, and for no other purpose."

The industry is in a state of affluence and can afford now to pay a tax on its profits.

This is the first special tax of its kind ever imposed in Western Australia. The main reason for it is the amount of money that has been paid out in the past by way of compensation to those men whose health has been injured in the industry. We have agreed that the industry should be taxed. Is it too much to ask that the money thereby raised shall be spent in the specific direction outlined in the amendment? If there is any balance over, it can be set apart as the nucleus for a fund which can be used later if the industry falls from grace. It is no new principle to tax mining to compensate for the wreckage that is brought about by the operations of the industry. The Union Parliament of South Africa imposed such a tax 20 years ago. The industry there has been contributing sufficient to pay all the compensation due to the workers. It is taxed on profits as well as on the premiums. If the Western Australian tax is earmarked in the way suggested, it will show the objects for which the industry is to be taxed.

Hon. C. B. WILLIAMS: I oppose the amendment. The liability in respect of men engaged in the industry amounts to millions of pounds. If the industry should go back as it did three or four years ago, the State would have to face that liability. Many of the men now employed will contract miners' phthisis, and will be succeeded by many others who, in turn, will contract the same disease. Either the liability must be faced or the Miners' Phthisis Act must be repudiated. Why tie the money up? Next year there will probably be 12,000 men employed in the industry, with an increased liability of 2,000 men at the rate of £700 each, irrespective of pensions involved.

The CHIEF SECRETARY: For many years past the State has had to find large sums of money in order to provide relief for cases of miners' phthisis. That money has come out of Consolidated Revenue, and the accumulated liability is very large indeed. If there is to be a tax, Consolidated Revenue should be compensated to the extent of that taxation. If, unhappily, the mines suspend operations or the goldfields should become depressed again, there will be the liability consequent on the present large increase in the number of men employed in the industry, and that increased liability will have to be met out of Consolidated Revenue

—a liability incurred during a period of prosperity. The tax should be allowed to go into revenue, even though this will not make much difference to the Government.

Hon. H. SEDDON: The arguments of the two previous speakers really support the amendment. Should not we establish a fund to bear the first brunt of the increased liability? Governments might find themselves in a position where revenue would not meet their ordinary obligations, and so they might be forced to repudiate the obligation in respect of miners' phthisis cases. Mr. Cornell's amendment is in the best interests of the men. The Government have been taking £25,000 per year out of the workers' compensation fund, and by utilising that amount and the returns from this tax they could prepare to meet the further liability mentioned by Mr. Williams and the Chief Secretary.

Hon. C. B. WILLIAMS: As regards workers' compensation, the position is all right while the mines are working; but who is to be responsible if they close down? Again, what will be the position, in regard to workers' compensation, of men who have left the mines for 12 months? Any man working in the mining industry for eight years is absolutely certain to become dusted. In the end the State has to carry the responsibility. The Mine Workers' Relief Fund did not finance itself up to two years ago; the State had to find the deficiency up to that period. In fact, the State has had to find such deficiencies for 20 years. The proceeds of this tax ought not to be tied up.

Hon. H. S. W. PARKER: I am opposed to the idea of earmarking revenue for any special purpose. Taxes should be paid into general revenue, and used for the general welfare of the country at large. A habit is arising of earmarking money, and invariably Governments have to bring in amending legislation to enable them to use that money. I have a vivid recollection of somewhat similar remarks made by Mr. Cornell in regard to amendment of the Forests Act, legislation being introduced to permit the Government to use money which had been accumulating for about nine years. No one suggests that, for instance, the betting and totalisator taxes should be earmarked for the development of the racing industry. We trust that in the near future science will do something to alleviate

the dangers arising from miners' phthisis. In that case what would become of the proceeds of this taxation? Would they be allotted to the last survivor? Up to the present, the Government of the day have always provided the funds necessary for compensation. Miners' phthisis is not the only burden imposed on the Government by the gold mining industry. That being so, the money should be used for the general purposes of the State.

Hon. J. CORNELL: Views such as those expressed by Mr. Parker led to the unfortunate miner being placed in the position he is in to-day. I am obsessed with the desire to protect the interests of the miners who suffer as a result of their employment, and I regret that Mr. Williams has joined issue with me on my amendment. Thirty years ago we commenced pointing out the position that would arise in the mining industry, and now that it has taken on a new lease of life and we wish to do something in the interests of the men suffering from miners' complaints, it is suggested that we shall proceed along the same old path without making any definite provision, simply leaving the matter to the Government. I want to start off on a sound basis by which the industry shall contribute towards the compensation payable to the human wreckage caused by it. There is no analogy between betting and mining, as suggested by Mr. Parker. If the Committee are not prepared to take a definite stand in this respect, I shall at least have the satisfaction of knowing that I have tried to do my job in the interests of the miners. Few men realise the appalling liability with which the State will be confronted.

Hon. E. H. ANGELO: Mr. Cornell's arguments have much to commend them, and I would support him if I did not appreciate the absolute futility of such an addition to the Bill. If Government accounts were kept in accordance with ordinary business methods, it might be possible to create the fund Mr. Cornell desires. We have any number of instances in which Parliament decided that money should be set aside for particular purposes, but Governments have made use of the funds through Consolidated Revenue.

Hon. J. Cornell: If a private company did that the directors would be in gaol.

Hon. E. H. ANGELO: I admit that. The position regarding the Forests Act has al-

ready been mentioned, and the Auditor General has pointed out that the profits made by some State trading concerns have been paid into Consolidated Revenue, instead of being put as a set-off against losses on other concerns. We remember the huge profits made by the m.v. "Kangaroo," in the early stages of her history. Those profits were not used to pay off the cost of the ship, but were used as a contribution to Consolidated Revenue. The amendment will not be given effect to. Under the Sale of Government Property Trust Account, the State purchases requirements out of loan revenue, but the proceeds of sales effected are paid into Consolidated Revenue. Then again the amendment may act as a boomerang. If the industry were to decline and the profits disappeared, the Government would say, "You set aside this tax for this specific purpose, but there is not enough for compensation. We shall have to increase the tax or impose another tax." I do not think the amendment will prove effective.

Hon. A. THOMSON: At the outset I was not impressed by Mr. Cornell's amendment, but after hearing his explanation and realising what compensation cost the State last year, it now appears to me that the amendment is on sound lines. I can agree with Mr. Angelo that what he indicated has happened in the past.

Hon. H. Seddon: And it is happening now.

Hon. A. THOMSON: That is quite possible. As to the amendment having a boomerang effect, so long as the Miners' Phthisis Act remains in force, it can have no such effect. Surely the should be a sinking fund established to enable us to meet the liabilities that will arise in the future.

Hon. H. S. W. Parker: If there is not enough in the fund, how will the liabilities be met?

Hon. A. THOMSON: The Treasurer will find the necessary funds. I shall support the amendment.

Hon. V. HAMERSLEY: While I was impressed by Mr. Cornell's arguments, I was more impressed by those of the Chief Secretary, Mr. Williams, and Mr. Angelo. I can recall the imposition of the vermin tax, from which bonuses were to be paid to those engaged in the pastoral industry. In that instance the fund was insufficient, and

the bonus paid for the destruction of dingoes and foxes was reduced from £1 to 5s. Similarly in this instance, if the tax should not be sufficient, the amount payable to the men might have to be decreased. If the Government did benefit for a few years, they would have the money available later on. I oppose the amendment because it might have the boomerang effect suggested.

Hon. R. G. MOORE: I am not concerned whether the amendment is carried, although I agree with the principle stated by Mr. Cornell. The fact remains that the Government are committed to find a certain amount under the Miners' Phtthisis Act regardless of what they get from this tax. Probably the proceeds of the tax will be more than sufficient to meet miners' phtthisis needs for some years, but there is no guarantee that it will. Eventually it will not be sufficient. If it could be shown that the miners would benefit, I would support the amendment. The most we can do for the miners is the least we ought to do.

Hon. L. B. BOLTON: Complaint has been made that this is a sectional tax. The industry is costing the Government £70,000 or £80,000 a year and it is only fair that the industry in its present prosperity should pay. Other taxes have been imposed for specific purposes, and in many instances the money has been used for other things. I support the amendment.

The CHIEF SECRETARY: I have been highly amused at the suggestion that a fund should be created because in ten years' time, when the fund had mounted up, some Treasurer would raid it. It has been done before and will be done again. Mr. Angelo referred to the £211,000 profit made by the "Kangaroo." Instead of writing down the value of the boat, the money was paid into Consolidated Revenue. The "Western Australia" was leased to the British Government during the war at a high figure and at the end of the war was sold for a good price and that money went into Consolidated Revenue. If a fund of £50,000 or £60,000 were built up, it would be a great temptation to a needy Treasurer.

Hon. G. W. Miles: Would it be business-like to allow such a fund to lie idle?

The CHIEF SECRETARY: No; and I do not think it would be a criminal offence for any Treasurer to use it.

Hon. H. SEDDON: Although Treasurers have used money set aside for specific purposes, it has always been recognised that those sums formed part of the loan expenditure and should be restored. Much of the increased loan expenditure incurred by the Mitchell Government was used to restore funds that had been borrowed for temporary use. Mr. Cornell's suggestion is sounder than it would be to take the proceeds of the tax into revenue and leave a future Government to bear possibly increased responsibilities. The discussion has been a revelation, and I hope the people will peruse "Hansard" and glean some idea of the methods of handling public funds.

Hon. J. CORNELL: I am not so much concerned about what Treasurers might do as I am to establish a principle. After the revelations we have had about raiding Treasurers, is it any wonder that Mussolinis arise? Mr. Parker referred to the revenue under the Forests Act, but there is no analogy between the two funds. The money taken into general revenue was not needed for sandalwood regrowth, because of the inability to grow sandalwood, and Treasurers did the right thing by asking Parliament to share the responsibility of paying that portion of the forests revenue into the general account.

Hon. G. W. MILES: I intend to oppose the amendment, because it is side-tracking the issue altogether to bring it forward. As a matter of fact, it is immaterial whether it is carried or not. The State has already paid a considerable amount and Parliament has supported Mr. Cornell and other members in passing legislation to protect the miners. Goldfields members have never previously suggested that the goldfields should carry the whole of the burden.

Hon. J. Cornell: I have repeatedly urged it.

Hon. G. W. MILES: Goldfields members are to be congratulated on the support they have given the Bill. A majority of them have actually said the tax is not high enough; but whether the amendment goes in or not is immaterial. The money cannot lie idle in the Treasury; the Treasurer must make use of it.

Hon. C. G. ELLIOTT: A lot has been said about the £419,000 for which the taxpayers have been responsible, but it is forgotten that since 1930 £70,000 has been

taken from another fund, and it must not be forgotten that at the inception of the Miners' Phthisis Act, in 1925-26, no less than £123,000 was set aside from the Commonwealth Disabilities Grant. I agree that the payments by the Government have been considerable. It has been stated that the money to be received from this tax is to be put into a fund, and that if there is a balance, members have asked what is to be done with it. I can suggest what can be done with it. Besides the miners who are protected and receive compensation, there are cases of those men suffering from silicosis advanced and silicosis early. Thus there will be plenty of opportunities for the distribution of any balance there might be. The men under the Mine Workers' Relief Fund and the Workers' Compensation Act receive only £750 for their disability, and when that is cut out in four or five years' time they get a miserable allowance of 25s. per week to keep themselves and their wives; that, too, after paying a premium of 9d. per week for perhaps 25 or 30 years. There are many records of tragic instances associated with this disease on the goldfields. Only the other day I assisted at the burial of a man who, a few years ago, was a splendid specimen, 6 feet 2 inches in height and weighing over 13 stone. When this unfortunate was buried his weight was 5½ stone, due to the ravages of this disease. So if there should be a surplus from the tax, is it likely that it will be permitted to lie idle? There will be many opportunities of making just use of it. The Bill is ostensibly for the purpose of assisting sufferers from miners' complaints.

Hon. G. W. Miles: There is nothing in the Bill to say so.

Hon. C. G. ELLIOTT: Then why not be honest and put it in the Bill? I hope the amendment will be carried.

Hon. G. FRASER: The Chief Secretary told us that if there is a surplus the Treasury will get it, and now Mr. Elliott tells us that it should go to the men. I am not afraid of either of those things happening, but what I am afraid of is that if a fund is created from any surplus, the greatest chasers after it will be those who are contributing the tax, and an agitation will start from those people for a reduction of

the tax, especially if the industry should not be in as prosperous a condition as it is to-day.

Hon. J. Cornell: The hon. member is championing the cause of the capitalist.

Hon. G. FRASER: No, I am pointing out the danger. Pressure will be brought to bear to have the tax either reduced or repealed.

Hon. G. W. MILES: Are we in order in attempting to put this amendment in the Bill? This is the assessment Bill for a tax on profits on gold. It has nothing whatever to do with miners' phthisis, and I doubt if we would be in order in inserting such an amendment. I should like your ruling, Sir, as to whether the amendment is in accord with the Title.

The CHAIRMAN: I think the amendment can be moved, but if such an amendment be carried, it will be necessary to amend the Title.

Hon. G. W. MILES: It seems to me the amendment is entirely foreign to the Bill, which has nothing whatever to do with miners' phthisis, but is simply to impose a tax on goldmining profits. The mover might just as well bring in an amendment under which the Government would be directed to pay a certain amount into a fund to continue the water supply to the goldfields.

The CHAIRMAN: I have stated my ruling; the amendment is quite in order.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	11
Majority against					5

AYES.	
Hon. L. B. Bolton	Hon. H. Seddon
Hon. J. Cornell	Hon. A. Thomson
Hon. C. G. Elliott	Hon. R. G. Moore
	(Teller.)

NOES.	
Hon. A. M. Clydesdale	Hon. H. V. Piesse
Hon. J. M. Drew	Hon. H. Tuckey
Hon. G. Fraser	Hon. C. B. Williams
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. E. H. Angelo
Hon. H. S. W. Parker	(Teller.)

AVE.	PAIR.	No.
Hon. W. J. Mann		Hon. E. H. Gray

Amendment thus negatived.

Clause put and passed.

Clause 6—Assessments:

Hon. G. W. MILES: Is not this clause in conflict with Sub-section 9 of Section 6 of the Dividend Duties Act? In view of the provisions of that sub-section, I should like an explanation from the Chief Secretary.

The CHIEF SECRETARY: I will get the information for you.

Progress reported.

House adjourned at 9.40 p.m.

Legislative Assembly,

Tuesday, 13th November, 1934.

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

BILL—CREMATION ACT AMENDMENT.

Introduced by Mr. Hawke and read a first time.

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the Western Australian Aged Sailors and Soldiers' Relief Fund Act Amendment Bill.

BILLS (2)—THIRD READING.

- 1, Gold Mining Profits Tax.
 - 2, Dried Fruits Act Continuance.
- Transmitted to the Council.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

Debate resumed from the 8th November.

HON. C. G. LATHAM (York) [4.33]: This is the usual Bill, following general custom, but I notice the wording has been altered and I understand it is simply to bring the Bill under the operations of the Consolidated Land Act. I have read the Bill through very carefully and I see there is no alteration at all in the tax rate, for which I suppose we should be truly thankful. The Government have not increased the tax, but with the money they have in addition to what they had last year, I do not suppose there is any need for increase. Still, it seems to me we are going on and building up the deficit, without anything to assist us in providing for the future except our primary industries.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [4.37] in moving the second reading said: The original Act was passed in 1931 and the first season in which the farmers' affairs were administered under the Act was that of 1931-32. In that and succeeding years arrangements were made to carry on the 1919 farmers. Of the stay orders applied for, 170 lapsed, while 310 farmers applied for stay orders but had unsuccessful meetings. Of those whose stay orders lapsed, 33 farmers were able to make their own arrangements, 35 did not desire to carry on, and the balance were unable to obtain finance. Total crops under the Act