

been going on for years past, companies holding up valuable mining lands and thus retarding the progress of the mining industry and also to a great extent the progress of the State as a whole. Before the Royal Commission it was stated that a certain company now operating on the Golden Mile hold about 600 acres of land as goldmining leases, and that in respect of the majority of the leaseholds there is concentration of labour. Some of those leaseholds have only been worked on tribute, and not at all by the company themselves in such a way as most companies have operated their leases. Until the Government take some action in the direction I have indicated, not much can be done towards the substantial development of the mineral areas now held in idleness. Such action is the duty of the Government in the interests of the communities directly concerned, the people working, and living, and doing business, in and around our goldfields. There is another matter of great importance to the goldmining industry, and that relates to mines which have been actively operated by companies for a number of years, the companies eventually ceasing mining operations. We all know that some valuable mines have been closed down, and that the water has been allowed to rise in them, with a resultant distinct loss not only to the miners and the goldfields community, but to the State as well. To my mind, when a company have operated for a number of years and thereupon have reached what they term the unpayable stage, the land should be made available to tributers immediately. That position does not obtain to-day; it rests entirely with the management of the company to hold the ground in idleness or to let it on tribute. Such are some of the difficulties with which the mining community is faced at present. I am disappointed with the Bill. It deals only with one matter—the grievance of the tributer against the mine owner. Had the whole question of mining received adequate consideration, the Bill would have contained a provision designed to bring idle mineral lands into use. Now as regards the work of the Royal Commission: I was in Kalgoorlie for some days while the Commission were taking evidence and sifting evidence, and I am bound to say that I was disappointed with the work of the Commission throughout that period. Nobody seemed to be taking any particular interest in the Commission's work, and, generally speaking, the Commissioners themselves did not appear over-anxious regarding the question they had to examine, though I should say that one Commissioner, Mr. Munsie, did his level best to keep the thing alive and get the best possible results in the interests of all concerned. Had Mr. Munsie not taken such an active part, the Commission would have simply faded out of existence. Therefore I do not attach too much importance to the Commission's recommendations. As to the Bill itself, I shall support the second reading. Before concluding I desire to refer to Mr. Sanderson's observations of a few

days ago on the second reading. Mr. Sanderson said—

The measure enacted last session caused tributing to cease. It was a most discreditable performance on the part of members claiming to represent the mining industry, to pass a measure that is now thrown into the waste-paper basket.

I claim that ours was not a discreditable performance. I make that claim as the representative of a goldmining constituency, and as representing the industry in addition to the men engaged in it. The measure enacted last session was, I contend, equitable and satisfactory. Had the Act been given a trial, it would have been time enough for Mr. Sanderson to tell us that on the occasion in question we did something discreditable, as representatives of the mining community. I am not prepared to accept Mr. Sanderson's strictures. My firm belief is that had the Act been given a fair trial, the results would have been satisfactory. However, the Act has not had a fair trial in any way. Let me add that I personally prefer that piece of legislation to the present Bill.

Question put and passed.

Bill read a second time.

*House adjourned at 6.9 p.m.*

## Legislative Assembly,

*Thursday, 17th November, 1921.*

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

### QUESTION—WORKERS' COMPENSATION ACT, FUND.

Mr. MUNSIE asked the Premier: 1, Have the Government increased the premiums under the Workers' Compensation Act since the liabilities have been increased

under that Act? 2, If so, by what amount? 3, What amount was there to the credit of the fund at the 30th June, 1921?

The PREMIER replied: 1, No, except in the case of the State Sawmills, and in that instance the increase was partly due to past experience. 2, For one group of workers the total increase is 10s. per cent. 3, £44,913 7s. 4d.

#### QUESTION—CHILDREN'S COURT, USE OF BIRCH.

Hon. P. COLLIER asked the Colonial Secretary: 1, What are the names of the justices who occupied the bench at the Midland Junction court on the 15th November and who ordered that three boys charged with theft should be thrashed with a birch? 2, Will he immediately take the necessary steps to prevent effect being given to this barbarous and inhuman verdict? 3, Will he further consider the advisability of removing these justices from the position of magistrates of the Children's Court?

The COLONIAL SECRETARY replied: 1, The case was heard by the Police Magistrate, Mr. Canning, and not by justices. Birching was not ordered; it was merely recommended. 2, The recommendation was not approved. 3, Answered by No. 1.

#### QUESTION—IMMIGRANTS' HOME, VISITORS.

Hon. P. COLLIER asked the Colonial Secretary: 1, Was permission granted two representatives of the British Settlers' Association (Incorporated) to visit the Immigrants' Home and interview immigrants after their arrival in Fremantle? 2, Is it a fact that this permission was yesterday withdrawn from the association? 3, If so, what is the reason for such action?

The COLONIAL SECRETARY replied: 1, Yes; but subject to withdrawal at discretion. 2, Yes. 3, The representative has been acting in a manner that is considered to be against the best interests of the immigrants. Also, it is considered preferable that, in order to obviate inconsistent representations and complicating advice, the combined associations should nominate representatives to interview immigrants instead of each acting independently.

#### QUESTION—SOLDIERS' CHILDREN, MISS BUTLER'S INQUIRIES.

Mr. CORBOY asked the Premier, representing the Minister for Education: Does he approve of Miss L. Butler, O.B.E., visiting schools and asking children who had relatives at the front to hold up their hands, thereby creating amongst the children not able to do so a feeling of discomfort?

The PREMIER replied: No.

Mr. CORBOY: I wish you would stop her, then.

#### LEAVE OF ABSENCE.

On motion by Mr. Mullany, leave of absence for two weeks granted to the member for Kimberley (Mr. Durack) on the grounds of urgent private business.

#### BILL—LOCAL COURTS ACT AMENDMENT.

Read a third time, and returned to the Council with an amendment.

#### BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

##### Second Reading.

Debate resumed from 6th September.

Hon. P. COLLIER (Boulder) [4.39]: Ten weeks have passed since the second reading of the Bill was moved by the Premier and one almost forgets the reasons advanced in support of it on that occasion. The Bill, however, is largely a machinery measure, and contains very little that need occasion discussion at the second reading stage. There are points in it which may well be considered when the measure reaches the Committee stage. The Bill does not propose to either increase or decrease the incidence of taxation in any way. It merely seeks to adjust some provision of the existing Act in a manner which, I believe, will operate more equitably than is the case at the present time. There are one or two important amendments, the chief of which, perhaps, is that which proposes to relieve people who are engaged in the mining industry from what has hitherto been a very unjust tax. If the amendment is carried, it will relieve prospectors, principally, from the heavy imposts that have been levied upon them in the past. I am certain that it will have a beneficial result upon mining generally. It is an unfortunate thing that, throughout the goldfields areas, prospecting has almost disappeared, and when the prospector vanishes from the landscape, we may reasonably assume we are within measurable distance of the end of the mining industry.

Mr. A. Thomson: There will be little prospect of new mines being discovered.

Hon. P. COLLIER: None at all. It has only been through the efforts of the prospectors in the past that gold mines have been discovered at all. The decreased activities of the prospectors are clearly evidenced in the returns received from the gold mining areas during recent years. It cannot be expected that men will endure the hardships inseparable from a prospector's life for a number of years, buoyed up by the hope that some day they may make a discovery

that will reward them for all their time and trouble, when we realise that, should they be fortunate enough to discover something worth while, the Taxation Departments, both State and Federal, come down on them and take the major portion of their reward. I am glad, although the House may not agree with the amendment in its entirety, that a principle has been introduced into the measure that will relieve the prospector of this imposition. At any rate, if it is given effect to, it will relieve the prospector to a very considerable extent. I am afraid we shall still have the burden of the Federal taxation.

The Premier: I doubt if you will.

Hon. P. COLLIER: I read in the report of the Federal Taxation Commission, a recommendation which would have the effect of bringing the Federal Act somewhat into line with the proposal contained in the Bill before the House. I hope that the Federal Parliament will not conclude the present session before giving effect to that recommendation.

The Premier: I believe a telegram has been received here privately indicating that they intend doing that.

Hon. P. COLLIER: I am glad to hear it. I am sure it will have a revivifying effect, so far as prospectors are concerned, throughout the goldfields. Other amendments in the Bill I propose to leave for consideration in Committee. I am not going to waste the time of the House by expressing my views on various amendments, only to cover the same ground again when we reach the Committee stage. But I would like to say that the Bill is remarkable, not for what it contains, but for what it does not contain. Seeing that the Premier was bringing down an amendment to the assessment Act, I had hoped he would avail himself of the opportunity of making more comprehensive amendments to the Act. Before the Bill gets through Committee, I hope the House will take the matter in hand and see that we do pass something in the nature of a comprehensive amending Act. Inseparable from such a question as land taxation assessment is the question of land settlement.

The Premier: I am providing for that in a separate Bill now being drafted.

Hon. P. COLLIER: I have no doubt the Premier intends to introduce some Bill during the session to give effect to the generally expressed desire for closer settlement, but the fact that there will be another Bill apart from this one makes me apprehensive that it will not be along the lines I would like to see followed. I hold strongly that the best method of dealing with some of our troubles with regard to land settlement would be by a re-adjustment of the incidence of taxation as contained in our existing Act. As I mentioned earlier in the session, there has been no amendment or alteration effected to this Act since it was passed in 1907, and it contains no end of anomalies and absurdities. There are rebates and exemptions in the Act which are altogether out of date, and

which I believe are not to be found in any corresponding Act in the other States at the present time. It is little wonder that the obstacles to closer settlement, which have been so frequently referred to of late, have grown up under the absurd exemptions and rebates contained in the Act. I should very much like to see the measure recast entirely to bring it more into conformity with later ideas as to what scientific land taxation should be. The same might be said with regard to the income tax. Amendments could be made which, I believe, would improve the Act as it affects a very large section of our citizens and taxpayers. There is the question of exemption. I know that the Premier will not regard the present as a suitable time for making any alterations which will have the effect of yielding up some of the revenue he now obtains. Nevertheless, great hardships are being worked under the income tax provisions so far as the exemptions are concerned. Leaving out the question of the £100 exemption for unmarried persons or those without dependants, there is not a wage earner in the State, be his wages ever so small, who does not come within the purview of the £100 exemption. Girls who are in receipt of wages as low as 12s. 6d. or 15s. a week are called upon to contribute to the revenue by way of taxation under this Act. Returning to the section which provides for £156 exemption for married persons or for those with dependants, it must be at once admitted that since the exemption has been lowered from the former £200, the purchasing power of the sovereign has been reduced. Consequently, whilst the purchasing power of the sovereign has been considerably reduced, the exemption has been reduced and so the unfortunate wage earner, compelled to maintain a home and family on a wage of, say, £1 a week, finds himself obliged to contribute to the revenue to the extent of £1 or 25s. when, as a matter of fact, he is quite unable to provide the reasonable and ordinary necessities of life for himself and his family. No matter how tight financially the Treasury might be or how great the demand for revenue might be, this House should not levy taxation upon a section of the community who are unable—without the payment of any taxation at all—to provide the reasonable comforts of life that an ordinary family ought to enjoy. We have not entirely exhausted the possibility of obtaining revenue by way of taxation.

Mr. Underwood: We are getting close up, though.

Hon. P. COLLIER: We are. Taking into consideration all forms of taxation, the Federal land and income tax and the State income tax, the local governing bodies' rates and taxes and the payment for services rendered by some of the business undertakings, I admit that taxation as a whole is fairly heavy to-day. But we might well consider whether we have reached the maximum in the matter of the 2s. 6d. in the pound applying

to those people fortunate enough to be in receipt of very high incomes. We know that in England taxation is much heavier than it is in any of the States of Australia. We know, too, that in addition to meeting their ordinary obligations, the people of England are levying upon themselves to the extent of something like £200,000,000 a year in taxation in order to reduce the war debt. From the moment the war ended, Great Britain commenced to reduce the burden of her war debt by levying taxation to the amount, in some instances, of 13s. in the pound, and while she is raising £200,000,000 a year to reduce her war debt, the States of Australia and the Commonwealth are not paying their way. We are even borrowing money to meet our ordinary obligations. Our war debts, our national debts, State and Federal, remain; they are being increased. We are piling them up; we are going to other countries to borrow money in order to pay our way. Some way out of that position will have to be found. It is of no use talking about it; we brand ourselves as a thriftless and improvident race if we expect that, for all time, we shall be able to borrow money to meet our ordinary everyday expenses. The Premier might have recast some of the provisions of the Act so that he would be able to relieve and lighten the burden upon those unable to bear it, and perhaps readjust it in a manner which would place a little heavier impost on those fortunate enough to be able to pay. It may be rather a popular suggestion that the other fellow should be called upon to pay. We all hold that view, no matter whether our income is high or low. We think that we ourselves are over-taxed while the other fellow is undertaxed. Still I think that an examination of the annual report of the Commissioner of Taxation will reveal the fact that over £20,000 a year is being contributed under the heading of income tax by that section of the community who, according to the report of the Basic Wage Commission and according to Knibbs' figures, are living below the bread line. It is not equitable that this state of affairs should be permitted to continue. There is the question of obtaining income tax from income derived from personal exertion or as a result of property which might well be considered. In most of the Eastern States, a distinction is drawn between income derived from property and income won as a result of personal exertion. In some instances the tax is no less than 20 per cent. higher in the case of income derived from property. If a man is fortunate enough to have a considerable income without any exertion on his part, if he merely has to sit down and draw it from rents, investments, or other form of property without any exertion on his part, the principle is generally accepted that such a person should pay a higher rate than the man who wins his income by his own activity and personal exertion. This is done in order to encourage the man whose income is derived from personal exertion, because personal ex-

ertion is a good thing. It helps to build up trade and commerce and the industries of the State—

Mr. Underwood: It is healthful, too.

Hon. P. COLLIER: Above all things, it is healthful. That is why I enjoy fairly good health. All my life I have had to do a fair share of personal exertion and that perhaps has given me a fairly good constitution.

Mr. McCallum Smith: Now you are sitting back!

Hon. P. COLLIER: Having a good income now I would not mind paying the extra 20 per cent. I would be called upon to pay if my suggestion were adopted.

The Premier: Is a member's allowance personal exertion?

Hon. P. COLLIER: I cannot say. The Premier, in addition to the relief he proposes to give those engaged in prospecting, might consider the question of giving relief to those engaged in mining generally.

Mr. MacCallum Smith: What about wheat raising?

Hon. P. COLLIER: In mining a man might be fortunate enough to obtain an income of £2,000 this year from a mine he owns and he might spend the whole of it on the mine and the result, spread over two years, would be that his income would be very considerably reduced. The same argument applies to farming generally. In a good season a farmer might do well, but he might have a run of bad seasons and, if his income was spread over four or five years, it might average very little.

Mr. A. Thomson: Do you suggest averaging the income?

Hon. P. COLLIER: I think it is a justifiable principle to average it over a given period.

The Premier: The Taxation Commission specially inquired into that.

Mr. A. Thomson: And recommended it.

Hon. P. COLLIER: There is no provision for it in this Bill. But I think its application to our primary industries might well be considered. The people engaged in the development of our primary industries are entitled to consideration in this direction. It does not seem to me to be an equitable arrangement that, because one happens to be fortunate enough to get a good yield one year and then has a succession of bad years which entirely wipe out all the income of the previous years, he should get no relief.

Mr. MacCallum Smith: Would you make that apply to punting?

Hon. P. COLLIER: Punting is illegal, but I do not think that one could fairly say it was a primary industry; rather would I call it a secondary industry. I am arguing mainly for relief in regard to primary industries.

Mr. MacCallum Smith: Horse-racing is a primary industry.

Hon. P. COLLIER: Perhaps so, and punting then would be a secondary industry.

Mr. Underwood: Bookmakers first, punting second.

Hon. P. COLLIER: I am sorry the Premier has not made provision for grouping say three years, which would be a very fair period. Farmers generally are entitled to consideration, perhaps more than those engaged in mining. There are many vicissitudes associated with the life of the farmer—I hesitate to say too much on behalf of the farmer for fear that my friends opposite may think I am invading sacred ground, or that I may not be sincere in my professions. I assure hon. members, however, that I would be prepared to support proposals in the direction I have indicated. There is nothing in the Bill to which one can take exception, but there are many things that might be in it and which are not there. It is not open to a private member to move an amendment to a Bill such as this; that power is held only by a Minister of the Crown, and besides, it would be a difficult matter for a private member to draft a generally scientific and comprehensive Bill without the assistance of the machinery that is available to Ministers of the Crown. If the Premier finds himself unable to deal with the matter in a comprehensive way this session, I hope he will take the earliest opportunity of doing so. Even at this late hour I should say, and I hope, that an indication will be given by other hon. members to the Premier in the direction I have indicated. I trust also that the Committee stage will not be dealt with to-day, and that the Premier, if he feels that a case has been made out, will be able to prepare amendments which will give relief in the direction I have suggested.

Mr. WILLCOCK (Geraldton) [5.5]: With the Leader of the Opposition, I agree that the Bill is one for the Committee stage, and that anything we may say on the second reading, we may to some extent be obliged to repeat in Committee. I think, however, that on the occasion of the second reading of any Bill, if a clause seeks to introduce a new principle, it is as well to discuss that principle on the second reading, so that the discussion may give an idea to the Government as to the way in which it is desired that an amendment should be made. That course will give the Government an opportunity of going into the matter and preparing an amendment to meet the wishes of the House. The Bill is one of the most important we have had before us this session. Although it does not seek to increase taxation to any great extent it alters somewhat the incidence of taxation. As the obtaining of money by means of taxation is one of the vital necessities of the present Government, we must be particularly careful as to what we do. In regard to the clause in connection with improvements, we know that something is necessary in that respect. We are aware that there is a difference in the interpretation; some people have been claiming land as being improved whereas it is in a considerably worse state than it was before it was cleared. I know of land which was cleared five or six years ago and which has

been regarded as fully improved during the past five or six years for taxation purposes. But nothing has been done to that land, and at the present time it is in a worse state than ever it was. If people allow land to get into such a condition, they should have it classified as being unimproved, and pay taxation accordingly. We also find in the Bill that there is proposed a drastic alteration of the incidence of taxation. Formerly, if a man disposed of a business, he would not require to pay income tax on that disposal. Now, if he disposes of it with his stock, which he would, or could, have sold during the time that he was in the business, the value of that stock is added, and it is considered as income. When the Premier was introducing the Bill I asked by way of interjection whether goodwill would be included in this particular clause as well as the things that were included, and the Premier replied in the negative. The State is in such a condition financially that no matter how people obtain income, so long as it is income, it should be subjected to taxation. If a man has capital of the value of £2,000 at the beginning of the year, and he finishes up the year by increasing that capital to £7,000 or £8,000, that should be regarded as added income. There are many people in that position.

Mr. MacCallum Smith: Suppose it goes back by £3,000 or £4,000?

Mr. WILLCOCK: He would not then have to pay tax. Take hotel keeping. I know of people who go into hotels and get out again at a profit. They may pay £2,000 as ingoing and sell a few months later for perhaps double that amount. Those people undoubtedly have made income in that period and that income in the past has not been subjected to taxation. I could quote three or four instances where that has been done.

Hon. P. Collier: That is the kind of wealth that should be considered income.

Mr. WILLCOCK: I have given notice of an amendment in the direction of including such profits as income for the purpose of taxation, and I hope the House will support me in carrying it. If a man can increase his capital in three months by an investment of money in different businesses, that increased capital should be included for taxation purposes.

Mr. MacCallum Smith: It is included now.

Mr. WILLCOCK: It is not. Our primary producer friends have had to pay income tax on the increase in their stock. That is an increase of capital; it could not be income at all. Say a month after the income tax papers have been made out the whole of the increase, and perhaps considerably more, die off, or are lost through some catastrophe, the primary producer has to pay income tax on the value of the increase, even though so soon afterwards he has lost all his stock through some mischance.

The Premier: He gets a deduction then.

Mr. WILLCOCK: Next year perhaps. Another new principle is introduced in Clause 6 in regard to mining and prospecting. Whilst I have much sympathy with the prospectors, I think that a little panic has been created by the investigations which have been carried out by the Taxation Commission. My belief is that people who make money, no matter from which source that money comes, should contribute to the revenue of the State. Say the Great Boulder mine or a wealthy corporation made a rich discovery in their property, and derived income from that discovery by working it themselves, they would have to pay a tax on it. But if they transferred it to another company and received its undoubted value, under the proposed provision they would not pay anything.

The Premier: The other company would have to pay it.

Mr. WILLCOCK: No. They would buy at a certain amount, and that would be investment of capital—a different thing altogether.

The Premier: But they would have to pay the tax when they started to pay dividends.

Mr. WILLCOCK: That is so; but they might have an overdraft at the bank, and thus be enabled to charge up a lot of interest. People understanding business will easily recognise that that sort of thing can be done.

Mr. MacCallum Smith: We do not understand that sort of business.

Mr. WILLCOCK: Possibly the hon. member interjecting is unsophisticated as to matters of high finance; but I know that those things can be done and are done. I have the utmost sympathy for the genuine prospector; and for him we shall be doing pretty well if we make an allowance for every year that he works without material return. But a prospector coming here from some other part of the world, and making a discovery within a few weeks, should be taxed. We know what prospecting is nowadays: the man with the motor car gets there first. Immediately a genuine prospector finds a reef and applies for a reward area, a lot of motor car prospectors, who are not genuine prospectors at all, rush out and peg all the surrounding claims, if possible to sell them. Such motor car prospectors should be subject to taxation. Some time ago we had a little gold rush in the northern district. The original prospectors were followed in a couple of days by motor car prospectors, who took up all the surrounding leases. Had these men been able to make any money out of those leases, then under this provision they would not have been subject to any taxation whatever. The clause makes no stipulation that a man shall have been prospecting for a certain period before he can be considered a prospector. I have on the Notice Paper an amendment providing that a bona fide prospector for some years shall not pay

taxation on anything he makes to the extent of £300 a year for every year he may have been prospecting.

The Premier: Such a provision might prevent prospectors from coming here.

Mr. WILLCOCK: Perhaps that would be better, if they are not to pay taxation. We do not want people to exploit our mineral resources without being taxed at all. Who are real prospectors is pretty well known; and a man should be identified as a genuine prospector for the purposes of this clause. If a man has been prospecting for 10 years, say, and suddenly comes upon a mine, which he sells for £3,000, then under my amendment he would not have to pay any taxation whatever—which is an eminently fair arrangement and would suit at any rate most bona fide prospectors.

Mr. Munsie: But that would not assist mining.

Mr. WILLCOCK: It would not assist mining?

Mr. Munsie: At most very, very little.

Mr. WILLCOCK: If a prospector knew that he had not to pay taxation in the same way as an ordinary man earning income continuously, it would be a good arrangement.

Mr. Munsie: But it would not assist mining.

Mr. WILLCOCK: The difficulties arising out of the clause, and the fact that the mineral resources of the State can be exploited as I have indicated, should be sufficient to make us chary of doing anything in this respect. People come along and get hold of our mineral resources, and immediately proceed to hawk them round the world for sale.

Mr. Marshall: Bernaldes has been doing that for about 10 years at Wiluna. He gets the lion's share.

Mr. SPEAKER: Order!

Mr. WILLCOCK: I do not think we should allow that kind of thing to continue. Though the principle of the subclause is admittedly good, it lends itself to so many abuses that I seek to amend it in the interests of the bona fide prospector, by preventing the exploiters of our mineral resources from escaping taxation on their profits. As regards State members of Parliament, it is just about time we were given the same conditions as the Federal Act gives. In connection with the present Bill we could easily amend the existing law so that members of Parliament, like other men in business, should be exempt in respect of expenditure legitimately incurred in the pursuit of business. Parliamentary representation is our business. It is agreed all round that such expenditure as I have indicated ought not to be subject to taxation. To a country member the Federal law grants an exemption of not less than £100 per annum for travelling expenses. The extra expense to which I am put in the way of travelling, by reason

of having my home away from where Parliament sits, amounts to fully £100 a year. If it is necessary for me to expend over £100 per annum in travelling expenses, for the purpose of representing my electorate in Parliament, that amount should be a legitimate deduction from my Parliamentary emoluments. The clauses seeking to chase taxpayers beyond the grave, I am not in agreement with at all. We ought to stop at the graveside: when a man dies, it is an act of grace to let his dependants alone. Suppose I died in May of next year; then, under the clauses I refer to, my wife, besides having the trouble and worry and sorrow of my death, would have to pay taxation on my income.

The Premier: That is not so under these clauses.

Mr. WILLCOCK: Yes, it is. If my income were over £200, my estate would have to pay income tax. The whole of my estate might be, say, £10, but if I lived until May the tax-gatherer would come along for about £6 out of the £10.

The Premier: But suppose you had an income of £30,000.

Mr. WILLCOCK: The exemption might be limited to incomes of less than £750 a year. I am not particularly wedded to that figure; I am merely suggesting the matter to the favourable consideration of the House.

Mr. MacCallum Smith: Such a provision might tempt people to commit suicide.

Mr. WILLCOCK: We are not so hard up that we need chase unfortunate people who have lost their bread winner, for an income tax of £2 or £3—money to be got out of the widow, who might not be in possession of more than £20 or £30. Very small estates ought not to be diminished by the heavy hand of the tax-gatherer. But that is what these clauses would permit. The Bill is a Committee one, but the matters I have mentioned represent entirely new principles of taxation; and it is well on an occasion such as this to give the Government some indication of the feeling of members, so that amendments may be introduced, either by the Government or by private members, to make the Bill a considerably better one than it is in its present form.

Mr. A. THOMSON (Katanning) [5.28]: I agree with the last speaker that this is a Committee Bill, but I feel that the Government would have done more wisely had they held back the measure until the report of the Royal Commission—

The Premier: We cannot wait any longer.

Mr. A. THOMSON: Had the Government delayed as I suggest, we should have had two measures coinciding. I understand that the main reason for the amendments suggested by this Bill is that the State Taxation Department may be enabled to work smoothly with the Federal Taxation Department. Still, the better course would have been for the Government to delay a little, and then bring down a comprehensive measure. Certain

clauses of the Bill I view with a little anxiety. I may say that I have carefully studied the measure. The first amendment proposed is the striking out of the definition of "improvements" in the principal Act. No doubt it may be argued that the Act is obsolete, and should be brought up to date, but we must bear in mind that the whole of the land alienated in Western Australia has been alienated under certain conditions. If the holders of the land comply with the conditions of alienation, it is too much power to place in the hands of the Taxation Commissioner to decide what things are improvements and what are not. The Act lays it down definitely that "improvements" include houses, buildings, etc.—I shall not read the whole of the definition; members can refer to the Act. If Parliament accepts the suggestion of this Bill to delete the definition of "improvements," the Taxation Commissioner will have it entirely in his hands to decide what is an improvement and what is not. We ought to be careful in passing such legislation, because after all we are sent here primarily to safeguard the interests of the people, and secondarily to assist the Government in the administration of the State. Personally, I have no objection to the two suggested subclauses going in, but I hope the House will not agree to the deletion of the definition of "improvements" which appears in the original Act. We hear a good deal about the attractions of the city.

Mr. Underwood: Mostly from those who have never been anywhere else.

Mr. A. THOMSON: Large numbers of country people have moved into the city in search of more congenial surroundings.

Mr. Underwood: They are not more congenial.

Mr. A. THOMSON: At all events, suppose a farmer in a fair way and desiring to render his children satisfied with country life, decides to build a comfortable home. Surely he is justified in incurring the expenditure. But under the proposed amendment, the Commissioner of Taxation could say to that farmer, "You had no business building a house costing £3,000; you should have been satisfied with a smaller house. We will not allow you to deduct the full value of your house as an improvement." Now is the time for members to protest against anything of that sort. The Taxation Department officials have to administer the Act as it is printed and, of course, the Treasurer instructs them to get every possible shilling. The department, at times, in pursuance of this policy may inflict serious hardship. I hope that when in Committee members will refuse to agree to the deletion of the interpretation of "improvements" as it stands in the existing Act. Then it is proposed that Section 10 of the principal Act shall be amended by omitting the proviso to Subsection 2.

Mr. SPEAKER: The hon. member is not in order in reading clauses of a Bill on the second reading.

Mr. A. THOMSON: I am discussing the parent Act, and I want to indicate an amend-

ment which I propose to move in Committee. Section 10 of the Act provides that every owner of improved land shall, in respect of such land, be entitled to a rebate of one-half the tax levied on the unimproved value, while the proviso prescribes that any improvements made on any one parcel of such land shall extend to any other parcels of land belonging to the same owner, if such parcels are not a greater distance apart than 10 miles. It is the intention of the department if possible to make people comply with the conditions under which they took up their land. The department contends that there is a possibility of taxpayers evading their responsibilities under that proviso. If a man with 10,000 acres concentrates his improvements on 1,000 acres, and, if the total value of those improvements is equal to the improvements which should have been effected over the whole of the 10,000 acres, he is allowed to spread his improvements over the whole area, and he becomes entitled to the rebate. That is a reasonable proposition. But there are farmers who, having come into a district at a late period, have not been able to take up their land in one unbroken holding. Frequently good patches of land are surrounded by patches of inferior land; islands of good land surrounded by sand. In consequence the late comer has been compelled to take up 250 acres here, and a mile further on another 250 acres, and so he may have in several parcels a holding aggregating 1,000 acres or 1,500 acres.

Hon. W. C. Angwin: There are very few such men, except those who in the early days picked out the eyes of the country.

Mr. A. THOMSON: It is sufficient if there be some. Those who came in the early days selected all the good land, and it is my desire to protect those who, coming later, had to take up the inferior land in two or more parcels. In Committee I will move an amendment.

Hon. W. C. Angwin: All you have to do is to tell the House what you require.

Mr. A. THOMSON: The hon. member, I am sure, has no desire to see people suffering a hardship. I am desirous of placing those people on exactly the same footing as others fortunate enough to have their land within a common boundary. My amendment will safeguard those who are less advantageously situated than others.

Hon. W. C. Angwin: Are you going to move that Section 17 be struck out?

Mr. A. THOMSON: I will deal with that when I come to it.

Hon. W. C. Angwin: If you are not going to do so, I am.

Mr. A. THOMSON: I do not want the hon. member to anticipate too much. The Government also propose an amendment of Section 16 of the principal Act. In my opinion the House will be wise in deleting Subsection 2 of Section 16, dealing with the absentee tax. At first sight that tax appears to be a very good thing.

Mr. Johnston: It is the very best tax we have.

Mr. A. THOMSON: That is a matter of opinion. I have interviewed the Taxation Department, but I find they cannot give me information as to how much money is derived from this absentee tax. We are the only State in the Commonwealth to impose such a tax. To-day we are clamouring for capital, and, of course, population, to come into the State; but by the continuance of the absentee tax, we are actually scaring capital away.

Mr. Johnston: It is not so. The absentee lives outside Australia.

Mr. A. THOMSON: The same principle is involved. Let me quote an example of how this applies if people invest money in Western Australia, and the income tax that they pay is £300. The local resident in the Commonwealth would pay £300 plus 15 per cent. super tax, which brings the amount up to £345. The absentee would pay £300 plus 50 per cent., making a total of £450, and on top of this a super tax of 15 per cent., making an additional £67, or a total of £517. The man who was resident in the Commonwealth would, therefore, be paying £345 and the absentee £517, or £172 more. I do not say it does not appear to be a reasonable thing, but at a time when we are looking for capital with which to develop the State it is not in the interests of Western Australia that this tax should be continued. I trust the Premier will see fit to agree to the deletion of this section from the Act. It is the intention of the Government to add a new subsection to the Act, for which I cannot conscientiously vote. The proposal is contrary to all the rulings which have been given in the High Court. I refer to the proposed Subsection 4 of Section 16, which deals with the profits of a business. The State Taxation Commissioner appealed against the decision of the court in the Newman case. Newman was for many years the owner of the Mount Sandiman station, where he carried on business as a pastoralist. On 15th October, 1918, he sold the station as a going concern, including the stock and plant, for £16,000. In order to ascertain the income for the 12 months from July, 1918, to June, 1919, he credited the sales of his stock, with certain exceptions, at the standard prices for the district, the amount thus credited being £3,050. The Commissioner of Taxation contended that the difference between £6,770 (the value of the stock sold with the station) and £3,500, namely, £3,270, was income chargeable with income tax, and he claimed income tax on that sum, as well as on all profits earned in carrying on the station business up to the 15th October, 1918.

The Premier: He was a dealer in stock.

Mr. A. THOMSON: No. Newman contended that no portion of the £16,000 was chargeable with income tax and the matter came before Mr. A. S. Canning, P.M., as a Court of Review under the Land and Income Tax Act. Mr. Canning held that the amount



of £3,270 was taxable as income, and Newman then appealed to the Full Court, and asked it to say whether on the bona-fide sale of a business as a going concern any portion of the purchase price could be regarded as income. Mr. Justice Burnside ruled—

The appellant contends that where the business sold was a going concern the resulting price is capital, and I think he is right.

The Premier: I think the court was wrong.  
Mr. A. THOMSON: The judge continues—

Income is something that returns, that comes at intervals that may be annually or at lesser periods of time, but once the sale of the business, whatever its nature may be, is completed there is an end of the income, and there can be no more income from that business. In my opinion, it makes no difference, whether the purchase price is derived from the chattels or from the whole property. I agree that where a business is sold as a going concern the resultant price is always capital.

Mr. Justice Northmore agreed that no portion of the proceeds of the sale was taxable as income. The appeal was, therefore, allowed, and Mr. Canning's decision was reversed. The Commissioner of Taxation next appealed to the High Court on the ground that the Full Court's decision was wrong in law. As a result of that decision the Taxation Department now asks the Premier to bring this Bill down. Probably the department is honestly right in the attitude it is taking up. We have to see that justice is done to the public. Whilst the Government are keen in their desire to get revenue we should see that nothing is put into a Bill which will penalise any section of the community, whether they are working men or follow any other calling in life.

The Premier: We want justice for the people of the country.

Mr. Troy: You want money.

Mr. A. THOMSON: Seeing that we have had the ruling of the court and of the Privy Council at Home, the contention of the Taxation Department is not a right one.

The Premier: Under the law as it stands.

Mr. A. THOMSON: That is so, and the position is an unfortunate one.

The Premier: The law is wrong.

Mr. A. THOMSON: The law up to that period says it is not capital. The Taxation Department having been defeated in this appeal want to have a law made according to their ruling. I do not say that in any spirit of antagonism towards the Premier, or the officers of the Taxation Department. These officers are fulfilling their functions as taxation officers, and have their duties to perform, amongst which are the carrying out of the Act as they believe it should be carried out. The Act distinctly provides for profits arising or accruing to any person from the sale of a business, so far as profits may be derived from the sale of stock—in particular, live-

stock, and so on. I might buy a house for £200 and sell it later for £600, making a profit of £400, but that would not be taxable. If, however, a man sells his stock he is to be taxed. That is manifestly unfair and unjust. Let me illustrate how this principle can be applied. Assume that a man started a business with £2,000 or £3,000, and has been in business for a considerable number of years. Each year according to his books he has shown a profit of £200 or £300, as the case may be. In the interests of his business, however, he has put that money back into it, and has added it to his capital account, but he still pays income tax on that annual profit. Owing to stress of circumstances he may decide to sell his business, and his books may show that on the capital invested the business is worth £10,000. He finds a bad market, however, and sells it for £7,000, showing a loss of £3,000 on his estimated capital. A part of the assets of the business may be represented in goods upon his shelves for which he paid £500, but if this Bill is brought into operation, the Taxation Department can say to him, "Notwithstanding that you have sold your business at a loss of £3,000, we are going to tax you on this £500 worth of goods." That is not a reasonable thing to put into the Bill, and may do an injustice.

Hon. W. C. Angwin: There is never any justice in taxation.

Mr. A. THOMSON: I want to be fair to the department. The officers there occupy an invidious position. They have to get every shilling of taxation they can, and see that no one evades his responsibility. For my part, I agree with the Leader of the Opposition that it is a good thing to be in a position to pay one's income tax. It is better to be in that position than not to pay any at all.

Mr. Troy: There are some who cannot afford the tax.

Mr. A. THOMSON: That is practically the case with the man about whom I am speaking. The Bill proposes to omit Subsection 7 of Section 30 of the principal Act. This reads as follows:—

Where any taxpayer occupies and actually uses for the sole purpose of his business any business premises or any portion thereof, of which he is the legal or equitable owner in fee simple, he shall be allowed in any return of income derived from such business to claim as an outgoing a sum computed at the rate of £4 per centum per annum on the value of such business premises or portion thereof, subject to any mortgage or charge thereon or unpaid purchase money, if any: Provided that the deduction under this subsection shall only be allowed as far as there is any income remaining, as assessed, derived from the business carried on by the taxpayer upon such premises, after allowing all other business deductions, from which the deduction under this subsection can be made.

We recognise that if a man owes money on his business he is allowed to deduct the

interest, which is reasonable. The allowance of 4 per cent. in the case of a man who ties up a certain amount of capital in buildings which are necessary for the carrying on of his business is low.

The Premier: It is not fair to allow 4 per cent. See what the Federal Government do.

Mr. A. THOMSON: It is a monstrous thing that the Federal Government should charge a man a certain amount per annum for the house he uses.

The Premier: Why not oppose taxation altogether?

Mr. Troy: We will.

The Premier: You cannot do that.

Mr. A. THOMSON: I am not opposing taxation, but if it is the intention of the Government to increase taxation, let them bring in a Bill to deal with that aspect and not do it in a measure like that before us. Men who tie up a certain amount of their capital in business premises, and so on, show their faith in their district and in their country.

The Premier: We do not want their faith under this measure; we want the cash.

Mr. A. THOMSON: That is the trouble. This is an insidious form of increasing taxation.

The Premier: In my opinion, it would be stupid to give them 4 per cent. off.

Mr. A. THOMSON: In my opinion, that is not so.

Mr. SPEAKER: Order! This is not a debate in Committee.

Mr. A. THOMSON: The House should contrast the position of the man who shows his faith in the country by investing his capital in buildings and business premises generally, thus creating values and turning his money into a form which prevent him from taking it away at a moment's notice, with the man who invests his capital in war loans, Treasury bonds, or other securities.

Hon. W. C. Angwin: The war loans were pretty handy; property would not have been any good had it not been for the war loans.

Mr. A. THOMSON: I am not saying anything about that aspect. But if the position of those two types of investors are compared, hon. members will agree that the man who has his all at stake in premises should be encouraged. Some people say we should have only a land tax, holding that the income tax is iniquitous. If that were the position, there would be many people who would not pay any tax, because very many do not own any land. I commend the suggestion of the Leader of the Opposition, that the incidence of taxation should be slightly less upon those interested in the primary industries than upon those who are merely "money bugs," if I may use that term.

Mr. Troy: What we want is a new comprehensive scheme of taxation. The present one has developed biggledy-piggledy.

Mr. A. THOMSON: I hope the Premier will accept the suggestion for 4 per cent.

The Premier: Make it 8 per cent.

Mr. A. THOMSON: I will accept that.

Hon. W. C. Angwin: It would be a handy reduction.

Mr. A. THOMSON: I want the Premier to be reasonable. I do not want to be unjust. This is an insidious form of increasing taxation. It will affect me slightly, but I consider that those who invest their capital in buildings or business premises should receive more consideration than those who, if a financial crash ever came, could take their money out of the State quickly.

The Premier: You would not tax land, or buildings, or anything!

Mr. A. THOMSON: I want the Premier to be fair.

The Premier: You are not.

Mr. A. THOMSON: We are taxing people who are building up the country and who invest their money in business premises and in other ways.

Mr. Johnston: And you want to let the absentees off.

Mr. A. THOMSON: Let the Government come forward with a straight-out taxation proposal, but I would like to see some consideration given in the direction I have indicated. Regarding deductions, I think the Premier should accept some increases under that heading. I will instance medical expenses. These comprise a burden which the taxpayer should be entitled to legitimately deduct from his income tax.

Mr. Troy: That is so, because those expenses hit him hardest.

Mr. A. THOMSON: I am astounded that medical expenses have not been allowed as deductions in the past. As the member for North-East Fremantle (Hon. W. C. Angwin) indicated when the Land Tax and Income Tax Bill was before the Chamber, men should be entitled to deduct the amount it costs them to travel to and from their work. That is a legitimate deduction. The same thing applies to the farming community in connection with the expenses incurred in travelling to and from Perth to attend the stock sales held in the metropolis. The Taxation Commissioner, however, refuses to allow those expenses to be deducted as business expenses. The deduction of these three items is reasonable and, in addition, I consider we could well increase the amount allowed per child. Such an increase would not mean much to the Taxation Department. I agree with the Leader of the Opposition, that it would be well if a system of averaging incomes were brought into force. I am sorry the Government did not postpone the consideration of this measure until they received the report of the Taxation Commission. Having journeyed throughout the Commonwealth, the Commission must have gained valuable knowledge dealing with taxation matters.

Hon. W. C. Angwin: According to the Press in the Eastern States, they have not given very much to the public.

Mr. A. THOMSON: One of the matters dealt with by the Federal Commission related to the averaging of incomes. If a man shows a profit this year of £500—

The Premier: Would you want a reduction of 10 per cent. on all these collections?

Mr. A. THOMSON: The Premier refused to accept the recently proposed reduction of 10 per cent. which I submitted to members, and I do not think he would accept any such proposal in connection with the income tax. I am sincere in my criticism of the measure.

Hon. W. C. Angwin: Then we will increase the land tax and make up for the 10 per cent. deduction.

Mr. A. THOMSON: The House will not increase any taxation if I can help it, before I am convinced that the Government are practising economy.

The Premier: You will never be satisfied on that point; you cannot understand where we can effect economies.

Mr. A. THOMSON: I am perfectly well aware that, according to this Chamber, it is beyond my comprehension to understand anything. I regret that the Premier adopts that attitude. Surely I am entitled to voice my opinions just as much as the Premier is.

The Premier: I regret your statements, although you have been told repeatedly that you are wrong.

Mr. A. THOMSON: That is simply a matter of opinion.

The Premier: No, it is not.

Mr. A. THOMSON: As member for Katanning, I am entitled to criticise Bills coming before this Chamber. I would be wanting in my duty if I did not do so, if I considered hardships would be inflicted upon any section of the community, whether in my constituency or not. I am not sent here to act as a stuffed mummy and do what the Premier or any other man instructs me to do. I will not do it.

The Premier: I do not want you to do that.

Mr. A. THOMSON: Why does the Premier resent my criticism?

Mr. SPEAKER: It would be as well to discuss the Bill.

Mr. A. THOMSON: If a man has an income of £500 one year, which is his profit, and the next year shows a loss, he should be permitted to set his loss against the income. I recognise, of course, that the Treasurer is keen on getting capital into the Treasury.

Mr. Latham: He has to do that.

Mr. A. THOMSON: That is correct. But though a man, over a period of years, averages only £150, he is yet called upon to pay large sums to the Taxation Department.

Mr. MacCallum Smith: Over how many years should he be allowed to average the income?

Mr. A. THOMSON: If a man showed a loss this year, he should be permitted to take

that loss into account as against his profits next year.

Mr. MacCallum Smith: What about the succeeding year?

Mr. A. THOMSON: If he showed a profit, he would have to pay taxation.

Mr. Troy: I have an amendment to meet that position.

Mr. A. THOMSON: Regarding Clause 29, it seems to me a horrible thing that we are asked to chase a man into his grave. Surely we can let the dead past bury its dead.

Mr. MacCallum Smith: It is intended to chase his estate.

Mr. A. THOMSON: Both the State and the Commonwealth take a considerable amount from the estate on account of probate duty, and, while I have no sympathy with those who endeavour to avoid taxation, it is going a bit too far to chase a man into his grave, and make his widow and children suffer.

The Premier: But the man is dead!

Mr. A. THOMSON: And the Premier would make his widow and family suffer. I do not think it is right to impose a fine on a dead man and to go back over a period of years. If that individual, when alive, had unintentionally defrauded the Government of a certain amount of revenue, it should not justify us in chasing him into his grave. I trust the Premier will not insist on forcing the Bill through as it stands, but will deal with the objections raised in a conciliatory spirit. The only time we can express our opinion regarding the measure is while it is before the Chamber. Once the Bill becomes an Act, it is wholly in the hands of the Taxation Department. We have no means of appeal, although we are told there is a court of review, which consists of a police magistrate.

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

Mr. A. THOMSON: Before tea I was advocating the creation of a court of appeal. To-day we have a court of review, consisting of the police magistrate, but I should like to see provision for a court of appeal consisting of a representative of the department, a taxpayers' representative, and an umpire. Very few people are prepared to fight the Taxation Department.

The Minister for Works: It is of no use fighting them.

Mr. A. THOMSON: That is so. We ought to have a provision facilitating appeals against the findings of the department. We frame the Act giving the department its powers, and so we should at the same time provide that there shall be no unnecessary imposition on the people.

Mr. TROY (Mt. Magnet) [7.34]: The Premier has said that every member is interested in taxation. He might with equal truth have declared the same of every taxpayer in the State. The people are being oppressed by State and Federal taxes, which

are making serious inroads into their earnings and hindering the development of the State. There is greater activity in the Taxation Department than in any other department of State, or of the Commonwealth. The whole aim of the taxation authorities is to speed up the work of taxing and get as much money as they can out of the unfortunate people. Of course the positions of those officials depend on their activity. Certainly Mr. Ewing, the Federal Commissioner of Taxation, is living up to the responsibilities of his office. When discussing the Land and Income Tax Bill last session, I stressed the necessity for a revision of the whole question of taxation. I am sorry the Treasurer and the Government have not made most thorough inquiries with a view to arriving at some system of taxation which would be fairer in its incidence than is the present system. The existing scheme of taxation was introduced without very serious thought. The first Bill was passed because of a necessity to raise a small sum. Since then numerous amendments have been made, not so much with a view to securing equity, as for the purpose of raising additional revenue. A Royal Commission appointed by the Federal Government has gone thoroughly into the whole subject and made certain recommendations to the Federal Parliament. It is to be hoped those recommendations, or many of them, will be adopted. Taxation falls very harshly on that section of the community which cannot evade it. It is easy to arrive at the taxable income of a wage-earner or a person engaged in primary industry, but very difficult to arrive at that of a large business concern whose operations extend beyond the State, and which is only a branch of a business with head-quarters in some other part of the world. The managers of such firms or corporations are able to so arrange their local business that no departmental officer can arrive at their profits. In the main they can pass taxation on to those sections of the community who have no chance of escaping and who must pay willy-nilly, because the taxation officials have an easy method of arriving at their incomes. We ought to have a system of taxation which would pay some regard to the people who earn their incomes by hazardous occupations wherein they have to take many risks and suffer much anxiety. For instance, the agriculturist, from the time he puts in his seed until he takes off his crop, goes through a period of great anxiety. He has to pay out from his savings the whole cost of his requirements during that term, and the possibilities are he may not reap the results of his energy. I am reminded that a few days ago a large number of settlers at Bowgada had their prospects for the year ruined as the result of a great storm. They had previously spent a considerable sum of money in cultivating their land and raising their crops. They had to pay for super, for machinery and for labour, and after all they will reap no harvest. Of course they will pay

no taxation, because they have no taxable income for the year. Still they had to provide from some source the money to enable them to arrive at the stage their production had reached when ruined by the storm. The ordinary business man takes no such risk. He might give 30 days' grace, but that is all. He has none of those anxieties which afflict the man engaged in agriculture. In mining also and in the pastoral industry the risks are very great; yet those industries confer a far greater advantage on the State than is derived from mere trade and commerce. Consider the person who invests his money in banking, in insurance, in mortgages, or in gratuity bonds: he takes good care to see where his security is. He accepts no risk at all, but merely holds out his hand when the interest is due. People who earn their living in that way are doing very much less for the development of the State than are people engaged in primary industries, notwithstanding which they are not asked to pay any more taxation; indeed they are given a fairer deal than is given to those engaged in the primary industries so vital to Western Australia. The Bill provides certain amendments on the existing Act. The new provision that the improvements on one property shall not count in respect of another property, is fair and reasonable. I see no reason why a person holding two properties one of which he does not improve, should be allowed to escape his liability for improvements. I cannot agree to the proposed extension of the term for absentees. I think 12 months a sufficiently long period to allow a person to be absent from the State before he incurs the double imposition. To extend that period to two years would be a serious error. It would allow well-to-do people to go to England or some other country, engage in business there, pay a visit to Western Australia once in two years and still escape the absentee tax. That would not be fair. The person who lives in this State and who carries on his operations here has to pay taxation through many sources. He has to pay taxation on income and by way of customs and stamp duties; in every form enacted by the State, he has to pay his portion to the revenue of the country, but the absentee escapes all that.

Mr. Latham: The absentee does not receive the service.

Mr. MacCallum Smith: He is missing the benefits.

Hon. P. Collier: But he is drawing his income from this State.

Mr. TROY: Will the hon. member tell me the benefits a person who pays heavy customs duties gains, and the benefits a man abroad loses? The person who lives in this country and carries on operations and maintains his family here pays all the taxation which is enacted and, by the very fact of living in the country, contributes towards the railways and all the other services which go to enrich the man abroad who pays nothing towards such services. This is a very bad

feature of the Bill. I am surprised at a Treasurer so badly in need of money, who cuts into the exemptions, allowing a privilege of this character when the existing Act makes suitable provision for absentees. The Premier is unwise in seeking to extend this privilege. I propose in Committee to do my best to defeat it, and I hope I shall have the support of members generally.

Mr. Money: What is there in favour of charging an absentee double taxation?

Mr. TROY: In Western Australia there are a large number of properties held by people who got them at a very low price. Some were Crown grants.

Mr. Money: They are paying land tax.

Mr. TROY: The amount is infinitesimal.

Mr. Johnston: Some of them are foreigners, too.

Mr. TROY: Some of the owners have not seen the country, and have no interest in it beyond the fact that they own property. Why should they enjoy the same advantages with regard to taxation as are enjoyed by members of the community who live in the country and carry on operations in the country and are responsible for the obligations of the country?

Mr. Money: Does not that apply to all Government investments?

Mr. Johnston: They do not pay taxation.

Hon. P. Collier: An absentee is no good to the country.

Mr. TROY: In New South Wales there are a large number of beautiful and valuable areas. Let me instance one—the Peel River Estate—which had not one pound's worth of improvements on it for nearly 70 years. Is it fair and reasonable that the people living adjacent to that estate and enhancing the value of it should pay the same amount of taxation as the owner of that estate living abroad? Take some of the estates in the Northern districts—there is one near Mullewa—is it reasonable that the owner should enjoy the possession of that without some additional payment for the advantage he gains, because of the added value by the operations of the pioneers adjacent to him? His property is being made valuable, because other men have gone out there and have cleared their holdings and are producing wheat. A few years ago it was thought that this land would not produce anything.

Hon. P. Collier: The settlers have given the estate all its value.

Mr. TROY: Quite so. The people adjacent to it and the Government, by building the Wongan Hills-Mullewa railway, have given this estate its value, and is it fair that a gentleman living abroad, who has probably never seen Western Australia, should receive the same consideration as is given to the community who are enriching him?

Mr. Sampson interjected.

Mr. TROY: There is no investment about it beyond the fact that the property was purchased at small cost many years ago. If the owner was operating and developing

the property, clearing and cultivating it and adding to the wealth of the State, something might be said in his favour. The further privilege for absentees provided in this Bill is one that people of this description are not entitled to. I cannot support the principle in this Bill that the profits arising from the sale of a property as a going concern shall be subject to taxation. That was understood to be the law prior to the judgment read by the member for Katanning (Mr. A. Thomson). The property is the source from which a man draws his income, and without the property he would not have any income. Therefore I am not agreeable to this provision; it is not fair or reasonable.

Hon. P. Collier: That is an accretion of capital.

Mr. TROY: The Bill provides that the amount which a prospector or owner of a mine receives when he sells his property shall not be liable to taxation. If a prospector discovers a good property and sells it, the amount he receives shall not in future be subject to taxation. This provision, however, does not go far enough. This is not the greatest objection which the prospector has to the Income Tax Assessment Act. There are a number of prospectors who do not sell their properties. There are men who have been prospecting for 20 years and have received very little. One of them might make £4,000 and, though he does not sell his property, he has to pay income tax on the whole amount in the one year. That is a case for which provision is not made in the Bill. When the measure reaches the Committee stage, I hope that adequate provision will be made to meet a case of this description. Take an instance at Lake Austin: a prospector, a very old man, after laborious years in which he had lived a life of great hardship, secured gold valued at £8,000, and the State and Federal Income Tax Department took from him nearly £4,000; or one half of the reward of his labours extending over 27 years.

Hon. P. Collier: Robbery!

Mr. TROY: That was not fair. Dozens of prospectors in my electorate have worked year in and year out for very little and have drawn upon their capital resources. Some of them have even gone into debt in order to carry on. After perhaps eight or ten years, some of them make a little rise and, in addition to meeting the liabilities incurred in the past, they have to pay the heavy imposts levied by the Taxation Department, because the amount was received in one year. The same principle applies to the agricultural and pastoral industries and, in fact, to all those primary industries in which the people engaged have to take risks. An agriculturist may experience a good season and get a high price for his wheat and make a considerable income. In the following year the wheat might not bring half the price and his crop might amount to only one half of the previous year's production. In the following year there might be a drought. The agriculturist has to live all that time. Yet, if, in the following year he makes another

reasonable income, notwithstanding that he has had to go heavily into debt in order to carry on, no consideration whatever is allowed for the risks he has taken or for the liabilities he has incurred; the Taxation Department insist upon him paying the full amount of the tax on the income of that year.

Hon. W. C. Angwin: That same principle applies to the worker who is out of employment.

Mr. TROY: Not to the same extent.

Hon. W. C. Angwin: Exactly.

Mr. TROY: The person engaged in the agricultural industry might have to incur, in addition to the cost of his living, heavy expense in bringing about production.

Hon. W. C. Angwin: The same principle applies.

Mr. TROY: I am speaking of the main principle. An agriculturist may have to incur heavy liabilities in endeavouring to bring about production, and he runs the risk of losing all that in addition to the cost of his livelihood. Yet, when he experiences a good season, he has to pay on the full amount of the income for that year. This does not apply to the business man who faces no such risk. The man who sells superphosphate wants his money down or else he wants security for it. The man who sells machinery wants his money and, if it is not paid, interest is charged. These business men take no great risk, and they are not doing the service to the country that the people engaged in our primary industries are doing. Yet we find that, in regard to taxation, they get more generous consideration than the people who are of such value to the community. There should have been embodied in this Bill a provision for the averaging over a term of incomes of persons engaged in primary industries.

Hon. W. C. Angwin: Of all persons.

Mr. TROY: No.

Mr. Harrison: We have urged that for a long time.

Mr. TROY: The Federal Taxation Commission recommended that for persons engaged in these industries, an average should be struck over a term of five years. I propose to move an amendment that the average be over a term of three years.

Mr. Harrison interjected.

Mr. TROY: If the hon. member wants the principle established it is necessary to give and take.

Mr. Harrison: He will be double-banked.

Mr. TROY: No, he will not; I have the figures worked out, and I can prove that if taxation were averaged over a term, the taxpayer would have to pay only half the amount instead of paying heavily on one year and not at all in the following year.

Mr. Latham: Would you start on a good season like the last one?

Mr. TROY: We have to start somewhere. If we wait until a poor season comes along in order to get at an average, Parliament may not be in the humour to give these people the benefits they desire.

Mr. O'Loughlen: Why not make it apply all round?

Mr. TROY: That is for Parliament to say. One member said, "Why not apply it to the worker?" As one of the representatives of the workers in this Chamber, I say they may have a bad time and be out of work, but they do not suffer nearly the same loss as the person who is carrying on an industry, and has incurred heavy liabilities in doing so.

Hon. W. C. Angwin: They have not the same opportunities of making a profit.

Mr. TROY: But they do not have to make up the losses.

Hon. P. Collier: They pay in loss of comfort while they are out of work.

Mr. TROY: That is so. If the hon. member moves in this direction I shall be only too glad to support him. Those who are engaged in the gold mining industry, and the agricultural and pastoral industries, incur heavy liabilities in addition to providing for their livelihood. They have to spend money in buying machinery, explosives, and other commodities required for production.

Hon. P. Collier: All of which, in most cases, are paid for out of the profits of the industry.

Mr. TROY: In the case of people on the land, much of this money does not come out of the land.

Hon. P. Collier: Very few people risk all their capital in this direction.

Mr. TROY: I know of a case in which a farmer started without much capital. He bought superphosphates, etc., and obtained an overdraft of about £1,000. He had no capital left, and these commodities were not paid for out of capital. He, therefore, had to make it up somehow.

Hon. P. Collier: Which he did.

Mr. TROY: He did so after much anxiety and trouble. When he received an income sufficient to cover that, he was not allowed to make any deductions for the commodities he had to buy, which deductions would have made his income very much smaller. He had to pay tax on the full amount, no allowance whatever being made for the commodities he required for production.

Hon. W. C. Angwin: The same thing applies to the wages man.

Mr. TROY: If the hon. member will satisfy me on that score I am quite ready to go with him.

Mr. O'Loughlen: The farmers and pastoralists represent the two most prosperous sections of the community.

Mr. TROY: It is not a question of their prosperity or otherwise. I am just as much interested in the prospector, who is not prosperous, as I am in the farmer and pastoralist. People engaged in our primary industries take much greater risks than do the merchants.

Mr. O'Loughlen: Of course they do.

Mr. TROY: The same thing applies to those who are in business as moneylenders, or who are bond holders, or bank shareholders, and it applies also to those others who are en-

gaged in occupations in which they are fairly sure of their income. The rest, however, ought to be allowed to take from their income the amounts they have had to spend in the actual cost of production. I do not suggest that they should be allowed to deduct the money they have spent on foodstuffs or commodities of that character. They should deduct only the liabilities they have incurred in the actual work of production.

Hon. W. C. Angwin: That is made up in other ways.

Mr. TROY: The Bill also provides that any premises occupied by a person as business premises shall not carry the present deduction of 4 per cent. on the capital invested. I have no quarrel with that. I do not see why any person should be allowed to deduct 4 per cent. on the capital he has invested in his business. I understand this was only given in the first instance as a concession. Neither do I agree with the action of the Federal Government in imposing a tax of 5 per cent. on private houses, or on one's own premises. This is equally wrong and unjust. Certain deductions are provided under the Western Australian Act which ought not reasonably to be allowed, just as this deduction of 4 per cent. is not to be allowed on capital invested in a business. Take the question of life insurance. A deduction is allowed of the amount paid by the taxpayer for life insurance.

Mr. Johnston: Up to £50 a year.

Mr. TROY: That is a fairly big premium. Money put into a life insurance premium is merely capital invested, in the same way that one may invest one's capital in some other way. One person makes provision for his wife and dependants by investing capital in an insurance policy. Another makes similar provision by investing money in some other direction. If the exemption is not fair in the one case, it is not fair in the other, and if I were the Treasurer, I would strike out this exemption. I am not going to move to have this struck out because I prefer to see it left as it is. I notice that no provision has been made for raising the exemptions as they operate now. The exemption at present is £100 in the case of single men and £156 in the case of married men. That exemption is altogether too low, and I hope it will be raised when the Bill goes into Committee. To ask a man who maintains a family on £156 a year to pay income tax is not fair. It is a penalty which the married man and his family should not be called upon to suffer. Whereas an exemption is made for the married man in the case of his children, other than his dependants, there are other people entitled to a similar exemption. I know of young men who deny themselves the advantages of married life—if that is an advantage—because they have taken upon themselves the maintenance and support of younger members of the same family.

Hon. P. Collier: They are treated as dependants under the Act.

Mr. TROY: I am not aware of that. I know of one gentleman who has not taken advantage of that provision. I have discussed this matter before, and am glad to hear that this exemption is allowed.

Hon. W. C. Angwin: If a man is married and keeps his mother, he does not get any allowance.

Mr. TROY: He ought to do so, just as in the case of the married man who maintains his children. If a man is married and keeps his mother, and seeks exemption from taxation up to a certain amount, he should be given it. The married man who keeps his mother ought to be encouraged.

Mr. Teesdale: You will have nothing left directly.

Mr. TROY: I have always urged upon the Government to bring down some measure of taxation which would be comprehensive and fair all round. The sooner we arrive at the position where the Treasurer gets nothing by way of taxation, the sooner will he bring down some comprehensive measure.

Mr. MacCallum Smith: What do you suggest?

Mr. TROY: If the Government do not possess the capacity to deal with the matter themselves, they should appoint a committee to go into the whole question, call evidence, make the most searching inquiry, and present something to the House which would be fair and more just than the system now in vogue.

Mr. MacCallum Smith: Will you move for the appointment of a select committee?

Mr. TROY: I would not mind doing that. It has always struck me that people who live in remote parts of the State, and who suffer many disadvantages as a consequence, receive very scanty consideration in a measure of this character. The person who lives 700 miles out in the backblocks, and who has to pay 100 per cent. more for the necessities of life than does the person who lives in the city, pays far more taxation and yet receives no more consideration than those people who live in the more favoured localities.

Mr. Pickering: Less.

Hon. P. Collier: The man who lives in the city has to pay an amusement tax if he wants to go to the pictures.

Mr. TROY: That is his own lookout.

Mr. Underwood: There is no sacrifice in going outback in this country.

Mr. TROY: I do not know about that. There are people who are not prepared to make the sacrifice and live in the back country for a number of years.

Mr. Underwood: There are not too many of those. Do you live in the backblocks?

Mr. TROY: My home is still there, and I have lived there for many years.

Mr. Underwood: And you kid yourself you are a hero.

Mr. TROY: The hon. member has not in him the elements that go to make a hero. He has had opportunities in this country but has not availed himself of them.

Hon. P. Collier: He sticks to the city.

Mr. TROY: Yes, to the racecourse and the fleshpots of Egypt. He will not turn his back upon those. The people who live outback in my electorate have been compelled to pay a heavy impost by way of railway freights and fares. These people are pioneering in the more remote parts of the State, and are entitled to some consideration in a measure of this character. If people do not go out and pioneer the backblocks, what will become of the cities? Surely members have some sympathy for these people. I do not think anyone goes outback for the enjoyment of the thing, or because they like the solitude of the life.

Hon. W. C. Angwin: Many go out because they like it.

Mr. TROY: Some men go out because they think they will gain more advantage than by staying in the town. They are willing to make a sacrifice in the hope that after a few years they will make a competency for the future. It is a good thing they do go out instead of remaining in the town. Because they have gone out there they are compelled to continue to live there. We cannot all live in Perth or Fremantle. Those places would not exist but for the people who go outback.

Hon. W. C. Angwin: We all know that.

Mr. Underwood: I am speaking for the backblocks too.

Mr. TROY: The hon. member may be speaking for those who have no votes, but I am speaking for all those who live in the remote parts of the State. I speak for all in the backblocks.

Mr. Underwood: My constituents are not—

Mr. SPEAKER: Order, order!

Mr. TROY: I know of many young men in my electorate, returned soldiers, who have just gone on the land in the pastoral areas, and are fighting the dingo pest and other pests. There are a number of soldiers near Dandaraga Station, out from Sandstone, who have not marked a lamb for five years. They try to carry on a sheep station where a hundred dingoes are being killed every month.

Mr. Harrison: What income do they get from the killing of the dingoes?

Mr. SPEAKER: Order! Hon. members must keep order.

Mr. TROY: I think the reward is 2s. 6d. per scalp.

Mr. MacCallum Smith: No; 10s.

Mr. TROY: Anyhow, a former manager of Dandaraga Station, Mr. Roberts, employed men to kill dingoes, and he told me the men were killing 100 dingoes per month, and that, notwithstanding this, there was no appreciable reduction in the number of dingoes. These young men have taken up land all round that country, and are trying to carry on sheep stations under difficulties of that character. And they are the men who the member for Pilbara (Mr. Underwood) tells us are anxious to pay taxation! I ask hon. members, now that we have the opportunity, to let us make good our words. I ask

the Premier to make good his oft repeated statement that he is out to help the man in the back country. Let us have a special exemption for those men because of their cost of living, and because of the sacrifices they make in opening up the country. If the member for Pilbara does not want the exemption for his constituents, let us exempt from the exemption the electorate of Pilbara, where the heroes live. The Government have approved of the principle so far as public servants are concerned. Every arbitration award and industrial agreement relating to public servants provides that public servants living in outback localities shall have a special annual allowance. The principle has been acknowledged by Parliament with regard to public servants; then why should it not apply to people living in the outback districts, people who are doing just as good work for the country as are the public servants? The exemption would apply only to people actually resident in those districts.

Hon. W. C. Angwin: What do you call residents of those districts?

Mr. TROY: People whose chief residence is there, who work there. I have never agreed with the provision for the taxing of increase of stock. From knowledge that I have, knowledge that has been imparted to me, I am inclined to think that the provision is not legal; rather, that there is no such provision, either in the Federal Act or in the State Act. From good authority I learn that on an appeal from Queensland the Federal High Court has held that the increase in stock is not liable to taxation.

Mr. MacCallum Smith: Quite right.

Mr. TROY: I am surprised that the people who have been called upon to pay tax on increase in stock here have taken it lying down. I am ready to pay income tax upon the income which I receive annually. Last year, if I may be pardoned a personal reference, I marked over 200 lambs. After the session had closed last year, I found that 70 of those lambs had been killed by dingoes. Of my last year's lambing I do not think there are 20 left.

The Premier: You will get a deduction this year.

Mr. TROY: But I do not want to pay that taxation at all. I do not want to pay first and then get a deduction. Meantime the Taxation Department have the money. The only income tax any man or woman in the community should pay is tax on the income he or she actually receives during the year. No one will object to paying such a tax, subject to reasonable exemption.

Hon. P. Collier: We will knock the Bill into shape.

The Premier: I did not make this law. You have all had opportunities for years and years to amend it.

Mr. TROY: Last year I asked the Premier to bring in a measure which would give members the opportunity of making an Act suitable to the requirements of the people of Western Australia. Hon. members talk about



no taxation; but who is it pays Customs duties? Does the merchant or the importer pay them? Those duties are passed on. Who pays the stamp duty? It is passed on. No matter with whom one deals in the city, an insurance company or a banking company or a merchant or anyone else, taxation is passed on, and the individual member of the community pays it. If the Premier will introduce a comprehensive taxation measure, we will knock it into shape.

Mr. Pickering: The man on the land pays all the time.

Mr. TROY: The existing Act provides for a court of appeal, to which aggrieved taxpayers may appeal—

Hon. P. Collier: If they pay up first.

Mr. TROY: Yes.

Mr. MacCallum Smith: That provision stops a good few appeals.

The Premier: One would think this was a new Bill, never before heard of.

Mr. TROY: This is the only opportunity I have had to discuss the measure. The House has never been given this opportunity previously.

Hon. P. Collier: We are feeling the pinch of taxation.

Mr. TROY: The great majority of the people of this country have no possibility of appealing against taxation assessments. A man gets a notice from the Commissioner of Taxation to pay up by a certain date, and if the man does not pay up accordingly, he is fined. Moreover, one often receives the notice to pay after the last day for payment has gone by. The great majority of the people of Western Australia know nothing about the right of appeal, and are simply bluffed into paying taxation. Their assessments are made up for them, and they are told they must pay up. They write asking for reasons, and they get no reasons. They cannot afford to come to Perth and appeal to a court. A squatter might afford it, or a mine owner might; but the great majority of our people pay up simply because they do not understand the whole business. They pay because they have got to pay. They are in the dark. Take even the ordinary return, which a taxpayer has to fill in. Seventy five per cent. of the taxpayers do not know how to fill in that return.

Hon. P. Collier: It needs an accountant.

Mr. TROY: Of course it does. I guarantee that 75 per cent. of the people represented by hon. members here do not know how to fill in taxation returns.

Mr. Pickering: There are men making a dashed good living out of filling up taxation returns.

Mr. TROY: Quite so. When the Commissioner of Taxation tells people that their liability is a certain amount and that they must pay up, they do pay up, because even if they wanted to go to the appeal court, they would not know how to set about appealing. They pay up rather than take the conse-

quences. The existing Act contains a certain provision which, I observe, the Premier does not propose to delete by this Bill, and which ought to be deleted. That is the section providing that persons engaged in war service overseas shall be exempt from taxation. The war has ended, and I suppose that section is now inoperative; but, still, it ought to be struck out of the Act. I have a shrewd suspicion that numbers of overseas trippers carrying on big business in this country escape their taxation liabilities. The same thing applies to many people who engaged in all sorts of war work, or allegedly philanthropic work. There were the representatives of the Y.M.C.A., and also the Trench Comforts Fund, and there were others that carried on big business in Western Australia. Under that provision they were allowed to escape their liability to taxation. That, in my opinion, was never intended by this House. This House intended that soldiers actively engaged in warfare should be exempted; and that is quite right. But the people who ran no personal danger ought not to have been exempted. I am convinced that this State has lost a large amount of revenue by reason of the operation of that particular section.

Mrs. Cowan: You are quite wrong.

Mr. TROY: How does the member for West Perth know that I am quite wrong? Has she had access to the taxation returns? Does she know the persons who pay income tax in this State?

Mrs. Cowan: Well, do you?

Mr. TROY: Do I?

Mrs. Cowan: Do you know, any more than I do?

Mr. TROY: I know this fact, that the Act exempted from taxation persons who were carrying on big businesses. I also know that no person will pay taxation if exempted. Even the hon. member herself would not do so. If the Premier will give the House the information bearing on this question, I am sure that my statement will be found more correct than that of the member for West Perth. Now, since a similar measure to this was before the House last, there has come about an amalgamation of the State and Federal Taxation Department. I will ask the Premier whether Mr. Black is now a Federal officer or a State officer?

The Premier: He is a State officer.

Mr. TROY: I ask the Premier also whether Mr. Black has drawn a sum of money as compensation for accrued leave?

The Premier: Not that I know of.

Mr. TROY: I wish the Premier would make inquiry into that matter, because I understand Mr. Black is on long service leave and that his connection with the State service is discontinued.

The Premier: No. Mr. Black is a State officer still.

Mr. TROY: I welcome any amalgamation that will give efficiency and at the same time economy. But there is one feature of this amalgamation to which I desire to call at-

tention: Mr. Black, a State officer, as I am assured by the Premier, looks after the lands department of the business, while our great source of revenue is income taxation. The Treasurer does not control this officer who is under Federal direction.

The Premier: Mr. Black represents us in income taxation, too. He represents us in the whole thing.

Mr. TROY: I hope the Premier's statement is correct. But the danger is that the State Government, who ought to have control of the officer collecting the largest proportion of State income, will not have adequate control of that officer. I hope that my fear is ill-grounded.

Hon. W. C. Angwin: According to the agreement laid on the Table, Mr. Black was to have control of all the officers concerned in our taxation.

Mr. TROY: I hope the amalgamation will prove beneficial, although I have my doubts regarding that. In Committee I propose to move the amendments of which I have given notice, and I hope they will receive the support of the Committee.

On motion by Mr. Underwood debate adjourned.

## BILL—GRAIN.

### In Committee.

Resumed from the previous day; Mr. Stubbs in the Chair, the Premier in charge of the Bill.

Clause 3—Right of company to construct elevators (partly considered):

[An amendment had been moved by Hon. W. C. Angwin, to strike out the word "twenty-five" with a view to inserting "ten" in lieu.]

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

Ayes .. .. .	12
Noes .. .. .	25

Majority against .. 13

### AYES.

Mr. Angwin	Mr. McCallum
Mr. Clydesdale	Mr. Munro
Mr. Collier	Mr. Troy
Mr. Corbooy	Mr. Willcock
Mr. Heron	Mr. Wilson
Mr. Marshall	Mr. O'Loughlin

(Teller.)

### NOES.

Mr. Angelo	Mr. Mann
Mr. Boyland	Sir James Mitchell
Mr. Brown	Mr. Money
Mr. Carter	Mr. Pickering
Mrs. Cowan	Mr. Plesso
Mr. Denton	Mr. Richardson
Mr. George	Mr. Sampson
Mr. Gibson	Mr. Teesdale
Mr. Harrison	Mr. A. Thomson
Mr. Hickmott	Mr. J. Thomson
Mr. Johnston	Mr. Underwood
Mr. Latham	Mr. Mullany
Mr. H. K. Maley	

(Teller.)

Amendment thus negatived.

Hon. W. C. ANGWIN: I move an amendment—

That in subclause 1, after "districts," the paragraph:—"It shall be unlawful for any person other than the company to construct or use elevators for the bulk handling of grain for the public in any of the said districts, so long as the right hereby conferred upon the company continues within the district," be struck out.

The West Australian Graingrowers Co-operative Elevators Ltd. will probably provide elevators for export, but the elevators that will be constructed and the wheat capable of being held, will probably represent less than a quarter of the harvest to be garnered. The Bill, however, makes it impossible for anyone to erect, in any part of Western Australia, silos for storage purposes. One farmer will be able to erect a silo on his farm, but 12 will not be able to erect a joint silo.

The Premier: Yes, they will.

Hon. W. C. ANGWIN: They will not be able to do so, because in that case it will be a public matter.

Mr. MacCallum Smith: It is to enable that to be done that the clause is there.

Hon. W. C. ANGWIN: The Bill prohibits a miller from erecting silos to hold his wheat until he can turn it into flour.

The Premier: The miller can erect a silo.

Hon. W. C. ANGWIN: Nothing of the kind.

Mr. Johnston: I have an amendment to deal with that.

Hon. W. C. ANGWIN: I know what the amendment is intended to do, but the fact remains that the amendment is not the Bill. It is probably the intention of the company, seeing that the miller cannot erect a silo, to charge him a royalty on the storage of his wheat in silos to be erected.

Mr. MacCallum Smith: There is no such intention.

Hon. W. C. ANGWIN: What does the Bill mean? We must take it as it stands. It may be that hon. members have been ordered to pass the Bill to-night, otherwise the head of the Government may be in difficulties.

The Premier: I have not been told that.

Hon. W. C. ANGWIN: The Premier has never had such a solid vote as he has had on this Bill. The Country Party get what they require and, having got it, they do not care a hang. The time may come when the Premier will be glad of our support.

The Premier: I would be glad of it now.

Hon. W. C. ANGWIN: The Premier cannot rely upon the support of members on his side of the House except when it comes to a question of giving away the rights of the people, and then his supporters are as solid as they can possibly be. In the event of the company not being prepared to erect silos at, say, Northam, the Premier might

decide to come to the assistance of the farmers of that district and erect a silo, charging the owners of the wheat for storage.

The Premier: The company has to do that.

Hon. W. C. ANGWIN: No, they have not. The Government could not force the company to erect sufficient silos to hold all the wheat grown. Even in Canada the silos are used nine times over in the course of the year. If the clause be left in, the Premier will not be able to force the company to build silos in all the districts. Moreover, ships will not come here and wait while the wheat is being brought down from the interior.

Mr. MacCallum Smith: Plenty of ships will come here when they know there are elevators at Fremantle.

Hon. W. C. ANGWIN: The hon. member is speaking through his neck. He knows nothing about it. Very few ships coming to Australia are fitted for bulk handling; indeed, the files show there is a serious doubt about getting ships to carry wheat in bulk from Australia. Only two or three ships constructed for the carriage of wheat in bulk have been in Australian waters.

Mr. Harrison: What inducement for them has there been?

Hon. W. C. ANGWIN: Some wheat has been sent away in bulk. However, just now I am thinking, not of the ships, but of the wheat in the interior. What will become of the wheat when it is stripped? It cannot be left in the field. People who might be prepared to assist the farmer to provide storage for his wheat until the terminal elevators are ready for it should be permitted to erect silos. The company will not provide sufficient silos to hold all the wheat.

Amendment put and negatived.

Mr. JOHNSTON: I move an amendment—

That the following proviso be added to Subclause (1):—"Provided that nothing in this Act shall be deemed or have the effect or to prevent any person or incorporated company carrying on the business of a miller from erecting and using elevators for the bulk handling of grain in connection with such business."

The secretary of the company agrees that the proviso should be inserted. We have some very progressive milling companies in Western Australia. One of the largest mills in the State has been built recently at North Fremantle and it is intended to equip it with silos and elevators.

Amendment put and passed.

Mr. WILLCOCK: I move an amendment—

That before "elevators" in line 1 of paragraph (b) of Subclause 2, "terminal and other" be inserted.

The company might do everything they are supposed to do under the clause by constructing elevators at country sidings and having terminal elevators at Fremantle only. The spirit of the clause is that terminal elevators shall be constructed at each of the ports.

The Premier: The word "elevators" covers the whole point.

Mr. WILLCOCK: I think not. Suppose there are in the Geraldton district 20 railway sidings to which wheat will be brought. If the company were to erect an elevator at each of those sidings there would be no obligation upon it to construct a terminal elevator at Geraldton.

The Premier: What would they do with the wheat?

Mr. WILLCOCK: Take it all to Fremantle. That is what I am afraid of.

Hon. W. C. Angwin: I am afraid we are worrying too much; I do not think there is much chance of the Bill passing.

Amendment put and passed.

Hon. W. C. ANGWIN: Since the amendment moved by the member for Williams-Narrogin has been passed, we need not worry so much about the Bill. The monopoly has gone, because millers will be able to erect and use elevators wherever they like. I move an amendment—

That in line 1 of paragraph (c) of Subclause 2, the word "handle" be struck out and the words "charge for handling, storage, cleaning, and fire insurance of" be inserted in lieu; and that in line 4, after "discrimination," the words "directly or indirectly" be inserted.

I have taken these words from the Canadian Act.

Amendment put and passed.

Hon. W. C. ANGWIN: I move a further amendment—

That the following paragraph be added to Subclause 2:—" (h) That the company shall not amalgamate with any other company, corporation, or person, or sell or transfer to any other company, corporation, or person any right conferred on the company by this Act, except with the approval of both Houses of Parliament."

The company's memorandum of association gives very wide powers. We have been told repeatedly that this is a farmers' company, but there is nothing in the Bill to prevent the people who hold an interest in the company transferring it to another company or person. If we are going to give away any rights to a monopoly, Parliament should have an opportunity to say whether the rights should be extended to any other person.

The Premier: You mean for the 25 years?

Hon. W. C. ANGWIN: Yes.

The Premier: It might extend to the lease. I suggest that you insert "during the period of sole rights conferred under Section 3."

Hon. W. C. ANGWIN: The Premier, if he wishes, can move his amendment. The Gov-

ernment are giving a lease of 99 years of property of the State. The land will be more valuable at the end of 25 years. The lease of the land, however, is not embodied in the Bill. The only right conferred on the company by the Bill will be the right for 25 years.

The PREMIER: I move—

That the amendment be amended by inserting after "not" the words "during the period of sole rights under Section 3 of this Act."

With this amendment, I am prepared to accept the new paragraph.

Amendment on amendment put and passed.

Amendment, as amended, agreed to.

Mr. WILLCOCK: I move an amendment—

That the proviso to Subclause 3 be struck out.

The Premier: I will agree to that.

Mr. WILLCOCK: Then there is no need to debate it.

The PREMIER: I hope the Committee realise what this amendment means. If the company spent all their money on elevators at Fremantle, Geraldton, and Bunbury, and failed to erect elevators at Albany, all the rights given them under this Bill would be revoked.

Mr. Money: If they take the full rights, they must carry out the full work.

The PREMIER: The company have no objection to the amendment, but I would fail in my duty if I did not make clear to the House what its effect will be.

Hon. W. C. Angwin: There will be another Government in power before then, and they will see that the conditions of the agreement are carried out.

The PREMIER: Twenty-five years is not a very long period, and it may take that time to remove the present Government from office.

Hon. W. C. Angwin: But for us you would be gone now.

Hon. P. Collier: You are a super-optimist.

The PREMIER: The company are agreeable to the proviso being struck out.

Mr. WILLCOCK: The Premier has stated that the company agree to the amendment, but he has not said whether he agrees to it. I can see that the proviso was inserted for a specific purpose. Someone had in the back of his mind that the company would not do what the measure provides they should do. If a monopoly is granted, it is worth something to the company, and it is for Parliament to conserve the rights of other parts of the country by ensuring that the company carry out their obligations. The proviso would give the company power to erect an elevator at Fremantle only. If they did not construct elevators at Albany, Bunbury and Geraldton, all that would happen under the measure would be that the company's rights at Albany, Bunbury and Geraldton would be revoked. The company would then have the best portion of the State to operate in and

would have the sole right to operate there, while the outports would be left to fare as best they could. The company might not provide terminal elevators for the small amount of wheat which would go from the three ports I have mentioned, although the people in the areas affected are lead to believe that this will be done.

Mr. JOHNSTON: I oppose the striking out of the proviso, and am sorry the hon. member questions the bona fides of the company. The directors of this company are anxious to get all the wheat-growers of the State into the movement. The success of the company depends in the future upon the support of those districts which have not yet been canvassed. Practically every farmer in the Fremantle drainage area has taken up his quota of shares, and later on I think the same thing will be done in the Albany, Bunbury and Geraldton drainage areas. It is not fair to strike out this proviso and throw upon those who have already applied for 254,000 shares the entire onus of this undertaking to find all the money necessary for the completion of the scheme. The suspicion that the company do not desire to complete the scheme throughout Western Australia is without foundation. I am sure it will be done.

Hon. W. C. Angwin: Are you a shareholder?

Mr. JOHNSTON: I am not. I am not going to run the risk of not having a vote upon this question through being a shareholder.

Hon. W. C. Angwin: Until the Bill goes through.

Mr. JOHNSTON: Later on I may be a shareholder to a small extent.

Mr. McCallum: You are not a wheat grower.

Mr. JOHNSTON: I have refrained from taking any shares lest I should defranchise my electors through being unable to voice their interests in this Chamber on the question.

Hon. P. Collier: You are a far-seeing gentleman.

Mr. JOHNSTON: The wheatgrowers in Geraldton, Albany, and Bunbury will support the movement. They will be asked to do so later on. By striking out the proviso we shall be saying to the people who have already come in, "Unless you find the money to complete the elevator system in Western Australia, your entire rights are liable to be forfeited by the Government." The company are just as anxious to complete the terminal elevator system in the other parts of the State as they are at Fremantle.

Mr. WILLCOCK: I am pleased to hear the testimony of the hon. member. Whatever assistance I can give in the formation of this company in my district will be gladly given. Circumstances may arise, however, in which the company may not desire to erect elevators at these out-ports. If the company have a bona-fide excuse, they need not be afraid of the action of the Executive Council, and their interests will be fully safeguarded without the proviso. I was going to move to alter the subclause to

make it mandatory upon the Governor to revoke the right conferred upon the company in the circumstances outlined, but I refrained from doing so out of a desire to be fair to the company. When it comes to a question of policy, the majority of shareholders will rule, and those who belong to the out-port districts may be out-voted on the question of terminal elevators there. In return for the rights the company are getting they should be prepared to carry out the undertaking contained in the Bill.

Mr. MONEY: We have the undertaking of the member for Katanning, as spokesman of the Country Party, that they agree to the deletion of this proviso. We naturally expect that undertaking to be observed. The company will enjoy the full right of carrying on the bulk handling system in Western Australia. Surely there can be no quibble in the matter. If the company are willing to carry out this undertaking they should be willing to have this embodied in the Bill. There should be no loophole to enable them to go back on that undertaking. This represents an 8 per cent. investment with the wheat as security for the payment of the full charges. If the scheme is the right thing, there should be no doubt whatever about getting the capital. Surely the wheat growers will not draw back from their undertaking. I shall do all in my power to have the proviso deleted.

The PREMIER: The company, I understand, do not mind if the proviso goes out. I think it should not go out, for the reasons I stated earlier to-night. Unless the money is got from the wheat growers, the elevators will not be put up at all. Further inquiry has shown the company the wisdom of retaining the clause. The company would be very foolish to undertake to build silos at the four centres, as things are.

Mr. A. THOMSON: I am recorded in "Herald" as stating that the company are in favour of the Bill subject to this proviso being out. My authority for that statement is the chairman of directors of the company. I represent an outport, and I recognise the unfairness and unreasonableness of asking the shareholders of the company to be responsible for the erection of silos at outports. I myself am pledged to the deletion of the proviso so far as my own district is concerned. If necessary, the Bill could be recommitted and an addition made to Clause 3, setting forth that if sufficient wheat is available at an outport to warrant the erection of a silo, and if the farmers are prepared to put up a certain amount of capital for that purpose, it shall be done. I was surprised to learn to-night that the company—

Hon. W. C. Angwin: Do not worry about the company! It is the country that concerns us.

Mr. A. THOMSON: The hon. member interjecting is prepared to do anything to wreck the Bill. What the people in my district fear is that unless provision is made for giving them the same facilities at their natural port as are granted to the farmers who are in the fortunate position of having Fremantle for their port of shipment, they, my constituents, may not get the same facilities, and accordingly may be compelled to pay the extra railage to Fremantle. It is only since the inauguration of the wheat

pool that farmers having Albany or Bunbury or Geraldton as their natural port have had the actual railage to those ports deducted. Previously, private buyers always deducted the amount of railage to Fremantle.

Mr. Willcock: Not in the northern district.

Mr. A. THOMSON: That applied to Bunbury and Albany, anyway. I have heard of wheat which should have been shipped at Geraldton being dragged to Fremantle.

Mr. Willcock: Not before the wheat pool.

Mr. A. THOMSON: The private buyers used to give for wheat in the Katanning district the f.o.b. price less railage to Fremantle. Frequently Katanning wheat was shipped at Albany, which meant an extra profit to the buyer. My electors, while having no doubts regarding the company, entertain that fear of extra railage. Had the chairman of the company informed me earlier that the company were prepared to have this clause in, we might have arranged an amendment protecting the interests of the company, and also the interests of growers having outports as their natural ports of shipment.

Hon. P. COLLIER: The discussion has taken a somewhat extraordinary turn. The member for Katanning sadly and dolefully regrets the attitude now adopted by the company towards this proviso. Very mildly and apologetically he suggests to the chairman that the company might accept an amendment to some other part of the clause, which would be agreeable to both the company and this House. Speaking vulgarly, I say "Hang the company!" We are not here to say to the chairman of any board of directors, "Please, Sir, would you mind if we, as a Parliament elected to deal with matters of this kind, were to alter the Bill? Would that meet with your approval, or would you seriously object?" Has this Parliament reached such a stage? We are here to legislate in the interests of the country, and in such a manner as will protect the people's interests, regardless of how our action may be regarded by any company concerned in any Bill. What is now suggested would involve a reversing of the order of dealing with clauses; we should have to consider the provisos to clauses first. The votes of members on earlier parts of the clause were influenced by the belief that there would be no objection to the striking out of the proviso. One condition is that elevators shall be constructed within certain periods. In consideration of that, we have given the company a term of 25 years. But at the end of the clause we are now asked to say to the company, "After all, you need not do it; just do as you like."

Mr. Mann: Because we know it cannot be done within the time.

Hon. P. COLLIER: But the company have expressly undertaken to do it. There is another aspect of the matter. This is the first time I have ever heard a doubt raised here as to the bona-fides of the Governor-in-Council or the Executive Council. If the company should find themselves unable to comply with some of the conditions set forth by the clause, and if the company were able to put up a reasonable case to the Executive Council, surely no Executive Council would take such an extreme step as to forfeit all the rights of the company after the

company had expended considerable sums of money.

Mr. Willcock: Forfeit the company's rights for not doing the impossible!

Hon. P. COLLIER: Yes. It is an absurdity to assume that any Executive Council would penalise a company for not doing something impossible. It is mere hypocrisy to put such language as this into a clause at all. The matter should have been dealt with in the prior paragraph. As a fact, this clause protects the company, and not the country. The decision of the Governor-in-Council, in such circumstances, would always be in favour of the company rather than be based on the strict rights of the public under the Bill, if the company were able to put up a fair case.

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

Clauses 4 to 18—agreed to.

Clause 19—The board:

Hon. W. C. ANGWIN: I move an amendment—

That in line 4 of Subclause (1), "five" be struck out and the word "three" be inserted in lieu.

The clause provides that so soon as the company shall have constructed elevators for the handling of grain, a board, consisting of five members shall be appointed from time to time by the Governor. I desire to provide for a board of three members. Under the clause, two members of the board are to be nominated by the wheat growers, one by the Perth Chamber of Commerce, on behalf of the grain dealers and millers, one by the directors of the company, and one by the Government. If the Government take part in the management of this concern, they should take the lot or none.

Hon. P. Collier: They should be right out of it or right into it.

[Mr. Munsie took the Chair.]

The Premier: We do not want that.

Hon. W. C. ANGWIN: This means that on the board, on which the Government are represented, and on which the overseas purchasers of our wheat will rely as a Government board, whose certificates will be regarded as issued under the authority of the Government, there will be four votes to one against the Government. I want another system adopted in connection with the board which will take charge of the wheat, fix standards and so on.

Mr. Harrison: Who has fixed the standard up to the present time?

Mr. Mann: The Chamber of Commerce.

Hon. W. C. ANGWIN: The member for Avon will admit that the system has been bad. It would be in the best interests of the State that the Government should appoint the Board, and my amendment provides for that position.

Mr. Mann: The overseas traders will require the Chamber of Commerce to be represented.

Hon. W. C. ANGWIN: Nothing of the kind, Who does the work in Canada?

Mr. Mann: I am speaking of Australia.

Hon. W. C. ANGWIN: They send ten times as much wheat from Canada as we do from

Australia. In Canada there is a board of commissioners, comprising three members appointed by the Government. The commissioners appoint their own inspectors and follow their wheat by means of certificates until it reaches the hands of the buyers. The commissioners guarantee the wheat. The grain is not bought under certificates from the farmers or the company. On the board proposed in the Bill, three of the five members are sellers of wheat.

Mr. Harrison: They act for the sellers.

Hon. W. C. ANGWIN: No person can hold shares in the company unless he is a wheat grower and a wheat grower is a wheat seller.

Mr. MacCallum Smith: There are wheat growers who may not be shareholders. We have to cater for them.

Hon. W. C. ANGWIN: Is it likely that a wheat grower who is not a shareholder will be nominated as a director. The member for North Perth is not so green as to suggest that. He would be one of the first to raise his voice in protest against the appointment of a wheat grower, who was not a shareholder.

Hon. P. Collier: The bigger the wheat grower the better chance he will have of getting on the board.

Mr. MacCallum Smith: That is the way you do things on your side of the House.

Hon. W. C. ANGWIN: We are asked to say that sellers shall be the persons to issue certificates through their own inspectors.

Hon. P. Collier: That is a wrong system.

Hon. W. C. ANGWIN: Even the fourth man on the board has to be a representative of the grain dealers and millers, yet the Government say they will carry the whole responsibility on their shoulders. If I were the Premier, I would be ashamed to introduce a clause in a Bill centring responsibility on the Government and on the people of the State, without maintaining power of control.

The Premier: What is the responsibility?

Hon. W. C. ANGWIN: The Government guarantee the wheat sold to buyers in other parts of the world. In Canada, the commissioners, and also the officials, have to subscribe to an oath before taking office that they will faithfully, truly, and impartially, to the best of their judgment, skill, and understanding, execute and perform their functions and that they will not, directly or indirectly, deal in, or be financially interested in grain, or hold any interest in any grain elevator or warehouse or in any partnership, corporation, or business engaged in the grain trade or in the transportation or storage of grain. No man can go on the board of commissioners there until he takes that solemn obligation. In spite of that, it has been found necessary to appoint another board known as the appeal board, the members of which have to take the same oath. Why have not Acts of Parliament in force in other parts of the world been followed here? No protection is to be given to the public. The board should consist of three members, not five. As the clause stands, the Government are to have but one representative out of five members of the board. Before the war, I saw wheat at Fremantle so infected with weevil that it was lifting up the covering tarpaulin. That wheat was shipped just before the new season's wheat

came in. I took the present Premier along to see it, and asked him could not something be done to protect the good name of Western Australia. He had no power in the matter. If we had a board appointed by the Government, all wheat exported would have to carry the Government's certificate.

Mr. Mann: You want the Government to accept responsibility for the quality of the wheat?

Hon. W. C. ANGWIN: Yes, as a guarantee of good faith.

Mr. Mann: Why should the Government accept responsibility for the quality of the wheat?

Hon. W. C. ANGWIN: Because the interests of the State require it. We are told that Canadian wheat brings top price because it is graded and certificated.

Mr. Hickmott: Is not all of our wheat to be graded?

Hon. W. C. ANGWIN: There is no such provision in the Bill. There will be great heart-burning among the farmers when we grade our wheat.

Mr. MacCallum Smith: What about the Fremantle Harbour Trust? The Government do not appoint the members of the Trust.

Hon. W. C. ANGWIN: Of course the Government do. Frequently, have we had from the Agent General complaints that apples of a wrong size have been sent Home and have spoilt the sales for those who have properly graded and packed their fruit. If the grading were done under Government supervision and certificate, that could not happen. So, too, in regard to coal, if the Government accepted responsibility for the quality of Collie coal supplied to steamers it would be of great benefit to the State. If our wheat is to compete with the Canadian product, it must bear the Government certificate.

Mr. Harrison interjected.

Hon. W. C. ANGWIN: The hon. member would be content to buy a horse on the recommendation of the seller.

Mr. Harrison: If I am to continue selling horses, yes.

Hon. W. C. ANGWIN: We have to protect the reputation of West Australian products. The hon. member has seen taken into stack wheat which was in a disgraceful condition, nothing but rubbish; he has seen wheat sent in which meant the loss of hundreds of thousands of pounds to others who delivered clean wheat. The grading of the wheat and the issue of certificates should be under the control of the Government.

The Premier: The Government will have a representative on the board.

Hon. W. C. ANGWIN: One in five! Rather than that, I should prefer to see the Government out of it altogether. If the board is to issue wheat quality certificates, let them do it; but the Government must not be involved unless they take full control.

The PREMIER: I quite understand that the value of the wheat will depend upon the work of the board. The work of the board will be most important with regard to the sale of the wheat. I am agreeable to the postponement of the clause.

Hon. P. Collier: Very wise too.

The PREMIER: But I do not agree that the board should consist of three.

Hon. W. C. ANGWIN: There are only three on the Canadian board.

Mr. Johnston: They are highly paid Government officials.

The PREMIER: Canadian wheat varies more in quality than ours. The best 6,000 tons of wheat which ever left Australia has been shipped from Fremantle. It was 12 months old wheat weighing 64lbs. to the bushel. There will always be some bad wheat, but only a very small proportion. We want to make the work of the board as valuable as possible. I move—

That the further consideration of Clause 19 be postponed.

Motion passed, clause postponed.

Clause 20—Secretary, officers and employees:

Hon. W. C. ANGWIN: I move an amendment—

That after "board" in line 4 of Subclause 1 the following be added:—“(a) No member of the board or the secretary or any officer shall directly or indirectly deal in or be financially interested in grain, nor hold any interest in any grain elevator or warehouse, or in any partnership, corporation, or business engaged in the grain trade or in the transportation or storage of grain.”

The Premier: I do not know why you want that.

Hon. W. C. ANGWIN: I want to see fair play and to protect the interests of the State. The standard at present may not be satisfactory, but it is fixed by people who are not interested in the selling of wheat. After many years experience in Canada, a provision of the nature I am suggesting has been found necessary. It is in the interests of the board as well as of the farmers. I do not intend to move for the insertion of the obligation of which I have given notice.

The Premier: Will you accept a seat on this board?

Hon. W. C. ANGWIN: If the Premier offers me too many things, I might accept some of them.

Hon. P. COLLIER: It would be well to postpone this clause also. My attitude towards the amendment would be governed largely by the decision of the Committee on Clause 19. I hold very definite views regarding Clause 19, and I hope the Premier will be able to submit amendments which will be acceptable to the Committee. Clause 19 goes either too far or else not far enough. If the Committee agree to Clause 19, I do not care who is on the board. If Clause 19 is amended as I think it should be, the amendment to Clause 20 should be accepted.

The PREMIER: Though I do not agree with the amendment, I move—

That the further consideration of Clause 20 be postponed.

Motion passed, clause postponed.

Clauses 21, 22—agreed to.

Clause 23—Powers and duties of the board:

Mr. McCALLUM: I move—

That the following paragraph be added to Subclause 1:—“(d) Fix the charges that may be lawfully made and levied by the Company for the handling and storage of grain.”

A similar provision exists in the Commonwealth Act granting the loan of money to States desirous of installing bulk handling. Parliament, in granting this monopoly, is giving a tremendous concession, and it is only right that Parliament should see that the interests of the people are protected. We should not put into the hands of a few individuals the power to impose any charges they think fit.

The Premier: You have already limited their profit.

Mr. McCALLUM: I want to limit their charges.

The Premier: You cannot do it.

Mr. McCALLUM: If a majority of the Committee say it can be done, it must be done.

The Premier: You cannot fix the wages they shall pay. The board will have no financial responsibility.

Mr. McCALLUM: The board will not fix the wages. When the charges were being fixed, it would be for the company to show just what wages and other charges were involved to enable the board to arrive at a reasonable decision. Is the whole power to be given to the company without any control whatever? No Parliament in the world would establish such an uncontrolled monopoly.

The Premier: No Parliament in the world would refuse to. That is absolute nonsense.

Mr. McCALLUM: The Premier is carried away by his enthusiasm for the company and declines to listen to reason. If it is correct as the member for North Perth stated, that they will be able to operate bulk handling so much cheaper than the bag system, this would be the only opposition they would be likely to have.

The Premier: That is pretty serious.

Mr. McCALLUM: Before many years are over the company will be asking for the handling of wheat in bags to be prohibited. Hon. W. C. Angwin: They will be asking the Government to take the business over.

Mr. McCALLUM: I have never been able to speak for five minutes without some interruption.

Mrs. Cowan: You have my sympathy.

Mr. McCALLUM: And the member for West Perth is one of the rudest in the matter of interruptions. Even if the company can handle wheat so much cheaper in this way than in bags, there is no guarantee that the benefits accruing will be passed on to the State and the wheat growers. There may be a saving of 2d. a bushel, but there is nothing to prevent the company from keeping 1½d.

Mr. MacCallum Smith: That will go to the growers.

Mr. McCALLUM: Only a small percentage of the wheat growers are shareholders.

Mr. MacCallum Smith: They can all join.

Mr. McCALLUM: If Parliament is to grant this monopoly it should hedge the company round with as many safeguards in the interests of the public as possible. This

board is supposed to exercise great control over the company.

Mr. MacCallum Smith: It will not have anything to do with the organisation.

Mr. McCALLUM: Practically every commodity in the country is controlled by the Price Fixing Commission established by Parliament.

Mr. MacCallum Smith: What has been the result?

Mr. McCALLUM: The commercial world has not suffered much in the way of interference from that body. It is the universal custom nowadays to regulate prices. Why should not the community have some guarantee that fair charges will be imposed for the services rendered by this company? Is that unreasonable?

Mr. MacCallum Smith: Yes.

Mr. McCALLUM: Surely members of the board will not be so incompetent that they cannot fix a reasonable figure under which the company can operate and the public interests be safeguarded.

Mr. MacCallum Smith: It is a co-operative company.

Mr. McCALLUM: It is unadulterated syndicalism, and the Premier himself is a syndicalist so far as wheat is concerned. He would not agree to bootmakers handling their own commodities. This amounts to privileged legislation to give a concession to a favoured section of the community.

Mr. MacCallum Smith: The Premier says they represent the backbone of the community.

Mr. McCALLUM: I do not believe that and I generally speak the truth. The Premier will not allow even a flavouring of Government control to enter into this matter. He will not listen to any suggestion that the board should have some say in the charges to be made for the handling of the wheat. The Premier sits back and says that, as against his friends, he will not let the rest of the community have any say.

The Premier: That is not right.

Mr. McCALLUM: Not right to the Premier's view, because he limits his outlook to a paddock where wheat is grown. Is the hon. gentleman determined that syndicalism shall apply to wheat growing, though to nothing else? Is he, further, determined to subsidise the wheat growers with State funds for that purpose?

Mr. Pickering: What State funds are going into this?

Mr. McCALLUM: Two pounds of the people's money for every pound of the wheat grower's. I saw what was happening when I rose; I saw the Premier consult the member for North Perth. In this Chamber one member need only lift his finger, and the decision is given. It is perfectly reasonable to ask that the board shall have power to fix the price.

The PREMIER: I have listened to the lecture delivered by the mover of the amendment. The hon. member must not assume that every other member in this Chamber is



possessed of fixed views which can never be changed or modified, which are always conservative and mostly wrong. The hon. member was not here when the member for North-East Fremantle discussed a previous clause, which was postponed for further consideration. Moreover, the member for South Fremantle lost sight of the fact that the shareholders cannot receive beyond eight per cent. per annum dividend, and that any remainder of profits must be distributed among the farmers whose wheat goes into the elevators.

Mr. McCallum: That is not so. I have an amendment on that point.

The PREMIER: It is the wheat growers of the State who will pay the charge, and not the general public. The general public will not pay one penny in respect of wheat exported.

Hon. W. C. Angwin: Some of the wheat might go to the millers.

The PREMIER: No. The millers will get their wheat in bags; they want the bags. Will the Committee please understand that the farmer himself will pay these charges?

Mr. McCallum: The farmer does not want protecting, I suppose?

The PREMIER: Yes, he does; but the co-operative company will be owned by the farmers, and will see that the farmers are protected.

Hon. W. C. Angwin: The farmers take the view that no matter what they pay, none of it will ever come back to them, but that it will all go in salaries. We have had that in evidence.

The PREMIER: It is not the product of the work of the public that is being sold, but merely the product of the work of the men who own the system. If we could manufacture boots for export, the House would be quite prepared to agree to provisions which would mean that the boots would be sent away in the best manner.

Mr. McCallum: Would you hand the mines over to the miners?

The PREMIER: The miners are largely working the mines now, on tribute.

Mr. McCallum: Would you hand over the timber mills to the workers?

The PREMIER: The men owned their own mill a little while ago.

Mr. Corboy: You did not give the timber workers a monopoly.

The PREMIER: The member for North-East Fremantle does not regard this as a monopoly now. As a matter of fact, a considerable portion of the wheat will be shipped in bags and the bulk handling scheme will not really mean saving the cost of the bags. The bag system will continue to operate and will be a check against the charges of the elevator company.

Hon. W. C. Angwin: This will mean the scrapping of nearly £70,000 worth of plant at Fremantle and the expenditure of another £200,000 for rolling stock.

The PREMIER: The hon. member is quite wrong. In any case, there is no monopoly under the Bill, seeing that wheat

can still be shipped in bags. The charges imposed by the company must be reasonable or they will not get the business.

Hon. W. C. Angwin: In any case, the charges will be passed on to the consumer.

The PREMIER: If they are, the consumers will not be in this State. I do not see any necessity for the amendment. If I felt there was any necessity to safeguard the farmers against any excessive charges, I would adopt a different attitude.

Hon. W. C. ANGWIN: I am surprised that when an amendment is moved to protect the interests of the farmers, it is opposed by members on the Government side of the House. In another measure which was presented to the House, the question was raised as to what it would cost the farmer. The price was fixed under that Bill stipulating that they should not be charged more than so much. The amendment does not go as far as that.

Mr. MacCallum Smith: In the case you refer to it was a private company.

Hon. W. C. ANGWIN: This is a private company.

Mr. MacCallum Smith: No, it is not.

Hon. W. C. ANGWIN: More than that, if it is a payable concern it will very soon be in the hands of a very few men. In Canada, the board of commissioners fix the charges. There are other means by which the company may secure income, as, for instance, by taking into consideration, in fixing the handling and storage charges, the natural increase in wages. Allowance is made in those charges for any probable increase in wages, and the farmers get the benefit, if any, accruing from that system. We have already decided, however, no matter what the increase may be, that the natural increase will represent an additional cost to the company. That means that it is taken from the farmers.

Mr. MacCallum Smith: Are not the farmers the company?

Hon. W. C. ANGWIN: That is not so. The company comprises some of the farmers. There would be more farmers in the company if they got the extra payment of 6d. per bushel, but that is not very likely. In 1915-16 there was a natural increase in the harvest handed over to the farmers by the wheat agents, such as Dalgety and Co., amounting to 74,000 bushels of wheat. On the other hand, the millers did not hand over to the farmers the natural increase on the wheat they procured but pocketed it in the same way as we propose to hand it over to the company now. Piesse, Ockerby, Padbury, and others did not do it, but kept the natural increase. The same thing will happen with this company. But the board will take into consideration the natural increase and hand it to the farmer. I can see no objection to the amendment.

Mr. McCallum: The Premier argues that it would be, not the people of the State, but somebody overseas who would have

to pay any extortionate price which might be charged by the company. How often has the hon. member declared that the local price of wheat must be governed by its price overseas? Is it not obvious that the paying of a heavy charge overseas will be reflected in the price locally?

The Premier: It will reduce the local price.

Mr. McCALLUM: Then how is it we have not been getting cheap wheat during wartime when the price has been so high overseas? It is clear that if the company impose heavy charges the people will have to pay. It is wrong that this company should be pampered in every way and Government funds be used to subsidise them, while no regard is given to the price the people will have to pay for wheat. I am prepared to hold up this legislation till further orders.

The Premier: That is not a fair thing to say.

Mr. McCALLUM: I want to see some consideration given to the people. The Premier should not be petting and pampering this company at the expense of the people. I hope the Premier will agree to the amendment, and let us get home.

Mr. Corboy drew attention to the state of the House; quorum formed.

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

Ayes	..	..	..	12
Noes	..	..	..	24
Majority against				12

## AYES.

Mr. Angwin	Mr. Marshall
Mr. Clydesdale	Mr. McCallum
Mr. Collier	Mr. Simons
Mr. Corboy	Mr. Willcock
Mr. Heron	Mr. Wilson
Mr. Lambert	Mr. O'Loughlin
	(Teller.)

## NOES.

Mr. Angelo	Mr. Mann
Mr. Boyland	Sir James Mitchell
Mr. Broun	Mr. Money
Mr. Carter	Mr. Plesse
Mrs. Cowan	Mr. Richardson
Mr. Denton	Mr. Sampson
Mr. Gibson	Mr. Stubbs
Mr. Harrison	Mr. Teesdale
Mr. Hickmott	Mr. A. Thomson
Mr. Johnston	Mr. J. Thomson
Mr. Latham	Mr. Underwood
Mr. H. K. Maley	Mr. Mullany
	(Teller.)

Amendment thus negatived.

Clause put and passed.

[Mr. Stubbs resumed the Chair.]

Clause 24—Report to Minister:

Hon. W. C. ANGWIN: Why should the report be made to the Minister? Why not to

Parliament? This is a matter in which the public are interested.

The Premier: Add "and such report shall be presented to Parliament."

Hon. W. C. ANGWIN: That will do.

The PREMIER: I move an amendment—

That the following be added after paragraph (b)—"And such report shall be laid before both Houses of Parliament."

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

(Clauses 25 to 40—agreed to.

Clause 41—Regulations:

Hon. W. C. ANGWIN: I suggest that the Premier agree to report progress. This clause refers to the appointment of the board, and we have already postponed Clause 19 dealing with the constitution of the board.

The Premier: It will have to be postponed.

Hon. W. C. ANGWIN: The Premier will see that part of my proposed new clause 29a has to do with paragraph (d) of this clause.

Mr. McCALLUM: I move—

That further consideration of Clause 41 be postponed.

Motion passed; the clause postponed.

New Clause:

Mr. McCALLUM: I move:

That a new clause, to stand as Clause 18 (a), be added as follows:—Modification of the terms of the Company's Lease.—The lease to the West Australian Grain Growers' Co-operative Elevators, Limited, dated the 21st day of March, 1921, of North Fremantle Lots 205 and 206, registered as lease No. 230/1921 in the office of Land Titles, is hereby modified, as follows:—(1) In the reddendum on page one thereof, the words "the first ten years of" are inserted between the word "during" and the words "the said term," and the following words are inserted after the words "two hundred and fifty pounds," namely, "and thereafter as yearly rent a sum equal to five pounds per centum on the unimproved capital value of the demised land, to be assessed by the Surveyor General of the State, and re-assessed at the expiration of every subsequent period of ten years." (2.) In paragraph (k) of Clause 2, the words "on the amount actually paid up on each share" are inserted in place of the words "paid up capital of the company for the time being." (3.) The following additional paragraphs are inserted in Clause 2:—(1a.) That the company undertakes that the number of shares in the company which may be held by any one person or corporation shall be limited in such manner that a controlling interest in the company cannot be acquired by any person or corporation. (1b.) That it shall be a condition for the holding of shares in

the company that the holder will surrender any shares held by him exceeding one hundred shares at a price equal to the amount actually paid up on such shares, to enable other wheat-growers who may not be shareholders in the company to acquire shares. (4.) The following words are inserted at the commencement of paragraph (n) of Clause 2, namely:—"That the company's memorandum of association shall be forthwith amended so far as necessary to give effect to the foregoing covenants and," and the word "otherwise" is inserted after the words "shall not," in line 1 of the said paragraph (n).

It is only right that after 10 years the rental for this land should be re-assessed on the basis of 5 per cent. of the unimproved capital value, such value to be fixed by the Surveyor General. A similar clause operates in connection with the lease of the land to the Fremantle freezing works.

The PREMIER: I was responsible for fixing the rental at £250. I held the opinion that the company were supplying facilities that I always felt should be supplied by the Government.

Hon. W. C. Angwin: That is why I am against you.

The PREMIER: When the farmers offered to do this I said I was obliged to them, and they could do so, and that I preferred the co-operative ownership of the work, which could then only be used by the farmers themselves. I am sure no one would object to a rental based on 5 per cent. of the value of the land.

Hon. W. C. Angwin: The site is worth £500 a year now.

The PREMIER: If the rent comes to more than £250, the £250 stands, but I think it will be less than that. If it be less I agree to the 5 per cent. basis. I suggest, however, that the whole question be postponed, so that the new clause may be re-drafted.

Progress reported.

*House adjourned at 11.31 p.m.*

## Legislative Council.

*Tuesday, 22nd November, 1921.*

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

### SELECT COMMITTEE — WYNDHAM MEAT WORKS AND STATE SHIPPING SERVICE.

Interim Report presented.

Hon. J. J. Holmes brought up an interim report of the select committee referring to the Wyndham Meat Works.

Report received, read, and ordered to be printed.

On motion by Hon. J. J. Holmes the time for bringing up the report of the Select Committee upon the State Steamship service was extended until Thursday, 8th December.

### SELECT COMMITTEE—CONSTITUTION ACT AMENDMENT BILL.

Report presented.

Hon. A. LOVEKIN brought up the report of the select committee appointed to inquire into the Constitution Act Amendment Bill.

Report received, read, and ordered to be printed.

### BILL—INSPECTION OF MACHINERY.

Report of Committee adopted.

### BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Recommittal.

On motion by Hon. A. Lovekin, Bill re-committed for the purpose of further considering Clause 2; Hon. J. Ewing in the Chair; Minister for Education in charge of the Bill.

Clause 2—Amendment of Section 24.

Hon. A. LOVEKIN: Last session when the Bill was passed it contained an exemption in the case of machinery driven by a plant not exceeding one horse power. In the Bill now before us that exemption is struck out. There are several users of small machinery, such as dressmakers, who if the clause is passed with-