

NOES.

| | |
|----------------------|-------------------|
| Hon. C. F. Baxter | Hon. E. Rose |
| Hon. H. P. Colebatch | Hon. A. Sanderson |
| Hon. J. Cunningham | Hon. A. J. H. Saw |
| Hon. J. W. Hickey | Hon. H. Stewart |
| Hon. A. H. Panton | Hon. T. Moore |

(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 15—Penalty for obstructing officials and similar offences:

Hon. A. LOVEKIN: Who is the "other official" mentioned in the clause? He may go into a factory without any certificate of authority or giving any evidence of his bona fides to the owner. There ought to be some definition of "other official." I move an amendment—

That in paragraph (d) the words "or other official" be struck out.

The Minister for Education: I do not mind the words being struck out.

Hon. A. H. PANTON: It is not advisable to strike out the words. Another official may comprise the Commissioner of Public Health or some other inspector or officer.

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

Clause 16—agreed to.

Clause 17—Obstruction of inspector:

Hon. A. LOVEKIN: Is not paragraph (c) rather vicious? Inspectors should not be allowed to examine secretly the employees in a factory. I move an amendment—

That paragraph (c) be struck out.

The MINISTER FOR EDUCATION: It is necessary that this paragraph should remain in.

Hon. A. LOVEKIN: Should not a factory owner be present during the examination?

Amendment put and negatived.

Clause put and passed.

Progress reported.

BILLS (4)—FIRST READING.

- 1, Lunacy Act Amendment.
- 2, Divorce Act Amendment.
- 3, Navigation Act Amendment.
- 4, Justices Act Amendment.

Received from the Assembly and read a first time.

BILL—CORONERS.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to make amendments Nos. 1, 2, and 4, requested by the Council in the Bill, but had declined to make amendment No. 3.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Received from the Assembly.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [12.27]: I move—

That the Bill be now read a first time.

Hon. J. J. HOLMES (North) [12.28]: I should like a definite ruling, Mr. President, as to what is formal business and what is business that is introduced after 10 o'clock. I ask this because of the new business which has just arrived from another place.

The PRESIDENT: I consider this business is formal. If the hon. gentleman wishes me to administer Standing Orders strictly according to the letter then I say that this may be treated as new business.

Hon. J. J. Holmes: Let it go at that.

Question put and passed; Bill read a first time.

House adjourned at 12.29 a.m. (Wednesday).

Legislative Assembly,

Tuesday, 7th December, 1920.

| | PAGE |
|---|------|
| Question: Nurses' Registration Bill | 2141 |
| Bills: Divorce Act Amendment, 3a. | 2141 |
| Navigation Act Amendment, 2a., etc. | 2142 |
| Justices Act Amendment, 2a., etc. | 2142 |
| Land Tax and Income Tax, 2a., Com. report | 2142 |
| Dividend Duties Act Amendment, 2a., etc. | 2145 |
| Land Act Amendment, 2a. | 2147 |
| Baywater Drainage Works, 2a. | 2170 |
| Narrag Recreation Reserve, 2a., Com. report | 2171 |

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

QUESTION—NURSES REGISTRATION BILL.

Mr. JOHNSTON asked the Premier,—Is it the intention of the Government to re-introduce during this session the Nurses Registration Bill, which was ruled out of order in this House on a technical point?

The PREMIER replied: The matter is being considered.

BILL—DIVORCE ACT AMENDMENT.

Read a third time and transmitted to the Legislative Council.

BILL—NAVIGATION ACT AMENDMENT.

Second Reading.

Debate resumed from 2nd December.

Hon. W. C. ANGWIN (North-East Fremantle) [4.36]: I have no objection to offer to the second reading of this Bill. It is necessary to have a measure of this description so that the public may be able to find out the cause of Government vessels going ashore, or other mishaps occurring to them. To-day we are unable to get information of that nature. It would have been interesting for us to know the cause of the "Bambra" going aground at Fremantle recently. We appoint officers on State steamers, and expect those officers to control the vessels, but there is a tendency on the part of the manager to take that control out of the hands of the ships' officers. Instructions may be issued which may endanger the safety of the ship, as well as the safety of the crew and passengers, and if it were possible to hold a proper inquiry under the Navigation Act, an inquiry similar to those which are held in connection with privately owned vessels, we would become aware of what was taking place, and it might be possible to prevent such occurrences in the future. It has been rumoured in connection with the recent grounding of the "Bambra," that instructions were given for the vessel to negotiate the passage to Robb's Jetty at night. The vessel at the time was carrying a large number of cattle, said to have been the property of a Minister of the Crown, and because there was a risk of the cattle being lost to the market on the following day the instructions were issued that there was to be no delay in the vessel proceeding to Robb's Jetty to discharge the stock. It was against the wishes of the officers of the "Bambra" that she proceeded to Robb's Jetty that night, and we know what happened. If it had been possible to hold a proper inquiry we should have learnt who was responsible for the issuing of the instructions.

Mr. Piesse: Do you not think that it was better to have the stock unloaded as quickly as possible?

Hon. W. C. ANGWIN: It is also important to consider the risk that a vessel is likely to run.

The Colonial Secretary: Vessels have been through that passage on numerous occasions.

Hon. W. C. ANGWIN: But never before at night. The danger was pointed out to those who issued the instructions. When the master of a vessel has to carry out instructions of this nature, and anything happens, we should be able to make an investigation. This kind of thing should not be allowed. The State has been put to considerable expense through orders of this description being issued by the management of the State steamers. The Bill will permit of an inquiry being held and in future it

will be possible to ascertain who was responsible. I intend to support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and transmitted to the Council.

BILL—JUSTICES ACT AMENDMENT.

Second Reading.

Order of the day read for the resumption of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and transmitted to the Council.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

Debate resumed from 3rd December.

Mr. TROY (Mt. Magnet) [4.48]: I intend to oppose this measure because in my opinion the whole system of taxation needs revision, and now is the opportune time, before the general elections, to revise it and let the people of the country know just how this State stands, and put before the country for its acceptance or rejection a system of taxation which is fair and equitable. Taxation, both Federal and State, is becoming most burdensome. In addition to the direct taxation represented by a measure of this character, the indirect taxation through the Commonwealth has been largely increased by the operation of the new tariff, for under that the Commonwealth Government propose to raise this year 13½ million pounds. In 1918-19 the Commonwealth income tax produced £10,856,000, and this was borne by 388,000 people of the community. Of this number no fewer than 282,000 received less than £200 per head per year, and it may be said with truth that these taxpayers paid the greatest share of indirect taxation. They are largely responsible for the payment of dividend taxes, for the payment of stamp duties, and for the payment of the 13½ million pounds which is to be raised by the Commonwealth Treasurer this year by way of indirect taxation through the tariff. In this State during the last four years the direct taxation has risen from £319,000 to £681,000, and the stamp duties from

£67,000 to £173,000, an increase of more than £100,000. It can be truly said that the stamp duties are not paid by the companies, firms, or individuals who this House intended should pay them when the legislation was passed, but are paid by the general community, the taxpayers who raise the greater portion of the dividend duties and income tax contributions. The dividend duties four years ago amounted to £105,000, and last year they totalled £144,000, and the general taxpayers receiving under £300 per annum—that is the great mass of the community—have been largely responsible for these payments because many of the dividends were made by business institutions who profited at the expense of the general community. The main source of direct taxation in this country is the income tax. The number of taxpayers has risen in the last four years from 15,000 to 31,000, due to the reduction of the exemption to £150 per year, and the receipts have risen from £91,000 four years ago to £271,000 last year. In other words, three times as much is now derived from income tax as was received four years ago. Of the 31,000 taxpayers who paid that amount no fewer than 22,000 are persons whose income is between £100 and £300 per year, and it is because that class pay the greater portion of the dividend duties, the stamp tax, and the income tax, and the indirect taxation through the customs, that I hold the time has come when we should reject this Bill and bring in a comprehensive measure which will be more equitable and just to the community. In strong contrast to the income received under the measures to which I have just referred is the income received from the land tax. While every other source of revenue has doubled or trebled within the last few years, the receipts from land tax have declined. While in 1917-18 the land tax revenue amounted to £63,000—

The Premier: That is due to the double tax for the year.

Mr. TROY: It has declined because last year the receipts from land tax amounted to only £46,000, or £17,000 less than was received a few years ago, and this in face of the fact that the number of land holders has largely increased and that land values in Western Australia are to-day higher than ever before in the history of the State. The value of alienated land in the State is £19,600,000, and of this amount £6,600,000 represents the value of 15 million acres of country land. The balance, comprising land in the metropolitan areas of an area of 47,000 acres, is valued at £8,500,000, and it is easy to see from these figures where the incidence of taxation would fall if a land tax measure such as ought to be introduced were introduced. The metropolitan lands to the extent of 47,000 acres worth 8½ million pounds, would pay the greater proportion of the tax by virtue of their value as against the country lands, which are worth only £6,670,000. The most significant fact is this, that whereas land values have increased to

an aggregate of about 20 million pounds, the revenue derived is only £46,000 per annum. I was very sorry to learn that the farmers and settlers' conference recently turned down the question of land values taxation, because until they do approve of this measure it will be impossible to make the valuable city lands pay what they should towards the revenue of the State. The worst aspect of our taxation system is that the burden is placed on the great mass of the people. The great mass of the people have to bear, in addition to this taxation, the whole of the burden of development and provide for the carrying on of the administration. They are called upon time after time to finance the burden of development. They have to repair the losses wherever losses occur, whilst all the profitable concerns existing in the community are in the hands of private enterprise. If railways essential to development are not paying, who is asked to pay the increased rates so that the railways shall pay? The people who are pioneering the country, not the business elements in the community who use those railways and without which railways there would be no country development and therefore no business.

Mr. Teesdale: The rates at Fremantle are pretty stiff, you know.

Mr. TROY: Any hon. member who disagrees with my views has a right to give his opinions. If the Harbour Trust is not paying, who are called upon to make up the loss? Why, the general taxpayers of the community! If the season is bad and the farmers must be carried on, who has to finance them? Why, the general community! The merchants immediately relinquish or sidestep their obligations, and therefore the whole burden is thrown on the Government, who calls upon the community to make good any losses. If water supplies are not paying, or if any other public convenience is not paying who is called upon to make up the loss? Again, the general community. The great financial concerns of Western Australia, the insurance companies, the banks, and the great business institutions, are not called upon to pay their share towards the development of the country because they are in the happy position, by reason of the law of the country, of being able to evade their responsibilities. The stamp tax was raised a few years ago, but who pays it? Not the business institutions. They merely make it an added charge to the general public. If we have any business with them they do not pay the increased stamp tax; they merely pass it on. If dividend duties are paid, who actually pays them? The great mass of the community. Some time ago the Premier told me, if I may repeat his words, that the business people were tax gatherers, not taxpayers, and that they merely pass the taxation on to the general community. It is time we set ourselves to do something to relieve the general community and place a fair share of taxation on that

section of the community who at present are able to evade their responsibilities. All the profitable business of the State is left in the hands of private enterprise. When times are bad the State, of course, has to step in and buttress the people afflicted, and financial interests who wax properous in times of affluence quickly sidestep their responsibilities. When the State requires to float a loan it is a suppliant and a beggar going cap in hand to those institutions instead of making them pay a fair share towards the general administration of the country. If a panic occurs in any of these financial institutions, the State must come forward and buttress them up, guaranteeing their liabilities, as has been the case in years past. Without the assistance from the Government in times of panic these institutions could not carry on. A bank started in a very small way in this State and to-day it is making big profits. It charged $4\frac{1}{2}$ per cent. on money, which was really the State's money, and yet lends that money at from six to eight per cent. That bank now is a highly solvent concern and pays big dividends. The general taxpayer shoulders the burden in consequence. He has to pay interest on any money he borrows to develop the country, and pays taxation, and these institutions reap the greater profit from the transaction. Why does not the State enter upon some of these profitable avenues of finance and exploit them in the public interests? Is it impossible? When the State and Queensland set up enterprises and business undertakings, they received wholesale condemnation from those representing the same views as members on the Ministerial side of the House, as well as from the general Press of Australia. The Labour party, however, have shown the way. The Commonwealth Bank was started in a small office with a small staff, a few pens and a counter. To-day the Commonwealth Bank deals in millions. It finances the largest operations of the nation; it raised millions of pounds for war loans, thus saving the general community from the payment of heavy commission which would otherwise have been necessary, and its note issue has reached a million pounds a year, which has saved a million pounds of taxation. Yet when the Labour Government embarked upon this undertaking, their scheme was referred to as fantastic. Its critics said, "What do these people know about finance. They will ruin the country and involve us all in disaster." Where do these profits of evil stand? The bank was started without a penny, and to-day it is one of the most flourishing institutions in Australia and perhaps in the world. The Commonwealth has profited by the transaction and Western Australia could profit also. Instead of imposing income taxation and heaping on the taxation burden of the community, they should enter these avenues of finance. By

so doing they would relieve the people of taxation and secure a fair return from the general community.

Mr. Pickering: Would you advocate competition with the Commonwealth Bank?

Mr. TROY: Certainly, and with the other banks in the State as well.

Hon. T. Walker: Would the Commonwealth permit us?

The Premier: Yes, that is the point.

Mr. TROY: I do not know whether the Commonwealth would permit us to do so or not. I do not know if they have the power to stop us.

The Premier: They have.

Mr. TROY: At any rate they do not stop the State Savings Bank. There is no reason why, instead of increasing taxation, we should not look into these matters and find out where we stand. I would commend the Government which would enter into competition with the Western Australian Bank or any other bank here and operate for the benefit of the community. The Queensland Government set an example to the rest of the States regarding State insurance as another means by which the general community would be relieved of portion of its burden and the profit secured for the State. The Labour party in Queensland established State insurance and started the institution without any capital. To-day the State insurance business in Queensland is greater than the business transacted by the A.M.P. Society in that State, although the latter institution was established in 1849. State insurance came into operation in Queensland only four years ago. While in 1919 the A.M.P. had 2,187 policies completed and the sum insured was £912,000 the State insurance business completed 6,804 policies, assuring £1,134,000. The State insurance in Queensland has reduced the cost of insurance by 40 per cent., thus relieving the general taxpayer of the burdens they would have had to pay had the State not entered into this avenue of finance. The State insurance, as I have pointed out, has relieved the general taxpayer of paying heavy premiums and in Queensland last year the scheme showed a profit of £70,000. During the last four years profits amounted to over £100,000 which sum has gone to the general community and relieved the burdens of taxation. We know that during the war these institutions I refer to made large profits and these profits represented an overcharge to the general community. The overcharge from the insurance companies is worse than the overcharge levied by the banks. I find that for every £100 paid in premium a sum of only £33 is paid in claims. The other £67, apart from the general cost of administration, is largely profit and goes to build up the large reserves these insurance companies have, and which is responsible for their success throughout Australia to-day. One insurance company—I will not mention its name—started with some £5,000 as capital.

It now makes £100,000 profit a year and controls 10 millions of public moneys which should be in the hands of the State. Another company which started 10 years ago, at the end of the last 21 months showed a profit of £407,000, pays 10 per cent. dividends and controls capital exceeding 15 million pounds, which amount should be in the hands of the State. Had the State the benefit of that money to assist it in carrying on the country, great advantage would have been secured to the general community. These avenues of finance are profitable and should be invaded for the development of the State. These corporations largely invest money abroad. One company in Australia invested in Argentine in preference to investing in Australia, because they received one-half per cent. more interest in Argentine than in Australia. The annual report of the Federal Bureau of Commerce shows that from the 26th January, 1916, to the 31st December, 1919, no less than £12,571,000 has been taken from the people of the Commonwealth by the capitalisation of reserves and by profits. This is what may be called the "war loot of the money kings of Australia." During the time the war was in progress, with the support of the National Governments and at a time when the people were full of anxiety as to the progress of hostilities, these institutions flourished exceedingly and invested their money in the Commonwealth war loans and in other directions and this money was lent at from five to eight per cent. interest. By this means, they make a tribute on the people of the Commonwealth to the extent of about a million pounds. The money I refer to was taken from the people by these institutions during a time when the Government should have been protecting the people, and the money is now being loaned to the Commonwealth and the general community is being burdened by the payment of heavy interest of the war loot. That loot was stolen from the people of the Commonwealth. Had the profits been in the hands of the Government it would have been possible to carry on our enterprises successfully. Another profitable function which should be in the hands of the State and which would relieve the people of taxation is the business of the public trustee. We know there is a public trustee corporation in Western Australia. I do not know what their profits are, although I have tried to secure them. I remember seeing something of the dividends the company paid but I cannot get the actual figures. In Queensland, the Australian Trustee Company, which started with a very small capital, secured a profit of £22,000 last year, and doubled its capital.

Mr. Teesdale: They paid eight per cent. interest.

Mr. TROY: In England the public trustee business is in the hands of the State. It is in the hands of the State in Queensland also. Why does not the Government of Western Australia enter upon this business and secure

the profits from it, thereby relieving the general community of some of the burden it is bearing? It is a perfectly legitimate operation for the State to enter upon, because the State at present carries on the business of the curator of intestate estates.

Hon. T. Walker: There are public trustees in other parts of the world.

Mr. TROY: Why cannot we enter upon these avenues of profit and so relieve the people of portion of the burden which is now pressing upon them? I am satisfied that the Government who intend to leave all the profitable business, all the business without undue risks, in the hands of private enterprise, will not be proceeding in the interests of the people as a whole. I oppose this legislation. We are told that the old order is changing. I admit that there is some indication of a change because it never happened before the war that the shop assistants would come to Parliament to demand redress.

Hon. T. Walker: And get it promised.

Mr. Teesdale: They gave three cheers and went away.

Mr. TROY: A time may come when they will not give three cheers and go away. What is wrong with the order being introduced in the taxation measures? Instead of the financial institutions being allowed to exploit the people and to close down on them in times of hardship—because after all they are only glorified pawnshops—let the State enter upon and exploit this profitable field of business. What is wrong with the State entering upon the business of those institutions in the same way as the Commonwealth Bank has done, in the same way as State insurance and the State Public Trustee in Queensland have done? Why not do so and wipe out hundreds of institutions which are merely duplicating and triplicating the business? The Australian Trustee Company, Limited—I received these figures recently, and I think they are correct—on a small capital controls no less than 4½ millions of trust estate moneys. Why should not the State control and utilise those moneys in the same way as it controls the money of the investors in the State Savings Bank? Then the State would not have been going cap in hand to the moneylenders and to the banks to get money—for what purpose? To carry on the war. The accumulated funds of the Australian insurance companies have risen from 14 millions sterling in 1890 to 68 millions sterling last year. When the State wants money to carry on the war, or to develop the country, it goes cap in hand to those companies and says to them, "Lend us your money, and we will give you five per cent. interest free of taxation. The general community pays you tribute to that extent." That cannot continue indefinitely. A time will come when the burden of taxation will be too great in this country. A time of hardship is, in fact, approaching such as is being actually experienced in other countries now. The State will be compelled to enter upon business

of this character in order to relieve the community of burdens which they should not be called upon to bear. Giving evidence before the Commonwealth Royal Commission on taxation, which sat in Melbourne a few days ago, Professor Meredith Atkinson said that—

In his opinion the most suitable and equitable form of taxation was (1) A tax on unimproved land values.

I quote his remarks because I agree with them generally. It has struck me that he suggested the fairest forms of taxation.

(2) A super tax on all incomes not earned by personal exertion.

I consider this is a very sound suggestion. To-day this State does not impose a super tax on incomes not earned by personal exertion. In my opinion the person who derives an income from sources other than personal exertion is not entitled to the same consideration as a person whose whole income is derived as the result of his being personally engaged in developing the resources or the industries of the State.

(3) An income tax on all incomes above certain exemptions, and no income under £200 to be taxed; with further exemptions for married men and men with dependants.

Now, that is largely the policy of this party. The Labour party have never agreed to exemptions being reduced under £200, and we have always insisted upon special exemptions being granted in the case of married persons. I would include unmarried persons with dependants. There are people in the community who cannot afford to get married because they are maintaining widowed mothers or younger children. In my opinion such persons are more deserving of consideration than are married persons with children. The man who sticks to his widowed mother and his younger brothers and sisters, and who denies himself, is entitled to the respect and consideration of the community, although so far he has received no consideration in either State or Commonwealth legislation.

(4) Special exemptions for new industries, and for those persons whose pursuit is attended with special risks.

I would suggest, in this connection, the mining industry as well as the agricultural and pastoral industries. I hold that the risks attaching to the latter industries are, in comparison with the risks attaching to mining, not so great. The Prime Minister has promised to introduce relieving legislation in the case of people engaged in the agricultural and pastoral industries by spreading the taxation over a term of years, that is to say, by averaging the income of such persons over a term of three years. What applies to the pastoral and agricultural industries should also apply to the mining industry. That request was recently brought under the notice of the Minister for Mines by a mining conference, and the hon. gentleman gave a definite promise that, as well as representing the matter to the Federal Government, he

would also represent it to the Government of Western Australia and would see that the necessary provision for that purpose was made in legislation to be introduced during this session. I have to express my surprise and great disappointment that no reference was made to the subject by the Treasurer when introducing his Budget, and that no Bill has been brought down to carry out that promise. I oppose this measure, because, in my opinion, there has been plenty of time for the Government to bring in a taxation Bill which would be fairer to the community than this one is, and would have afforded the relief to which I have alluded. It has been said that the people who pay income tax on incomes of less than £200 do not, after all, pay much. But, as I have previously pointed out, those people pay the major portion of the stamp duties as well. They pay the major portion of the dividend tax also. And certainly they pay the largest share of the indirect taxation. They pay the greatest share of the revenue derived from the Customs. As the State still receives a portion of the revenue obtained by the Federal Government through the Customs, it is a fair thing that in this taxation consideration should be given to those members of the general community whose incomes are less than £250 a year, and who, in my opinion, already pay the largest share of the taxation imposed in this country. Taxation on luxuries has been advocated, and I think this is an opportune moment for introducing it. Passing the shop windows of Perth I am struck with what I consider articles of luxury offered for sale. Look at the windows of Roan Bros., with three guinea hats, for instance! Passing by the warehouses which expose their goods for sale in the windows, one sees numerous articles which can only be considered absolute luxuries. Although I do not deny the right of people to have those things if they can afford to pay for them, I think it would be a good thing for this country if such luxuries were taxed, and, indeed, if at a time like this, they were not allowed into the country at all. Lest my remarks should be misunderstood, let me make it plain that I like to see a lady tastefully and nicely dressed. That is what is due to her. But I do think it wrong, in such times as these, that ladies should be tempted by beautiful but extravagant articles such as we see exposed for sale in the shop windows. I am sure ladies would be just as much admired by the general run of men if they attired themselves tastefully but reasonably. If I may broach a confidence here, I always compliment my lady friends when I see them tastefully dressed, and especially when I know that the dress has not cost any considerable amount. I suggest that in the general election campaign members should make it a special feature to urge ladies to refrain from luxurious attire. In fact, I have heard that the member for Greenough (Mr. Maley) in his

campaign during the last general election told the ladies that what he liked them best in was a white dress and a blue sash. As a married man I admire the hon. member's simple taste. I think there ought to be a tax on luxuries. Take the number of motor cars in this country that are used not on business but for pleasure. One finds public servants running motor cars. I do not deny the right of a public servant to run a motor car, though I cannot afford one. If people can afford to have motor cars simply for pleasure while the State is in urgent need of development, while the people are staggering under the burden of taxation, those motor cars ought to be taxed. If a motor car is used legitimately in business, that is another matter. I suppose there will be some difficulty in drawing the distinction, but I understand the Federal Government are endeavouring to define it. In my opinion the whole policy of taxation requires revision. What we are doing in this measure is simply to reproduce the old system, which has been repeated time after time by Government after Government, because it represents the easiest method of getting taxation and passing the measure through another Chamber. The system has never embodied the views of a progressive Government. Progressive Governments have introduced other forms of taxation, but these have been thrown out by another Chamber; and so Governments have adhered to the old method of raising money by burdening the general community, and by exempting institutions which ought not to be considered in the same degree. For the reason I have given, and not because I want to embarrass the Government—indeed, I want to help them—I shall endeavour to send the Government to the country with a new system of taxation, if they are capable of evolving it. I want to see the Government enter into avenues now exploited by private enterprise, now the monopoly of financial institutions, which are proving a burden to the country because the people are maintaining several institutions where they ought to be maintaining only one. It is high time a taxation measure was introduced embodying a more equitable system than we have in the measure under discussion: I shall, therefore, oppose the Bill and vote against the second reading.

Mr. GARDINER (Irwin) [5.30]: I should like to preface my remarks by asking the House whether any member knows how we stand financially as a State. A number of members will be asked this question on the hustings. The only thing we know about it is that there is a continual drift, which is causing men who love Western Australia a great deal of anxiety. There are in the House members who, irrespective of parties, are deeply concerned at the constant drift. Even the fatuous adulation of the "West Australian" is beginning to be tempered with anxiety as to the

financial position of the State. That journal has even gone so far as to suggest that if the Treasurer is granted his Loan Bill he ought not to spend the money. If we pass a further Taxation Bill, shall we not be giving encouragement to further drift, instead of trying to stop it? My sympathies are ever with the Treasurer. One can easily understand that if the revenue were shrinking there might be some call for additional tax. Is the revenue shrinking? Have we as a House said to the Government, "You have to live within your income"? We have not. Let us see if there is any justification at the present time for additional taxation. The receipts for the first five months of the year have been £475,733, more than the receipts for the first five months of last year. The expenditure has been £490,828 more. The most the Government have been able to do with an extra revenue this year of half a million has been to go £15,000 to the bad. The deficit this time last year was £572,580; this year it is £587,675. This brings me back to the proposition I have asked the Minister for Education to put before his schoolboys, namely, "If with an extra half a million we go £15,000 to the bad, what revenue would we require to pay off a deficit of £700,000?" It is one of those questions which we should ask ourselves. When we see four States out of six with a surplus due to increased revenue, it is a bad thing to see Western Australia constantly drifting behind. The Treasurer's estimate was that he would get £743,000 more revenue than he got last year. In five months he has got £476,000 more, leaving practically £267,000 to get between now and the end of the year, with the worst months in front of him. If it continues in the same ratio, the probabilities are that he will get nearly £700,000. Is that additional £700,000 going to cost £720,000 to earn? The net increase over expenditure estimated by the Treasurer on the previous year was £474,386. For five months it is already over £490,000. Is there any prospect of our coming anywhere near the figures which the Treasurer himself laid down? He estimated his deficit for the year at, roughly, £400,000.

The Premier: I do not think it will be a penny more than I estimated.

Mr. GARDINER: The Treasurer is carrying his optimism to a degree which is not justified.

The Premier: I am taking the figures for the second six months over several years.

Mr. GARDINER: Last year the Premier's estimate came just about square, because of the good season. At the present time he is £587,000 to the bad. He has to pick up at least £187,000 during the next six months. Which of those months does the Treasurer believe will show so large a surplus as to realise his estimate? And if his estimate is to be realised, why does he want the extra taxation? If, with the extra revenue, the Treasurer estimates to come out £400,000 to the bad, why impose extra

taxation? Because, after all, that is only about £85,000 more than the sinking fund. So, really, what the Treasurer requires to do is to, as far as possible, square revenue with the expenditure, and still save the sinking fund. We must try to make economies to rectify the sinking fund and put us in credit. I am very troubled about the position. If I were to vote for increased taxation I would be accentuating the position instead of trying to mend it. The House should give a mandate to the Ministry that this drift should be stopped.

Hon. P. Collier: Especially since the new Nationalist platform provides for economy.

Mr. GARDINER: The people would gladly submit to taxation if that taxation was to be earmarked and put with trustees to pay off the deficit, and an assurance given that the Government would live within sight of their revenue. We shall not be justified in passing increased taxation that it may be spent in extravagance. Take the railways: For the first five months of last year the receipts were nearly £763,000, and the expenditure £640,000, showing a surplus of £122,000. But for the five months of this year the receipts have been £1,030,000, and the expenditure £938,000, and so the department is only £92,000 better off, notwithstanding the greatly increased freights and fares. May I ask how the Treasurer thinks he is going to balance? He anticipated that the extra revenue from railways would be £229,178. For the first five months he has received an additional revenue of £268,000, but is still £15,000 to the bad. Surely this is the time when we should try to balance. We shall not balance by giving extra spending facilities through taxation. Moreover, we are faced with a Loan Bill of about 3½ millions. We know that Bill provides a large sum which is to be lent to us by the Commonwealth Government for repatriation. But what of the balance? In addition to that Loan Bill, we have to provide £700,000 to again meet our deficit. I may be wrong; the Treasurer may be a better judge of the position than am I. I can only take the figures given and make comparison with the figures for the same period of last year. When that Bill comes up, seeing the difficulties of the loan market, the Treasurer will have to make quite a definite statement as to how he is going to finance. He will have to divide the expenditure into productive and non-productive expenditure, so that the House, if it passes that Loan Bill, may pass it with its eyes open, knowing that the money we have to borrow is going to make a material difference to our interest bill. Last year our interest bill went up by £192,000, principally on account of the soldier settlement, but our sinking fund went up by only £700. All we have to pay for sinking fund is £315,141. The accumulations of our sinking fund are due to the interest and to the buying of our stock at a reduced rate. All that has to be taken into

consideration in the accounting of our debts. That sinking fund is provided to redeem certain loans at maturity.

Hon. W. C. Angwin: That is all very good to put up to the outside public, but it is scarcely sound here.

Mr. GARDINER: The sinking fund costs only £315,141 per annum. We also know that when it comes to the redemption of the big loan, which is in 1926, I think—

Hon. W. C. Angwin: In 1927.

Mr. GARDINER: The stock we hold them, and which we bought at a big discount, will have to be sold at a bigger discount. We are getting an increase in revenue, and a great deal will be required to justify this extra taxation. When I introduced my own taxation measures I said my one object was to produce as much taxation as would leave me only the sinking fund as my deficit, and that I would try by administration, by savings and economy, to produce that result. We never have any expression of that kind from the Treasury benches. Can any member say he is satisfied that the present occupants of the Treasury benches are trying by every means to curtail their expenditure so as to keep it within their income, or would they rather be justified in saying that the converse has obtained? If members go to Ministers and receive promises from them, the whip is out upon every member in the hands of his constituents. If the Treasurer wants to pull through he should stop saying "Yes," and say "No," and see how he will get on.

Mr. O'Loughlin: He generally has done so lately.

Mr. GARDINER: I do not intend to vote for the Bill, but will vote against it, as a protest against any increased taxation until we have seen some attempt to reduce the expenditure.

Hon. T. WALKER (Kanowna) [5.47]: As I listened to the speeches of hon. members, I could not help carrying my mind back a few years to the time when the parties now sitting in the House occupied different positions. When the late Government came into office there was a balance sheet shown which appeared to balance accounts. It was soon discovered that we have not had a Government since the Moore Government which has been able to make both ends meet.

The Premier: It was done once by the late Mr. Wilson. That was the only time.

Hon. T. WALKER: When the debts, which should have been paid, were met it was found that this was not so.

The Premier: There are always debts outstanding.

Hon. T. WALKER: They had not made both ends meet.

The Premier: We found the money.

Hon. T. WALKER: By the postponement of payments.

The Premier: Not deliberately. We found £90,000 in your case.

Hon. T. WALKER: I do not know how this can be done by accident. I will give the Premier the full benefit of that, and say it was an actual fact that there was not a squaring of the ledger during that time. If the obligations of the year had been met there would still have been a deficit. We had been going to the bad right along. Generally speaking it is perhaps to be expected in a young State like this, with such an area to develop, and such enthusiasm on the part of its settlers to bring the country into cultivation, and to keep such factories as we can sustain in operation, we should go beyond our capacities for the time being, that is our financial resources. We risked a lot, trusting to nature to repair us by and by, when nature is attended by the industry and faith of the people. The Labour Government in inaugurating certain new phases of development, which have since proved of inestimable value to the State and are now bringing in increased revenue instead of taking from the revenue, were met with the cry, "We will not allow you a penny of extra taxation because of your extravagance; or pass any Bill that you propose that adds to the burden of the people of the State, because you cannot be trusted with money." That was the charge made from these benches. Amongst those who joined in the cry and endorsed it was the present Treasurer. Notwithstanding that the money was being spent in agricultural development particularly to assist the settlers upon the soil, and that it was being spent for the purpose of opening up new avenues of trade and commerce, the cry was "You are extravagant and we will not allow you to handle money at all, if we can prevent it." The Opposition at that time were assisted by a Press which to me appeared utterly unscrupulous in its presentation of the facts to the people. It was made to appear that the occupants of the Treasury benches were not only inexperienced, but were lacking in an honourable regard for the welfare of the State, that they were buccaneers, and we had such phrases in our daily Press as "Orgies of extravagance and expenditure." We have watched the years roll by since that happened, and, though the Labour Government administered the State at less cost in proportion to the way it was administered by their predecessors, it was on the cry of the incapacity of the Labour Government to finance that they were turned out of office. The years have sped and the deficit, the bugbear, has increased not gradually but by leaps and bounds.

The Premier: You got up to £580,000 deficit in one year before you left.

Hon. W. C. Angwin: No, it was £360,000.

The Premier: The year before you left.

Hon. W. C. Angwin: No, it was £360,000.

Hon. T. WALKER: I believe £360,000 is the correct amount. The year before we went out of office was an extravagant year. It was the war year and not only the war year, but immediately succeeding one of the

most terrible droughts this country has ever experienced.

The Premier: The deficit was £556,000.

Hon. T. WALKER: Let the Premier place that against his deficit year after year and remember that in our last year of office we were faced with terrible disasters, this sudden stoppage of commerce in its ordinary route, the fact that the war had dislocated every industry in which our people were employed, and that all the machinery went wrong.

The Premier: I am referring to 1914-15.

Hon. T. WALKER: In that year war was declared, and all this disorganisation of industry took place. To accentuate it all we had a terrible drought which nearly ruined those who were new settlers upon the soil; in fact, it did ruin many of them. There were scores of farmers who could not any longer bear the burdens placed upon them, and had to throw up everything after years of struggling, and seek other employment and sources of existence. These facts cannot be denied and yet how creditably we stood! As if there were some species of ill luck attending labour, as it often does those who are honestly actuated by a noble purpose, they have often encountered adversities and difficulties which do not appear to come to the reckless. There is a saying, and it seems to be proven true in the history of Governments of this State, that the devil takes care of his own. When this Government or its predecessors—

Mr. Willecock: You are making them sit up.

Hon. T. WALKER: It is the same Government with the same policy. When they came into office in 1915 we had a bountiful harvest.

The Premier: You should keep us in office.

Hon. T. WALKER: I the Premier will prove that he is in league with Providence.

The Premier: You are proving it for me.

Hon. T. WALKER: I have been supplied by the member for North-East Fremantle (Hon. W. C. Angwin) with the actual figures of our deficit of the last year we were in office.

The Premier: I did not say the last year. I said 1914-15.

Hon. T. WALKER: The Premier said the last year.

The Premier: No, the year before.

Hon. T. WALKER: The actual deficit was £346,223. I said that was the year succeeding the terrible set-back the State had met with. I was remarking that the National Government since they came into office have had the good luck, nothing more, to carry on during the period when nature has been bountiful.

Mr. O'Loughlen: Good seasons and increased taxation.

Hon. T. WALKER: Yes, they have also been blessed with that assistance that increased taxation has given them. In spite of that there is not a year the National Gov-

crument have been in office but they have shown an infinitely worse position than the Labour party showed.

Mr. O'Loughlen: Building up a monument every year!

The Minister for Works: Things must be very bad.

Hon. T. WALKER: They are bad. If it was just for the Minister for Works when he sat on this side of the House, and for the Treasurer when he also sat here, to say "We will not give the Treasurer any fresh taxation because the country is going to the bad," how much more justifiable is it for us to act as they did and say, "We will not give another penny or help you along any further"? Only this morning there appeared in the newspaper a report of a programme which is to be presented to the electors in 1921.

The Premier: What has that to do with taxation?

Hon. T. WALKER: It has a lot to do with it.

Mr. O'Loughlen: It means if you carry it out there will be more taxation.

Hon. T. WALKER: Under the heading, "General, Subsection 5" we find "Economy and sound administration, securing to the public efficiency of service."

Hon. P. Collier: A drag net.

Hon. T. WALKER: "The full reward of the worker for his industry." That may not touch particularly on this tax, but the portion that I have read does.

Mr. O'Loughlen: What have they done with the money?

Hon. T. WALKER: What do the Government mean by saying that in future, after 1921, they are going to be economical?

Mr. Pickering: It is about time they made a start.

Hon. T. WALKER: It is about time. Can we trust those whose whole experience designates them as incapable?

The Premier: Do you object to our paying £700,000 a year more in wages and salaries?

Hon. T. WALKER: Is that not an extraordinary question to ask when the Government are already getting that amount, and over, from taxation in every possible direction? Does the hon. member forget that the deficit of the Labour Government was occasioned by that very means? One of the first steps of the Labour Government was to increase the wages of the members of the police force. The Labour Government also raised the standard of unskilled labour in the community; higher wages were paid all round. In the lower ranks of the public service we increased the pay. We increased the pay of the bottom dog, so to speak, in our railway service. We set the example, we footed the Bill, and we should have got through had the war not come on, and had we not experienced two years of disasters in our production.

The Premier: I admit you had bad years.

Hon. T. WALKER: Do they not count for everything? Look at the bountiful years

that have followed, bountiful in wool and wheat. In 1911 the Labour Government had to face disaster, which in itself was extremely severe, and they had also to face the disasters of 1914 and 1915, which were the worst known in the history of the State. There have been no such disasters since. There has been one continuous upward tendency in production from that time. There have been better harvests, and wool has brought fabulous prices up to now; yet with all that we have gone down precipitately. And what caused us to incur expenditure was the establishment of those things which would bring in revenue by and bye. We got none of the advantages. For instance, the State steamers, which were decried night after night by hon. members then sitting on this side of the House—

The Premier: We are not getting much from them now.

Hon. T. WALKER: The hon. gentleman must admit that he has made big profits from the steamers. We had the wrong side to bear; yet our losses were comparatively small. There should have been less expensive administration after the war commenced, because in those circumstances that machinery which is constantly moving to keep the State progressing, was unnecessary. The bulk of our population were away; our able-bodied men were at the Front, and the expenditure connected with that fell mainly upon the Commonwealth.

The Premier: That is wrong reasoning.

Hon. T. WALKER: Yet the expenditure in the State went up by leaps and bounds. I would like to be able to get my fingers upon the real sources of that constant increment with practically the same staff, and practically the same machinery that existed in 1910. How it has become enormously expensive, in spite of the increased revenue which was denied to us! We had a falling revenue. Now, in spite of increased revenue, we are still drifting back at a faster rate than was the case when we were introducing all the machinery for the future advancement of the State. I can only conclude that this is due to lack of supervision on the part of Ministers.

The Premier: We are losing largely on the payment of interest on borrowed money.

Hon. T. WALKER: The Government cannot lose it all on that because interest had always to be met.

The Premier: Not to the same extent.

Hon. T. WALKER: I admit that, but how is it the borrowed money has not overtaken its producing capacity?

The Minister for Works: You know that many railways cannot be expected to pay for a long time to come.

Hon. T. WALKER: Those railways are not all losing propositions; they have been built for development purposes.

The Minister for Works: They will pay in time, as population increases.

Hon. T. WALKER: I will admit that railways account for a good deal of the defic-

iciency, but I cannot think that the normal circumstances are sufficient to account for the extraordinary slipping back we have had upon the railways. It is phenomenal how the railways are becoming a burden instead of a benefit to the State. There must be something wrong somewhere, and I cannot account for it in any way other than in that of management. It would appear to me, reviewing the past, that there is a recklessness—I will not say wicked recklessness—but a sort of careless indifference as to how things work and as to how they drift, for that is the word most in vogue on the part of the Government. Things pass on from day to day; the warnings are there of the misfortunes coming upon us, and which are with us. Yet there is no real effort made. I will admit that whilst the member for Irwin (Mr. Gardiner) was Treasurer there were some slight attempts made at economy, ridiculous attempts in my opinion, some of them.

Mr. Pickering: They were attempts.

Hon. T. WALKER: I want to know whether there has been a single attempt on the part of the members of the present Government really to stop waste.

The Premier: I will tell you directly.

Hon. T. WALKER: It will be a lesson for me to learn. I cannot say that in a single department there has been any serious effort to avert waste and to utilise the funds of the State to the best and the most productive advantage. It seems to me that in connection with vouchers sent along or requests made for money, there is no inquiry and no investigation. At least it would appear so.

The Minister for Works: How can you say that unless you are intimate with the arrangements of the department?

Hon. T. WALKER: I am not saying that that is the actual state of affairs; but there is no evidence to the contrary. That is the point I am making, and I repeat it would appear to be the case. We know nothing; we have not been told anything. If there are serious efforts to stop this flow, the House has not been taken into the confidence of Ministers.

The Minister for Works: Would you believe them if they told you?

Hon. T. WALKER: Is the Minister for Works so foolish as to ask such a thing? If I were told anything on the authority of a Minister, whose authority was supported by facts adduced in proof of the statement, I should be bound either to accept what was told me or to prove myself a miserable fool. I should expect statements to be backed up by facts, but we have not had any. The House has not been told what is being done to meet the difficulties that face us. Nothing whatever has been said. But, of course, an easy way comes along now. Instead of telling us what they are doing to curtail expenditure, and to prevent unnecessary expenditure, the Government come forward with a request that the House will be good enough to grant them greater supplies, to give them more money, and we shall

get along for perhaps 12 months. Then if they have the luck to come back again—and for the sake of posterity and for the State I trust they will not—we shall be asked once more to go through the same ceremony. There are times which indicate that the Government are quietly floating on the indolent stream, and one of the indications is the complacency with which they take the aggressions on the part of the Commonwealth. I admit that the Minister for Works made an exceedingly pointed and almost fiery speech the other night on that subject, but it was at a very late hour—

The Minister for Works: Will you follow or lead me on the subject?

Hon. T. WALKER: I shall follow anyone who can take a rational view of the encroachment of the Federal authority upon our financial resources.

The Minister for Works: All right, I will remind you of that.

Hon. T. WALKER: It was almost a spasmodic outbreak on that occasion, and the Minister's speech was made on a motion by a private member. Even now, no proposal comes from the Government as to how we are to adjust matters in this respect. Yet the phenomenon exists of the Federal Government taxing more of the resources of the people of this State than the State Government.

The Premier: Do you believe in unification?

Hon. T. WALKER: The Premier knows what I believe in.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. T. WALKER: Before tea I was speaking about the apparent lack of earnestness that the Government had exhibited in combating the encroachments upon the finances of the State. When the Commonwealth has had its helping, there is very little left for this State to exploit for the purpose of keeping itself financially floating and progressing. If some earnestness were exhibited, if the services performed by this State for Federal purposes were properly charged for, as would be charged any other State—and the Commonwealth after all, in its relations to this State, is only another species of State; it is only another sovereignty—and this State is always supposed to have maintained its own sovereignty—we could go a long way towards meeting our current expenses. But in no sense whatsoever has there been more than a mere conversational protest at Ministerial conferences against the absolute avarice and unconcerned greediness of the Commonwealth. I am therefore at a loss to know where there is any evidence of that boasted economy and business acumen and capacity to balance the ledger that has been advertised by every Government that has assumed office in this State since the Labour party left the Treasury benches. There is no earnestness of this, at all events no evident

earnestness. I am convinced that if there were genuine earnestness, if there were a desire to see where money could be obtained for the use of the Treasury without direct or indirect taxation upon the people, means could easily be found; in fact the member for Mount Magnet (Mr. Troy) has indicated a number of channels which, if exploited and utilised, would bring an enormous revenue in the course of a little while into the coffers of the State. But all these things are ignored; they are not even thought of, not even conceived. The apparent aim of the Government has been to keep the Treasury benches filled with a self-contented body of Ministers, open to receive all the glories of their distinguished position and to pose as heroes without having a single heroic quality to back them up. That would appear to be the position of the Government. I want to know how my friends the Country party are going to take the Government's proposal to increase taxation on land by 15 per cent., and if not on the land, then on the produce of the harvest. I know the Country party must be aware that especially in times of a bountiful yield of nature they will have to consider the general consumer. They cannot always expect to maintain the high price for wheat that obtains when one half of the world is blockaded against the other, when commerce languishes for want of shipping accommodation and when the general avenues of commerce have been disorganised and in some instances destroyed by the recent war, they cannot expect, I say, in normal times to maintain the price that obtained in war time under these unfortunate circumstances. They have to look forward not only to the possibility of a diminution in the price of their product but also to the fact that they will soon enter into competition with the great wheat producing countries of the world which, when restored to their full activities, will make the yield of Australia in comparison very insignificant indeed. They have therefore to anticipate this, and yet they can complacently support the Government who propose to maintain its present rate of reckless expenditure—

The Premier: That is a reckless statement.

Hon. T. WALKER: I am using the language which was employed by the Premier himself or his colleagues when they sat on this side of the House.

The Premier: I do not think so.

Hon. T. WALKER: I am certain of it.

Mr. Davies: But the times have changed since then.

Hon. T. WALKER: That was the burden of their song, not once but every night in the week during a long session.

The Premier: Was it true, then?

Hon. W. C. Angwin: And it was in the paper every morning.

Hon. T. WALKER: The members of the Country party can complacently support the

Government, who will do this, a Government who have enjoyed sources of prosperity, sources of revenue and an abundance of it that had never its equal in years gone by. There never was the revenue given to any previous Government that has been given to the present Government.

Mr. Maley: And never the expenditure either.

Hon. T. WALKER: What is the expenditure? Where are the great public works that the present Government were going to undertake?

Mr. Teesdale: What about the increased salaries?

Hon. T. WALKER: The salaries are a flea bite in comparison with the public works. In our time salaries had to be paid; increments were made before ever the present Government took office.

Mr. Teesdale: A demand is being made for another million in wages now.

Hon. T. WALKER: It does not matter; the present Government have more than that in the increment of revenue they have received.

Mr. Maley: The public works come out of loan expenditure, not out of revenue.

Hon. T. WALKER: Not altogether.

Hon. W. C. Angwin: Most of them.

Hon. T. WALKER: I admit that most of the public works are provided for out of loan, but whether out of revenue or loan, are there any great works that should give the Government the excuse for going further behind the more they go ahead, slipping back two feet for every foot they advance?

The Premier: You are quite wrong.

Hon. T. WALKER: I am not wrong. The Government get more revenue and they get further behind.

The Premier: No.

Hon. T. WALKER: That is the position, and this being so, I ask the supporters of the Government what are they going to do in face of a motion of this kind? How they shrieked when there was put into practice the Government's proposal to increase the revenue by imposing heavier railway freights. All the farmers were to be ruined. They were the great—

The Premier: Why talk to the farmers?

Hon. T. WALKER: I am speaking to the farmers because I want to know how they will deal with this motion. I want to solve their consistency and see how they will act with regard to their own pledges, their own promises, and I may add their own interests.

The Premier: You are a farmer.

Hon. T. WALKER: I am a farmer, but I can dissociate myself from my own employment in the public interest when necessary.

The Premier: So can the farmers.

Hon. T. WALKER: I am speaking to the farmers direct because they did cry out, and loudly, too, when railway freights were increased, in order that the Government

might have more money to spend or meet the increment of wages. The farmers practically painted the future with the utmost gloomy forebodings.

Hon. W. C. Angwin: The more the Government get, the more they spend.

Hon. T. WALKER: That is so. What is proposed now? It is not only proposed that the farmers shall suffer the increment of railway freights, which may not stop where they are—for the railways are by no means on a solid or square footing, and it is quite possible that the farmer may have to foot the bill to a larger extent with respect to railway service, and at no distant future, either—but it is proposed now that the land shall be taxed 15 per cent. or, if farmers do not come under classification, then their harvest, their income, shall be taxed 15 per cent.

The Premier: Not both.

Hon. T. WALKER: I said one or the other; it must fall upon the farmer. In days of prosperity when the wheat market is flourishing, they will have to pay the increments due to their larger incomes, and so the graduated income tax will fall heavily upon them and be increased by 15 per cent.

The Premier: How much is that?

Hon. T. WALKER: It does not matter how much it is. It does not help the farmer.

The Premier: They all have to pay their share.

Hon. T. WALKER: In addition to this, the farmers have to pay the increased freights. This is the way the Government are making their lot the harder. The Government propose to still further increase the burden on the farmers by charging 15 per cent. super tax. Where is their consistency?

The Premier: What is taxation for?

Hon. T. WALKER: For the purpose of meeting absolutely necessary expenses of legitimate Government and for the purposes of the development of the State.

Hon. W. C. Angwin: And for imposition when the revenue is going down.

Hon. T. WALKER: But not for the purpose of spending money without being able to show one single iota of benefit for the State as a whole.

The Premier: That is not the position.

Hon. T. WALKER: It is so. What is being done by the present Government is that they are merely continuing the policy laid down for them by previous Governments, but as time goes on, the present Government are getting more and more into the lurch, notwithstanding that during the past year so much has been paid back to the Agricultural Bank, the Industries Assistance Board, and in other directions, to an extent which should have been enough to entirely relieve the situation. Doubtless the Premier will say that the money has gone back for use again. The Labour Government had to start off by finding the initial cost of the scheme; they never had such returns as the present Government have secured.

The Premier: You had to borrow the money.

Hon. T. WALKER: And pay interest on it. The present Government have been relieved in that respect, and yet the State is not one fraction better off. The Government have come forward with their policy without showing any indications of practising economy, merely asking for more money.

The Premier: Why do you oppose it?

Hon. T. WALKER: I cannot trust the Government any more than they apparently can trust the Labour Government. I have more grounds for my mistrust of the present Government, and therefore will vote against the second reading of the Bill.

Mr. HARRISON (Avon) [7.48]: A Bill such as that under discussion is always unpopular. What is the cause and necessity for these increases? At the commencement of the session the Premier announced that in his opinion there would be no necessity to increase taxation this session. Very soon after the House met, we had a debate during the course of which the general feeling shown on both sides of the House was that the long waited for increments and advances to the civil servants would have to be made. Legislation was brought forward and a board was created to deal with this problem. The board granted increases and the question arose as to where the money to meet those increases had to come from. In common with private enterprise and employers generally throughout the State, increased rates of pay were bound to come in so far as the Government departments were concerned. The employees throughout the State, in common with those in other parts of the world, made a demand for higher wages. That was predicted and it has come to pass. The costs have been met by passing them on to the general public. The increase in the cost of food supplies has been lower in Western Australia than anywhere else. The cost of building material, wearing apparel and so on has increased very considerably, and the worker has demanded increased wages proportionate to the increased cost of living. The increases have not been met by the increased value of production, and in consequence the necessary funds to meet the higher wages, have been taken by private concerns from their reserves of capital or credit. The Government have had to face increased charges, and these have had to be made up through increased taxation. Men employed on the railways, on our ships, and in such like undertakings can have their increases met by having the extra cost passed on to the users of those facilities. The Government have to make up the deficiency under the general heading, and it must come from increased taxation. I do not know of any fairer increase than increased dividend duty tax and income tax.

Hon. P. Collier: Or land tax!

Mr. HARRISON: If we agree to increases in the dividend duty and income taxes, we will be doing something to meet our obligations. I do not mind from what source the income is derived. It is our duty to share the burden of taxation. I have lis-

tened very carefully to the various speakers regarding the extravagance of the Government.

Mr. Davies: Alleged extravagance.

Mr. HARRISON: And I have waited to hear from some member as to where this extravagance has been apparent. We cannot decrease the education vote regarding primary education. If we are to retain in the civil service men who are efficient, they will have to be given increased salaries, bringing them more into line with those offering outside the service. It has been stated that a lot of the expense of settling men on the land has resulted in an increase in capital expenditure in the working of various departments. That increase has to be met from some source. In Western Australia we have fared as well if not better than the other States. Our finances have not gone to the bad to as great an extent as in other States.

Mr. O'Loughlen: Which State?

Mr. HARRISON: I said in other States.

Hon. P. Collier: Which one?

Mr. HARRISON: They do not compare favourably with this State.

Hon. P. Collier: That is a bald statement. Give us facts.

Mr. HARRISON: I make the statement because I have read certain reports and I find that Western Australia has not gone back as rapidly as other States and her position compares favourably with theirs.

Hon. P. Collier: Where are your figures?

Mr. HARRISON: I will leave it to the Treasury benches to give the hon. member the figures.

The Premier: I will do so.

Mr. HARRISON: They have been given by the Premier already.

Hon. P. Collier: When?

The Premier: Recently.

Mr. HARRISON: It is true that the revenue has increased but the costs of operations necessary to produce that revenue have increased to a greater ratio.

Mr. O'Loughlen: The increase applies in the Eastern States as well.

Hon. P. Collier: The hon. member got away from the Eastern States quickly.

Mr. HARRISON: We have to face that position and there is no better way in which this can be met than by the people who have the money accepting a larger share of the burden. One member says that it will be the farmers who will be called upon to pay the heavier share, but another says that the industrial community will have to pay the heavier share. If the industrial section are receiving increased wages, it is their duty to contribute more extensively to the revenue of the State than they have done in the past.

Hon. W. C. Angwin: They are paying more for their living than in the past.

Mr. HARRISON: The cost of food products has not increased at the same ratio as building material or wearing apparel or many other things.

Hon. W. C. Angwin: Some have increased over 100 per cent.

Mr. HARRISON: In some cases, as much as 200 per cent. Our taxation has not increased in the same ratio. The State must go ahead. We cannot stop.

Mr. O'Loughlen: We are going headlong to disaster.

Hon. W. C. Angwin: And they have not much longer to go.

Mr. HARRISON: Something should be done to curtail any extravagance that there may be and one way in which it may be achieved is in connection with over-manning. In recent negotiations which the Government had with the civil servants, there was one clause which stated that there should be no victimisation. If the Government were tomorrow to bring in retrenchment of any sort whatever, there is a section of the community which would state that the Government were practising victimisation. I advocated at the time that there should be another board working in conjunction with the board which was to be set up under the Public Service Appeal Board Bill, which would see that we had an efficient service and that the emoluments would be adequate for the services rendered. I maintained that such a board would be beneficial to the State and the general community. While I am supporting the Government it will be my duty to support that Government, until they are supplanted by another Government.

Mr. PICKERING (Sussex) [8.0]: We have been told—and it is a fact—that the accumulated deficit of the State amounts to £4,674,379, and that the deficit for November was £193,133. It is obvious that in a country in such a position we must face the facts. In view of the present condition of our staple industries, the outlook confronting Western Australia is anything but cheering. The State has had a very large wool clip, but we find ourselves unable to dispose of it. A report in to-day's "West Australian" shows that out of a total of 14,000 odd bales of wool offered for sale yesterday, only some 4,000 were disposed of. That means that we were unable to sell fully 10,000 bales of wool. A strike which occurred recently in Fremantle caused this State a loss of thousands of pounds by necessitating the postponement of sales of hides and skins. In the potato industry we find a big harvest but no avenue for its disposal. As regards the fruit industry, there is a prospect of disposing of a good deal of the crop in England, but the harvest of apples is likely to be small. As regards the butter industry, we are unable to supply the full demands of this State, and in consequence there has arisen the position which lately caused so much dispute and argument in this Chamber, namely, that of having to raise the price of butter in order to enable the Eastern States to put butter on our market. The mining industry, one of the most important of our industries, is in a most parlous condition. Such, briefly reviewed, is Western Australia's position today. Were it not for the wheat industry,

which has practically proved the saving of Western Australia, our position would be very much more serious. Special attention was drawn to the farming industry by the member for Kanowna (Hon. T. Walker), who endeavoured to prove that the farmers are anxious to shelve the responsibility devolving upon them to bear their burden of taxation. But the farmers have had inflicted upon them, by way of extra taxation, two severe increases in railway freights. Those increases were made with a view of meeting the increased demands on the Railway Department in the form of higher wages. Further, we find that those avenues of taxation which were considered to be reserved to the State Parliaments have been encroached upon by the Commonwealth Government. Thus the avenues for new taxation offering themselves to any Western Australian Treasurer are very limited. During an earlier debate in this House—I think it was on the Address-in-reply—I quoted from Professor Atkinson regarding the steps taken to meet the desperate financial situation in England. I advocated then that we should follow the English lines for the purpose of overcoming our own financial difficulties. I should be inconsistent, therefore, if I were to vote against this measure of increased taxation. Whilst I shall record my vote for the Government, I have a few words to say about their administration. We have had almost definite promises from the Government that they would look through the various departments of the public service with a view to retrenchment. I have stated both in this House and in the Press that a reduction of 33 per cent. could be made in the public service as a whole.

Mr. O'Loughlen: But that was just a guess.

Mr. PICKERING: It was a guess. I have always advocated that proper remuneration should be given to the public service, but I have also advocated a thorough re-organisation of the service. If the Government desire the continued support of members sitting behind them, they must give an earnest of their intentions in that direction.

The Premier: We have increased work in some departments.

Mr. PICKERING: But decreased work in other departments. It is generally accepted throughout Western Australia that our public service is out of all proportion to our needs.

Mr. O'Loughlen: The Government do not say that, and they ought to know.

Mr. PICKERING: Ever since I have been in Western Australia I have heard the cry that the public service is overmanned. I have always been an advocate of a revenue tariff, and a resident of this State who advocates a revenue tariff finds himself in rather a peculiar position when he has to advocate direct taxation. I believe in direct taxation so long as one relies on direct taxation entirely, but I do not believe in direct taxation whilst we have to suffer under a prohibitive tariff.

Mr. Mullany: This House does not control the tariff. Why talk about the tariff?

Mr. PICKERING: The member for Mt. Magnet (Mr. Troy) to-night remarked that 13½ millions sterling were collected through the Customs. Unfortunately we do not feel such taxation in the same way as the taxation under the measure now submitted by the Premier. Indirect taxation goes up by leaps and bounds, but one does not notice it to the same extent as one notices direct taxation.

Mr. Mullany: This House has no control whatever over the tariff.

Mr. PICKERING: I know that just as well as the hon. member interjecting knows it; but the member for Mt. Magnet advocated the nationalisation of our banks, the competition of a State bank with the Commonwealth Bank, and State insurance and State trusteeship. I am opposed to the establishment of a State bank because I believe that it would be impossible to introduce such a bank under the provisions governing the Commonwealth Bank. However, I think there is much in some of the other proposals of the member for Mt. Magnet. I regret that that hon. member seems to think that the loans floated for the war were expended mainly in the interests of Great Britain.

Mr. Troy: I did not say that. I said, in the interests of the people who exploited the Australians during the war.

Mr. PICKERING: I thought I was putting a generous interpretation on the hon. member's remarks. I consider that any money raised by way of loan for war purposes was raised as much for Australia as for any other part of the British Empire. If anything serious happened to the British Empire, Australia would be in a very bad way indeed. An avenue of taxation which I would prefer to see the Treasurer make use of is taxation of unimproved land. I favour that because I consider no man has the right to hold land if he does not improve it up to the requirements of the Lands Department, or even beyond those requirements. We know that there are large areas throughout the State which are not improved to the extent they should be under the Land Act. In my opinion a tax on unimproved land would meet with the general approval of the citizens of this State.

Mr. Maley: There is such a tax to-day.

Mr. PICKERING: But it is not effective. We know that our railways were never in a worse condition than they are to-day. Permanent way, rolling stock, buildings, and all other phases of the railway system are in such a condition as to call for the expenditure of a considerable sum of money. Although I naturally resent the fixing of railway freights in the form of taxation without this House having an opportunity of voicing its opinion in that regard, I appreciate that if the railways are to be run with safety and advantage to the people of this State they must be maintained in proper working order. I believe that the Treasurer is anxious not only to keep the deficit within

bounds, but to reduce it; and I take it that this measure of taxation is one intended for the purpose of placing the finances of Western Australia in a better position.

Mr. Johnston: Why not earmark the taxation for that purpose?

Mr. PICKERING: We cannot do that. It has been suggested that money raised from the taxing of unimproved land should be earmarked for the reduction of railway freights. One reason why I am against such a scheme is that I do not believe it possible to earmark revenue for such a purpose. I welcome the exemption of £250 proposed by this Bill. Reference has been made to the bountiful years of the last decade. Those bountiful years, I regret to say, have introduced amongst the people habits and customs which have generated an excessive cost of living. If the people were prepared to make sacrifices, and to assist the State in every possible direction, many of the difficulties confronting Western Australia to-day would be speedily overcome. But the whole trend of our people—and I do not except myself from this statement—is to live up to the last halfpenny. Everyone of us ought to realise that the Government representing this State are faced with serious obligations, serious difficulties, and serious problems. We should be in earnest in the desire to help the present Government, or any other Government, to restore the finances of Western Australia and to place the public service on a business footing. I am prepared to support any Government in any legitimate taxation introduced for the purpose of straightening the finances.

Mr. WILLCOCK (Geraldton) [8.14]: I do not want to labour the question after it has been spoken to by several members, but I desire to remark that we on this side of the House think the Government, in introducing this measure, should have intimated an intention to bring down another measure providing reasonable exemption, so that the people who are bearing an unfair burden of taxation may have that burden removed at least to some extent. We know very well that during the past two or three years the cost of living has increased very rapidly, much more rapidly than wages, which have always lagged behind the cost of living. Nevertheless we find the people who have very small incomes continuing to pay excessive taxation without any attempt on the part of the Government to alleviate the position. The exemption should be at least £200, and the allowance for children £52. I should be more favourably disposed towards the taxation proposals of the Government if the Government would amend the Assessment Act to alter the incidence of taxation, which is most unfair on people in receipt of incomes of only £200. This injustice should not be perpetuated year by year.

Hon. T. Walker: Some people pay taxation in many forms, apart altogether from income taxation.

Mr. WILLCOCK: Yes. Only the other day I learnt that the amount of Customs dues collected throughout Australia for September equalled 10s. per head of the population. Thus a man with the average family of a wife and three children, had to pay £2 10s. in taxation for September alone, and on top of this we ask a man on £4 a week to pay income tax, allowing him only £26 for each child. It has been suggested that the assessment of the primary producers' taxation should be spread over a period of years. If it is to apply to anybody, that system should be applied to all. Why should the primary producers be singled out for the advantage? They have their misfortunes, it is true, but, after all, misfortunes fall impartially upon every section of the community. The wage-earner in some years will earn a considerable income, while in other years he will get little or nothing. I remember one man who, losing his employment, was out about four months. Applying for a job, he was expecting a letter in reply. A letter came, but on opening it he found to his consternation that it was a demand for income taxation amounting to £2 10s. If we make exemptions, let the exemptions apply to all. Casual workers in particular have their full share of financial misfortunes, notwithstanding which they are called upon to pay their quota of taxation. The Government ought to introduce an amendment of the Assessment Act which will give consideration to those on small wages. It is impossible for a man in receipt of wages below the bread line, say, £3 weekly, and having a wife and children to keep, to pay income tax and still live with any reasonable degree of decency. In common decency such a man ought to be relieved of his taxation burden.

Mr. GRIFFITHS (York) [8.20]: I agree with what the hon. member has said in regard to the man on very low wages. Such a man should have full consideration. At the same time, when the hon. member, referring to the proposal to spread the assessment of the primary producer's taxation obligation over a series of years, declares that all sections of the community should be placed on the same footing, his reasoning, I think, is scarcely sound. Take 1914, when we had the drought. Many a man lost almost everything. In the following year those men had a pretty good harvest, and were taxed on the lot, no consideration being given for their losses of the preceding year.

Mr. Willcock: In 1916 many workers were walking about the country looking for jobs.

Mr. GRIFFITHS: The leader of the Opposition stated that during the war Australia did not shoulder her taxation burden in the way in which other countries, particularly Great Britain did. Great Britain's war debt was reduced by 200 millions, levied from the people by way of taxation in addition to revenue sufficient to meet the annual requirements of the country. Before the war was over Great Britain set about reducing the war debt,

whereas Australia pursued a directly opposite course, borrowed all she could, and refrained from levying increased taxation on those people who could afford it, passing the whole burden on to posterity. That is rather against the argument the hon. member used when opposing taxation. He then said that in the past we had not been doing our duty, that we should have started long ago. Yet he says he is opposed to taxation at the present time. Why? In 1919-20 the amount produced from taxation was more than double the amount produced three years earlier, with a further £43,000 added on. How are the Government to satisfy the people that reasonable steps are being taken to meet this gradually increasing out-going? Of course taxation is never popular. The farmer does not want increased taxation. Whilst I support the second reading, I am inclined to repeat the demand that there shall be efficient economy in administration. This cry has been heard ever since the war started. Attempts were made during war time to bring about economical working in the departments. I do not know whether we are slipping back into the old ways again, whether the attempt to introduce economy has been discarded, but certainly we do not see very much evidence of attempts at economising. A board should be appointed to see that we get a fair return for the money disbursed through the public service. I understand that something like £680,000 is required for increases lawfully granted to the service. That money has to be found. In these circumstances I do not see how members can oppose the Bill.

Mr. HICKMOTT (Pingelly) [S.26]: I am inclined to oppose the second reading. Where is this thing going to end? A few months ago we were told by the Premier that it was not his intention to impose additional taxation. We are now told that the all round increases in salaries, amounting to some £720,000, have compelled the Premier to reconsider his plans. There is an agitation for a further increase in wages and salaries, and a number of unions throughout the Commonwealth are holding meetings with the intention of enforcing the findings of the Basic Wage Commission. So in all probability in the near future we shall have to face further taxation in order to meet increased wages. I do not know whether it is competent for the State Government to take in hand any measure that will give us a reduction in the cost of living. That seems to me the only way of solving the difficulty. As soon as increased wages are granted, the cost of commodities goes up and the wage earners are in no better position than before.

Hon. T. Walker: Very often they are in a worse position.

Mr. HICKMOTT: Yes, for the business people add sufficient to their prices to put a little in their own pockets over and above the cost of increased wages. I sympathise with the Government in their position. Still,

ever since I have been in the House it has been complained that no steps are taken to economise. Members and the public have ever agreed that there is room for economy in the various departments.

The Premier: Room everywhere.

Mr. HICKMOTT: We have heard that from various Ministries and various Treasurers.

Hon. P. Collier: We were told that every day in the week when we were in office.

Mr. HICKMOTT: I remember Mr. Scaddan, when Premier, bringing forward the taxation proposal. I opposed it.

Hon. P. Collier: On the grounds that we ought to economise.

Mr. HICKMOTT: Yes, and the Premier should give some reason for the increased taxation and say what he intends to do with the money.

Hon. P. Collier: They drafted a platform of economy.

Mr. HICKMOTT: The increased freights and fares more than cover the increased rise in wages. If that be so, the very large increase in direct taxation proposed by the Government seems hardly to be warranted. While I am somewhat in sympathy with the Government, I should not be doing my duty if I supported further direct taxation at present.

The Attorney-General: You are opposed to any income tax at all?

Mr. HICKMOTT: We already pay both land and income tax. I have paid both myself, although it is said we only pay the larger of the two. Much has been said about the unimproved land values taxation. That may be a good tax but no one has thrown any light on the subject. We have not been told where it has been put into practice and we do not understand it. Therefore, we cannot support it. I know of no country where that tax is in vogue. It sounds very plausible, but we must know more about it before we can vote for it. It is said it will allow the farmer to go almost scot free. If the land owner is not to be affected by it, I do not see how the tax can be collected. It is an old idea that the people of the cities will pay the bulk of this tax, but no one has yet explained that the merchant and the landed proprietor in the city will not pass the tax on to the general public by way of commodities in general. We are not in a position to vote for or support a measure we know so little about. I am not inclined to support the second reading of this Bill.

The PREMIER (Hon. J. Mitchell—Northam—in reply) [S.35]: I do not understand how members can sit through a session like this and not know what has happened. The last speaker does not know that there have been any economies. He does not know what has happened and will not vote for the measure. He does know there has been increased expenditure in the way of salaries and wages,

but will not provide the amount necessary to pay for them.

Hon. P. Collier: He knew you had increased the railway rates.

The PREMIER: Hon. members admit that the money has to be paid, but will not take any hand in finding it. They have said there have been no economies. What do they mean? Evidently the member for Pingelly (Mr. Hickmott) means the sacking of civil servants, reducing expenditure, having no regard for the result of such reduction. Economy, however, means the expenditure of money in the doing of good works. The hon. member says I can spend money in his district to advantage. Other members say the same. Take any district but that of any particular hon. member!

Hon. W. C. Angwin: That is hardly fair. It applies all round.

The PREMIER: Every hon. member knows that the position has changed in the last 18 months. A year and a half ago there was stagnation, trouble, unemployment, and depression everywhere. They know these things are now gone, and that we have had probably the most successful year the State has ever known. There is no unemployment. Thousands of men who were out of work 18 months ago are now at work. Eleven thousand soldiers who have come back since are also at work.

Mr. Troy: It is known that the timber industry has a big move on.

Hon. W. C. Angwin: It is known that the revenue has increased.

The PREMIER: Hon. members know that the increased expenditure has been worth while.

Mr. Troy: In doing what?

The PREMIER: In making the country prosperous and the people content and well paid. I told the House there would be a deficit at the end of the year, June, 1921, of £399,000, a reduction of £269,000 on the deficit of last year. I still say that will be the result. Since I made that statement there have been considerable increases, an increase of £720,000 a year more in wages and salaries than was paid before I became Premier. I will show what the increased railway freights amount to. I am going to ask the House to grant increased taxation in order to pay increased salaries and wages. I am entitled to do this. Those who vote against it will be doing wrong. In 1919 there was an award which meant an additional expenditure of £250,000 on the men employed at that date. On that occasion we imposed additional freights and fares amounting to £244,000.

Hon. P. Collier: More than that according to the report.

The PREMIER: I can only give the House the figures given to me.

Hon. P. Collier: I can only take the figures from the reports of departments.

The PREMIER: I am talking about the railways. That left a shortage of £6,000.

Hon. P. Collier: Does the Premier say the Commissioner of Railways produces false information to the House?

The PREMIER: No.

Hon. P. Collier: The figures do not correspond with your figures.

The PREMIER: The leader of the Opposition does not read them aright. This year's award means £310,000 expenditure for the year. The member for Kanowna (Hon. T. Walker) says we should not have increased taxation or any increase at all because our revenue is more than it was. That sum of £310,000 in wages has to be made up. We shall increase freights and fares £260,000 this year, showing a shortage of £50,000. Owing to the increased cost of coal, as the result of the recent award, the expenditure on that has gone up £30,000. Notwithstanding increases in freights in fares, we are £86,000 this year short to meet the increase granted by these various awards. It has been pointed out that the deficit for the first five months of this year was £587,000, as against £572,000 last year, an increase of £15,000. In November the railways paid out £184,000, due to back pay, etc., and £15,000, due to the increased cost of coal, more than was the case in November, 1919. On railways last year the surplus was £28,000. This year there was a shortage of £88,000, a difference of £116,000. This is partly due to the fact that we have had to pay increased wages from May, 1919. We have not been able to collect the increased freights owing to the fact that the award was not delivered until September, and the increases were not made until after that. We shall get the increases in for the next half year. The expenditure has increased by £490,828 for the first five months. That is not all expenditure on the ordinary functions of Government. On the railways there is an increase of £297,000, and under special act, interest and sinking fund a sum of £108,000.

Hon. P. Collier: It seems to me the Railway Department can put in any figures that are required.

The PREMIER: I do not describe the figures I want.

Hon. P. Collier: The Railway Department can supply figures which suit any argument.

The PREMIER: I did not ask for them.

Hon. P. Collier: The figures set out in the report of the department do not correspond with yours.

The PREMIER: That may be due to the fact that mine are revenue figures and the others are figures published in the railway return. Other items of increase are wages and salaries in every department. These two items cover a great deal of the expenditure. In the tramways there has been all sorts of expenditure over which we have no control. The more work there is to do the more money we earn and the more money has to be spent. The revenue increased by £475,734 for the first five months

of the year. The railways were responsible for £267,000 of that increased revenue. It cost £297,000 to earn £267,000, yet the member for Irwin (Mr. Gardiner) would have this House believe that this is revenue collecting and money I have to spend. That is not the case. It costs £30,000 more to earn the revenue than the revenue amounted to. The revenue has been buoyant. I told the House it would be so and that I expected it would be owing to increased activity. Let the country stay where it was 18 months ago and see where the revenue would have come from. If we had had this £720,000 additional wages and salaries to pay 18 months ago, the deficit would have been at least 1½ million.

Hon. W. C. Angwin: You would have raised the rates.

The PREMIER: Yes, but the railways would not have had the traffic and these increases would not have earned so much. The deficit to the end of this year should be £399,000. I want to point out that the deficit is larger in the first half of the year than in the second, particularly during the first five months. For the first half year 1916-17 the deficit was £566,000, that is between June and December, as against £132,000 for the next six months, January to June; in 1917-18 it was £457,000 for the first half year and £248,000 for the second half; in 1918-19 it was £406,000 and £245,000 respectively; and last year the deficit was £603,000 and £64,000 respectively. I anticipate this year will be far more favourable than last year. The expenditure on the railways is, of course, heavy. For instance, in 1919 we spent £640,835 in five months and the revenue was £762,911, showing a surplus of £132,076. The expenditure for the corresponding period of this year was £938,324, but the revenue was £1,030,515, leaving a surplus of £92,191. I just mention that to show what must happen in connection with our business concerns. Of course if we get more revenue we have more expenditure. I want to make it clear that I do expect the balance which I predicted in my Budget. For the last seven months of the last financial year the expenditure on the railways was £1,368,990 while the revenue was £1,512,515, the surplus being £143,525. This year in the same period we expect to spend £1,612,000 on the railways and we expect to receive £1,970,000; the surplus being £358,000, or £214,475 more than that of last year. Of course there will be considerably increased traffic. I sincerely believe that result will be achieved. What I am anxious to do of course is to show how we are likely to finish up with regard to the deficit. I do not think it should go out from hon. members that the position is as they have stated, without the assurances which I have made being credited. It is quite easy to come here, as the member for Kanowna has done, and tell the House there has been no economy, that there have been no signs of economy, and that conditions have drifted from bad to worse. It is true that we are £587,675 to

the bad up to the present time, but as I have told the House, we expect a surplus of £358,000 on the railways. This will reduce the amount to £229,678. We are asking for £30,000 additional taxation which will further reduce the amount to £149,675. We expect, of course, in seven months to go to the bad excluding the railways to the extent of £250,000 which makes the £399,707 that I have mentioned so often to-night. That is just how the result will be achieved. I have told the House that we have to pay increased wages and salaries to the extent of £720,000. Of that amount £530,000 is being paid to the railways, £50,000 to the civil servants, £75,000 to the school teachers, £25,000 to the police, £30,000 to the Public Works Department, and £10,000 to the Water Supply Department. Apart from the railways there has to be made good in increased interest £194,719. If we add that to the £80,000 we get £270,000 which has to be made good and yet hon. members would hesitate to give me £80,000 additional taxation. When I brought down the Budget I did say that it was not proposed to impose fresh taxation, but when the railway award was given we were obliged to impose additional fares and freights and I stated that increased taxation would have to follow as well. There is no evidence that there has not been care in the administration of the affairs of the State. To get the £270,000 I am asking for £80,000. I have stated that we shall reduce the deficit of last year by £268,000. There must therefore be economy and good management to show that result.

Mr. Willcock: You have increased the revenue.

The PREMIER: Increased revenue does not come from good management alone.

Mr. Willcock: From good seasons.

Hon. W. C. Angwin: And more shipping.

The PREMIER: Hon. members would have us believe that the devil looks after his own.

Hon. W. C. Angwin: Hear, hear!

The PREMIER: It is a fact that we have people who are better off and who are responsible for the increased revenue. Not a penny additional revenue can be got except of course by increased profits earned by the people and increased activities on the part of the people. Of course all expenditure finds some reflection in the credit balance. So when people are active, and when trade is brisk we must get more revenue, but it costs more as well. The member for North-East Fremantle says that we have increased shipping. Of course that is so because we have plenty of timber and plenty of wheat to ship. Fremantle is a busy place because of the activities of the back country. It is easy to say that there has been no economy, but I should like to tell the House that if the position was as it was 18 months ago, we could dispense with a good many civil servants, but if we increase the work of the departments for the good of the

country we must have civil servants to do the work. Take the Titles office. We find there a tremendous increase in the volume of work.

Mr. Money: The department pays well, too.

The PREMIER: Of course. The Attorney General informs me that the work in the titles office is nearly doubled. When people are active, and then there is business doing we find them at the titles office. If business is dull and depressed, the titles office is deserted.

Hon. W. C. Angwin: There has been a lot of changes in titles lately.

The PREMIER: I know. The hon. member told us that it was due to soldier settlement. That is so but only to some extent. The activities there are a reflection to some extent of the activities of the people. In the Lands Department, too, the work is doubled, but the same staff are carrying on the duties imposed on them. We cannot handle property in a great country like this without spending money. This House decided that every acre of pastoral land should be classified. The year before I assumed office there were classified 14 million acres of pastoral land. Last year we classified 100 million acres and for the last five months 48 million acres were appraised. Can this work be done without spending money? Of course not.

Hon. W. C. Angwin: From what have the agricultural lands been classified?

The PREMIER: Out of ordinary revenue. Where else does the hon. member think I got the money from? Does he believe I stole it?

Hon. W. C. Angwin: I will take your word for it.

The PREMIER: I do not know that I need labour the question much more. I must however, say a word or two in reply to some of the assertions which have been made to-night. The member for Irwin criticised my administration of the Treasury, forgetful of the fact that he himself when Treasurer had a deficit of £706,000 and which in 1918-19 was £652,000. I was associated with him at that time for a period of three months. He told the House that when he imposed additional taxation it was in order to bring the amount of the deficit to the total of the sinking fund. He got the taxation and he did reduce the deficit of the previous year by £54,000, but his deficit was still £652,000 as against the deficit of 1919-20 of £668,000. I do not understand it, because those years were not years of activity at all. The war was on and it had just ended and the people were not back. There was not much opportunity to do things. If we can achieve such a result as I think we are entitled to say we have achieved during the past 18 months without going to the bad very much, I think we have done something with which we should be satisfied. The member for North-East Fremantle knows better than the hon. member for Irwin just what happened and just what

is happening now. The people of the State also know just what is happening. We are of course obliged to spend money in the preparation of the country for settlement and for the development of new industries. The member for Kanowna criticised the work of the Government and he was rather unfortunate in comparing the past four years with the four years period in which he occupied a seat on this bench. I remind him that whilst taxation has increased, interest and sinking fund has also increased by a like amount. It is true that some of the works that were responsible for the increase in interest expenditure are now coming into profitable use, but not all of them. I also tell the House that we have borrowed largely for soldier settlement, and up to date the revenue for this has been debited with £100,000. That £100,000 should of course not be there. I am satisfied that the position will be as I have stated. I admit members have a right to ask for an explanation. They have a right to know what we are going to do with the additional money that we are asking for, but I want them to believe and the country to believe as well, that every Minister is doing his best to economise. If economy means cutting down things and stopping all development we are certainly not practising economy, but if it means spending money wisely and achieving good results, then we are practising economy. I have shown that we are not only going to do better this year to the extent of £269,000 in money, but that we are achieving substantial results. If this State had not been lifted out of its difficulties to prosperity and activity, I should not be occupying this position to-night. I feel that I am entitled to ask for this money. I feel that I am entitled to tell the people that we have managed the affairs of this State well and economically during the last 18 months. It would be very difficult to persuade me that any other Government could have done as well.

Hon. W. C. Angwin: I agree with you there.

Hon. P. Collier: I am surprised at your modesty.

The PREMIER: It would certainly be difficult to persuade the people that any other Government could have done as well.

Hon. W. C. Angwin: Do not make any mistake about that.

Hon. P. Collier: We shall see what Leonora says next week. That will be the first test.

Mr. Teesdale: We had a test the other day—the municipal elections.

Hon. P. Collier: That was a great test—on a property vote.

The PREMIER: I am not concerned about the test at Leonora.

Hon. P. Collier: You are not committing yourself to that?

The PREMIER: I am satisfied to leave it to the people of this country. Members should not forget that 18 months ago I had

a deputation from men who were unemployed. To-day I am receiving deputations who require men.

Mr. Davies: There are fewer unemployed in Western Australia than in any State of the Commonwealth.

The PREMIER: Members also forget that we have had to settle thousands of soldiers on the land.

Mr. Troy: Not thousands.

The PREMIER: Yes, over 3,000.

Mr. Troy: They have only taken over the farms of established settlers.

The PREMIER: I hope that I have said sufficient to convince even the member for Pingelly (Mr. Hickmott) that it is his duty to vote for the Government. May I briefly refer to a saving which can be effected; it is in connection with the collection of this tax. We wish to practise economy and save people as much trouble as we possibly can. The Federal Taxation Commissioner has been conferring with the State Taxation Commissioner and with me, and a scheme has been evolved whereby the Federal Government will undertake the collection of the land and income tax. The agreement is now being considered; it has not yet been finalised. The proposal is that the Federal Government should collect our taxes for one-third of the present cost. The present cost is about £35,000, so that we shall save two-thirds of that amount if the Federal Government do the work. I should not like to undertake to collect the Federal taxation for £12,000, and if I did make the offer I am afraid they would not accept it.

Hon. W. C. Angwin: Do you owe them any money?

The PREMIER: No.

Hon. W. C. Angwin: I thought that if you did they might keep the money collected as a set-off.

The PREMIER: If members look at the proposed agreement they will see that we preserve the sovereign rights of the State by appointing the State Taxation Commissioner as the Commissioner of Taxation.

Mr. Troy: Who is the Commissioner?

The PREMIER: Mr. Black. There will be one return for State and Federal land and income tax, so that this arrangement will be a great convenience to the taxpayers as well as to the Government. The merit of the scheme is that it will save the State two-thirds of £35,000 a year at the present time, and of course the saving will be greater later on as the Federal Government are prepared to undertake the collection of this taxation for us all time for one-third of this amount.

Mr. Troy: If Mr. Black was such a good man why did you move him from the Treasury?

The PREMIER: I am not here to answer those questions. I hope the House will pass the second reading of the Bill.

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

| | | | | | |
|------|----|----|----|----|----|
| Ayes | .. | .. | .. | .. | 25 |
| Noes | .. | .. | .. | .. | 13 |

Majority for 12

AYES.

| | |
|---------------|----------------|
| Mr. Angelo | Mr. Money |
| Mr. Brown | Mr. Mullany |
| Mr. Brown | Mr. Nairu |
| Mr. Davies | Mr. Pickering |
| Mr. Draper | Mr. Plesse |
| Mr. Duff | Mr. Pilkington |
| Mr. Durack | Mr. Scaddau |
| Mr. George | Mr. Stubbs |
| Mr. Griffiths | Mr. Teesdale |
| Mr. Harrison | Mr. Veryard |
| Mr. Hudson | Mr. Willmott |
| Mr. Maley | Mr. Hardwick |
| Mr. Mitchell | |

(Teller.)

NOES.

| | |
|--------------|---------------|
| Mr. Angwin | Mr. Lambert |
| Mr. Chesson | Mr. Lucey |
| Mr. Collier | Mr. Troy |
| Mr. Gardiner | Mr. Walker |
| Mr. Green | Mr. Willcock |
| Mr. Holman | Mr. O'Loghlin |
| Mr. Johnston | |

(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

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

Clauses 1, 2 agreed to.

Clause 3—Rate of income tax:

Hon. P. COLLIER: Subclause 2 reads—

Where the income chargeable from all sources of a taxpayer who is married or has a dependant amounts to £157 and no more, the tax payable by him shall not exceed one pound.

This means that the Government propose to take the whole of the surplus over £156.

The Premier: We are reducing it; at present he pays £1 0s. 9d.

Hon. P. COLLIER: Let us rectify it on equitable lines.

The Premier: Strike out the subclause.

Hon. P. COLLIER: No, that would leave the wrong which exists at present. If a married person's income does not exceed £157 the State takes the surplus £1. 8s. a taxpayer should at least be allowed something out of the pound. Surely the minimum amount stipulated in Clause 4 would be a fair charge in such a case. I move an amendment—

That "one pound" be struck out with a view to inserting the words "two shillings and sixpence."

The PREMIER: I regret that the hon. member has moved this amendment. He suggests that the man who receives £157 shall

only pay 2s. 6d. It would relieve that man but no one else. The man who gets £158 would have to pay £1 0s. 9d.

Hon. P. Collier: What about making it 10s. instead of 2s. 6d.?

The PREMIER: I would like to exempt these people from taxation, but in the present condition of affairs, we cannot do that. Under the amendment, the man who gets £156 would be exempt and the man who gets £157 would pay 2s. 6d. and the man on £158 would have to pay a much heavier tax.

Hon. P. Collier: There is certainly an anomaly in the clause as it stands for the man who gets £156 is exempt and the man who draws £157 has to pay £1, which brings him down to £156.

The PREMIER: There are anomalies in legislation of this nature, and I know that it is possible that it will be a hardship on people with the lower incomes. I propose during recess to go into these matters and see whether the position can be overcome, while at the same time getting the taxation which is necessary to meet the expenditure.

Amendment—put and passed.

Hon. P. COLLIER: When moving the amendment I indicated that I would suggest the amount of 2s. 6d. I agree that this would create a further anomaly and I think the position would be better met if we relieved the man receiving £157, to the extent of 10s. I move an amendment—

That the words "ten shillings" be inserted in lieu of the words struck out.

Amendment put and passed.

Mr. BROWN: Last year it was ascertained that widows had to pay income tax on their pensions. Will that position be rectified this year?

The Premier: I have already given the member for North-East Fremantle an assurance that I will rectify that matter.

Clause as amended agreed to.

Clauses 4, 5—agreed to.

Clause 6—Super tax of 15 per cent.:

Hon. P. COLLIER: I do not propose to fight this clause, because it is the crux of the Bill and the division which we took just now was really a division on this clause. Inasmuch as the House has declared its approval of this super tax—

Hon. T. Walker: Under the whip.

Hon. P. COLLIER: I do not propose to waste any time in arguing it further except to say that I am rather surprised to find that a member who said he would vote against the second reading of the Bill before the division was taken, was not present to record his vote in the division.

Mr. Teesdale: Perhaps he did not hear the bells.

Hon. P. COLLIER: He must have been convinced by the Premier's argument. I am rather surprised, too, at the attitude of members on the cross benches. I regret the necessity for directing my remarks to members of

the Country party so frequently, but I mis-understood the intention of those members and their views regarding the Bill. Last week I was under the impression that it would be opposed by many members of the Primary Producers' party. As a matter of fact, I assisted in a small way to have the vote on the second reading postponed from last week in order that a member of that party might be present to express his opposition to the Bill. That member was not present to-day. I understood that that member had been spoken to-day, would have expressed the general views of the party to which he belongs. Now the leader of the Country party has given the Bill his blessing. Certainly I think it was with mental reservations because, although he said that he did not know of any fairer method of taxation than those on incomes and dividend duties, he would not refer to the land tax.

The Premier: The farmers do not pay both.

Hon. P. COLLIER: Someone says that the farmers do not pay anything or anyone. I do not believe that, but one primary producer stated that the farmers when they received Government accounts, merely papered the walls with them. I can hardly believe that that was correct.

Hon. W. C. Angwin: You are pretty correct.

Hon. P. COLLIER: It was the intention of members sitting on the cross benches to oppose the super tax last week. They have altered their attitude because the whip has been cracked.

The Premier: They spoke for themselves.

Hon. P. COLLIER: They spoke with one voice yesterday and with another voice to-day.

Mr. Pickering: That was one voice.

Hon. P. COLLIER: However, it is their concern. They are attached, according to their own statement, to no party; they are bound by no outside influences or caucus, and that leaves them free to vote from day to day as they think fit, according to the appearance of the political weather. They have changed their attitude regarding the super tax. I see by the "Primary Producer" that the executive of the Primary Producers' Association meet this week and perhaps the members of the Country party received their instructions in anticipation.

The Colonial Secretary: What about discussing the clause?

Hon. P. COLLIER: If I am out of order, I am subject to the rules of the House.

The Colonial Secretary: Why not discuss the clause and not the Country party?

Hon. P. COLLIER: It is hard to resist the temptation because they offer scope for discussion so frequently. There will be other opportunities for discussing them, I suppose.

Mr. Thomson: You will make the opportunities, anyway.

Hon. P. COLLIER: The Premier has given figures as to the amount involved by the increased wages to the railway employees.

The Premier: Not under this clause.

Hon. P. COLLIER: It affects this clause because the Premier contended that because of the extra charges they were imposing the 15 per cent. super tax. If the figures quoted by the Premier are correct, then it seems to me that the Railway Department are a very convenient department in that they can provide figures which suit any argument required in this House at any particular time. The information given by the Commissioner of Railways in his annual report does not accord with the figures quoted by the Premier this evening.

The Premier: These are the figures the Commissioner gave me; that is all I know about it.

Hon. P. COLLIER: I want to call attention to the fact that the figures given to this House in the Commissioner's report do not correspond with the figures supplied by the department to the Premier. The Commissioner says first that his estimate of £250,000 was not very wide of the mark; but on the very next page of his report he shows that the actual result of the increases in rates was £148,000 for the six months they had been in operation—up till the end of June.

The Premier: I gave you £250,000 for a year.

Hon. P. COLLIER: But the Commissioner works it out at about £290,000 for a year. He shows that for 6½ months £148,000 extra was actually received by reason of the increases in fares and freights.

The Premier: That was for the last half of the year, and the last half of the year is always heavier.

Hon. P. COLLIER: Nevertheless there does seem to be a large discrepancy between the two sets of figures, a discrepancy of nearly £50,000.

The Premier: That would be all right. The traffic for the last six months of the year is so much larger than the traffic for the first six months.

Hon. P. COLLIER: Surely the difference between the two half years would not account for this £50,000?

The Premier: Yes, it would.

Hon. P. COLLIER: Anyhow, it is not unusual to find that the Railway Department's figures do not correspond. When an increase in wages is demanded by the railway employees, the department promptly come out with a statement showing that the increase involves, say, £250,000. That estimate is submitted in order to justify the department in increasing freights and fares. But the thing generally ends up in the Railway Department making a profit out of the deal; that is to say, they levy increases in freights and fares many thousands of pounds in excess of the amount actually involved by the increase in wages.

Mr. Johnston: That is done every time.

Hon. P. COLLIER: The Country party were very indignant when the first increase in freights and fares was imposed, saying

that the primary producer could not afford it. However, they have swallowed that increase, and an additional increase on the top of it; and now they are prepared to accept a 15 per cent. increase in income tax, and presumably a 15 per cent. increase in land tax as well. Had a Labour Government made such increases in freights and fares during the course of one year, and then demanded a 15 per cent. increase in income tax and land tax, the atmosphere here would not have been so serene as it is to-night. The Country party would have said that we were out to kill the man on the land. I suppose there is no use in pursuing the matter further. The whip has cracked, and the party on the cross-benches are prepared to fall in behind.

Hon. W. C. ANGWIN: For once the Government have shown the possession of a stiff back bone. If we were now at the commencement of a new Parliament, their attitude might be regarded as an augury of something good as regards the protection of the State revenue. However, only six or eight weeks remain of the life of this Assembly. Evidently hon. members on the cross benches are very much afraid of a general election before the proper time, and so they have swallowed the principles which they held a few days ago. Defeat of the financial proposals of a Government means the defeat of the Government, and therefore the whip has cracked. Our friends on the cross-benches cannot afford to lose six weeks of their parliamentary screws, or shall I say six weeks of their parliamentary lives? I understood that the Premier did not intend to increase taxation any further this year. He says that taxation does not bring prosperity; and yet, against his own convictions, he introduces this increased taxation.

Mr. TROY: I oppose the clause, because I entirely disagree with this attempt to increase taxation. I look to the interests of the people in the remote portions of the State, who will be called upon to pay an extra 15 per cent. over incomes of £250.

The Premier: You know in your heart that this taxation is too moderate.

Mr. TROY: Railway freights have been increased on three occasions during the past two years, and thereby heavy penalties have been imposed on the people whose daily requirements have to be carried over 600 miles of railway. The wages of many of those people are not sufficient to meet their daily needs, and yet higher income tax is to be imposed on them as compared with other people living under better conditions. For instance, £250 in Meekatharra, Peak Hill, or Lake Way is not equal to £160 in Perth. Yet the people who do all the pioneering in remote districts are asked to pay heavier taxation than are the people in the city.

Mr. Green: And have the railway freights put up on them three times.

The Premier: We have to pay the increased wages.

Mr. TROY: The hon. member ought to provide in his Assessment Act that the people living in the back country shall be eased of their taxation.

The Premier: Tell me who ought to pay taxes, and I shall know.

Mr. TROY: The Premier would not listen if we told him. We have already asked him to bring down an amendment of the Assessment Act. Why is he not consistent? The public service have a goldfields allowance, because of the high cost of living east of Southern Cross and east of Yalgoo. Yet he imposes special taxation penalties on the people in those districts. Therefore he is not carrying out an equitable policy. I do not look to Country party members for help, because they represent but a narrow section of the people and they have no knowledge of the conditions in the mining areas. By the support of those members the Government carry on. Yet those members go to the country and pretend they are not responsible for what the Government do. They will cheerfully repudiate this thing in their electorates to-morrow.

Hon. P. Collier: Their candidate in the Murray-Wellington election will use it against the Minister for Works.

The Minister for Works: That shows their sincerity.

Mr. TROY: I do not appeal to them, because I know their policy. Among them only the member for Williams-Narrogin has had the courage to vote as he thinks:

Mr. Johnston: And the member for Irwin.

Mr. TROY: Other of the Country party members will refrain from voting in the division. The party are just as likely to come back next week and vote against this on the instructions of their executive outside.

Mr. Thomson: What about Mr. McCallum telling you how to vote?

Mr. TROY: We are always consistent. We have never been influenced from outside. If the Country party members are anxious for the welfare of the primary producers they will support an amendment to wipe out this super tax. The mining industry owes nothing to the present Government, or to the Country party either.

The Premier: The money must be found to pay the increased wages.

Mr. TROY: Why not tax the merchants in Perth?

The Premier: We do.

Mr. TROY: Nothing of the sort. Why not tax the insurance companies, 60 of whom are charging excessive premiums? The Queensland Government have secured a reduction of 40 per cent. in insurance premiums, and have made £50,000 per annum in addition. In this State stamp duty was increased, and the insurance companies passed it on.

The Minister for Works: They had no right to do so.

Mr. TROY: Of course not. The people in the country cannot pay this super tax. If

the Premier had to earn his living in a remote mining district he would find it extremely difficult to pay his way. If families in Perth cannot live on £4 a week, they could not live on £5 a week in the back country. I will oppose the provision.

Mr. JOHNSTON: I am opposed to the whole clause. The remarks of the leader of the Opposition concerning the Country party were unjust, because each member of this party has decided his own vote on this heavy increase in taxation. During the past two years direct taxation has been increased from £400,000 to £800,000, and we have this increase on top of heavy increases in railway freights. The "West Australian" in a leading article on the 3rd November last dealing with the increased railway charges declared that the policy of raising the freights above the amount necessary to meet the increased wages was inexcusable. That article went on to point out that the increased freights represented £337,000, whereas the increases in wages amounted to only £266,000.

The Premier: I have told you that the increased freights would return £260,000, with which we have to pay £310,000 in increased wages.

Mr. JOHNSTON: The article went on to state that the increased cost of materials could not be urged as an excuse for taking so much from the people by way of increased freights and fares, and that therefore the conclusion was inescapable that the system was being used as an instrument of taxation. If the Premier says the figures used by the newspaper are wrong, I have done him a service by drawing his attention to them. The Committee would be well advised to throw out the clause. We are on the eve of a general election at which the Government will have an opportunity for putting this policy before the people. I suggest the Government should withdraw the clause until they get from the people a mandate to impose this super tax of 15 per cent. in addition to the increased rates of taxation, ranging from 2s. 6d. to 4s., after which I will be prepared to make it retrospective to this date.

The PREMIER: I have never heard such a humbug in all my life. The hon. member supported some of the increases to the public service.

Mr. Johnston: I do not remember it.

The PREMIER: And now when we want money to pay those increases he objects. No one knows better than the hon. member that we are not going to get the increases in railway freights for the full 12 months. He should not endeavour to deceive the House. He knows that we shall get only £260,000, because the increases will have been imposed for only part of the year, whereas we have to pay £310,000 in increased wages and salaries. I hope the Committee will not strike out the clause. Hon. members are forever

demanding "Why do not you square the ledger"? They know well that we are paying £720,000 in increased wages and salaries, and that the money has to be found for the purpose. Yet they hesitate to give us £55,000 under this measure of taxation. The hon. member would have no hesitation in asking for anything he thought his district would like to have. He would ask for the whole of the £55,000 if he thought it would please his electors. If these increases are to be met Parliament must vote the money.

Mr. PICKERING: It is a habit with the Opposition to reflect upon members on the cross benches. They draw attention to their absence from the Chamber when frequently the benches opposite are quite as empty as these are.

The CHAIRMAN: We are not discussing that question.

Mr. PICKERING: It takes more courage to advocate the imposition of a tax than it does to stand up here and argue against it. I only hope the money will be spent in the direction of reducing the deficit.

Hon. P. COLLIER: This 50 per cent. increase on incomes is to apply only to those in receipt of £252 a year or over. The deductions that are allowable under the Land and Income Tax Assessment Act of 1907 are on such things as premiums on insurance, £26 for each child, rates and taxes, and State and Federal taxes, after which the chargeable income is arrived at. The Premier now proposes to levy a 15 per cent. super tax on all incomes of £252 and over without allowing for these deductions.

The Premier: That is not so.

Hon. P. COLLIER: A man may have a gross income of £252, but a chargeable income of only £150, but notwithstanding this he would have the 15 per cent. super tax levied upon that amount.

The Premier: That is so.

Hon. P. COLLIER: I disapprove of such a proposal.

The Premier: We do allow for deductions.

Hon. P. COLLIER: That is not how I read the clause.

The PREMIER: A man who receives £252 will pay on so much of his income as is liable to be taxed after the usual deductions are made. A man in receipt of £251 pays no super tax. I will, however, consult with the Solicitor General and have this made perfectly clear, and recommit the Bill if necessary.

Hon. P. COLLIER: If the Premier finds out it is as I have suggested he will recommit the Bill?

The Premier: Yes, for I would object just as much as you would. I am sure you are wrong.

Hon. P. COLLIER: The taxpayer is not allowed to deduct any of the amounts under the headings I have referred to, according to my reading of this clause.

The Premier: I will clear up the matter to-morrow.

Hon. P. COLLIER: I move an amendment—

That in the proviso "£252" be struck out, and "£350" inserted in lieu.

A person on £5 a week is to be called upon to pay a super tax of 15 per cent., that is 3s. in the pound on the amount he has to pay now. Five pounds a week is not a living wage. In this State it is 13s. a week below the recently recommended basic wage. We ought not to be piling increased taxation upon people who cannot afford to pay it. A married man in receipt of £5 a week has no money left over with which to pay his income tax, after meeting all his obligations for living expenses. The taxpayer already pays a considerable amount, without being called upon to pay an extra 15 per cent. There is no wage earner to-day in this State who does not pay income tax. Prior to the amending Act of 1918 the section of wage earners or workers who were merely in receipt of a living wage were exempt from the payment of any income tax. That amendment brought them all in. The principle has always been recognised that those who are only in receipt of a living wage should not have taxation levied on them. The rates should only be increased on those who are clearly in receipt of income that is above the living wage.

The PREMIER: I should like to exempt everybody of course, but I am afraid that cannot be done.

Mr. Willcock: You are encroaching on the bread and butter line. How can the tax be paid by those who cannot afford to pay it?

Hon. T. Walker: You are making it below the bread line.

The PREMIER: Very few would be subject to the increased taxation.

Mr. Willcock: Every man who is a tradesman will come under this.

The PREMIER: And because the man is a tradesman he must be exempt from paying taxation. If a man gets £1 a day, whether he be a carpenter, a storekeeper, a lawyer, or a member of Parliament, he should be compelled to pay. In Melbourne recently some organisation asked that the exemption should be £400 because wages were going up. All I am asking is that the small amount of 15 per cent. should be paid in addition by those earning more than £252.

Mr. Pickering: That is, £252 net.

The PREMIER: Every man who gets less than £252 is exempt.

Hon. P. Collier: The man on £250 a year to-day pays £3 0s. 5d. and he would have to pay 15 per cent. on top of that, which would make it about £3 10s.

Mr. WILLCOCK: A married man with three children will be compelled to pay 7s. or 8s. more a year. We should not increase the impost on those who are getting less than what the Basic Wage Commission said the other day was a living wage. The Premier will be well advised to show some sym-

pathy towards those people on the minimum wage.

The Premier: A tradesman getting £1 to-day can afford to pay income tax.

Mr. WILLCOCK: But £252 is not £1 a day.

Mr. TROY: What about the people in the back country where living is dearer?

Mr. WILLCOCK: A man has to pay Federal as well as State income tax. The Premier might meet us to the extent of showing some sympathy towards those people who are living near the bread line.

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

| | | | | |
|------------------|----|----|----|----|
| Ayes | .. | .. | .. | 13 |
| Noes | .. | .. | .. | 22 |
| Majority against | | | | 9 |

AYES.

| | |
|--------------|----------------|
| Mr. Angwin | Mr. Lambert |
| Mr. Chesson | Mr. Lutey |
| Mr. Collier | Mr. Troy |
| Mr. Gardiner | Mr. Walker |
| Mr. Green | Mr. Willcock |
| Mr. Holman | Mr. O'Loughlin |
| Mr. Johnston | (Teller.) |

NOES.

| | |
|--------------|----------------|
| Mr. Angelo | Mr. Money |
| Mr. Brown | Mr. Mullany |
| Mr. Brown | Mr. Nairn |
| Mr. Draper | Mr. Pickering |
| Mr. Duff | Mr. Plesse |
| Mr. Durack | Mr. Pilkington |
| Mr. George | Mr. Scaddan |
| Mr. Harrison | Mr. Teesdale |
| Mr. Hickmott | Mr. Thomson |
| Mr. Maley | Mr. Willmott |
| Mr. Mitchell | Mr. Hardwick |
| | (Teller.) |

Amendment thus negatived.

Clause put and passed.

Preamble, title—agreed to.

Bill reported with amendments and the report adopted.

BILL.—DIVIDEND DUTIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th November.

Hon. P. COLLIER (Boulder) [10.32]: As the House has just agreed to an increase of 15 per cent. in the income tax and land tax, I suppose it will be only consistent to agree to a like increase in dividend duties. In the circumstances I have no intention of trying to protect the unfortunate people who are struggling to live—

Mr. Willcock: On dividends.

Hon. P. COLLIER: And to meet the heavy taxation imposed by Federal and State Governments and local governing authorities. I know that there are many widows whose

only means of livelihood are the dividends they draw from various companies.

Mr. Pickering: Some of them very small.

Hon. P. COLLIER: That is so.

No doubt many people will be hit just as heavily by this proposed increase as in the case of the income tax. However, the House seems to have decided that the Government must have increased taxation and I do not intend to weary myself in endeavouring to protect the taxpayer any further. I should like to know from the Premier the maximum amount now paid under the Dividend Duties Act.

Mr. TROY: One shilling and threepence in the pound.

Hon. P. COLLIER: I thought that was so; it was increased from 1s. to 1s. 3d.

The Premier: Until the taxpayer comes into line with the income tax.

Hon. P. COLLIER: And then he has to pay the income tax rate. When the income received from dividends exceeds the amount taxable under this Act, the taxpayer has to pay the amount laid down under the Income Tax Act.

The Premier: That is so.

Hon. P. COLLIER: For the reasons I have given, I do not intend to carry my opposition any further.

Mr. TROY (Mount Magnet) [10.35]: I want to tell the leader of the Opposition that he spoke more truly than he thought when he said that many people affected by the increased income tax would have to pay this taxation. We all have to contribute to this taxation. A majority of the companies, with the exception of the pastoral and mining companies, pass the dividend duties taxation on to the individual.

The Premier: They pass everything on. You cannot tax them.

Hon. P. COLLIER: That is so.

Hon. W. C. Angwin: Unless you provide legislation to block it.

Mr. TROY: The present Government will never do that.

The Premier: Will you do it?

Mr. TROY: Yes, as soon as I have an opportunity.

The Premier: You cannot do it.

Mr. Willcock: It has been done in New South Wales.

Mr. TROY: It has been done elsewhere, but if I did attempt to do anything of the kind, I would receive the uncompromising opposition of the Premier.

The Premier: No, I shall support you.

Mr. TROY: When the Labour party were in office the Premier used to tell us that everything we did would bring the country to wreck and ruin.

The Premier: Will you produce the measure?

Mr. TROY: An attempt could be made. Surely it is not possible for business concerns for all time to be able to pass this taxation on to the general community. They make a bigger profit on a smaller sale of com-

modities than was the case before the war. Most of the business firms are being run on a 20 per cent. profit, which, on £5,000 worth of stock before the war, is now equal to only £500 worth of goods. With a smaller capital they are able to make bigger returns. We are being exploited by these companies and we have to pay the dividend tax for Boan Bros. and all the rest of these firms. The Premier and his Government will never attempt to enact a measure to protect the community.

The Premier: I promise to do so if you will show me how.

Mr. TROY: I am not running the Government.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and transmitted to the Council.

BILL—LAND ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th November.

Mr. TROY (Mount Magnet) [10.40]: This Bill is like the curate's egg—good in parts. Some of the principles are fair and reasonable, but these comprise the minor principles of the Bill. I welcome the measure, however, as an opportunity to put forward and secure the re-enactment of that part of the Bill dealing with the area and tenure of pastoral leases generally. I agree with those clauses of the Bill which provide that any lessee of town or suburban land may purchase the fee simple at a price to be fixed by the Minister. Section 52 of the Land Act of 1917 provides that the lessee may surrender his land at any time and secure the fee simple at a price not to exceed the capital value as determined at the commencement of the lease. This is being altered now and he may secure the fee simple at any time at a price to be determined by the Minister. This indicates that it is the intention of the Minister to procure revenue. He hopes that the value of the leases will have increased since the time they were taken up, and that if sold now, or when the lessee desires to get the fee simple, the sale will bring a bigger price than if the lessee paid the price at the time the lease commenced, namely, the capital value. In many cases the Premier's anticipations will not be realised, because the capital value at the time the lease is granted is greater than at any other time. I know of instances where this applies, particularly in the goldfields areas. If the Minister fixes the price when the lessee desires to secure the fee simple, there will often be a loss. I do not approve of the policy of selling leaseholds. I believe in the policy of

leasehold, as I consider it would be in the best interests of the State. The State would secure a large revenue from such blocks in years to come. That was the policy of the Labour Government. We provided for the leasing of these blocks in the first instance, but apparently the policy of the present Government is not to continue that principle. I have no quarrel with the clause of the Bill which provides for the payment of compensation for improvements on all land resumed. As has been pointed out by the Premier, a piece of land may be resumed for township purposes, or for the provision of a water supply, which land may contain considerable improvements. It may even contain an orchard. It is only just and reasonable if land is resumed that full compensation should be paid to the owner of the land for the improvements. The most important provisions of the Bill are those dealing with pastoral leases. There is no shadow of doubt in my mind that if it had not been for those provisions, the Bill would not have been introduced in its present form. It is proposed that no person or body corporate shall acquire more than a million acres of pastoral land within the State. The amendment to the Act passed in 1917 stipulated that no person should acquire more than a million acres in any one division in the State. As was pointed out during the discussion on that measure, it was easily possible for that provision to be evaded. As members on this side of the House predicted, that portion of the Act of 1917 has been evaded and we have knowledge of the fact that companies have been formed as was anticipated during the second reading debate in 1917, in which one or two individuals with the help of a few dummy shareholders have been able to hold more than a million acres.

Mr. Thomson: I do not know that they cannot do it under this Bill.

Mr. TROY: No, they cannot continue to do it under this measure.

Mr. Teesdale: They did not point this out at the time the 1917 Act was before the House.

Mr. TROY: It was pointed out.

Mr. Teesdale: Then they did not make sufficient noise about it.

Mr. TROY: Undoubtedly we made sufficient noise about it. We pointed out that if the provision was passed, there would be various pastoral companies formed which could be called the Yalgoo Pastoral Coy., and the Meekatharra Pastoral Coy., and so on.

Hon. W. C. Angwin: There is a move now to defeat the purposes of this Bill.

Mr. TROY: I have been looking up my own speeches on this subject when the Bill was before the House, and I drew attention to the fact on that occasion that it would be possible for one man to hold more than a million acres in one division. That actually has resulted. The Bill before members now seeks to provide for the discontinuance of that evasion of the Act.

Hon. W. C. Angwin: For the future.

Mr. TROY: It proposes to validate what has already occurred. While stating that those who evaded the principles laid down in the 1917 Act may continue to retain their holdings, it is provided that no person in future shall be entitled to a similar acreage. In so far as this Bill proposes to validate what has happened in the past, it will receive my uncompromising opposition and I propose to submit amendments which should commend themselves to the majority of members, to provide that no person shall hold or acquire after the passage of this measure more than a certain area of land in any one division of the State. We can provide a time within which a person may get rid of the extra acreage which he may hold over and above the amount stipulated in the Bill. That has already been done by the passing of the measure which enabled the pastoralists to secure an extension of their leases to 1947, which were relinquished under the old Act and taken up under the amending Act of 1917. Adjoining lands in other divisions are held to-day and this measure validates that principle. Some of these are choice areas and they have been secured, with the assistance of dummies, by a few people. I hope the House will refuse to sanction any interference with the rights of the people in the direction I have indicated. I will take the opportunity to limit the areas in the North-Western and South-Western divisions within 70 miles of an existing railway or port. I have long insisted that it is nothing short of a crime to have splendid areas of country, served by a railway and capable of carrying 20 times the present population, in the hands of one or two individuals only. By putting them to better use, the lands would assist in carrying the burden of the railway administration and would increase the production of the State. One person in my electorate who possesses more than a million acres, some of it right on the railway, has been actively engaged in advocating emigration to Western Australia. I read his remarks the other day when he spoke about the necessity for getting a good supply of immigrants to come to Western Australia to people the country. I shall support his activities by making available under this Bill land which could be provided for these immigrants. On some of this land, no improvements have been carried out at all. Some of it has never been stocked and the provisions regarding the leases have been evaded because it has been ruled that where adjacent land is stocked and improved, this shall be taken into consideration with respect to the other land held. I shall second the endeavours of the gentleman I refer to in encouraging immigration and give immigrants the opportunity of selecting land which has been lying unused, providing, of course, a reasonable time for the pastoralists to get rid of the extra lands. I do not desire to do anyone an injustice.

Mr. Teesdale: As soon as you cut up these larger holdings for immigrants they will

want the State to provide water. You know what that will cost.

Mr. TROY: I could go from Mullewa to Peak Hill and get water for £100 anywhere through that region. I could get it in a thousand places from a comparatively few feet underground.

The Attorney General: What about the mills?

Mr. TROY: They would cost a little, but everywhere up there water is easily available. In the agricultural districts it costs four times as much to secure water for sheep as it does to procure water in the pastoral areas. A good dam of about 5,000 cubic feet in capacity will cost between £400 and £500 to-day.

Mr. Teesdale: Is that a fact?

Mr. TROY: I called for tenders to put down a 5,000 cubic feet dam and the tender was at 1s. 9d. I put a dam down for 3,000 cubic feet in 1916 and it cost 1s. 6d.

Mr. Teesdale: The man that gets work at that price should be paying taxes.

Mr. TROY: I knew that the cost of chaff had gone up from £3.10s. when I had the smaller dam constructed, to £7.10s. now and the cost of other requirements had increased correspondingly and that this had to be taken into consideration by the contractor when he asked me for 3d. more than he did in 1916. If the hon. member will consult Mr. Gooch and others who have dams put down at Minginew and other places, he will be able to check those figures. If I went for 12 months without water on my sheep run, that would be an end to it. On the Murchison, an expenditure of the same amount of money as would be required to procure water in the agricultural area would get away from any risks from drought. In addition, there is not the loss through evaporation that there is in connection with dams and there is in the pastoral areas a continuous supply of beautiful water. The country there is splendidly watered and is capable of carrying large numbers of stock. It is a scandal to find that these fine areas of country on which the peoples' money has been expended by the construction of 300 or 400 miles of railways, is carrying a very sparse population, where it should be carrying reasonably big. The suggestion which I make would to some extent repair the injury which was done to the people of the State in 1917 when the Lefroy Government, at a time when the general public were occupied with the war, permitted the existing pastoralists to hold their areas till 1947 if they came within the amending legislation. I have never ceased to condemn that Government for the action they then took. The leases ordinarily did not run out till 1927. The people taking up pastoral area know the conditions under which they secure the land.

Mr. Teesdale: We determined the areas and also the improvements they had to do.

Mr. TROY: If I take up land under any conditions from the Government, and it is necessary to observe some of these conditions,

of which I am fully aware, I have no right to complain.

Mr. Teesdale: What about the man who has just bought a station?

Mr. TROY: He buys with his eyes open. If the Government require to resume land they pay compensation except in some cases, for railway purposes. What is the use of coming along and saying that an injury has been done if one takes up land with one's eyes open. The Discharged Soldier Settlement Act provides that the Government may enter upon land and resume it if it is in the interests of the State. The holder of such land cannot complain if some of his property is taken under those circumstances. I have no desire at all to deprive leaseholders of their just rights and to prevent them from receiving full compensation for improvements. But I did and do still oppose the proposition by which, without consulting the people of the country at all, without the people being made aware of the facts, the Parliament which was called a non-party Parliament, which was to carry on during the war without introducing contentious legislation, handed over the people's inheritance until 1947, an additional 21 years. That is a policy which I will always condemn; and whenever a Bill is introduced to this House which will enable me to repair in any way that injury, I will take the opportunity. The Premier has stated that the re-classification, which is now nearly completed, will bring in increased revenue from land rentals to the extent of one million pounds per annum.

The Attorney General: No. One million pounds before the leases expire.

Mr. TROY: I read the Premier's speech, and it does not make that point clear. Probably it is not his fault. I was wondering where that money was to come from. However, the re-classification is to bring in one million pounds more than would otherwise have been received. But are not the Government afraid of an outcry of confiscation in London and elsewhere because of this increased charge?

Mr. Teesdale: They will take their chance of that.

Mr. TROY: But what has happened here is just what happened in Queensland—nothing more and nothing less.

The Attorney General: We give something for the increased rents.

Mr. TROY: Let me give the particulars of the Queensland case and see what happened there. The Attorney General does not like the comparison because it does not suit him. The Government of Western Australia robbed the young of the community, robbed the growing up youths, robbed hundreds of returned soldiers who wanted to go on these lands, young fellows of the Murchison who know the country as well as a black tracker knows it—robbed them while they were away fighting! That is meritorious, is it not? Is not that a thing to commend the Government for? Now, what did the Queensland Government do? Sir Robert Philp,

one of the ambassadors who went to London for the purpose of trying to embarrass the Queensland Labour Government, when Premier of Queensland, in 1902 passed the very same kind of legislation as was passed by the Lefroy Government in Western Australia. The Queensland pastoral leases expired in 1914, and in 1902 Sir Robert Philp passed legislation extending those leases by no less than 43 years. He had a good old Tory House, and he took the very earliest opportunity of doing what the Lefroy Government of Western Australia did during war time. He and others associated with him in this legislation were personally interested in large tracts of Queensland pastoral country. However, they made the provision as a sort of compensation, that the leases, if extended, should be re-appraised every five years. Three years later, having got the extension, they repudiated the five years' re-appraisements, and provided that at no time during the whole term of the leases could the rental be raised by more than 50 per cent. That was done by a Government of which Sir Robert Philp was a member and a supporter. Here pastoral lease rents have been raised 100 per cent.

The Attorney General: Yes, subject to appraisalment.

Mr. TROY: Yet what is called confiscation in Queensland is not called confiscation in Western Australia. Of course, I do not say that it is confiscation in either case. Had I been in the place of the Queensland Labour Government, I would have acted in the same way as they did with regard to the pastoral leases. I would have repudiated that legislation which was carried by one crowd, and repudiated by practically the same crowd after they had got the extension of their leases. Why was the extension given in Western Australia? Why was the agreement made by the pastoralists that they should pay double rent, if they were not to secure advantages from the extension?

The Attorney General: You will find that some of them will not accept the extension.

Mr. TROY: Very few will decline it. I wish the Attorney General would tell me of a few in my district who will refuse. We shall see who is right. I am giving the Queensland facts because they are worth recording as an illustration of how an action by a Labour Government in Queensland can be labelled throughout the world as confiscation of capital and confiscation of interest, whereas a similar action by a National Government in Western Australia is accepted without producing any outcry, and in fact receives approval from the same kind of opinion which condemned the action of the Queensland Labour Government. I remember Mr. Thompson, the mayor of Claremont, on his return from England not long ago, stressing the same fact. He showed how what Queensland had done was in no way dissimilar from what had been done here. I guarantee, however, that what was done in

Queensland was done more honourably. No one can tell me that it is an honourable thing to pass during war time legislation extending pastoral leases which affect enormous areas of country and thereby to deprive the youths of Western Australia of their full opportunity, so deprive them at a time when they were away fighting for their country. That is why I have always held the Nationalist business in such absolute contempt, because the Nationalist party have never hesitated to serve their own interests when they could.

Mr. Teesdale: I would not drop back on a rotten stick of an excuse such as what Thompson said.

Mr. TROY: If I made that interjection, the hon. member would exclaim, "How unworthy that is! Positively unworthy!"

Mr. Teesdale: I have never used that expression in this House.

Mr. TROY: However, I have given a statement of what has happened in Queensland, and I do not need to rely on Mr. Thompson's support. My own opinion, I think, will stand without contradiction; and it is that the Queensland Government did nothing other than was done by the Western Australian Government. Still, what is published abroad as confiscation in Queensland is freely approved in Western Australia, and it is approved here because it was a bargain by which a Government of Western Australia, acting against the people's interests, gave an advantage to certain persons who were not entitled to the advantage at the time.

The Attorney General: The people were represented in Parliament.

Mr. TROY: How were they represented? At that time by an unholy combination, formed in this country, called a National party, consisting of a number of political humbugs who represented themselves as being absolutely non-party and concerned only to carry on the administration of the country during the war. They promised to refrain from the introduction of any legislation of a contentious nature. Western Australia was to have an absolutely non-party Assembly. Machine politics were to be entirely barred. But the party in question took advantage of the people's preoccupation with the war to bring in legislation which the great majority of the community would have condemned had they known its true purpose. However, they did not know it. I welcome this Bill only as an opportunity to repair some of the injury done on the occasion I refer to, by the 1917 measure. When this Bill is in Committee I propose to move important amendments, for which I anticipate receiving the support of all those members who are anxious that the fullest opportunity should be afforded to the people of Western Australia to avail themselves of the lands of Western Australia, so that those lands shall be settled and made fully productive. So that the railways shall be helped to pay their way, and so that the

policy of the Government—which I understand is one of produce, produce, produce"—shall have the amplest opportunities of fulfilment.

On motion by Hon. W. C. Angwin, debate adjourned.

BILL—BAYSWATER DRAINAGE WORKS.

Second Reading.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [11.13] in moving the second reading said: This is a small but very necessary Bill. The Bayswater road board have experienced some trouble in connection with their drainage system, and as a result certain properties in the district have suffered through an influx of water, due to the failure, I presume, of certain drains to carry that water away. The board were advised that they were not liable for the resultant damage, and they fought various cases, with the unfortunate result that they find themselves let in. Accordingly they are now hard up against it, what with damages and legal expenses. I believe the total amount of money required to put them straight on this matter is already considerably over £1,000, and possibly may run into £2,000 before they get clear. The chairman of the road board, the Hon. R. G. Ardlagh, with other members of the board, waited upon me a few weeks ago; and it was then represented to me that under the Road Districts Act they could not borrow money for the purpose of getting themselves out of this unfortunate embroglio. Eventually I sent the deputation down to see the Crown Solicitor, who came to the conclusion that it would be necessary to pass this Bill in order to give the board power to borrow money to discharge the responsibility. The Minister for the time being has to give his approval before the board can borrow the money. It was represented to me that unless relief could be granted in this way the only course open to the board would be to resign.

Hon. P. Collier: When was this drain constructed?

The MINISTER FOR WORKS: Some years ago. A mistake has been made. Possibly the board was blind to the fact that ratepayers had some rights to consideration. The board's legal advisers may not have seen the possibility of the board being defeated.

Hon. P. Collier: Have the legal proceedings taken place?

The MINISTER FOR WORKS: Yes, and damages were given against the board. It would be a calamity if anything occurred by which the board were forced to resign. The district itself would be liable for the money, although how the successful litigants could get it I do not know, unless it were by putting in a receiver and hypothecating the rates. The Bill is the only way out of the dilemma. The provision that the Minister

shall approve of the loan is some sort of guarantee to the House that no money shall be borrowed in excess of that actually required. I move—

That the Bill be now read a second time.

On motion by Hon. P. Collier, debate adjourned.

BILL—NARROGIN RECREATION RESERVE.

Second Reading.

Order of the Day read for the resumption of the debate from 25th November.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—Vesting of lands in municipality of Narrogin.

Hon. P. COLLIER: Is this land, the fee simple of which it is proposed to grant to the municipality, at present being used as a racecourse?

The PREMIER: No, the racecourse is another block altogether. The greater portion of this land is now used as a show ground. The racecourse is to be sold.

Hon. P. Collier: The fee simple is being granted in order to enable them to sell it?

The PREMIER: No, they cannot sell it. This is a Class A reserve. Only the racecourse is to be sold.

Hon. P. COLLIER: Why is it proposed to grant the fee simple to the council? It must be in order that they may sell it.

The Premier: No, it is a Class A reserve.

Hon. P. COLLIER: But if you grant the fee simple, you cannot make it a Class A reserve.

The Premier: The Crown Law Department advises me that we can.

Hon. P. COLLIER: But to give the fee simple conditionally on its being a Class A reserve is a contradiction in terms. One cannot hold the fee simple of a Class A reserve.

The Premier: I am advised that it is so.

Hon. P. COLLIER: It is news to me.

The PREMIER: It was news to me also. This land will be vested in the council in fee simple, subject to Parliament. The title will be marked "Class A reserve." It cannot be mortgaged or given as security or sold, except with the consent of this House. It is a perfectly safe title. The whole of these lands coloured red, green and blue will constitute a Class A reserve.

Hon. P. COLLIER: It has been stated that no matter what Parliament may do in the matter of reserving land in fee simple, these reservations are sometimes of no avail. This land is to be vested in the Narrogin council in fee simple, and later on the Bill says it shall be set aside as a Class "A" reserve.

The Premier: The Solicitor General says that it is in order.

Hon. P. COLLIER: This land should definitely be set aside as a Class "A" reserve.

The Premier: It must be so held under this Bill.

Mr. Willcock: The words "for an estate in fee simple" are not necessary.

The PREMIER: This not only includes the land coloured red but the land the property of the council. If the council are allowed to resell any land they have purchased, it would affect the whole thing. This land will not be sold without the consent of Parliament.

The Attorney General: There are Class "A" reserves vested in municipal authorities in fee simple.

Clause put and passed.

Clauses 2 and 4—agreed to.

Clause 5—Powers of council to set apart parts of reserve for various sports:

Mr. WILLCOCK: I have seen such reserves set aside for different purposes subsequently controlled by clubs, who demand a subscription fee before allowing people to make use of the reserve.

The Attorney General: A reserve is made for public recreation.

Mr. WILLCOCK: If conditions such as these are likely to apply, I will oppose the clause.

The Premier: It will be all right.

Mr. HARRISON: What is the area involved?

The Attorney General: About 70 acres.

Mr. HARRISON: There are many different forms of sport provided for here and a good deal of ground would be requisite. Where is the reserve situated?

The PREMIER: It is at the northern end of the town. The people will use it for tennis, croquet and many other purposes. They will all use the one grandstand and the one bar. There will be plenty of room for all.

Mr. PICKERING: I know the grounds. There is room for all forms of sport required.

Hon. P. COLLIER: In these country towns land that is set aside for public purposes is often taken hold of by clubs formed in connection with various sports, and unless people join these clubs they are deprived of the use of the reserves. The Esplanade is an example of what I mean. A bowling green should never have been allowed along the foreshore there. It is a wrong principle and is not dealing fairly with the people of a given district to allow a reserve to be used by a few persons when it should be used by all. This sort of thing has also happened at King's Park in connection with one or two clubs there.

The Attorney General: You can walk in there if you like.

Hon. P. COLLIER: Not when something is on. I fear that what I have stated will happen at Narrogin. An area will be required for croquet, another for tennis, another for golf links and so on, and those outside the charmed circle will be told to keep outside the reserved areas. There are humble people at Narrogin, and I have no doubt they will not be class enough to belong to, say the tennis club. Every portion of the area should be open to all.

The Premier: Would you rather have the ground there a dust heap?

Hon. P. COLLIER: I can understand the member for the district wanting all this land for nothing from the Government.

Mr. Pickering: They bought some of it.

Hon. P. COLLIER: The Bill concedes to them a certain area that was owned by the Crown. We cannot be too careful in protecting the rights of the community when we are dedicating land in this way.

Mr. Pickering: The object of the Bill is to concentrate all the different sporting grounds in one centre.

The ATTORNEY GENERAL: There are 70 acres in this piece of ground, and to say that 70 acres should be dedicated to public entertainment without making any provision for improvement would defeat its own object. There is ample room in that 70 acres to provide for each sport set out. It is an advantage to encourage young people to go in for sports.

Clause put and passed.

Clauses 6 and 7—agreed to.

Clause 8—Power to expend ordinary revenue for purposes of this Act:

The PREMIER: I move an amendment—

That in the first line after "municipality" the following words be inserted:—"And such moneys as the Council thereof may borrow, which, under and subject to Part 24 of the Municipal Corporations Act, 1906, the Council is hereby authorised to do."

12.0 midnight.

Hon. P. COLLIER: In the Boulder district the revenues of the municipality are being expended for the upkeep of a bowling green, and the ratepayers whose money has been so expended cannot do more than look over the fence at the green. The money of the ratepayers as a whole is spent to provide a nice comfortable retreat for a small section.

The Premier: They must have received the consent of the ratepayers.

Hon. P. COLLIER: On one occasion the municipal elections turned on this question and the opponents of the scheme won the day, but the money had been spent and the green had perforce to be maintained. Under this clause the ordinary revenue may be utilised for the numerous purposes mentioned in Clause 5. Consequently, we may

expect that the roads will be neglected and that the money will be diverted to provide croquet lawns and bowling greens.

The Premier: Would you deprive the boys of the use of the cricket pitches on the Esplanade?

Hon. P. COLLIER: No, but the difference is that, except when those pitches are being played on, they are quite open to the public, but when these bowling greens are not in use they are not open to the public. It is bad enough to take these reserves for the benefit of a few, but it is going too far to spend municipal money on them.

Mr. Willcock: The same thing was done at Geraldton.

Hon. P. COLLIER: There is scarcely a municipality of any size where the experience has not been similar. The section who have the exclusive use should pay sufficient to maintain these playgrounds. There is a councillor in Narrogin who has a knowledge of what was done on the goldfields in years gone by and he may possibly suggest the adoption of the same line of action at Narrogin.

The MINISTER FOR MINES: I doubt whether those who indulge in any form of sport pay so much for it as do bowlers. The grounds which are made available to the footballers are provided by the city council out of their rates, and the same applies to the cricket grounds.

Hon. P. Collier: But they get a gate from the football matches.

The MINISTER FOR MINES: They get a percentage, but the percentage does not bear the same proportion to the cost of maintaining the grounds as does the percentage contributed by bowlers. At the Loton Park grounds in East Perth, the bowling club had to find a percentage of the money necessary for improving the ground, and providing electric lighting and other things before the city council would do anything towards putting down the green. In addition to that, the members are charged for the electric lighting each night, and they had to provide for the pavilion. The club pays the Perth City Council £60 in recognition of the fact that their man cuts the grass and rolls the green a bit. While people have free access to the Esplanade to play cricket on pitches of a kind there, if boys want to play a match on any of the municipal grounds, they have to get the permission of the local authority first. No one is excluded from the bowling greens. The impression that members of bowling clubs do not pay for their grounds is entirely wrong.

Hon. P. Collier: In some places that may be so, but in Boulder that is not the position.

The MINISTER FOR MINES: If ratepayers desire their money to be spent in providing facilities to which the players are willing to contribute a fair amount, they should be encouraged.

Mr. WILLCOCK: I oppose both the clause and the amendment because of what

happened in Geraldton, where the members of the bowling club, fearing that they might lose the grounds where the green was, secured the expenditure of £200 of the ratepayers' money for the purpose of constructing another green, and then, finding that they were secure in their original location, repudiated their contract with the council. I am not prepared to agree to any provision which would allow such a thing to be possible.

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

Title—agreed to.

Bill reported with an amendment and the report adopted.

House adjourned at 12.23 a.m. (Wednesday).

Legislative Council,

Wednesday, 8th December, 1920.

| | Page. |
|--|-------|
| Question: Police and Public Demonstrations ... | 2178 |
| Sitting Day, Additional ... | 2178 |
| Sitting Hours ... | 2176 |
| Bills: Factories and Shops, Com. ... | 2178 |
| Narrogin Recreation Reserve, 1A. ... | 2194 |
| Industries Assistance Act Continuance, 1A. ... | 2194 |

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

QUESTION—POLICE AND PUBLIC DEMONSTRATIONS.

Hon. J. W. HICKEY asked the Minister for Education: 1, Apart from Constable Greene, how many police were on duty at Parliament House on the occasion of the demonstration of civil servants at Parliament House last session? 2, Apart from Constable Greene, how many police were on duty at Parliament House on the 7th instant? 3, What was the reason for their attendance, and what was the nature of their duties? 4, Who was responsible for their attendance, and by whose invitation or instructions did they attend at Parliament House.

The MINISTER FOR EDUCATION replied: 1, Three constables were on duty inside and six outside. 2, Three inside and six outside. 3, To perform any duty required of them. 4, The constables on duty inside were there at the request of the

authorities of the Legislative Council, and those outside were on duty for the purpose of controlling traffic, as a very large attendance was anticipated.

SITTING DAY, ADDITIONAL.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.34]: I move—

That for the remainder of the session the House shall sit on Fridays in addition to the days prescribed by Standing Order No. 48.

Hon. Sir E. H. WITTENOOM (North) [4.35]: I should like to say a few words with regard to the conduct of the business of the House. I refer more particularly to last evening when this House rose at the hour of 12.30. That is too late an hour for many reasons. In the first place, business cannot be carried out satisfactorily or well by people who are tired and have been working the whole day. Secondly, by keeping the House sitting so long many members, who live a certain distance out from the city, have to leave to catch trains in order to get home. In consequence of this we have only a thin House left to deal with important matters. I am not going to insinuate that the leader of the House likes to deal with these matters with a thin House, which is arrived at by a late sitting, but that is the effect of sitting late. I know five members who were driven out of the House last night because we sat until after 11 o'clock. It is, in consequence, impossible to give that consideration to important measures which we all agree they deserve. People who are very tired and have been at work all day cannot give calm consideration to important business. I am sorry to say that last night the leader of the House was very unsympathetic. We appealed to him once or twice to report progress and he said he would place himself in the hands of the House. He will naturally shelter himself behind the statement that in the divisions which followed the majority were on his side. That is so, and rightly so. Several members felt they would like to vote one way, but were naturally disinclined to interfere with the leadership of the House, and very properly too. For my own part, I was reluctantly forced to take an action I have never taken before, and that was to move to report progress against the leader of the House. My reason for doing so was that the Minister for Education told me that when 12 o'clock came he would not ask us to sit any longer, and would report progress, but he did not do so.

The Minister for Education: I object to the statement of the hon. member; it is absolutely incorrect. I did not tell the hon. member I would report progress at 12 o'clock.