

at once that a good season is now being experienced and that the prosperity of the farmers is bringing greatly increased business. I have very much pleasure in supporting the second reading of the Bill.

On motion by *the Hon. C. A. Piesse*, debate adjourned.

### ADJOURNMENT.

The House adjourned at 6.16 o'clock, until the next day.

## Legislative Assembly,

*Tuesday, 26th November, 1907.*

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The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

### QUESTION—PRINTING BY PRISON LABOUR.

Mr. ANGWIN asked the Treasurer: 1, Is the Minister aware that a ruling machine has been sent from the Government Printing Office to the Gaol printing establishment during this week, making the second ruling machine sent from the Printing Office to the Prison, which is equal to the number of machines now being worked at the Government Printing Office? 2, If so, is this not contrary to the promise made to a deputation

which waited on him representing the printing trades, that the system of having this class of work done by prison labour would not be extended? 3, Would the Minister take steps towards compelling his officers to carry out his promise made to the deputation?

The TREASURER replied: 1, The Government Printer has arranged with the Comptroller General of Prisons to exchange an old ruling machine (for which he has no further use) for a quantity of old lead. 2, No. 3, I have already done so.

### QUESTION—CO-OPERATIVE BAKERY, ALLEGED BOYCOTT.

Mr. BATH asked the Treasurer: 1, Have any inquiries been instituted into the alleged boycott of the Perth Co-Operative Distribution Society (Co-Operative Bakery) by the Flour Millers' and Master Bakers' Association? 2, If so, with what result?

The TREASURER replied: The Crown Law Department is now making inquiries into the matter.

### BILL—PINJARRA-MARRINUP RAILWAY.

Introduced by the Premier, and read a first time.

### "HANSARD" REPORT OF ALL-NIGHT SITTING.

#### *Division Lists.*

Mr. SPEAKER: Before proceeding with the Orders of the Day I desire to say I have been in communication with the Chief Hansard Reporter as to the complaint in regard to the omission of certain division lists from the last Hansard, and I can assure members it will not occur again. I have taken the necessary steps to prevent a recurrence, and the only excuse I have to offer to the House is that, in order to have the issue out on the day directed, that is Tuesday, the editor omitted the lists, under the circumstances, to shorten the work; but I promise the House it shall not occur

again. An addendum will be printed to follow that week's issue, containing the division lists.

## BILL—POLICE ACT AMENDMENT.

### *Pearl Stealing—Second Reading.*

Mr. A. MALE (Kimberley) in moving the second reading said: This small Bill I am introducing is for an amendment of the Police Act, and is of a modest character. I am not asking members to alter or agree to any new form of legislation, but to extend the application of a principle that already exists in the Police Act, making it more useful and more complete in its operation. In 1902 an Act was passed amending the Police Act, and under a portion of that Act referring to offences analogous to stealing, which are applied to and deal directly with the theft of gold on our goldfields, I want to insert the word "pearls" so that the section will be extended to assist in the prevention of pearl stealing and the illicit dealing in pearls, a form of vice very prevalent at the present time on the North-West coast, and on the pearling grounds of the State. The necessity for the Bill is apparent to all those who have any knowledge of the pearling industry, and the working of the business. What is desired and what will be attained by the Bill is, the burden of proof of *bona fide* possession will be on the person in whose possession pearls reasonably suspected of being unlawfully obtained are found. The principle is not a new one, and is common to legislation throughout the world regulating trade in precious stones. In South Africa very strong provisions are in existence relating to the diamond trade, and these laws in South Africa carry with them a very heavy penalty and fine; the maximum fine is £2,000, with or without imprisonment for 10 years. And in that Act is provided as in this Bill, that proof of *bona fide* possession be on the person on whom precious stones are found. Owing to the nature of the pearling business it is very difficult, almost impossible, to keep a

proper and safe check on the pearls obtained, and the temptation to steal is greatly increased by, sometimes, the very great value of the pearls found; and I also regret to say by the fact that men, locally known on the pearling grounds as "snide buyers," are on the spot, and encourage theft by the divers, crews, and others engaged in the industry. These men are there for the express purpose of illicit buying, and their presence encourages the wholesale stealing of pearls, inasmuch as they provide a ready market for the stolen gems. To testify to members that this does exist I may refer to a murder which occurred in Broome a short while ago, when a Fremantle man was brutally murdered whilst engaged in the purchase of stolen pearls. The necessity for this provision being applied to pearls appeals to me as being much more urgent than in the case of gold stealing, inasmuch as gold mining is conducted on the mainland, and is confined within a defined area, making it possible for mining to be under the complete control and under the direct supervision of responsible men; but when we consider that pearling, owing to the nature of its business, has to be conducted on the high seas, one can readily understand it is much more difficult to keep the business under the same control as it would be if it were confined on the mainland. In years past, when pearling was conducted in another way, when it was possible to obtain the shell in shallow waters and in the reefs surrounding our coast, and it was worked by aborigines who were trained to dive in a nude state in the waters, the whole business was very different from what it is at the present time. Now the industry has passed from that primary stage to another stage, and it is carried on in deeper waters; pearling being now conducted in waters as deep as 20 fathoms, necessitating the whole of the diving being done by apparatus instead of by natives diving as formerly. Instead of using native divers as originally, and working from dinghies, we now employ what are called luggers, which range in size to about 12 tons register and are worked by six men, the diver, the tender, and a crew of four. If a man

owns only one lugger, it is generally under his immediate care. Boats belonging to a fleet are generally attached to a schooner, and the owner may have a shell-opener on board each lugger to open the shell fished. To search for pearls, or for the purpose of cleaning the mother-of-pearl shell which is a valuable product, or he may send a launch or whaleboat once or twice a day to collect the shell from the various luggers and take it to the schooner where it is opened by a responsible person; but the great danger lies in the fact that the pearls may be extracted before being delivered to the whaleboat or launch. By leaving the shell on the deck of the lugger exposed to the extreme heat of the sun it is possible that the oyster will open its lips; and by putting in a wedge it can be kept open. Now, the most valuable pearls are found loose in the flesh of the fish, and it is possible for the men on board the luggers to extract them while the shell is being kept open by the wedge, and then, by withdrawing the wedge, to allow the shell to resume its normal condition so that apparently it has been untouched. Suspicions may be aroused that pearls have been stolen, either by information being given by one of the crew on board the boat, or by some other means, and pearls may be found in someone's possession, but it is absolutely impossible for the rightful owner to go into a court of law and swear to a pearl being his property if he has never seen the said pearl, which in cases of larceny is a necessary form of proving ownership. What is required, and what is absolutely necessary to be able to bring the proof home that the pearl has been stolen, is for the man in whose possession it has been found to prove *bona fide* possession of the pearl found in his possession. As to the importance of the industry I would like to refer to the report of the Chief Inspector of Fisheries which was issued a short while back. In his report the Chief Inspector says:—

"During the year, 1,076 tons 14cwt. of pearl-shell, with a declared value of £140,808, have been exported from the State. Taking the value of pearls obtained at an approximate estimate of

£60,000, the industry represents a total of £200,808 for the year."

When the Treasurer was in Broome at the beginning of the year, the committee of the Pearlers' Association brought this matter of pearl stealing before his notice; and so impressed was the Minister with the necessity of something being done that he promised to try to arrange for a detective to be sent to Broome to investigate the whole matter.

*Mr. Taylor*: Has that been done?

*Mr. MALE*: That has not been done, I regret to say.

*Mr. Taylor*: Another promise broken!

*Mr. MALE*: The pearlers pointed out to the Treasurer at that time that it was their firm conviction that the estimate given of £60,000 for pearls fished in 1906 only represented half of what should have been given, and that at least that amount went astray and was stolen from the rightful owners. The Chief Inspector of Fisheries in his report farther goes on to say:—

"The yearly expense of each working lugger was, according to the figures of the Resident Magistrate, Broome, when reporting to the Federal Parliament in 1902, £420. The increased price of rubber, copper, and the Federal tariff on rice have increased these figures, and unless the price of shell hardens very considerably from its present value, those engaged in the industry have, to a very great extent, to depend upon the pearls taken from the shell for their profit."

It will therefore be realised that it is very essential for the well-being and safety of the industry that the pearls legitimately belonging to the rightful owners should be prevented from being stolen. The Chief Inspector farther reports:—

"An important matter agitating the minds of those engaged in the industry is the illicit trafficking in pearls, and they are crying out for restrictive legislation to stop the evil. The whole question is one brimful of difficulties. Legislation, to be effective, would require sufficiently drastic measures as to interfere with the liberty of the subject before a complete stop could

be put to the practice. Efforts were made last session to amend the Police Offences Bill in the direction of making it an offence to be in possession of a pearl suspected of being stolen. The Bill, however, got no further than the select committee stage. As much, if not more, illicit trafficking takes place at sea as on land, and as long as a "snide buyer," as they are locally called, owns a licensed boat, and operates himself on the pearling grounds, it is almost impossible to prove anything against him, provided he is not given away by those selling to him, a contingency seldom if ever happening. During my last visit to Broome, at a meeting of the committee of the Pearling Association, when discussing this question, I suggested that a circular letter be written to all members of the Association with a view of getting from a multitude of counsellors some wisdom on this important question, but I have heard nothing from the Association since."

I may say the committee have taken up this matter very seriously, and are keen on obtaining legislative assistance to prevent the stealing of pearls. To effectively grapple with the difficulty they have come to the conclusion that a Bill somewhat on the lines of the South African Bill is necessary; but in the small Bill which I have before the House to-day, without our attempting to go to any extreme measures, it appears to me that much good may be done by applying the principles of the Act to which I have already referred and which is already in existence on our statutes. Though I do not for a moment believe that it will absolutely stop the stealing of pearls. I am still of the opinion that it will tend to very considerably lessen the evil. The pearlers have long asked for such protection, and when the Police Offences Bill was before the House last session it seemed to me a very favourable opportunity for securing some such protection for them; but as we all remember, the Bill was amongst the slaughtered innocents, and for that reason I have introduced this small measure this session. The whole question of pearl buying and stealing is one that will

require very careful attention, and I trust that I shall at some future date be instrumental in getting introduced into the House a full and comprehensive Bill which will deal exhaustively with the whole question. I very much wish to recommend this short Bill to the House, and trust that hon. members will assist me and those pearlers who are living in the North in getting it carried.

Question passed; Bill read a second time.

#### *In Committee.*

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

### BILL—LAND AND INCOME TAX ASSESSMENT.

#### *Machinery Measure—In Committee.*

Resumed from the 21st November, Mr. *Daglish* in the Chair, the Treasurer in charge of the Bill.

Clause 13—Liability of co-owners, contribution:

MR. DRAPER: How was it proposed to assess a life interest in an estate, to ascertain its unimproved value in relation to fee simple?

THE ATTORNEY GENERAL: If Parliament imposed a measure of land taxation and collected it annually, and the taxation was based on unimproved values, the person in possession for the time being would pay the tax.

MR. DRAPER: What was the proportionate value of a life interest in an estate, the fee simple interest in the unimproved value—how was it arrived at? It could not be worth the same as an estate in fee simple.

THE ATTORNEY GENERAL: This being a legal question, he might be allowed to answer it. Under the Bill co-owners were severally liable to pay the whole of the tax, there being power to recover from any his proportionate contribution. For the purpose of an annual tax, a life tenant would be called on to pay the whole of the tax during his tenancy, because he would be in full possession and enjoyment of the whole value

of the land, though on his demise the estate might pass to others. Being in enjoyment of the whole benefit, he should pay the whole sum.

Clause put and passed.

Clauses 14, 15—agreed to.

*Income Tax Exemption, to raise the Limit.*

Clause 16—Incomes liable to taxation:

Mr. Bath moved an amendment—

*That the words "one hundred and fifty," in lines 22 and 23, be struck out and "three hundred" inserted in lieu.*

This would make the liability to pay the tax commence at £300 instead of £150. The higher sum was a fair limit at which exemption should begin in this State, not only because of the higher cost of living here as compared with other States, but also because of the incidence of taxation generally as applied to those who would pay the bulk of the taxation in this State, the persons earning less than £300 a year. The estimate submitted by the Treasurer as to revenue derivable from this tax on incomes between £150 and £300 was £42,000, the remaining £21,000 of the total estimate of £63,000 being anticipated to come from incomes above £300. This was altogether an inversion of the incidence of income taxation as known elsewhere. In South Australia, where exemptions ceased at £150, under the existing system of graduations the bulk of the tax came from the higher incomes in the ratio of 2 to 1 of higher to lower, instead of as here proposed a ratio of 2 to 1 of lower to higher. In New Zealand the exemption limit was £300, and amongst the proposals of the Government at the opening of the last session was one to raise the exemption to a higher amount. In New South Wales the exemption was £250, and the Government in that State had a Bill before Parliament for raising the exemption to £1,000. In Victoria the exemption was £250. Everyone experienced in the cost of living in New South Wales, Victoria, South Australia, or New Zealand would agree that if exemption up to £250 were necessary in those States, we should have exemption up to £300 in West Australia. He also advocated raising the exemption to £300 be-

cause of the incidence of existing taxation; for as was well known, a considerable proportion of our taxation was derived from indirect sources, and chiefly from the balance of customs revenue returnable to the State after Federal expenses were deducted. Anyone studying the subject would find that such indirect taxation bore unduly on the bulk of consumers, particularly on the goldfields. Taking the Treasurer's estimate as approximate, and considering the wages paid on the goldfields and the number of persons liable, this tax would, so far as working people were concerned, be almost exclusively in its incidence a goldfields tax. Already in addition to customs taxation, an extra rate was charged on goldfields railways to compensate for losses on other lines in the State; also in stamp duties and other forms of territorial taxation the incidence compelled those in receipt of under £300 a year to pay the bulk of such taxation. In addition to the unjust incidence of these taxes it was now proposed to impose an income tax which would, by the way it was framed, take the bulk of the amount from those least able to bear taxation. It was often urged by persons not well acquainted with goldfields life that exaggerated statements were made regarding the cost of living on the fields, and as to the unjust incidence of existing taxation. On this point he would read a letter received from a former goldfields resident now living at Greenbushes:—

"I am sending you some facts incurred in the birth of a child in Mulga Taylor's district. Having lived there for seven years, I know something about the cost of living in the back country. Doctors will not attend cases not in the hands of a trained nurse; and a doctor will not put work in a nurse's way who will not have him engaged on all cases she undertakes—so you have got to have the two of them. These are amounts I have paid: Doctor's fee, £10 10s.; nurse's fee (some nurses charge £10 10s.), £8 8s.; 1 bottle of 3-star brandy (which doctor and nurse say you must have), 12s. 6d.; biscuits for sick chamber, 5s.; child's clothes, £1; extra 100 gallons water,

4s.; woman to do washing, two half-days at 5s. per half-day, 10s.; nurse's keep for a fortnight, £2 10s.; parson's fee for christening the child, 5s.; total, £24 4s. 6d. I do not wish to convey to you that Greenbushes is the best place to live in; but since we came down here we have had another son born, and the total expense in this case was only £3 10s., which proves that on the fields the doctors and nurses work in conjunction, and that with the high price of other things it makes one think it is advisable to get down country when a case is visible.—P.S. I do not wish you to take it that all towns in the back country are on the same scale as the place I came from, Kookynie; but the same applies to Morgans, Leonora, etc."

That was an example of the cost outside of ordinary living expenses as incurred by people resident in the back country; and not content with penalising them to that extent, it was now proposed to add the impost of an income tax that would raise the bulk of its revenue from such men as the writer, men whom on other occasions Ministers said it was their desire to encourage. If we must submit to the backdown of the Government on their taxation proposals, we should not be called on to submit to a hybrid and unjust measure imposing taxation on the energy and enterprise of the people, and especially on those who in existing circumstances were taxed heavily enough. Incomes under £300 should be exempted from the incidence of this taxation.

The TREASURER: The amendment would practically destroy the income tax provisions of the Bill.

Mr. Bolton: Tax the higher incomes.

The TREASURER: Members made much of the figures supplied by the Government Actuary; but if in the opinion of the actuary so much could or would be collected on incomes ranging from £150 to £300, then we had in this State a much larger proportion of people with such incomes than could be found in the other States. And if, being a new and not very wealthy country, we had so large a proportion of people earning moderate

incomes under £300, were we to say that these people must not be asked to contribute to revenue needed by the State?

Mr. Walker: They could not contribute any more, the cost of living being already too high.

The TREASURER: That was the old cry. Could the settler on the land contribute any more? The hon. member said this was a goldfields tax. It fell alike on all earners whose incomes exceeded £150.

Mr. Walker: Those people were mostly on the fields.

The TREASURER: Statistics proved there were almost as many on the coast as on the fields. There was no desire to tax a man who was earning only enough for the sustenance of himself and family. The only question was, had we fixed a reasonable exemption for that purpose. The Leader of the Opposition hung his argument on the estimate of the Government Actuary that £42,000 was to be taken from a certain class in the community. If the community consisted entirely of that class, should it not pay the whole of the tax? It was said that in the other States living was cheaper. But only recently the exemption in Queensland was £100, altered this year, he believed, to £160. The Tasmanian exemption was only £100, and Tasmania had also what was called an ability tax. The South Australian exemption was £150.

Mr. Bolton: Contrast the purchasing power of money here and there.

The TREASURER: Contrast the earning power of the individual. The earning power of our people more than compensated for the increased cost of living. If a man who could earn only £3 in another State earned £4 here, and it cost him only 10s. more to live here, he was 10s. to the good.

Mr. Scaddan: That was purely assumption.

The TREASURER: So far, every argument was assumption; but it could not be disputed that on the average our people earned much larger incomes than people in the East, and this justified the Government in asking our people to contribute some small portion of the income-tax revenue.

*Mr. Scaddan:* Had our people more money in hand at the end of the year?

The TREASURER: They ought to have. All depended on the saving capacity and the habits of the individual. One who lived in the luxurious style of the hon. member would not have much left. What the Leader of the Opposition said of the cost of medical treatment and attendance on distant goldfields was true; but it was true of the rural districts also. It was a question of distance. During the past five or six years the State lost some £475,000 per annum through the abolition of the inter-State duties, of which reduction the people of the State must be getting the benefit. [*Mr. Foulkes:* No.] Although the consumer could not and might not benefit immediately, he must benefit ultimately. Competition would ensure that. The selling prices of competing firms were based on the first cost of the goods, plus the duty and the cost of transit.

*Mr. Walker:* Suppose there was a ring?

The TREASURER: Even then, a reduction in customs duties must eventually benefit the consumer; hence consumers generally should pay the direct taxation which was to take the place of the indirect taxation remitted.

*Mr. A. J. Wilson:* The man on the land should be entirely exempted from the income tax.

The TREASURER: He was exempted to the same extent as any other man. If members could show that £150 was not enough for a man to live on, they might have a valid argument; but to increase the exemption to £300 would be to defeat the Bill. He would not cavil at an exemption of £156, thus including the man with £3 a week.

*Mr. Bath:* That was the New Zealand exemption.

The TREASURER: New Zealand was a different country from Western Australia.

*Mr. Walker:* It was much better; more just.

The TREASURER: It must be remembered that although the exemption was £300 in New Zealand, the tax was

very much higher than was proposed in the Bill. However, we had to consider the condition of our own country and our country's finances. No body of men could be more moderate in providing taxation proposals than the present Government.

*Mr. TAYLOR:* The burden of taxation, as he had mentioned in the second-reading debate, would fall on the shoulders of the workers. In the speech made by the Treasurer, when moving the second reading of the Bill, he said that the tax on incomes from £150 to £300 would total £42,000 per annum; on incomes from £300 to over £500, £9,000 per annum; and on incomes of over £500, £9,000 per annum. So that in order to collect £60,000, the sum of £42,000 was to be provided practically by the working classes. That was unfair. It would be necessary for the Committee to strike out the words before any alteration in the exemption could be made. He would point out that by the striking out of the words it would not mean that members would be voting to fix the exemption at £300, for after the words had been removed from the clause they could make the exemption anything they chose. With regard to the burden of the tax falling mainly upon the workers, it was necessary to show that it would be the workers on the goldfields who would suffer most materially, practically owing to the fact that the salary of £150 on the goldfields had nothing like the same purchasing power as a similar salary received by a man working on the coast. This was due to the increased rents and the higher cost of living, the latter of which was brought about, as the storekeepers told their customers, by the high railway freights. It was unfair to suggest that the workers on the fields and on the coast would be placed in a similar position by the imposition of the tax. As an example of the difference between the cost of living, he could not do better than give his personal experience of the cost of living in Queensland as compared with the goldfields. When he was at Peak Downs some years ago, he was able to batch for 7s. 6d. a week, and he was better fed at that price than he was when

it cost him 30s. a week to batch on the goldfields here.

*Mr. A. J. Wilson:* Was the average wage earned on the goldfields less than £200 per annum?

*Mr. TAYLOR:* A miner who had constant employment would get not less than £200, but the average was about £150. The man on the goldfields was no more constantly employed than the worker anywhere else; and one ventured to say that at four o'clock this afternoon there were from 100 to 1,000 men making application for employment on the change of shifts at the various mines along the Golden Mile. The working man was the surest target for the Treasurer to fire at under the Bill, for the Minister could ascertain from the Chambers of Mines and Commerce the exact wages paid to their employees; but there would be a great difficulty in ascertaining what the storekeeper's income was, or that of a man engaged in any other business. The income tax gave scope for such men to falsify their incomes, but there was no possible chance of the working man evading his payment. The Arbitration Court fixed the wages for certain callings, and besides that information could be got in the manner he had previously indicated. He hoped the Committee would strike out the clause with the object of increasing the exemption. He would be willing to increase the exemption as indicated by the Leader of the Opposition. It was unfair that an effort should be made in the Bill to get £42,000 out of a total of £60,000 from the pockets of the workers. The Government went into the agricultural areas, and when running a candidate for a province, said the tax would be devoted towards the building of railways for the opening up of those areas. The Committee should not allow the men who made it possible for the farmers to go on the agricultural areas and open up the lands, to pay practically the whole of the tax, as was provided by the Bill. The Government of Western Australia, and in fact of the States generally, had been more favourable to the settlement of land than to the settlement of the mining areas. [*The Treasurer:* The mining areas were getting more railways every

day.] It was a very different matter getting railways for the mining areas than getting them for the agricultural areas. On the goldfields the country had to be opened up, machinery had to be carted by camels or by bullocks for long distances, districts had to be proved absolutely sound and paying, and large populations running into scores of thousands of people had to be resident in a district before the Government would allow an extension of 50 or 60 miles of railway. On the other hand in the farming areas a line was put through virgin spots in order to induce farmers to settle.

*The Treasurer:* The goldfields were getting considerably more railways; what about the Norseman and the Marble Bar lines?

*Mr. TAYLOR:* The Marble Bar line was passed, but the railway was contingent on the passing of this Bill. The Minister for Mines had said something like that on the platform or in the House; he said that the Government had to get their financial proposals through or public works would cease.

*The Minister for Mines:* The member's memory was bad.

*Mr. TAYLOR:* On the goldfields people had to establish a permanency before they got a railway line; that was not so in regard to agricultural areas. A married man with a family could not do much on £150 a year; he wanted the whole of it to keep his home.

The ATTORNEY GENERAL had a great deal of sympathy with the motive that had prompted the Leader of the Opposition to move that certain words be struck out for the purpose of considering whether the exemption should not be increased. Western Australia possessed an area so large that the conditions which were fair and equitable in one area would, in other areas, be harsh, and when the matter came before Parliament it was for every member to do his best to fashion the proposal in a way that would lead to the measure being fair to all the citizens of the State. Then while it might be perfectly fair in certain parts of the State to impose taxation with the exemption stated in the Bill, at the same time it might be a harsh measure in other

parts of the State, but the difficulty was that no one would tolerate the creation of certain areas where taxation would apply in a different proportion. The consequence was that we had to adopt a figure that would represent perhaps too much in one place, and perhaps too little in another place, but a figure which in the general view would be fair for the community as a whole. The Committee should turn attention to arrive at that result; not to arrive at a result having regard to one particular area, but to arrive at a figure which, taking all the conditions into account, should prevail in every part of the State as a fair and equitable figure as the exemption. He admitted the value of the argument that in no community should there be any privileged person. Whilst the amendment of the Leader of the Opposition had his sympathy, it excited one's admiration in that he now argued that there were cases where one should acknowledge the right to exemption on the part of the individual because that in which he was in enjoyment of was only sufficient for his needs.

*Mr. Bath:* The two taxes were on a different basis; he could quote the Attorney General on that.

The ATTORNEY GENERAL: The hon. member could quote his remarks. He had said that direct taxation was far preferable to indirect taxation, and of the two forms of direct taxation he preferred a tax on land.

*Mr. Bath:* The Attorney General said a good deal more than that.

*Mr. Taylor:* He said this was a tax on energy.

The ATTORNEY GENERAL: As compared to the land tax the income tax was a tax on energy and thrift. He did not say it was inequitable, but that if the necessities of the community demanded it any form of direct taxation was equitable. Was a farmer who possessed land worth £250, that was the capital value, or who was in possession of a thousand acres under conditional purchase, during the first five years of his tenure in a better position to pay taxation than say a man earning £3 a week at any other calling?

*Mr. Scaddan:* He might be.

The ATTORNEY GENERAL: Let one assume the wildest possible interest on the capital. Take £250, and imagine that the farmer was making 50 per cent., which was absurd, the man who took up land and was working it as a farmer generally took up unimproved land, and assuming that he was in a position to earn 50 per cent.—

*Mr. Bath* had known men to make 300 per cent. by taking up land and selling it.

The ATTORNEY GENERAL: That was not income in any sense; the man sold it once and for all time. Anyone exempted under the provisions of the Bill would indeed be fortunate if he could command an income of £150 a year from land held by him under conditional purchase, as the exemption was for only five years from the date of the contract. It was impossible to imagine that a man could have any large portion of land under cultivation within five years. One challenged, without hesitation, any member to inform the Committee of a man, who was a conditional purchase holder, who in the first five years after signing the contract could possibly earn in one year the amount that was made exempt under the income tax provision. He had possibilities, and we were entitled, when fixing the amount for which the exemption was to be made, to take into account those possibilities. He (the Attorney General) was therefore not prepared to say that the provision made in the Bill in regard to the exemption from the land tax was not sufficient to meet the equities of the case. He could understand those opposed to any exemption whatever saying that the person on the land should pay a tax, without exemption, because he would consent to the creation of a privileged person; but one could not understand the same person taking up the position in regard to the income tax that there should be a large exemption. What he always held was that, although exemptions did not commend themselves to him, still he was prepared to consent to them because he had been informed by those in a better position to judge that

if we were to omit all provisions for exemptions in regard to land taxation, we would hinder settlement and perhaps defeat our policy of land settlement. He was not prepared to be a party to defeating what was perhaps the only possible future for Western Australia. If we desired to ensure the future of the State we must look for something more permanent than gold mining, we must look to settlement on the land; and that being so, it would be wrong to be a party to placing on the statute-book any condition which those intimately acquainted with the conditions governing settlement assured us would be hostile to that settlement. He had on many occasions explained that if the proposal was to create an exemption of a large character which would benefit those who asked for it, it could be said that there was self-interest in the request, and that the matter needed investigation; but that when the proposal was to make an exemption which was only applicable to the smallest holder of land, it should be investigated on its merits. He favoured the fixing of a sum which would be fair for the whole of the State. It was clear that what might be fair for one district might prove to be unfair for some other district. Members should not set up an opinion which might be suitable for one district; they must assent to a figure which would cover the whole State, and would be equitable for the whole State.

*Mr. Walker:* Would the hon. member say what that figure was?

The ATTORNEY GENERAL awaited fuller information before attempting to come to any conclusion. Any opinion hastily formed might be unjust. His experience was limited. There were members whose experience ranged farther afield. The member for Mount Margaret (Mr. Taylor) was unfair in saying that the money to be realised by this tax was to be spent in building railways in agricultural districts, and that he would oppose the raising of this revenue if it was to be devoted to that purpose. The hon. member was not generous, because no Government since the time of Sir John Forrest had brought down to the House more Railway Bills for goldfields railways

than the present Government. The ratio of the mileage of goldfields railways proposed to the mileage of agricultural railways proposed was about three to one.

*Mr. Troy:* Was the hon. member speaking to the amendment, or on railway matters?

The CHAIRMAN: Having allowed the member for Mount Margaret to deal with this subject, he must allow the Attorney General to reply.

The ATTORNEY GENERAL: There was no desire to trespass on the time of the Committee, but the hon. member (Mr. Taylor) was absolutely unjust in the remarks made. Members in addressing themselves to this subject should not do so with the idea of bidding for support from those who were going to be exempted in their districts or in any district. They should address it from the point of view of legislators bound to do their duty to the State at large.

Mr. MALE intended to support the amendment for striking out the words, but not to insert the words suggested by the mover. All taxpayers should contribute as equally as possible according to their ability to pay, but the tax should only be levied on what remained after the taxpayer had provided the necessities of life for his wife and family; in fact it should fall on what was really the surplus income. While not posing as an arbitration court or a wages board, it appeared to him that for the purpose of this tax an exemption of £200 was quite low enough, especially for the goldfields and backblocks where the cost of living was excessive as compared with the towns. The whole sum to be raised by this tax was merely surmise. It was based by the Treasurer on "what is to be will be." We could well wait twelve months; and at the end of that time, if the Bill became law, we would have definite figures on which to base the exemption; the amount of the tax, or anything necessary in connection with the tax. It would then be for us to reconsider the whole question of the taxation, and see what would be an equitable form for it to take if it be necessary at all. The question of principle had been brought into the debate, and it seemed that we had now such

a conglomeration of inconsistencies of principle that we might as well drop the matter altogether and go on with our own ideas. It was his intention at the right time to move to strike out "£150," and insert "£200" in lieu; and having in the second-reading debate said that what might be a fair exemption for a single man might not be a fair exemption for a married man with a family, he was prepared to support the amendment of the Leader of the Opposition providing for the farther exemption of £10 for each child.

At 6.15, the Chairman left the Chair. At 7.30, Chair resumed.

Mr. WALKER: From the course of the debate it was clear that certain words would be eliminated in order that some amendment of the figure proposed could be inserted; but so far as he could gather from the speeches of the Treasurer, the member for Kimberley, and the Attorney General, it was only intended, if any concession were made at all, that it should be so slight, that it would scarcely be worth altering for a few pounds. It was our duty in imposing taxation first of all to consider the ability of the people to pay. We had no right to tax those who were already heavily burdened. The first objection to the clause was that it placed the bulk of the burden of taxation immediately on the shoulders of the admittedly least able to pay in the community. It placed the bulk of the taxation on the shoulders of the working population. The speech of the Treasurer in justification of the tax showed clearly he had no idea of the real conditions of the working people of the State. He based an argument for continuing the clause upon the fact that we had forfeited the inter-State taxation, the tariff duty had been abolished so far as the internal States were concerned, and that all that money which originally went into the Treasury and the people had to pay was now in the pockets of the people themselves, and since the withdrawal of the inter-State taxation the people of the State were in a position infinitely better than before and ought not

to murmur in paying an income tax. That was the argument of the Treasurer, and he could not believe the Treasurer was earnest in an argument of that kind. He would not like to say the Treasurer deliberately was throwing dust in the eyes of the Committee, but he could not understand the Treasurer making an assertion of that description. As a matter of fact the working population of the State had not to pay one farthing less for the requisites of life since the cessation of the inter-State duties than they had before. At the present moment the cost of living was higher. [*Hon. F. H. Piesse*: That might apply to butcher's meat, but not to groceries.] What grocer sold cheaper? There had been no reduction, and of late the prices had been raised. The cost of living was higher than it was twelve months ago, and the argument vanished into air when we came to sum up the facts.

*The Treasurer*: The member was not stating facts.

Mr. WALKER: Absolute facts.

*The Treasurer*: Only assumption.

Mr. WALKER: Was the Treasurer going to pass his Bill on assumptions and contradictions, while also accusing others of falsifying? The Treasurer did not know how the poor had to struggle to make ends meet? The Treasurer started with the assumption that the working man could live, if not on nothing, on next to nothing, and he looked upon it as a species of crime for the poor man to want a decent steak for his dinner.

*The Treasurer*: The hon. member was misrepresenting.

Mr. WALKER: What was the tenor of the Treasurer's speech? That the working man got more for the class of work here than he did in the Eastern States.

*The Treasurer*: Did he not?

Mr. WALKER: He did; but he had to pay more in proportion for living than in any other State in the East. What was the result under our present conditions? That men with all the chances of obtaining higher wages for the same proportion of work were leaving this State and going to the East to look for work in Sydney and Melbourne. Men were

not flocking to this State to take advantage of what was called our higher wages. They were taking the opposite course to evade that trouble and expense entailed in Western Australia. If people recognising our high standard of wages were flocking here, and if they were increasing our population, then there would be some justification in the Treasurer's argument. But the opposite course was being pursued. It convinced anyone of the fact that men were working here for a mere livelihood; that was to say, in the support of families there was not a penny of income saved. Men had been working here years and could not put by a penny if they had a family to support. Yet we were to tax these people more. There was some force in the argument of the Attorney General that we could not fix a rule for all the circumstances of the different parts of the State. But we should strike a minimum for exemption, that which would allow all in the State, where-soever they might live, to live and have something left after paying the mere cost of living. We did no wrong to the coast people if we fixed the minimum at £300. Then in the outback districts men could support their wives and families in comfort. Considering the early privations of our pioneers, whether agriculturists or miners, they should now have an opportunity of giving their children a good education, as well as the refinements and perhaps a little more of the comforts of life. Yet this tax would condemn the pioneers to the slavery they had endured since they came to the State by absorbing every penny over the bare cost of living. The Treasurer said that to fix the exemption at £300 would destroy the Bill. Was not that a pitiable argument, when the bulk of the £42,000 proposed to be raised would be taken from the man with an income of £150, and only £18,000 from other people? If more than half of the taxation was to come from the workers, the sooner the Bill was destroyed the better. The Treasurer's excuse was that the bulk of the people were earning from £150 to £300 a year. But did the bulk of the people represent the bulk of the wealth? That was the standard for fixing the incidence

of the tax. The Treasurer should not count heads, but banking accounts. Tax accumulated wealth. This should not be a poll tax but a tax on those able to pay, and the payment should be precisely in proportion to the ability. A man who could save out of his income of £400 ought to pay more than a man who spent the whole of a similar income on his family. Tax what was left after deducting necessary expenses. A man with a family of six could not be expected to save as much as a bachelor or a man with only two or three children. Yet the Bill was an indiscriminate poll tax, making the bulk of the people pay simply because they were the majority, and the majority to be taxed would be goldfields workers, few of whom would escape, as the high cost of living made their wages exceed £3 a week. Reverse the pyramid, which now stood on its apex instead of its base. Take the £42,000 from those whose incomes exceeded £300.

*Mr. Taylor:* That would not suit another place.

*Mr. WALKER:* Undoubtedly this legislation was dictated by another place. The Bill was in perfect harmony with the Treasurer's career; and his comrades in another place were in perfect sympathy with his desire to keep down the poor, not caring how their families might be neglected, but humbling them still farther, making them suffer more agonisingly by taxing them while he and others of his clan went almost scot free. This was the policy of the so-called liberal Government, which would take £42,000 from people receiving only £150 a year, and from those in receipt of hundreds of thousands taking a paltry £18,000 in all. Was this democracy and liberality? It was the hoof of Satanic tyranny. The Labour Party were protecting the workers, and were bound to resist to the utmost the imposition of the tax in its present form. It was a party tax pure and simple; a tax on none but the poor; a tax on the workers. All the world over the Conservative policy was to keep the poor man with his nose for ever to the grindstone, so that he might remain in subjection. Give a man proper food,

proper housing, adequate rest, and he would develop manliness and independence. He would fraternise with his brethren ; his trade union would become formidable and capable of resisting oppression. But rob the poor of their independence, of their power of combination, and they were at the mercy of the wealthy capitalist. This tax would put another burden on every little home in the country, in order that the rich might revel in greater luxury. He (Mr. Walker) envied no man the riches honestly obtained ; but he scorned the man whose wealth was created by the poor, the man who put on the poor his own share of the burden which wealth ought to carry. The bulk of the tax would inevitably be paid by the artisans of the metropolis and the miners on the fields, while men who were amassing fortunes would be scarcely touched. In fact, we might as well let the rich go scot free ; for the men with incomes exceeding £300 a year would without difficulty evade the tax. The poor, whose incomes could be ascertained from their employers, could not help paying. There was no exaggeration in this. It was from those in an impeeunious condition and in a struggling state that the Treasurer wanted £42,000. It was iniquitous. In the whole annals of taxation there was never such an iniquitous measure proposed since the days of the tyranny of kings.

*The Treasurer :* What about Queensland, Tasmania, and South Australia ?

Mr. WALKER : Tasmania had nothing equal to this—on a different basis altogether. But that was the Treasurer again, everlastingly throwing dust, concealing the real argument, and obscuring the real facts, which were that there never was an instance where the iniquity of the incidence of the tax was so glaring. The bulk of the tax was to come out of the men getting £3 a week, and was to go to pay Ministers' salaries and to give £35,000—almost the whole of the tax—to the rich squatters of the North-West.

*The Treasurer :* The exemption was £150.

Mr. WALKER : But sixpence over made all the difference, and there was

still the greater iniquity that then the exemption was only to the extent of £100. On the amount earned over £100 the worker would have to pay the tax and raise this money for a shiftless Government to gamble with. We were going to knead this money out of the sweat and blood of the toilers, when it would cost almost the full amount to collect it if the Treasurer's figures were correct. But they were not. Probably a still larger sum would come out of these small incomes. The Treasurer admitted in that callous way which characterised all his life and his dealings with this Assembly, that "what is to be will be"—the absolute Ultima Thule of recklessness. He did not care ; he knew it would touch the class he hated and despised.

*The CHAIRMAN :* The hon. member must not accuse the hon. member of despising any class.

*The Treasurer :* The remark should be withdrawn.

Mr. WALKER withdrew, since the hon. member asked it, but the hon. member knew that from the class this Bill declared no love for—and the hon. member was in charge of the Bill—he expected an unlimited source of wealth would be drawn. The hon. member had put in these modest figures to cajole the House into voting for the Bill ; but there was ample reason to believe a greater proportion would be drawn from the poorer classes of the State if the exemption remained as in the Bill. It was the endeavour of the Opposition to reduce that proportion, not only for the sake of the workers, who were their electors, supporters and personal friends, which would be purely selfish on their part, but in the interests of the State as a whole. If the State was ever to be a great nation, a sovereign State in the true sense of the word, a rich State, we must have workers here, give them homes, encourage them to stay with us, induce settlement, and increase the population by the betterment of conditions. That was the wise policy, and no hardship should be imposed on any of our workers, those who created the wealth of the State. If we had no workers the State would be the desert it was when first settlement came. In order

to increase industry and bring here an industrious population to make our barren wastes fertile plots, and to bring from the bowels of the earth unmeasured wealth, we should not put difficulties in the way by taxing the workers. Such a tax as was now proposed would be a burden on the workers, would take population from us and deplete our settled districts instead of bringing more settlement. In the interests of the coastal districts and of the goldfields, and of the cities, and of our settled villages, we should pass this amendment.

Mr. GULL had supported the second reading of this dual tax because, notwithstanding his opposition to a land tax, or to an income tax, he realised that the Treasurer was bound to bring in some scheme to gain the necessary revenue to carry on the affairs of the State. He failed to realise the arguments of the Opposition, because they were strong for no exemptions on a land tax, but they were equally strong in securing exemptions under an income tax. It was correct in some instances that a tax on unimproved values was a tax on unearned increment, but it was another case altogether when we were dealing with smaller blocks of land, those belonging to the working people. He could take two instances of men earning £150. One instance was that of a man with a wife and family, who had, by means of the time payment system, been able to save and secure for himself a block of land and a house. There was the other instance of a man working at the same bench who was not married and who had no encumbrances, but spent all his income on his own gratification. Now the proposal of the Opposition was to exempt the latter and tax the former, though the latter was a fit subject for taxation, and the former was a fit subject for exemption. It was hard to understand why the Oppositionists favoured no exemption in the land tax and heavy exemption in the income tax. The only reason why he supported the tax was because there was necessity to raise revenue with which to carry on the affairs of the State. The Opposition members had forgotten that there was more than

one class of working people in the State. The plea they made was all for the working man on the goldfields; but there were working men on the land, and they worked harder and spent less on their own personal gratification than men living on the mines, for the goldfields workers spent more money on themselves than any other class of workers in the world. There were many of them who lived at hotels and rode on their bicycles to their work, while the owners had often to work two shifts a day in order to pay the wages of the men and fulfil the labour conditions. The innuendo that the Treasurer was always trying to crush the workers was most unfair.

The CHAIRMAN: The hon. member was not in order in making accusations against members of casting innuendoes.

Mr. GULL: Was it not a fair view to take of the position that the Treasurer was in need of revenue in order to make up the financial deficiency and had to adopt this system of getting it? It was just as much against the Treasurer's grain to put on a land and income tax as it was against that of any member opposed to the Bill. Possibly a compromise could be arranged as to the amount of the exemption in connection with the income tax. He would suggest that the sum of £200 should be fixed for the exemption, and felt sure such a sum would meet with the approbation of members on the Ministerial side of the House as well as those on the Opposition side.

Mr. TROY: The statement by the last speaker that a man who spent his money was not deserving of the same consideration as the man who put his money in a house was one in which there was no logic whatever.

Mr. GULL: The hon. member was misquoting him. What he said was that a man who saved his money and put it into a block of land was subject to taxation, whereas the man who spent his money as he received it on his personal gratification was exempt.

Mr. TROY: There was a great difference between the two methods of taxation, for the land tax was levied to secure for the State the unearned increment—only a very small portion of that—and the

other was on incomes, which was penalising the incomes received by individuals. The person who spent his money did better service for the State than one who put it into property. for the former contributed more to the revenue in the way of taxation. The exemption was most unfair and would do a great injustice to the workers on the goldfields, especially those in the remote areas, who had to receive a higher rate of wages than the workers on the Eastern fields in order to be able to keep themselves and their families. The miners on the fields numbered about 20,000, and unless they received a wage of £3 10s. a week they could not possibly afford to keep their wives and families. No measure of taxation which penalised such people was fair or justifiable. An exemption of £300 would be a fair one. In New Zealand, where the conditions of living were much better than they were here and a man could live at about half the cost, the exemption was £300, with £50 in regard to life insurance. The exemption there was made to give an individual sufficient to keep himself and his family with a fair degree of comfort. Those compelled to pay were the men who were able to pay the tax. In New Zealand the tax was graduated, the exemption being for £300, with £50 added for life insurance; and then after that there was a tax of 6d. in the pound for incomes up to £1,000, while it was 1s. in the pound on incomes up to £1,300. A similar measure should be introduced here. It had been reported recently that in New Zealand they now intended to raise the exemption to £1,000, so that the greater portion of the people would be exempt and the persons who were able to pay the tax should be called upon to contribute to the revenue. In New South Wales, where the cost of living was about one-half what it was here, the exemption was £200. Take the case of a man receiving £155 a year here, and it would be seen that he would be called upon to pay 18s. 4d. per annum as income tax. Compare him with the man who had to pay a land tax. In the latter case the exemption was £240, therefore it was almost impossible to make

any comparison at all in regard to the incidence of taxation of the two measures. The income tax, to which he raised the strongest opposition, was most unfair, for it told most heavily upon those people who at the present time were not getting enough to keep their wives and families. If the Treasurer needed money, he could have obtained it in a fair and equitable manner. There could be only one reason for the present measure, and that was in order that it should be commendable to members of another Chamber. The Government were determined to get some sort of land and income tax Bill and had brought down the present most unfair measure. [*The Treasurer*: The same as New South Wales.] It was very different, for in New South Wales the exemption was £200 and the cost of living was not nearly as high as it was here. The Treasurer had pointed out previously that the State desired to secure £63,000 from the land tax proposals. If the measure before the Committee were carried the State would receive twice that amount. There were sufficient workers in the State receiving £3 10s. a week to bring in as much revenue as the Treasurer anticipated. Before the measure passed this Chamber, if we must have a land tax at all, the exemption should be raised so that those on whom the hardship would be inflicted would not be burdened by the tax. Members had said that the land tax would prevent settlement, but the income tax would drive population from the State. People would not stay here if they could not receive a wage that would enable them to live in a decent way.

The MINISTER FOR WORKS: Listening to members opposite, one would imagine that all the sympathy and all the milk of human kindness existed amongst members on the Opposition side, and that members on the Government side were devoid of human feeling. Matters had been exaggerated to such extent that they deserved exposure. It had been suggested that the people of this State were in a most deplorable condition; that the tax proposed was exceedingly heavy and would be a gross burden on the people. But what did we find, on turning to the other States? Dealing with information

for the year 1903-4, because later exact information was not available, it would be found that in New South Wales the tax was imposed on every income that might be in excess of £200, except in so far as it was derived from the ownership, use, and cultivation of land on which the land tax was collectable; and the income tax was 6d. in the pound. The exemption proposed here was £150, and he was with members who thought £150 was little enough for a man to keep himself and family in comfort; he would gladly see the exemption to some extent raised, and he trusted the outcome of the debate would be to have it raised. [Interjection by *Mr. Scaddan*.] When members on the Government side rose to speak, they had to listen to the most vile and vulgar abuse.

The CHAIRMAN: The hon. member must withdraw those words. He desired at the same time to point out that any remarks, unchallenged, attributing misconduct on the part of either side was a reflection on the Chair, and could not be permitted.

The MINISTER FOR WORKS withdrew the remarks at the Chairman's request.

The CHAIRMAN: The member must withdraw the remarks and apologise for them.

The MINISTER FOR WORKS regretted the nature of the remarks made; but he must plead in excuse that any member on the Government side attempting to speak was subject to interjection from the opposite side. The population of New South Wales was 1,441,000, and the average deposit per head in the savings bank for 1903-4 was £37 3s. 9d. The population in Victoria was 1,206,000, and the average deposit per head in the savings bank was £24 9s. In Queensland the population was 519,000, and the average deposit per head in the savings bank was £46 14s. 9d. In South Australia the population was 367,000, and the average deposit per head in the savings bank was £34 0s. 10d. In Western Australia the average deposit in the savings bank was £36 7s. 1d., and that deposit had been increased to £37 1s. 7d. in January of this year. The male popu-

lation numbered 153,666 in Western Australia, and the number of deposits in the savings bank was 65,274. It must be apparent from the figures that the general level of prosperity in this State was no worse than in the other States. In South Australia incomes derivable from personal exertion were liable to an impost of 4½d. in the pound up to and including £800; 7d. in the pound in excess of that amount. Incomes produced by property, 9d. in the pound, increasing to £800, and 13½d. for every pound in excess of that amount. The sum exempted from tax was £150. [*Mr. Bath*: Where was that?] In South Australia in 1903-4. A working man earning over £150 per annum in South Australia was taxed at the rate of 4½d. in the pound on his income. In Tasmania the income tax in force was 1s. in the pound on the income of any company, and on the income of any person 6d. in the pound derivable from business and 1s. if derivable from profit; for dividends not including the foregoing 1s. in the pound. The chief exemptions were municipal corporations and so on, and incomes from all sources less than £100 per annum. We found that in Tasmania the income tax which the working man in receipt of anything over £100 would have to pay was 6d. in the pound. The income tax proposed in this State would not be so heavy on the working population as it was in some of the other States. We must remember that every working man in Western Australia derived all the benefit that accrued from government—the safety of his property, life, and person. Unfortunately in this State we had no leisured class, not the leisured class found in Victoria, New South Wales and South Australia, yet the amount which the working man was asked to contribute for the protection of his person and property was less than in some of the Eastern States. In face of these figures the Government were told that they were devoid of human feeling. He had shown clearly that in so far as the tax proposed by the Government was concerned, it was if anything below the average, as far as the incidence on the working population was concerned, of the other States.

Mr. STONE regretted the necessity for farther taxation. [Mr. Scaddan: The hon. member was not in his seat.] He had changed his seat but not his principles. He had changed his seat because he could not hear from where he previously sat what was going on in the Chamber. Seeing that it was necessary to have farther taxation, he was prepared to support the measure. He would like to raise the exemption, say up to £200, with an allowance to a man with a family of £10 for each child. That would help the poor man. The cost of living was not so high now as it was some years ago, when the duties and freights were higher. A few years back we had to pay freights of from 30s. to 35s. a ton; now we had freights from the Eastern States of 15s. to 17s. a ton. Most of the bacon and butter now consumed here were imported from the East. Formerly we had to pay 3d. a pound on bacon and cheese, 2d. on butter, 30s. a ton on oatmeal and flour, and for other articles in proportion. It was idle to say that our food was dearer now than when the heavy duties and high freights were in force. Every member of the community should contribute in proportion to his means, after providing for the necessities of life. He would support the Bill, but would prefer a wider exemption.

Mr. HUDSON: The last speaker's explanation was amusing. He said he had changed his seat but not his views; nevertheless he was getting into the dangerous company of the versatile member for West Perth (Mr. Draper), and the results might be somewhat amusing. We had to consider whether £150 was a reasonable exemption. Nobody had attempted to institute a valid comparison between incomes in this and in the other States or in New Zealand. Throughout Australasia the Arbitration Courts fixed minimum rates of wages; and in this State the minimum was made the maximum on the goldfields, and in many metropolitan industries. The minimum wage was fixed as the lowest upon which the worker could live in reasonable comfort. Consequently, if we took anything from workers receiving that wage, we should prevent them from living in rea-

sonable comfort. The average wage-earner, particularly on the goldfields, received a little more than £150 per annum if in constant work. Surely then the exemption would be unjust. We were in obscurity as to the intentions of the Government. The Treasurer hinted at increasing the exemption by about £10. If the Government were sincere, they should have stuck to their original land-tax proposal, which was to raise from £60,000 to £80,000 per annum. Now they proposed to raise £40,000 by a land tax and £42,000 from persons earning between £150 and £300 a year. Apart from the awards of the Arbitration Court one could easily prove that it was impossible for a goldfields workman to keep a wife and family in comfort and respectability for less than £200 per annum, even if in constant employment; and then he must live in a humpy built of boughs or kerosene tins. But few were in constant employment. They could be dismissed or could leave at a moment's notice. Much was said of the worker's savings. But what was the maximum amount allowed to stand at the credit of a depositor in our savings bank, and what were the corresponding amounts in other States? The maximum might be higher here, and much of the surplus cash of wealthy people might therefore be placed in the Savings Bank for the sake of the interest and the security. The bank might be used for current accounts also. We knew that the balances were swollen by friendly societies' funds.

*The Treasurer:* What about the 70,000 accounts?

Mr. HUDSON: The Treasurer said a man on the fields could live in reasonable comfort for £150 a year. He might as well say that the pioneers should live like the aborigines on native game, and therefore on next to nothing a week. The argument was absurd.

Mr. COLLIER: Time might be saved if the Treasurer would let us know what higher exemption he would accept. He mentioned an increase of £10. The Attorney General (Hon. N. Keenan) said the exemption was for the House to decide, and the Minister for Works (Hon. J. Price) said he thought £200 would be

a fair exemption. Had the Government any opinion at all about the exemption? The Minister for Works now tried to justify an income tax; yet only three months ago, at West Perth, he indignantly repudiated the proposal, and said that no suggestion for an income tax would be entertained by the people. He had not reckoned on the Legislative Council. The same Minister quoted *Coghlan* to show that the wealth per head of our people was equal to if not greater than the wealth per head of the people in the sister States, and quoted the Savings Bank figures, the most unreliable of all guides. The majority of our people were male adults, while in the other States women and children predominated; and this accounted for our Savings Bank deposits. The Treasurer argued that the average worker in this State was in a better position to pay the tax because he earned more than the average worker in the East. The net income and not the gross income was the only guide. The goldfields man with 11s. a day was in no better position than the coastal worker with 9s.; yet by the Bill the former would pay 19s. a year towards the income tax while the latter would go free. Did the Attorney General, with his goldfields experience, believe that a goldfields working man could live and rear a family on 11s. a day? He (Mr. Collier) had worked on the goldfields for a minimum of £175 a year, and spoke from personal knowledge—not like the Treasurer, who when he visited the fields stayed in a high-class hotel. The proposal to tax every wage-earner on the goldfields, which was what it amounted to, was nothing but garrotting them of a certain portion of their earnings every year to throw away large sums on wealthy individuals who could well afford to pay for their own requirements. We should know exactly what the Government intended to do; because otherwise, later on when we had an all-night sitting we would hear complaints that members were delaying the business and putting the country to expense. The matter could be settled in a much shorter time if the Government would say what exemption they would consent to.

Mr. EWING preferred an income tax to a land tax, providing the incidence was fair. There was a good deal in the arguments raised by members of the Opposition. The amount of £42,000 to be derived from incomes between £150 and £300 was too large a proportion, and the Treasurer should consider the advisability of amending the proposal, because the cost of living in Western Australia was considerably higher than in the other States, and it was unfair to say that because the exemption was £150 in South Australia, and £200 in New South Wales, £150 was a fair exemption here. In his opinion £250 was a fair exemption, and he intended to vote for that. Certainly increased revenue was needed, but the Treasurer should get it by graduating the tax and putting a rate of 6d. on incomes over £500, and 9d. or 1s. on incomes over £1,000. That was a fair way to look at the question. The principle was that those who had the money and who were in a position to pay should pay towards the upkeep of the country. Some claimed that the administration could be so carried on as to render it unnecessary to have direct taxation. He was not of that opinion. He believed that it was necessary to have direct taxation at the present time, and by imposing a land and income tax the Government were doing the right thing, though at the present juncture in the settlement of the country an income tax was the fairer form of taxation. As far as the principle of the measure before members was concerned, he would support it, but he would follow his own views in regard to details, and he was of opinion that in the interests of the people of the State we should raise the exemption to £250, and then consider the advisability of increasing the rate of the tax on incomes over £500 and £1,000.

Mr. FOULKES: There was a consensus of opinion on the Government side of the House that the exemption had been placed at a very low amount. The Treasurer should agree to strike out "£150." Many members were anxious that the exemption should be increased, many others were unanimous that it should be fixed at £200. Having regard to the pre-

sent conditions of affairs and the present system of Government, it was necessary to have some form of taxation, because owing to the enormous extent of territory we had and our small population, the expense of carrying on the Government of the country was much larger than the expense of carrying on the Government of a small State like Victoria with its larger population. We had got into the present condition of the finances by losing an enormous portion of our customs revenue, and by not paying sufficient attention to increasing the population. From time to time we had proposals for the construction of large public works, particularly railways; Ministers had brought forward proposals for the construction of enormous public works; for instance, the dock at Fremantle, which would cost something like £15,000 a year; and we had proposals to construct railways in most scantily populated districts. We had a proposal for the purchase of a railway in the Denmark district, and one member said there was a population of 20 settlers that would be served by that railway. Could we expect such a railway to pay? We had many speeches pointing out the necessity for encouraging immigration, but no steps were being taken.

#### *Latitude in Discussion.*

The CHAIRMAN: The hon. member must discuss the amendment, not the general policy of the Government.

Mr. FOULKES was trying to point out how we could avoid the necessity for this taxation, by taking certain steps, and one was to do more to encourage immigration. If greater attention were paid to immigration there would be no necessity whatever for an income tax or a land tax. We had long lines of railway running through country districts with scanty population.

The CHAIRMAN for the second time drew attention to the fact that the hon. member's remarks were irrelevant.

Mr. FOULKES: If we adopted a scheme of paying more attention to immigration there would be a greater opportunity for increasing the exemption up to practically any amount. That was

why he was calling attention to the necessity for immigration; and if there was more settlement along the railways, the railway receipts would be much greater, and there would be no necessity for taxation, or at any rate we would be in a position to afford larger exemptions. That being the case, he should be permitted to go on with his argument in regard to the need for paying greater attention to immigration.

The CHAIRMAN: The question before the Committee was that the words "£150" be struck out. The hon. member could proceed if he intended to discuss that question.

Mr. FOULKES proposed to discuss it. He was trying to show the House how we could grant a greater exemption by giving greater attention to immigration. If there was greater settlement along our railway lines the railways would bring in greater revenue, and we could grant more liberal exemption. Our railways had no fair opportunity of earning working expenses and the interest on the cost of construction. There was also the Coolgardie Water Scheme—

The CHAIRMAN asked the hon. member to resume his seat. The hon. member could not be allowed to continue farther.

Mr. Foulkes hoped to have another opportunity.

#### *Discussion continued.*

Mr. SCADDAN: No doubt the debate was becoming somewhat wearisome, but owing to the fact that members were not taken into the full confidence of the Government as to what they intended to do, he was compelled to offer some remarks on the question. It was to be gathered from the Treasurer's remarks that the hon. gentleman was anxious to relieve himself from the position of having inserted the "£150," but the Government should have considered that question before placing it in the Bill. He had asked the Treasurer and the Attorney General, by way of interjection, whether the Government had decided on these exemptions previously, but both Ministers had carefully avoided giving any answer. If the Attorney General had not done this previously he had neglected a duty.

The hon. gentleman should have considered the Bill and the exemption clauses. What was the hon. gentleman about, if he had not used in Cabinet the arguments now used by him in favour of raising the exemption? So far as the Attorney General was concerned, the whole question of exemptions seemed to be an afterthought, and he had found from public opinion, as expressed through the papers on the goldfields, and by the personal views of his constituents, it would be unwise to continue his support of the exemption clause as set out in the Bill. Therefore he had attempted to influence Cabinet to alter the amount of the exemption. Although the Treasurer was climbing down, the Government attempted to compel the House to accept the exemption of £150 in the first instance. Many Ministerial supporters represented working men's constituencies, which certainly would not tolerate so low an exemption as £150. Even in Perth, a person receiving that salary would if he had to pay the tax have to do without many things which he had enjoyed in the past. The income tax was fair when it was levied upon persons who were well able to pay it; and people should not be called upon to contribute in that way to the revenue until they had been able to provide for themselves, their wives and families. The Treasurer himself, from the knowledge he had gained as an advocate before the Arbitration Court, knew that £150 was not a sufficient salary to enable a man to respectably bring up a family on the goldfields. Comparisons had been drawn between Victoria and Western Australia, but his personal experience was that £2 a week in Victoria was as good as £3 5s. a week on the goldfields in Western Australia. One could see at once that the exemptions in the two places were not on all fours with one another. The real test of wages was not the amount earned, but the sum left in a man's hands at the end of the year, after providing for his wife and family. A man who earned 11s. a day and worked every day in the year could not afford to pay the tax. He knew men on the fields earning £4 a week and working seven days a week, who could not afford

to come to Perth for a trip more than once in five years. The proposal was to attempt to make the person least able to pay, bear the great portion of the tax. An exemption of £300 might seem high from a coastal standpoint, but from the goldfields standpoint it was not. Take a resident in a North-East mining district. In his case there was very little left after providing for himself, his wife and family out of a salary of £300 a year. Before a Royal Commission which sat some time ago, a man gave evidence to show the profits he had made by taking up land in this State, and his evidence proved conclusively that it was possible for such a man to make more money than was possible for any resident on the fields, except those who were getting huge profits from their gold mines. The man who gave evidence was Richard John Gully.

The CHAIRMAN: The hon. member was getting rather wide of the mark.

Mr. SCADDAN: The Attorney General and others referred to the fact that for the first five years those who took up conditional purchases were exempt from taxation; and it was said that the conditional purchase holder was in much the same position as a wage earner with exemption of £150. As a matter of fact a man on the land was in a much more favourable position to bear the tax than the wage earner. Under the land and income tax that man was exempt for five years. [*The Minister for Mines: How was he exempt under the income tax?*] That would be shown by the evidence he would quote from. Mr. Gully, in his evidence, said he came to Western Australia seven years before that date. For the first two years he earned a living, principally by clearing land. He came here without any money, but at the end of ten years he had enough to take up land on his own account. He selected about 360 acres six miles from Katanning, and at the time he gave evidence he held between 1,600 and 1,700 acres, 700 of which were cleared, and 500 were under cultivation the previous season. [*Mr. Gordon: His sons worked for him for nothing.*] Twelve months after selecting he borrowed £75 from the Agricultural Bank, and since that date obtained £500 more in instal-

ments. The money he had borrowed enabled him to make headway and become firmly established. His crop of wheat returned 22 bushels to the acre, and oats 40 bushels. He had spent £400 in agricultural machinery, and it was in this direction that he became exempt from the income tax. On the cost of machinery he had only one more instalment to pay at that time. He had 12 horses, seven head of cattle, 40 pigs, and about 100 head of poultry. He said in his evidence that he had no reason to regret coming here, and he valued his holding at that time at between £4,000 and £5,000. That was the result of five years' work on the land. Where was the wage earner who would be likely to increase his capital account to that extent in five years?

*The Minister for Mines:* Read that evidence out to the Kalgoorlie people and a large number would settle on the land.

Mr. SCADDAN: If he were to do that the chances were the Minister would go to Menzies and say that the result was achieved in 999 cases out of 1000; but to-night in talking about taxation, he tried to show that the settler on the land received undue consideration as compared with the wage earner. The member for Wellington (Mr. Hayward) said that Gully's case was one in a thousand. The Treasurer evidently did not desire to increase his own exemption, but apparently the Government had arranged with their supporters that the amount should be increased from £150 to £200. Why did not the Treasurer say at the outset that they had reconsidered the matter, and thought that £200 would be a fair exemption; they could have given the reasons for the increase. The Attorney General and the Minister for Works who had spoken, had stated that £150 was a fair exemption. If they were convinced that was the case, why were they prepared to accept £200 as the exemption? He could hardly understand why this had come about. Had some of the Government supporters brought pressure to bear on the Government that they had to climb down from their position? It appeared that the Attorney General was somewhat in a fix. He (Mr. Scad-

dan) had heard it stated that the Attorney General was surprised at the figures given to the Committee by the Treasurer, that the Government were to receive £42,000 from persons in receipt of incomes between £150 and £300. But the estimate of the Treasurer was considerably under the mark. There were 18,000 workers in the mining industry, and according to the Statistical Register the average of these workers amounted to something like £4 per week, some receiving less, and some over. In view of that fact he could not understand how the Treasurer arrived at the conclusion that £42,000 only would be received from persons earning incomes between £150 and £300. It seemed to be pure assumption only. If the Treasurer went into the question thoroughly he would find that he was very much under the estimate. If the exemption was made £200, the amount estimated to be received by the Treasurer would then be very much under-estimated. One point had been mentioned by the member for Boulder, which he (Mr. Scaddan) desired to emphasise, that was the comparison of the wages received in different parts of the State, showing that the exemption on the coast was not fair when compared with the wages earned on the goldfields. Only recently the mine owners on the Belt decided to raise the wages of truckers and others employed underground from 10s. 6d. to 11s. a day, showing they considered that the position from the workers' standpoint was becoming worse every year, and that 10s. 6d. was not sufficient for a man to live decently on the goldfields. The member for Boulder quoted 11s. on the goldfields as equal to 9s. on the coast; but the amounts did not compare as favourably as that. According to the Statistical Abstract a general labourer on the goldfields was receiving £3 10s. a week, while a general labourer on the coast received a wage of £2 8s. On the coast the amount was 8s. a day, while it was 11s. a day on the goldfields. There was a great difference between what was sufficient for a man in the coastal districts and from the goldfields standpoint. He hoped the Government would consider the goldfields residents and agree to an exemption of £300.

Mr. BREBBER: When the Land Tax Bill was before the House on a former occasion members of the Opposition agreed to the exemption of £250; but now they opposed the exemption of £150 to the income tax. Why was that so? We could only come to the conclusion that any tax that would not affect those who were in constituencies of Labour members they were prepared to accept. Any exemption they did not require in their constituencies would be objected to, but immediately a tax that affected their constituents was brought forward members opposite altered their opinions. They did not care how the tax affected the revenue of the country, but they studied the question from the point of view of how it would affect their constituents. That was an unjust attitude to take up. Members would recollect that the customs revenue had been removed; there was free-trade in everything imported from the Eastern States; surely if this State was exempt from customs duty, that exemption was of more benefit to the goldfields than to the coast. When the customs duty was removed from the statute book other taxes must replace it; and a land tax and an income tax were the most fair taxes we could impose. He was in favour of an exemption of £150, and was prepared to support the Government, but thought it was a narrow margin. If it was proposed to raise the exemption to £200, thereby conferring a favour on the goldfields, he would support it.

[*Mr. Ewing took the Chair.*]

The TREASURER regretted that members had confined their attention more to the individual efforts of the Treasurer and the faults of the Government than to the question as to what was a fair exemption. It was the duty of the Government to draft the measure with what was thought a reasonable provision for exemption. That had been done, and it was the duty of both sides of the Committee to discuss the provision and consider if it met with the approval of the majority. Matters of detail were questions for debate; or else what need for discussion and debate at all? We should not be treated

to an exhibition of his great powers by the member for Kanowna (Mr. Walker), who always fired his broadsides when there was no need. He invoked the gods from above and the devils from beneath to condemn the Treasurer, who was the hated opponent of the workers—according to the hon. member. Why should we be treated to this exhibition? What on earth had the statement of the member for Kanowna, that the Treasurer hated and despised the workers, to do with the question? And what had the statement of members that the Treasurer knew nothing of the condition of the workers on the goldfields, to do with the question? He (the Treasurer) had more experience of the goldfields than the member for Boulder (Mr. Collier) or the member for Ivanhoe (Mr. Scaddan). As to whether an exemption of £150 was sufficient, he was glad to hear expressions of opinion from both sides of the Committee. It mattered very little to him personally whether the exemption was £150, £200 or £250; it was a matter of revenue, whether it was equitably distributed or equitably collected from the people of the State. Notwithstanding all the platitudes of the Leader of the Opposition, which he was so fond of casting across the Chamber; notwithstanding all the assertions as to the amount to be derived by this taxation from a certain section of the community, that would not affect the result one iota. If £150 was not sufficient for a man to sustain himself and wife and family, he (the Treasurer) was prepared to extend the amount of exemption. He wanted to say at once that he quite appreciated the hardships the workers and others had to put up with on the goldfields. But there were workers in the coastal and the agricultural districts whose hardships were just as great. The Government wanted an equitable solution of the difficulty, and it appeared that most members thought that £150 was too little, and £200 a more reasonable exemption. If that was the wish of the majority he would accept the suggestion, but was not prepared to accept an exemption of £300 as suggested by the Leader of the Opposition, or of more than £200, for that would cripple the measure, and prevent our rais-

ing the revenue necessary to carry on the affairs of the State.

Amendment (to strike out £150) put, and passed.

Mr. BATH moved a farther amendment (as previously suggested)—

*That the words "three hundred" be inserted in lieu.*

He would not have discussed the matter farther, but for the misrepresentation of the amendment as to the motives of its supporters. The Treasurer said the argument that the tax would be unjust to one section of the community had nothing to do with the question.

*The Treasurer* had never made such a statement.

Mr. BATH: The Treasurer had evidently a difficulty in recollecting what he said. He said it did not matter what was the incidence of the tax.

*The Treasurer*: No.

Mr. BATH: As to this, the only information furnished by the Treasurer was contained in the printed tables. Had Ministers no regard for the incidence of the tax?

*The Treasurer*: That was set forth in the exemptions, which controlled the incidence.

Mr. BATH: Yet the Treasurer said the incidence did not matter. What were his views on that question? He affirmed one thing, and denied it ten minutes later. Surely the first question was whether the incidence was equitable. Until satisfied on that point, no member had any right to support the tax. In modern times people asked how a tax would affect those who could bear it and those who could not: the object was to adjust the burden equitably on the population. It was this consideration that led the Attorney General, when a candidate for Parliament, to advocate a tax on unimproved land values, without exemption.

*The Attorney General*: And an income tax as well.

Mr. BATH: The newspapers suppressed any mention of that point. The land tax was equitable, and this Bill was a mere expedient for raising revenue. If we departed from the principles of

equity, was it not necessary that those who championed the interests of the taxpayers should try to adjust the mere expedient so that it should not press harshly on any section of the community? Ministers made the bald statement that in another State the exemption was £150, and therefore we should have a similar exemption here. But the conditions here were different. New South Wales raised 68.46 per cent. of her income tax revenue from incomes exceeding £400, and only 31.54 per cent. from lower incomes. Here it was proposed to raise £66 out of every £100 from incomes under £300, and only a little over £33 per cent. from incomes exceeding £300. South Australia raised £17,000 from incomes under £500—a direct inversion of the incidence of the tax as proposed in the Treasurer's printed statement. So there could be no possible ground of comparison between this State and New South Wales or South Australia. In view of these figures, and in justice to the great bulk of our population, we must make the exemption £300 at least.

Mr. MALE: If the amendment to insert £300 was defeated, he would move to insert £200.

Amendment (to insert £300) put, and a division taken with the following result:—

Ayes	..	..	..	19
Noes	..	..	..	21

Majority against .. 2

AYES.  
Mr. Augwin  
Mr. Bath  
Mr. Bolton  
Mr. H. Brown  
Mr. T. L. Brown  
Mr. Collier  
Mr. Fowkes  
Mr. Heilmann  
Mr. Holman  
Mr. Horau  
Mr. Hudson  
Mr. Johnson  
Mr. Scaddan  
Mr. Stuart  
Mr. Taylor  
Mr. Underwood  
Mr. Walker  
Mr. Ware  
Mr. Troy (Teller).

NOES.  
Mr. Barnett  
Mr. Brebber  
Mr. Cowcher  
Mr. Davies  
Mr. Draper  
Mr. Gregory  
Mr. Gull  
Mr. Hayward  
Mr. Keenan  
Mr. Layman  
Mr. McLarty  
Mr. Male  
Mr. Monger  
Mr. N. J. Moore  
Mr. Piesse  
Mr. Price  
Mr. Stone  
Mr. Veryard  
Mr. A. J. Wilson  
Mr. P. Wilson  
Mr. Gordon (Teller).

Amendment thus negatived.

*Second Amendment, £250.*

Mr. SCADDAN moved an amendment—

*That the words "two hundred and fifty" be inserted in lieu.*

The DEPUTY CHAIRMAN: The member for Kimberley had already been informed that he could move to insert the words "two hundred" in lieu.

Mr. SCADDAN: If an hon. member gave notice of an amendment, it could not take precedence of an amendment moved at the stage when an amendment could be moved.

Mr. Bath: If the member for Ivanhoe were not given permission to move that £250 be inserted, it would be impossible to move in that direction if the Committee accepted the amendment of the member for Kimberley.

The DEPUTY CHAIRMAN: The member for Ivanhoe was in order.

Mr. Male: But was the member for Ivanhoe right in rising before members had an opportunity of getting back to their places after the division?

The DEPUTY CHAIRMAN: The member for Ivanhoe was in order.

Mr. SCADDAN: This amendment was moved to give members an opportunity of voting for £250 to be inserted; because if they found the opportunity for doing so was gone, they would in all probability support the amendment to insert £200.

Mr. JOHNSON: It was throughout the belief that the Government had not given this question of exemptions reasonable consideration, and the Treasurer's remarks to-night showed it. Apparently the Government were laying the bald proposition before members to accept, reject, or amend it as they liked. He favoured an exemption of £250 because he had some sympathy with the workers on the goldfields. The exemption of £200 would relieve the workers on the coast who were doing the same class of work as men on the goldfields, but the men on the goldfields would not be exempt.

*[Mr. Daglish resumed the Chair.]*

Mr. JOHNSON (continuing): The Committee had already, by striking out the £150, expressed sympathy with the

workers and relieved those persons who were struggling to support their families; but if we fixed the exemption at £200 we would not give relief to those on the goldfields, but would only extend it to those in the coastal districts. The Attorney General must know that the £200 exemption would not relieve the workers on the goldfields. We should remember the conditions under which the goldfields workers worked, the risks they were taking and the small pittance they received in proportion to the risks. We should realise that we were taxing them while exempting the tradesmen on the coast. Why should we seek to penalise men for going to the most disagreeable part of the State to work in? We should avoid penalising them by accepting the amendment, and thus we would not do a distinct injustice.

Mr. STONE moved—

*That the Committee do now divide.*

*Several Opposition Members: Gag!*

The CHAIRMAN was not prepared to take the motion of the member for Greenough. The motion was not obligatory on the Chairman to take at any time, if he considered the matter had not been adequately discussed.

The PREMIER: It was a great pity the member for Guildford had not put in his plea for the workers on the goldfields when he was a member of the Labour Government, which announced as portion of its policy that it would bring in a Bill to impose an income tax with an exemption of £200.

Mr. Johnson: It was part of the Premier's policy not to bring in an Income Tax Bill.

The PREMIER: The hon. member was a member of the Ministry, and one could not see how the position had since been altered. The hon. member pointed out that while the worker on the coast would be exempted under the £200 exemption, the worker on the goldfields would not. But what did it amount to? It amounted to this: that every man earning £4 a week would be exempt, for was there any man putting in full time all the year? And in addition to that there were certain provisions for rebates as to insurance pre-

miums and friendly societies' fees, which would bring the amount down below £200. One could not see that the position was altered in any way since the hon. member was a member of the Government which proposed an exemption of £200. It was strange that hon. members opposite charged the Government with being inconsistent, yet gave evidence on all sides of being very inconsistent indeed. As a matter of fact the exemption proposed in the land tax by the Labour Government was £400, while that proposed by the present Government was £250. But all that was wiped out and the Government to-night were charged with being a pack of men absolutely devoid of any humane feeling. The attack made by the member for Kanowna on the Treasurer was unworthy of any member of this House.

*Mr. Heitmann:* It was justifiable.

*The Premier:* It was not.

*Mr. Walker:* That was a reflection. He would justify every word he had said by reference to facts. He asked that the hon. member withdraw the reflection just as he (Mr. Walker) had been called on to withdraw slighter reflections when made by him on any member.

*The Premier:* The attack made on the Treasurer was that he was practically accused of being devoid of any ordinary humane feelings. One did not see what there was to withdraw; but if the hon. member would indicate what there was to be withdrawn, he would be prepared to withdraw.

*The Chairman:* The Premier must withdraw the statement that the remarks of the member for Kanowna were unworthy of any member of the House.

*The Premier,* in accordance with the Chairman's wish, withdrew the words.

*Mr. Walker:* Unreservedly?

*The PREMIER:* Anyone who had listened to the attack—

*Mr. Walker:* The Premier had not listened to it.

*The PREMIER:* Yes; though not in the Chamber the whole of the time, he was aware that Ministers were practically accused of not giving any con-

sideration to the working man. But there were men in the Government, equally with those opposite, prepared to give every consideration to those engaged in manual work. He had worked and done as much as most members opposite, and had worked as hard. He knew what men on the fields had to put up with. He had been on the fields and had to walk for miles and carry his water-bag. Members should not believe that the only persons who gave consideration to those earning their living by manual toil were those who sat on the Opposition benches.

*Mr. WALKER:* Although the Premier had withdrawn what was said of him (Mr. Walker) as reflecting on the character of his attack upon the Treasurer, yet had the Premier remained in the House, instead of, as was customary when any great controversy was going on, leaving his colleagues to keep the House going and having their tittle-tattle to fill his ears with libels on the Opposition, he would have had a different opinion of what had been said. Had the Premier heard what had been said and had he listened as a man, which one always believed him to be, he would have been with the Opposition instead of with the Government side. Although the Opposition accused this Bill as unjust and iniquitous and decidedly disastrous to the working population of the colony, and although they described it as one particularly inflicting a burden on the worker, it was done in the cause of the State and those who had built up the State; and if what the Opposition said was unworthy, what must be the conduct of Ministers to cause such criticism, when they in their coolness of blood came down to the House without having adequately considered the proposal advanced, to inflict this tax upon the poorer population of the country? What language could describe their conduct, so as to portray it in just colours to the country? There was none. One could understand the Premier coming in at this late hour, when he should have been in his place all the night on an important measure of this kind, and in his impulsive, manly, boyish way throwing bombshells at the Opposition; as much as to say he would show them, he would

with them, as was evidenced by his attack upon the member for Guildford. That was the system adopted generally by that side of the House. It was a question of actions being governed by impulse rather than brains. If the Premier would think for a moment and go back to his young days, when he was working on the fields in the manner he described, and speak from his heart, he would frankly admit that a tax on £200 a year would be a tax on industry and nothing else. It meant taxation for the miners on the fields and exemption for the workers on the coast. Were it not for the fact that the Premier had to stick to his colleagues he would say that this was unjust; but stories had been poured into his ears—

*The Premier :* Some of the hon. member's colleagues had been pouring the Norseman Railway into his ears—that had kept him.

*Mr. WALKER :* The Premier was dazed, flattened on a sleeper, and he could therefore be forgiven in the circumstances. The clause was now worse than ever, as it differentiated between the workers on the fields and those on the coast. The tax on £150 would touch both, but now the miners on the fields would have to pay for both.

*Mr. H. Brown :* No member came here pledged to an income tax.

*Mr. WALKER :* That was so, but if there were to be a tax let it be fair in its incidence. There was no goldfields representative in the Cabinet. How could the Attorney General justify the course he had taken? The Minister nominally represented the workers on the goldfields, but took no steps to prevent this hardship being inflicted on his constituents. No member on the Ministerial side could deny the value to the State of the mining workers, the value of the industry generally, for it had built up the goldfields, and had built up the city of Perth, which would have been but a fishing village only for the fields.

*Mr. Gordon :* Oh ! oh !

*The Chairman :* Order !

*Mr. Walker :* Escaped from the Zoo again !

*The CHAIRMAN :* The member for Canning was called to order, and the member for Kanowna had no right to reply to the interjection.

*Mr. WALKER* had not heard the member for Canning called to order, and would apologise for his remark. How could the Attorney General sit silent on a question of this kind, and why did he not rise and say that an exemption on £200 a year would not relieve the workers on the goldfields, but only those on the coast ?

*The Attorney General :* Two members could not speak at the same time.

*Mr. WALKER :* If the Attorney General would defend his constituents against the unfair incidence of the tax he would say no more on it to-night. What was the Minister for Mines doing in supporting a measure of this kind ? He knew that the people of Menzies would suffer from the tax. Was it because the Labour Party chiefly represented the fields that the people up there were to be taxed ; was it to be a revenge on this side of the House that the distinction was made ? Because the goldfields members sat in Opposition, the workers up there must be penalised, and must bear the bulk of taxation. He objected to it from no mean motives, or no desire to impugn the general honesty of at all events one member of the Cabinet.

*The Premier* was prepared to fall with his colleagues, if necessary.

*Mr. WALKER :* That was the Premier's fault. Would to goodness someone could rescue a good man from those sort of colleagues ! Was it to be wondered at that the goldfields were divided as against the coast, that they clamoured for reform, that they said they never received justice from Parliament, that week after week they sent down petitions and complaints to members and to the House. The reason was transparent : exemption for workers in Perth and Fremantle, and a tax for workers on the fields. It was an iniquity which should be opposed as strongly as possible. It should be condemned as showing a want, if not of humanity, at least of common justice and ordinary fair play. He intended to fight against

the distinction between one section of the community and another.

*Third Amendment Proposed.*

Mr. MALE moved an amendment to the amendment—

*That the words "and fifty" be struck out—*[the amendment then to read "two hundred."]

The MINISTER FOR MINES had had no intention of speaking, but for the remarks made by the member for Kanowna.

*A Point of Order.*

Mr. Stone (on a point of order) : What was the Standing Order under which the Chairman had ruled him out of order ?

The Chairman : The hon. member had had an opportunity at the time the ruling was given to object ; but he neglected to take that opportunity, and therefore had no right to demand any ground for the decision. At the same time, by the courtesy of the Minister who was now interrupted and for the information of the hon. member and the Committee, also for the guidance of members whom the member now questioning his decision had consulted, he would read the Standing Order under which he had acted. Standing Order No. 1 said :—

"In all cases not provided for herein-after, or by sessional or other orders, resort shall be made to the rules, forms, and practice of the Commons House of the Imperial Parliament of Great Britain and Ireland, which shall be followed as far as they can be applied to the proceedings of this House."

In relation to a closure application there were no rules, no specific rules, under our Standing Orders ; and therefore under Standing Order No. 1, the rules of the House of Commons in that connection applied. Under Standing Order 25 of the House of Commons, it was provided :—

"After a question has been proposed, a member rising in his place may claim to move 'that the question be now put,' and unless it shall appear to the Chair that such a motion is an abuse of the rules of the House or an

infringement of the rights of the minority the question 'that the question be now put' shall be put forthwith, and decided without amendment or debate."

He (the Chairman) had decided that in this particular instance it would have been an abuse of the rights of the House if he had permitted the question to be put.

Mr. Stone : Would the Chairman kindly read Standing Order 166.

Mr. Holman : Was the member for Greenough in order in rising, when the Minister for Mines was addressing the Committee ?

The Chairman : No ; but as the question had been raised, and by the courtesy of the Minister for Mines, he had thought it his duty to quote to the Committee, as a matter of courtesy to them, the grounds of his decision. The member for Greenough was out of order in raising the point. As to Standing Order 166 to which the member now referred, that had no bearing on the case. That Standing Order 166 said : "When a motion has been made and seconded a question thereupon shall be proposed to the House by the Speaker."

*Discussion of Amendment continued.*

The MINISTER FOR MINES would not have spoken had it not been for the remarks of the member for Kanowna who put himself forward as a goldfields member, and one would think from his manner that he was the only member in the House who represented a goldfields constituency. He (the Minister) happened to be the oldest goldfields member in the House, and knew as many goldfields people as any member in the House, and he thought the goldfields people had been libelled to-night by the member for Kanowna when he wished members to believe that when it was proposed to tax the people of the State, and when it was recognised that taxation was necessary, there was a big section of the goldfields community who would say, "Tax everybody else, but put in special rules and clauses that would exempt ourselves." That was not the class of men he had met on the goldfields.

*Mr. Walker* : Who said that ?

The MINISTER FOR MINES : That was what he inferred from what the member said, that we were specially to raise the exemption to £250, that the majority of workers on the goldfields should be exempt from this taxation. The class of people he had met on the goldfields held that if taxation was necessary, they were quite prepared to pay their quota towards the revenue of the State. Members opposite had said all through the debate that if a person owned a piece of land, whether of the value of £20, £30 or £50, he should pay the land tax, but that if a man earned £4 10s. per week and did not invest 6d. of that money in a home for himself, he was to be free from taxation: It was an absurd contention. He (the Minister) believed an exemption of £150 would be fair, but the majority of members inclined to the belief that it was too low.

*Mr. Johnson* : Had the Minister announced himself in favour of a £150 exemption ?

The MINISTER FOR MINES : Of course ; that was the amount put in the Bill as a fair rate.

*Mr. Johnson* : The Treasurer had said he did not think that a fair rate.

The MINISTER FOR MINES : The people on the goldfields would be quite content to pay their quota in taxation of this sort. He did not believe a majority of the people on the goldfields for a moment would endorse the remarks of the member for Kanowna. How could a distinction be made between people on the goldfields and people on the coast ? Some members would lead the Committee to believe there was a great proportion of people on the goldfields earning £4 a week and over. But it was only the higher skilled workmen who earned that amount. The majority of those employed, other than miners underground, were earning less than £4 a week. It was the minority, and a small minority, who were earning over £4 a week on the fields ; and if these men did not invest in a home and did nothing towards paying taxation under the land tax proposals, then what reason was there why

they should not pay their share of the income tax ?

*Mr. Bath* : The unjust taxation which they had had to pay all along.

The MINISTER FOR MINES : The man who built a home had to pay taxation if it was over the value of £50 ; there being an exemption up to £50 on land ; yet on incomes it was now said the exemption should be £250. That was not quite fair.

*Mr. JOHNSON* : The Minister for Mines had missed the point which one endeavoured to make about goldfields workers. It was true that with an exemption of £150 we would exempt a small minority on the goldfields, and certain workers on the coast ; general labourers would be exempt on the coast and on the goldfields ; but with a £200 exemption, other persons would be exempt on the coast, but would not be exempt on the goldfields. There were tool sharpeners, timber men, assay men, and others who would not be exempt on the goldfields with an exemption of £200. As a carpenter, if he (*Mr. Johnson*) worked on the coast under the £200 exemption he would have to pay nothing, but if he went to the goldfields and worked he would have to pay the tax, and he could save more money on the coast at £4 a week than he could with a wage of £5 a week on the goldfields. That was why he wished to see the exemption raised to £250, which was a fair amount considering the conditions prevailing in Western Australia. A man should not be penalised because he went to work on the goldfields.

The ATTORNEY GENERAL : What the member intended the Committee to understand was that a £200 exemption on the coast would find its equivalent approximately at £250 on the goldfields. But if we made the exemption £250, exactly the same argument would apply, for £250 would find its equivalent on the goldfields at something above £250. No matter what figure one took, if we applied that figure to the coast, it would be equivalent to a higher figure somewhere else. There was a difference, as everybody knew, between the same class working in one part of the State

and another, and a difference between Kalgoorlie and distant backblocks, such as Lawlers. If one took the distinction between Pilbarra and Kalgoorlie there would be a difference. Members would find themselves in an impossible position if they considered different parts of the State. In a large State like Western Australia differences existed, and what would be a fair and equitable figure in one part would inflict some measure of hardship in another. Unless it were possible, which he did not believe, to create areas and have a different figure for each area, one could not meet the views of the whole of Western Australia. What we were forced to do was to have an average between the various areas, and take a fair sample of the whole State. If one turned attention to Kalgoorlie 13s. 4d. would amount to approximately £200 a year, and there was not a man on the fields in constant employment who did not take a holiday for a week in the year. The 13s. 4d. represented something more than the average wage paid to all classes of workers in the Kalgoorlie district, for most of them were unskilled, and did not command anything like that wage. The Kalgoorlie municipality paid its labourers 11s. a day. Truckers, mullockers, and other unskilled labour on mines did not receive 13s. 4d., and they formed the great army of workers. [Mr. Scaddan : No.] In any average mine the great majority of employees were unskilled labourers. For every drill worker there must be more than one unskilled man to get the stone to the level, and enormous numbers of unskilled hands were engaged at the reduction works.

Mr. Johnson: The great majority of these were skilled men receiving £4 10s. or £5 a week.

The ATTORNEY GENERAL: Emptying cyanide vats? It would be news to him if the wages sheet of any mine did not disclose that the large majority received either 13s. 4d. per day or less. If the Kalgoorlie workers were assured that one and all would receive an average wage of 13s. 4d., they would think the heavens had fallen; for the highly paid men were few as compared with

the total number. Therefore, the great majority would be exempt from income tax. As we could not fix a special figure for any area, and a figure fixed would release in any area the great majority of those employed, how could the incidence be objectionable?

Mr. Collier: Could not a distinction be made similar to that between town and country lands under the land tax?

The ATTORNEY GENERAL: The exemption of £50 for town lands was for land on which a man made his home, and the exemption of £250 on the unimproved value of country lands was in respect of land out of which a man earned his living. That principle could not be applied to the income tax; for whether a man earned his living in town or country, the tax would still fall on what he earned. It would be impossible to divide this vast State into areas, and make the tax different in amount or in exemption in those areas. We could not strike an average to which no exception could be taken. No matter what the exemption, we should find an area to which it would not apply; therefore it must be adjusted to suit the areas in which most of the people resided.

Mr. Troy: And it would thus prevent the outback people from living.

The ATTORNEY GENERAL: No. Taxing incomes of £350 a year would not prevent people from going outback. The hon. member himself ridiculed the idea of the £50 exemption from the land tax making any perceptible difference to the man about to build a home. We must have regard to the whole State. As to Kalgoorlie, the proposed exemption would cover the great majority of the workers, and the tax would fall only on the small minority receiving more than 13s. 4d. a day; hence the £200 exemption should be accepted.

Mr. HOLMAN: The exemption of £200 would inflict hardship on far-back goldfields workers. To reach Wiluna from Perth cost over £10; the miner's wage there was £4 1s. per week, making him liable to the tax; he had to pay more for food and clothing and to endure more hardships than the miner in Kalgoorlie. It was the same at Peak

Hill. Such workers, the pioneers of the industry, should be exempt as well as others. If a person earned £5 a week, he was in a position to pay a little extra taxation if the necessity arose; but we should make this exemption so that we could take into consideration the loss of time the people in these outback districts had to put up with in going to and from these districts, and also the distances they had to travel to get medical attendance. We should exempt the wage earners in these outback districts as well as those in other parts of the State.

Mr. STUART: It was time we ceased reminding one another of what happened years ago. No self-respecting Parliament should continue a policy such as was adopted by the Premier to-night. The Minister for Mines was wrong in saying the people of the goldfields were satisfied with the proposal now before the House. The people at Gwalia had held indignation meetings protesting against it. We should give some consideration to those men working on the mines who produced £478 of wealth per year but only received an average wage of £170. In face of those figures there was a screw loose somewhere. It was easily understood why members of the Opposition now opposed this Bill while they passed the land tax. It was because this Bill was a climb down to another Chamber. The Opposition were watch-dogs to see that the Government with their overwhelming majority did not run amok. The Attorney General had made several wild statements with regard to the customs of the people on the goldfields. The hon. member was wrong in saying that most of the workers had more than a week's holiday every year.

The ATTORNEY GENERAL: The man who had continuous employment from year's end to year's end, and was certain of his work under one employer would be extremely likely to take a week off. That showed it was extremely unlikely that £208 at £4 a week would be earned by one man.

Mr. STUART: The hon. member should know that the cyanide workers

who were mostly on piece work were among the most highly paid workers on the fields. Why should not workers live at hotels if they thought fit? It was wrong to endeavour to place the farmers and miners in antagonism. They were both on the same footing; they were both producers and were entitled to the greatest consideration. It was a pity so much heat was brought into this question to-night. The real solution was to tax the land to a greater extent; and then if that tax did not bring about a greater amount of prosperity, an income tax could be brought in as the last resort; but one was satisfied that if the land were taxed as it should be, there would be no need for an income tax. However, should an income tax be necessary, the increased prosperity brought about by the increase in land taxation would so shift the weight from the workers that they would not mind the imposition of a land tax.

Mr. TROY: The Minister for Mines was wrong in saying the Opposition labelled the people on the goldfields. The point was that the confidence of the people of the goldfields had been violated by the action of the Government. Ministers had not consulted their electors in regard to the income tax. No doubt it would be impossible to make an exemption that would suit all areas in the State; but we could exempt the livelihood of the people. He would be satisfied if the people in the outback areas had an exemption provided which would exempt their livelihood from being taxed.

The CHAIRMAN: The amendment was to insert the words "two hundred and fifty pounds," and to this a farther amendment had been proposed that the words "and fifty" be struck out.

Mr. SCADDAN: In the event of the farther amendment being carried, would it be possible to insert the words "and eight," so that a man receiving £4 a week would be exempt?

The CHAIRMAN was willing to accept the amendment, although technically there might be a point raised about the word "and." He was sure, how-

ever, that the fullest opportunity for arriving at a decision should be allowed the Committee.

Farther amendment (to strike out "and fifty") put, and a division taken with the following result:—

Ayes	..	..	23
Noes	..	..	18

Majority for .. .. 5

AYES.	NOES.
Mr. Barnett	Mr. Angwin
Mr. Brebber	Mr. Bath
Mr. Cowcher	Mr. Bolton
Mr. Draper	Mr. H. Brown
Mr. Eddy	Mr. T. L. Brown
Mr. Ewing	Mr. Collier
Mr. Gordon	Mr. Davies
Mr. Gregory	Mr. Heitmann
Mr. Gull	Mr. Holman
Mr. Hayward	Mr. Horn
Mr. Keenan	Mr. Hudson
Mr. Male	Mr. Johnson
Mr. Mitchell	Mr. Scaddan
Mr. Monger	Mr. Stuart
Mr. N. J. Moore	Mr. Underwood
Mr. Piesse	Mr. Walker
Mr. Price	Mr. Ware
Mr. Smith	Mr. Troy (Teller).
Mr. Stone	
Mr. Verryard	
Mr. A. J. Wilson	
Mr. F. Wilson	
1 Mr. Layman (Teller).	

Farther amendment thus passed for striking out "and fifty."

Question stated, that the words "two hundred pounds" be inserted.

#### *Fourth Amendment moved.*

Mr. SCADDAN moved a farther amendment on the amendment—

*That the words "and ten" be inserted before "pounds" [the amendment then to read "two hundred and ten pounds."].*

The reason for the amendment was that persons in receipt of 13s. 4d. per day or £4 per week should be exempt; otherwise a person who was in receipt of constant employment at that wage would have to pay income tax on £100 a year.

Mr. ANGWIN: It would be well for Ministers to withdraw the Bill, and try to show the country by their actions what they had been trying to make the country believe by their words during the last 12 or 18 months. It was evident from the proceedings in connection with the Bill that the Government as a whole had not considered the measure. There was a possibility that with the increasing trade expected this year, the

Government would be able to make both ends meet without imposing taxation.

Mr. H. BROWN: The farther amendment was a good one, and would receive his support. It was pitiful to realise that of the 20 odd members on the Ministerial side of the House, not one had been returned to support an income tax. The position could be understood when one considered that some few weeks ago, when moving for a select committee to make inquiries as to the subsidies paid to municipalities—

The CHAIRMAN: The hon. member was out of order, as the question before the Committee was that the words "and ten" be added. The member could speak only on that question, and not about subsidies or about the principles of an income tax.

Mr. H. BROWN: This was the third time he had been ruled out of order. He was only trying to show there was no necessity for the imposition of the tax. Not one member was returned to support it.

The CHAIRMAN: The member was altogether out of order. Such remarks were all very well in a second-reading debate, but could not be allowed when an amendment was being discussed in Committee.

Mr. H. BROWN: The tax was introduced by members on the Ministerial side, for the purpose of affecting the so-called unionists. Ever since he had been returned to the House, he (Mr. Brown) had been a friend of the worker; and he objected to the tax being levelled against one section of the community. He intended to move to increase the exemptions as far as possible, for a salary of £210 a year was altogether too small to warrant an income tax being paid from it. The movement on the part of the Government was in reality only another means of getting at civil servants. They knew that a retrenchment policy could not be indulged in, so they were making the civil servants pay in an indirect manner, and were in reality reducing salaries through the medium of an income tax.

Mr. GULL supported the amendment. As to the strictures from the member

for Perth. wherein he said there was not one member on this side of the House returned to support the income tax—

The CHAIRMAN: The member for Perth had been ruled out of order for referring to that, and no more could be said on it.

Farther amendment (£210) put, and a division taken with the following result:—

Ayes	.. ..	18
Noes	.. ..	23
		—

Majority against 5

AYES.	NOES.
Mr. Angwin	Mr. Barnett
Mr. Bath	Mr. Brabber
Mr. Bolton	Mr. Cowcher
Mr. H. Brown	Mr. Draper
Mr. T. L. Brown	Mr. Eddy
Mr. Collier	Mr. Ewing
Mr. Davies	Mr. Gregory
Mr. Heitmann	Mr. Gordon
Mr. Holman	Mr. Gull
Mr. Horan	Mr. Hayward
Mr. Hudson	Mr. Keenan
Mr. Johnson	Mr. Male
Mr. Scaddan	Mr. Mitchell
Mr. Stuart	Mr. Monger
Mr. Underwood	Mr. N. J. Moore
Mr. Walker	Mr. Piesse
Mr. Ware	Mr. Price
Mr. Troy (Teller).	Mr. Smith
	Mr. Stone
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Layman (Teller).

Amendment on amendment thus negatived.

Amendment (exemption up to £200) put and passed.

#### Other Amendments Proposed.

The TREASURER moved an amendment—

*That in line 1 of paragraph (c), Subclause 1, the word "subsections" be struck out, and "paragraphs of this subsection" be inserted in lieu.*

Amendment passed.

Mr. BATH moved an amendment—

*That Subclause 2 be struck out.*

The object was to make the exemption of £200 apply to all incomes; and he intended farther to move that the following be inserted in lieu of Subclause 2:—

"Any person may in the prescribed manner deduct from his total annual income from all sources the sum of £200, and the balance, if any, shall

form the taxable amount on which the tax shall be levied."

The ATTORNEY GENERAL: To strike out the subclause would not attain the object, namely that all incomes should have the sum of £200 deducted, and that income tax should be paid on the balance. If the amount were passed, £201 would be liable to pay a tax on the whole of that amount. Subclause 1 would require redrafting.

Mr. BATH: Subclause 1 provided for the levying of the tax and the exemptions; and if Subclause 2 were struck out, the £200 exemption would apply all through.

Mr. H. BROWN moved—

*That progress be reported.*

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

Ayes	.. ..	11
Noes	.. ..	28
		—

Majority against .. 17

AYES.	NOES.
Mr. H. Brown	Mr. Angwin
Mr. T. L. Brown	Mr. Barnett
Mr. Collier	Mr. Bath
Mr. Holman	Mr. Brabber
Mr. Horan	Mr. Cowcher
Mr. Hudson	Mr. Draper
Mr. Troy	Mr. Eddy
Mr. Underwood	Mr. Ewing
Mr. Walker	Mr. Gordon
Mr. Ware	Mr. Gregory
Mr. Heitmann (Teller).	Mr. Gull
	Mr. Hayward
	Mr. Johnson
	Mr. Keenan
	Mr. Male
	Mr. Mitchell
	Mr. Monger
	Mr. N. J. Moore
	Mr. Piesse
	Mr. Price
	Mr. Scaddan
	Mr. Smith
	Mr. Stone
	Mr. Stuart
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Layman (Teller)

Motion thus negatived.

Mr. H. BROWN moved—

*That the clause No. (16) be now put.*

The CHAIRMAN: The amendment was that Subclause 2 be struck out.

Mr. BATH: And that certain words be inserted in lieu.

The TREASURER accepted the amendment on the understanding that it meant an exemption of £200 on all incomes, and not a graduated exemption.

Mr. H. BROWN: This was the greatest prostitution of politics he had ever seen in his life.

The CHAIRMAN: The hon. member must withdraw those words.

Mr. H. BROWN withdrew the words; but what could he say when he saw the Government, who were pledged to an exemption of £150, agreeing in open Parliament with the Leader of the Opposition to increase the exemption to £200? This was the most puerile concession even seen in the House. It was a case of getting the Bill through at any cost, to placate the Labour Party. It would go forth to the country that the Government with a large majority behind them, not one half or one quarter of whom were pledged to the income tax, had pandered to the Labour Party to carry this measure.

Mr. COLLIER: Did the amendment mean an exemption of £200, irrespective of what might be the total income? Would the man with £2,000 a year have the £200 exemption? [*Members: Yes.*] That was not fair. A man should be taxed according to his ability to pay; and the man with a large income was better able to pay the tax without exemption than a man with a small income to pay it with exemption. It would be reasonable that incomes not exceeding £500 should be exempted as proposed in the amendment.

Mr. SCADDAN: This matter needed consideration, and we should report progress. The Government should provide additional tables showing the incidence of the amendment. What amount would be derived under this proposal? A person receiving £250 would pay a tax of 16s. 8d. on £50 at 4d. in the pound, whereas under the proposal in the Bill he would pay on £150, or £2 10s. Under the amendment a person receiving £1,000 would pay £13, and under the Bill he would pay on the whole £1,000. The amendment must make a considerable difference to the revenue, and we should not vote in the dark.

The PREMIER: The last speaker did not ask for fresh information when he suggested an exemption of £250. The amendment now before us, instead of

graduating the exemption, would make one exemption for all incomes. The man with an income of £500 would pay £5, being a tax on £300 at 4d. in the pound. The amendment would simplify the tax.

Amendment put and passed.

The TREASURER moved an amendment—

*That the word "immediately," in line 3 of Subclause 3, be struck out, and "ending the thirty-first day of December next" be inserted in lieu.*

Mr. A. J. WILSON: Would the £200 exemption apply to absentees?

The TREASURER: Yes.

Mr. A. J. WILSON: The exemption to residents was granted largely on account of the high cost of living. The absentee did not benefit the State by his expenditure in the country where he lived; consequently he ought not to have this exemption.

The TREASURER sympathised with the suggestion, and would consider the matter with a view to depriving the absentee of the exemption.

Amendment passed; the clause as amended agreed to.

Clause 17—Concession where land and income tax assessed on the same land:

Mr. MALE moved an amendment—

*That the word "guano" be inserted after "clay," in line 2 of paragraph (a).*

Mr. SCADDAN: Would this amendment have the effect of taxing a firm that was making a handsome income out of guano? Would it mean that the syndicate would pay both land tax and income tax?

The Treasurer: Yes.

Amendment passed; the clause as amended agreed to.

[12 o'clock midnight.]

Clause 18—Residences etcetera chargeable as incomes:

The TREASURER moved an amendment—

*That after the word "goods," in line 3, the words "or sustenance" be inserted.*

If a person received sustenance as portion of his income, tax should be paid on it.

Mr. A. J. WILSON : We could not very well assess the value of sustenance. It would be carrying the inquisitorial nature of this Bill to an overwhelming degree.

Amendment passed.

Mr. WALKER moved an amendment—

*That the following words be deleted from the clause:—"The use and enjoyment of any house or portion of a house shall be charged as income, notwithstanding that the person using and enjoying the same may be under any obligation or duty to use or enjoy the same."*

The TREASURER : One could not conceive the object of the amendment. If a resident magistrate or mine manager had quarters assigned to him, surely he should pay income tax on the value of that portion of his income.

Mr. Heilmann : Many civil servants received lodging allowances on which they had to pay income tax.

Amendment put and negatived.

Clause as previously amended put and passed.

#### *House Rent, as to Exemption.*

Clause 19—Taxable amount where land is held for residence :

Mr. BATH opposed the clause on the ground urged by several during the night, that a person who by his thrift erected a home should be encouraged. The clause provided that where land was to be used for the purpose of residence or enjoyment, and not for the purpose of profit or gain, it was to be deemed to return to the owner an income of £4 per centum per annum on the actual value. This reading of the clause showed no justification for it to be treated as income. The clause itself said the land did not produce income. The only attempt to justify the clause was when the Treasurer urged that it was to put the man who owned property on the same basis as the man who paid rent. But the proper way to go to work was to exempt

the man paying rent to the extent of his rent, and not to add to the income of the owner of the house an amount which was regarded as income when by the reading of the clause no income was derived.

[Mr. Hudson took the Chair.]

The TREASURER : The hon. member would not suggest that we should permit a reduction for rent. We had to consider what the income was and what was legitimate expenditure against the income. The legitimate expenditure against a man's income was the cost of living, including house rent, clothing and food. If we exempted house rent, we might as well exempt the cost of clothing and food, and then there would be nothing to tax. The clause was eminently fair. The principle was that a man had to pay tax on his income and on his rent as portion of the natural expenditure against that income. Therefore the man who could afford to buy a house would pay on a fair estimate of the rental value of the house, which was assessed by taking four per cent. on the capital value. If it was proposed to exempt rent paid, the hon. member might as well exempt lodging allowances which did not represent hard cash, but were portion of many persons' incomes. Ninety per cent. of the people had to pay the equivalent of lodging allowances in hard cash. Just the same, many people had to pay hard cash for rent. Surely the hon. member would not argue that we should deduct rent.

Mr. A. J. Wilson : How would we deal with the case of a person buying a house on the rental principle ?

The TREASURER : We would not assess that, but assess the man's income ; but we did not need to take into consideration the fact that he was purchasing a house under those conditions. A man paid the tax on his income and what he did with the income did not matter. Buying the house was not taken into consideration.

Mr. Scaddan : According to this clause that individual would have four per cent. added.

The TREASURER : No ; the man was not the owner of the property until

be acquired it; and until then, there was no concern about the matter. The Commissioner of Taxation would simply collect on the income. If the man liked to spend portion of his income in acquiring a house by the time payment or rental system, it would be time enough to deal with the property when the man acquired the house. It was to be hoped members would pass the clause, because this provision would make a considerable difference to the revenue, now that we had already decided to grant the exemption up to £200.

Mr. WALKER: This was evidently a tax on thrift.

The Treasurer: An income tax was a tax on thrift.

Mr. WALKER: If a man secured a block of land and put up a house, he was still to be taxed as if he did not make sacrifices to obtain the property.

The Treasurer: What then about the wealthy man who spent £10,000 on his house? Would we let that man off?

Mr. WALKER: A large number of people in and around Perth had built their own homes. There was the settlement at Mt. Lawley, for instance, and in that suburb nearly all the residences belonged to the occupiers. Under this clause those people, notwithstanding the self-denial they had exercised in saving money to build their homes, would have to pay extra taxation. Instead of taxing properties such as those, people should be encouraged and offered a premium to erect homes for themselves.

The TREASURER moved an amendment—

*That the word "thereof" be struck out, and "of such land and improvements" be inserted in lieu.*

Mr. HEITMANN: In the case of a man who received a salary of £200 a year and lived in his own house, valued say at £500, would his income be increased under the clause by the sum of £20? The owner had already paid an income tax on the money with which he had built his home.

Mr. SCADDAN: The result of the amendment would be that a man would be taxed on any improvements he made to his dwelling-house.

The CHAIRMAN: The hon. member must keep to the amendment.

Mr. SCADDAN: If a man improved his residence it was wrong to add the value of such improvements to his income and make him pay a tax on it. People should be encouraged to beautify their homes.

Mr. ANGWIN opposed the amendment.

Mr. STUART: The amendment would have the effect of deterring people from endeavouring to obtain their own homes.

The CHAIRMAN: The hon. member was dealing with the clause rather than the amendment.

Mr. STUART: A railway employee receiving a certain salary was compelled to pay rent for a house belonging to the Government, and in which he was compelled to live. After residing there for some time he might take part of his savings out of the bank, build his own house, and for £200 or £300 become his own landlord. The amendment was a proposal members should object to; it was on a par with rack-renting. If a man increased the value of his home, he should not be penalised to the extent of four per cent. per annum.

The CHAIRMAN: The member was going beyond the amendment.

Mr. WALKER: When an amendment was moved to a clause, both the amendment and the clause were under consideration.

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

Ayes	..	..	..	21
Noes	..	..	..	13

Majority for .. .. 8

AYES.		NOES.	
Mr. Barnett		Mr. Angwin	
Mr. Brebber		Mr. Bath	
Mr. Cowcher		Mr. T. L. Brown	
Mr. Eddy		Mr. Collier	
Mr. Ewing		Mr. Holman	
Mr. Gregory		Mr. Horan	
Mr. Gull		Mr. Scaddan	
Mr. Hayward		Mr. Stuart	
Mr. Keenan		Mr. Troy	
Mr. Layman		Mr. Underwood	
Mr. Male		Mr. Walker	
Mr. Mitchell		Mr. Ware	
Mr. Monger		Mr. Heitmann (Teller).	
Mr. N. J. Moore			
Mr. Price			
Mr. Smith			
Mr. Stone			
Mr. Vervard			
Mr. A. J. Wilson			
Mr. F. Wilson			
Mr. Gordon (Teller).			

Amendment thus passed.

Mr. BATH: The remarks of the Treasurer on the clause absolutely gave emphasis to the opposition shown to it. The Treasurer made the astounding statement that 90 per cent. of people in populous centres were paying rent, consequently he would lose too much if 90 per cent. of the population were paying rent. It meant, in order to get the small amount of income from each taxpayer that would be derived from this source, the Treasurer was placing a heavier tax on the people paying rent than on the landlords. If 90 per cent. were paying rent, then all the more reason why they should not be oppressed. [Mr. Angwin: Sixty per cent.] No doubt less than 90 per cent. were paying rent. This proposal was evidently a sop to the landlords.

The Treasurer: The landlord would pay it.

Mr. BATH: Only on the unimproved land. The landlord got off almost scot-free. It was a most extraordinary proposition; one hardly knew how to describe it. It was an indiscriminate method of reaching out to grab revenue without any justice.

The ATTORNEY GENERAL: If members looked up any Act in force in Australia or in New Zealand imposing an income tax, they would see provision was made as to arriving at the taxable amount, that no amount was allowed for rent paid; the deduction being made only in cases where a man was assessed on a business to the extent of the business premises and no more. The same provision was made in this Bill. A provision for excluding rent paid for domestic premises was common to every Act in force in Australia and New Zealand. It was only fair, where the taxpayer occupied premises and had put a lump sum down to become the owner of the premises, for the State to say it would assess four per cent. as the value of the premises. Suppose the same man put the money into anything else producing income, would not that man be taxed on that income?

Mr. Scaddan: He would then be deriving cash from the investment.

The ATTORNEY GENERAL: What was the difference between four per cent.

on the value of the property and an equivalent sum paid in rent? If a man owned land the unimproved value of which was only £50, he need not pay the land tax, and we had passed an income tax exemption of £200; therefore the small man could not be affected by this clause, which would mulct none but those who held land of which the unimproved value exceeded £50, or who had incomes exceeding £200 including four per cent. on the actual value of the land and improvements. It was farther provided in Subclause 2 that the liability of such person to the tax in respect of his income and land was to be the whole liability. Whichever asset was the less would extinguish the other, from the Commissioner's point of view. The clause would affect only the man who owned a costly residence.

Mr. DRAPER: The illustrations hitherto given were of little value. Taking the unimproved value of the land itself as compared with the value of land and house combined, the unimproved value of the land would be one-fourth to one-third of the whole. Assuming it to be one-third, four per cent. on the capital value of a house and land worth £1,000, the income tax payable on the house would be 13s. 4d. If the value of the land were £330, not quite one-third, the land tax would be 13s. 9d. There was practically no difference. If the value of the land were a quarter of £1,000, or £250, the land tax would be about 10s. 5d. and the income tax 13s. 4d. The subclause would only complicate the measure, and was unnecessary, as the revenue was protected by the land tax provisions of the Bill.

Mr. ANGWIN agreed with the last speaker. We should try to induce residents to make their homes in this State, and we should best do that by encouraging them to erect houses of their own. Many people bought land by instalments, camped on it in tents till they obtained the freehold, and in their spare time built a house. Were we to put an extra tax on such people because they endeavoured to make the State their permanent home? Many of them raised money on mortgage to improve their houses. Were they to be taxed while paying off the mortgages?

Mr. SCADDAN: The subclause did not improve the Bill, and should be struck out. That it could not affect the small man was beside the point. A man on a quarter-acre might erect a house worth £3,000, though the land, owing to its situation, might not be valued at more than £25; yet four per cent. of the value of the improvements would be added to that man's income. The Minister would say a man who could spend so much on a residence ought to be taxed; but as the man earned the money so spent, or earned interest on it, his earnings would be taxed as income. This was continuing the old system of penalising improvements—a system condemned for years. An attempt had been made to alter this unfair method of rating in the Municipalities Act, but the reform was blocked in another place.

*The Attorney General:* The two cases were not identical.

Mr. SCADDAN: Practically identical. Every improvement to a man's residence or to the grounds surrounding it would increase the value of the property and would be taken as increasing his income, though for the first five years the improvements might not result in any increase of income.

*The Attorney General:* The amount paid as rent was not deducted under the Income Tax Act of any other country.

Mr. SCADDAN: Rent was part of a man's legitimate expenditure.

*The Attorney General:* So was expenditure on food and clothing.

Mr. SCADDAN: In most instances the rate of wages was based on the cost of living, irrespective of rent.

*The Attorney General:* Did not the cost of living include rent?

Mr. SCADDAN: Rent was never considered by the Arbitration Court in this State. In giving wages awards, the Arbitration Court did not take into consideration the rent a man paid; it merely took into consideration the conditions on which a man could exist. True the landlord would have to pay a tax on rents, but there was such a thing as contracting out of liability in that respect.

Mr. STONE: To secure a home a man had a big struggle, first of all to get the land and then afterwards to pay the interest on the mortgage raised for the purpose of erecting the home. In many cases the interest amounted to almost the rent of a house, but under this proposal there would be a double tax; the mortgagee would pay income tax on the interest received from the mortgagor, and under this clause the householder would pay income tax on four per cent of the value of the property.

*The Treasurer:* The householder set off the interest as an outgoing against income.

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

Ayes	..	..	..	19
Noes	..	..	..	16

Majority for .. 3

AYES.	NOES.
Mr. Barnett	Mr. Angwin
Mr. Brebber	Mr. Bath
Mr. Cowcher	Mr. H. Brown
Mr. Eddy	Mr. T. L. Brown
Mr. Ewing	Mr. Collier
Mr. Gregory	Mr. Draper
Mr. Gull	Mr. Heitmann
Mr. Hayward	Mr. Holman
Mr. Keenan	Mr. Horan
Mr. Layman	Mr. Scaddan
Mr. Male	Mr. Stone
Mr. Mitchell	Mr. Stuart
Mr. Monger	Mr. Underwood
Mr. N. J. Moore	Mr. Walker
Mr. Price	Mr. Ware
Mr. Smith	Mr. Troy (Teller).
Mr. Vervard	
Mr. F. Wilson	
Mr. Gordon (Teller).	

Clause as amended thus passed.

[Mr. Ewing took the Chair.]

#### *Exemption of Certain Incomes.*

Clause 20—Exemption of certain incomes:

The TREASURER moved an amendment—

*That Subclause 2 be struck out, and the following inserted in lieu:—"2. The incomes of life assurance companies and of companies or societies not carrying on business for purposes of profit or gain; but this exemption shall not apply to incomes derived from interest on investments."*

The subclause in the Bill provided that the incomes of mutual life assurance societies and of other companies or societies not carrying on business for purposes

of profit or gain were exempt, but the amendment would provide that the exemption should not extend to the interest on investments. If the capital, in the shape of premiums, subscribed beyond the requirements of the society, were invested, it was a fair thing that the State should receive income tax on the interest earned by the investments. The principle was that instead of taxing the individual premiums, we taxed them collectively. These companies were treated rather harshly in other States. In Queensland they were made to pay an income tax of 25 per cent on the total incomes on ordinary business and 15 per cent. on industrial business, while in Victoria the percentages charged were 30 and 15 respectively. It seemed rather harsh that where people combined together for mutual benefit in the way of life assurance, the tax should be imposed on the capital subscribed in the way of premiums. In New Zealand these societies were exempt in regard to incomes derived from investments other than mortgages on land and property. But mortgages formed the principle investment and they paid a direct land tax of  $\frac{3}{4}$ d. in the pound on the capital value; so we could not compare New Zealand with this State. We put these companies on a better footing and a much more equitable one than Victoria and Queensland did.

Mr. DRAPER regretted the Treasurer was now seeking to amend the subclause, because as it was in the Bill it appeared to be an exemption one might expect, having regard to the fact that mutual life assurance companies were really bodies that encouraged thrift and protected people who in their old age or by reason of the death of bread-winners might be left destitute. It appeared that while the Treasurer admitted that life assurance companies not carrying on business to make a gain or profit should be exempt, yet a distinction was drawn in the case of companies when investing funds they acquired in order to provide profits for paying the insurance of their members. A member of a mutual life assurance company was a policy holder. Such a life assurance company distri-

buted no profits among its members, but whatever profits might be made in the ordinary course of business were apportioned by way of a bonus in addition to the policy of the assured. In this case, the Treasurer practically admitted that on the premiums which these life assurance companies received income tax should not be imposed. Then there could be no reason why, when the premiums were converted into investments, which were generally in the shape of mortgages on land, they should be taxed, for this meant that instead of placing the money in a savings bank or in a deposit account at a bank, it was placed in some security which might give a certain amount of income, while the benefit of that income first of all went in defraying the necessary expenditure of carrying on the society, and secondly, was distributed by way of bonuses among the members of the society who were all policy-holders. These societies did much good to the State, and to a large extent a mutual assurance society did something to meet the want of an old age pension. The average amount of the policies in these societies in Australia was about £270. This was a small amount and it was evident, therefore, that the policy holders were not rich men. Clearly the premiums should not be taxed, and it was a fallacy to tax the funds in which the premiums might ultimately be invested. What would be the result of a tax of this nature? In life assurance business many contracts entered into were of a number of years' standing, and on the faith of a certain state of things continuing to exist. The effect of taxation of this kind would merely be to reduce the bonuses payable, and would really deprive people in their old age of some additional income which they had a right to expect, and take from the widows and children some of their income after the death of the assured. The rates of the life assurance societies were constant in Australia, but if taxation were imposed the result would be to increase the rate, and a man who had taken out a policy in another State, and while there paid a certain rate, would find, if he moved to Western Australia, he would have to pay

an extra rate here. Premiums were based on actuarial calculations, and when anything was done to affect those calculations, it was an interference with the business of the society. The societies were not founded for the purpose of profit or gain, but to encourage thrift, and to make provision for people in their old age.

Mr. H. BROWN: It would be a mistake to tax the life assurance companies. Considerable sums of money were invested by them in public funds, and it would be a sorry day for Australia if the societies withdrew their capital from the municipalities or States. Where bodies of men were banding together to save a State from the payment of old-age pensions every help should be given to them. It would be wise for the Committee to leave insurance companies alone, or only to tax those which were dividing their profits among a few big shareholders.

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

Ayes	..	..	..	19
Noes	..	..	..	15

Majority for .. .. 4

#### AYES.

Mr. Brebber  
Mr. Cowcher  
Mr. Eddy  
Mr. Gordon  
Mr. Gregory  
Mr. Gull  
Mr. Hayward  
Mr. Keenan  
Mr. Male  
Mr. Mitchell  
Mr. Monger  
Mr. N. J. Moore  
Mr. Price  
Mr. Smith  
Mr. Stone  
Mr. Veryard  
Mr. A. J. Wilson  
Mr. F. Wilson  
Mr. Layman (Teller).

#### NOES.

Mr. Angwin  
Mr. Bath  
Mr. H. Brown  
Mr. T. L. Brown  
Mr. Collier  
Mr. Draper  
Mr. Heitmann  
Mr. Holman  
Mr. Horan  
Mr. Scaddan  
Mr. Stuart  
Mr. Underwood  
Mr. Walker  
Mr. Ware  
Mr. Troy (Teller).

Amendment thus passed.

Mr. BATH: Would the exemption apply to incomes derived by a friendly society which lent money to someone outside the circle of membership, although the purport of the investment was to help the sick or accident fund of the society, as the case might be. The section of the Victorian Act was similar to the clause in the Bill, with the exception that it did not include the words "but

in respect only of business carried on within its circle of membership."

The TREASURER: This subclause was taken from the New Zealand Act.

Mr. Bath: Why did not the Government take the Victorian provision?

The TREASURER could not answer that question, and he could not give a legal opinion on it. If money was invested outside the membership of a friendly society, the Government could collect the tax on the interest derived. The same argument applied to mutual assurance companies; if the funds were subscribed by the members before the funds were required for the purposes of the society they were invested and earned interest. The Treasurer was entitled to collect income tax on the profits so derived. If the funds were not subscribed by members the individual members would have the money, and the Treasurer would collect from the individual members. It was on exactly all fours with a mutual life assurance company. It was a reasonable clause. He moved an amendment—

*That in Subclause 5 the words "trades union" be struck out, and "trade and industrial union" inserted in lieu.*

There were industrial unions that did not come under the category of trades unions. Amendment put and passed.

Mr. ANGWIN moved an amendment—

*'That all the words after "union" in line 2 of Subclause 5 be struck out.*

Members of various friendly societies must subscribe to comply with the Friendly Societies Act; if they did not do so the society would become insolvent. The management of the society was very small indeed, and if societies were allowed to use the interest to carry on the society, there would be no income from investments at all. This proposal meant double income tax on members of friendly societies or trade and industrial unions.

Mr. COLLIER: It was never intended to tax the funds of friendly societies. Although friendly societies invested money they were only making a temporary profit from year to year, until they got a certain sum together for a certain

purpose; it was only to meet future liabilities. Take the Orphans' Home, owned by the Independent Order of Oddfellows; before the building was erected the society had been collecting funds for years, but under the Bill they would have been paying income tax on the money collected each year. Institutions such as these were doing good work, relieving the State of expenditure in later years, in making provision for the aged and infirm; and if societies did not make provision for members the State would be called on to do so.

Mr. VERYARD: The Treasurer would do well to agree to the amendment. As a trustee of friendly societies he knew it was necessary that the funds should be carefully nursed. The funds of these institutions were divided into management, funeral, sick, and death funds; and these funds were invested so that in the case of death or sickness the funds would be available. Some societies provided pensions, consequently the Treasurer would be doing an injustice to these institutions by retaining the clause.

*The Treasurer:* The provision was in the New Zealand Act.

Mr. VERYARD: These institutions could not afford to lose money. The weekly contributions were very small and only sufficient to keep the societies solvent, and the management looked to the interest to assist the funds in time of need.

Mr. UNDERWOOD: If any exemption was warranted at all, it was that of the funds of friendly societies. The argument that societies collected more than was required was ridiculous.

*The Treasurer:* It was a fact all the same.

Mr. UNDERWOOD: It was collected before it was required, but not more than was required. As to investing the funds amongst members, he had never known any funds invested amongst the members of a society. The members of friendly societies generally were not borrowers. The funds were usually placed on fixed deposit or lent on mortgage, but were rarely lent to members.

Mr. H. BROWN would vote for the amendment. Though an Oddfellow for twenty years, he had not received any

benefit from the order. Such societies ought to be encouraged, as they lessened the need for old-age pensions. The Bill throughout penalised thrift. Friendly societies, instead of being taxed, should be subsidised; yet the Government refused a paltry £250 in aid of the societies' dispensary in Perth, whereas thousands were wasted in interest on the cost of septic tanks erected years before they were needed.

Mr. SCADDAN: The State should subsidise instead of taxing friendly societies, which carried much of the burden that the State must otherwise bear. The salaries of the societies' officers were taxed, and no other members received any money except the sick or the funeral benefits. The proceeds of investments were not distributed as profits; and even if huge sums were accumulated, they would be used only in the event of a heavy call. Such reserves were compulsory.

The TREASURER had already said he could not give a legal opinion on the subclause, which was practically the same as that in the New Zealand Act. Friendly societies did good work, and ought to be encouraged. In the circumstances, he would not oppose the amendment.

Mr. H. BROWN: The Registrar of Friendly Societies had practically tried to damn them by insisting that £10 per head should be kept in hand for emergencies. The Government prohibited them from making a profit, and taxed them for accumulating money.

Amendment put and passed.

[*Mr. Dalgligh took the Chair.*]

Mr. COLLIER: Subclause 6 provided for the exemption of incomes and revenues of ecclesiastical, charitable, and educational institutions of a public character, whether supported wholly or partly, or not at all, by the consolidated revenue. Were there any such public institutions which did not receive support from the revenue?

The TREASURER: The question could not be answered off-hand. The Guildford Grammar School was a public institution not supported by the State. The profits of that school would be taxable.

Mr. COLLIER: The words "or not at all" would exempt the profits of private schools run as commercial undertakings. They should be taxed.

Mr. H. BROWN moved an amendment—

*That the words "and educational," in line 2 of Subclause 6, be struck out.*

The Guildford Grammar School was practically controlled by one person, who was said to receive therefrom a handsome return, including a profit on produce supplied to the institution. He should not go scot free.

Mr. SCADDAN: An "educational institution of a public character" should be defined. The Scots College and similar institutions were businesses from an income-tax point of view; though the more high schools we had the better.

The TREASURER: The subclause was taken from the New South Wales Act, which exempted such institutions, "whether supported wholly or partly by grants from the consolidated revenue, or not." The Guildford Grammar School, being privately owned and carried on for profit, must pay income tax. He would make a note of the matter, but it was not intended to exempt these secondary schools.

The CHAIRMAN: Was the amendment withdrawn?

Mr. H. BROWN: No. We had no assurance from the Treasurer that the Guildford Grammar School would not be exempt from taxation.

*The Treasurer:* It was not exempted; but if on inquiring into the matter he found he was wrong, he would have the clause amended.

Amendment put and negatived.

[2 o'clock a.m.]

Mr. SCADDAN: There was another subclause opposed to the expressed intention of the Ministry that every person in the State irrespective of his position should bear his share of the taxation. By this subclause the income of the Governor was exempt. Why should he be provided that he was exempt not only Governor be exempt any more than any person receiving salary from the consoli-

dated revenue? He moved as an amendment—

*That Subclause 7 (exempting the Governor's salary) be struck out.*

The PREMIER: A similar provision was made in all Acts having exemptions. When a Governor was appointed it was usual in the conditions of the engagement from income tax but also from customs taxation; and at the present time there was a clause in the Federal Tariff Bill, now under consideration, to exempt the Governor General and all State Governors from customs taxation.

Mr. COLLIER: It was an absolutely inequitable provision. One could not comprehend why any person in the State should be exempt. We should not exempt this person because he occupied the highest social position in the State. Every citizen should be taxed. If members had any consideration for justice, the amendment would be carried.

Mr. H. BROWN supported the amendment, especially when he saw that the patriotic attitude of members of the Opposition prevented Ministers from reducing their own salaries.

Mr. STUART: It would be interesting to have a return showing what goods the Governor had imported free of customs duty. The salary given to the Governor was sufficient to enable him to pay the same taxation as other citizens. To put the matter vulgarly, this was "greasing the fat hog"; and if no State had yet put forward a protest against this exemption of the Governor, it was time we did so. It was to be hoped the time would arrive when we could get rid of Governors; but if we were to have them, we should only appoint them on condition that they did not receive those emoluments in addition to their salaries. Because this had been going on since Australia was a convict settlement, was no reason why we should continue it.

Mr. TROY supported the amendment. There would soon be opportunity, on the expiration of the present Governor's term of office, to tax the Governor's salary so that the next occupant of the office would know how he stood. There was no reason why the Governor should be exempt

any more than any other person in the State. The Governor received no small salary for certain not arduous duties, and there was more justification for taxing his salary than for taxing the salaries of those in receipt of over £200 a year. Precedent was not always the best thing to follow. The amendment was fair and equitable, and should be carried.

Mr. SCADDAN: The Governor received £4,000 a year in salary, and did not have to pay customs duties; while in addition the State provided him with a mansion in Perth and a summer residence at Rottneet. It was absolutely unfair to exempt such a person.

The ATTORNEY GENERAL: If the hon. member had chosen to investigate the question, he would have satisfied himself that the provision was neither abnormal nor unique. In a Bill now before the Commonwealth Parliament, provision was made to exempt the Governor General and the State Governors from the operation of State taxation. This was done because, so long as the State had a Governor, that official stood in the place of the Crown, and we could not call upon the Crown to pay taxation. If it were thought proper, let the position of Governor be abolished; but it was no use endeavouring to play the "tinpot" game of maintaining the position and attempting to treat it in a manner which the Constitution did not permit.

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

Ayes	..	..	..	14
Noes	..	..	..	20

Majority against .. 6

AYES.	NOES.
Mr. Angwin	Mr. Brebner
Mr. Bath	Mr. Cowcher
Mr. H. Brown	Mr. Eddy
Mr. T. L. Brown	Mr. Ewing
Mr. Collier	Mr. Gregory
Mr. Heitmann	Mr. Gull
Mr. Holman	Mr. Hayward
Mr. Horan	Mr. Keenan
Mr. Scaddan	Mr. Layman
Mr. Stuart	Mr. Male
Mr. Underwood	Mr. Mitchell
Mr. Walker	Mr. Monger
Mr. Ware	Mr. N. J. Moore
Mr. Troy (Teller).	Mr. Price
	Mr. Smith
	Mr. Stone
	Mr. Varyard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (Teller).

Amendment thus negatived.

Mr. ANGWIN: Subclause 9 set out that income arising or accruing to any person not resident in Western Australia from Western Australian Government debentures, inscribed stock, and Treasury Bills should be exempt from income tax. That clause appeared to desire to drive money out of Western Australia, with the result that both capital and interest would be lost to the State. It would be better to exempt those residing in the State than those out of it. He moved an amendment—

*That the subclause be struck out.*

The ATTORNEY GENERAL: The reason for the inclusion of the subclause, which was taken from the New South Wales Act, was apparent. We offered our stock for subscription in foreign markets, and were obliged to do so, as we could not get it subscribed in our own State. We had no right to say to a person who took up the stock, "You shall pay an income tax on it subsequently to your subscription to the Government." If any attempt were made to inflict taxation on bondholders in London, it would be a breach of faith and, perhaps, the position could not be sustained legally. A provision of this character had to be inserted in the Bill; but when any person resided in the State, he had thrust on him not only the privileges but all the duties of citizenship. If a person were resident here, no matter from what source he obtained his income, no matter whether from Government stocks or anything else, he must pay the tax. If a person was resident elsewhere we could only ask him to pay the tax if that was one of the conditions when taking the stock. A man who held stocks in London was not a citizen in Western Australia; he had subscribed for the stock on certain conditions, and we could not impose a condition now that he should pay the income tax.

Mr. SCADDAN: The provision was absolutely unfair to stock-holders resident in Western Australia. He was not saying it was legal to levy the tax on stockholders in London, because the conditions on which they took up the stock would be altered; but why impose a tax

on the residents in Western Australia? Whether a person resided here or in London, he should be placed on the same footing. In view of the fact that it was not legal to impose a tax on stockholders in London, he would like to have the Chairman's ruling whether the amendment was in order.

The CHAIRMAN: The amendment was in order.

Mr. H. BROWN: The Solomon of the House having spoken, the 20 disciples of the Government would troop in and vote for him.

The CHAIRMAN: The hon. member must withdraw that remark.

Mr. H. BROWN withdrew the remark. A resident in Western Australia should not pay a tax on stocks. One had in mind a resident in England who invested £20,000 on mortgage in this State, and that individual had to pay income tax and the additional impost of 50 per cent. Under the dividend duty tax, that man would not have to pay so much.

*The Attorney General*: What had this to do with the clause?

Mr. H. BROWN: The Solomon again.

*The Attorney General*: One might say the idiot again.

The CHAIRMAN: The Attorney General must withdraw that remark.

*The Attorney General* had said "One might say the idiot again." If necessary, he would withdraw the remark.

Mr. H. BROWN thanked the Attorney General for his graceful withdrawal. The Bill was scissors-and-paste from New South Wales and New Zealand. If a man invested money on mortgage, he paid income tax; and if he was resident outside the State, he paid the additional 50 per cent. impost. But if a man invested his money in a company, he was liable only for dividend duty; while if he invested his savings in Government debentures, he did not pay any tax.

Mr. ANGWIN: Seeing it was impossible to collect income tax from those outside the State—

*The Attorney General*: The Western Australian Government issued stocks in London on certain conditions.

Mr. ANGWIN: The Government issued stock in Western Australia.

*The Attorney General*: Nothing of the kind.

Mr. ANGWIN: People in Western Australia invested their money in Government stocks, and seeing our stocks were at such a low figure, no doubt people would find investments in other States. Amendment by leave withdrawn.

Mr. ANGWIN moved an amendment—

*That the words "not resident in Western Australia" be struck out.*

This would place all investors in our stocks on the same level.

The ATTORNEY GENERAL: In the case of a person residing in Western Australia, he must be taken to be subject to the laws of Western Australia, one of which laws was an income tax; why should we say that any portion of his income should be exempt?

*Mr. Bath*: Why should the other be exempt?

The ATTORNEY GENERAL: Why should a person who was non-resident in Western Australia not be liable to pay the income tax in respect of Western Australian Government debentures, inscribed stock, and Treasury bills? The Government offered their debentures, inscribed stock, or Treasury bills, to persons residing beyond the State, not its own citizens, on distinct terms and conditions which were set out on the loans; and included in the conditions was no submission that the person would be bound by the laws of Western Australia. Tenders were called by the Government for stocks, and persons tendered on certain conditions which were fully expressed; unless one of those conditions was that the person subscribing, although not a citizen of Western Australia, would be subject to the laws, as if he were a citizen of Western Australia, that could not be imported into the conditions. It was not a matter of argument but of common sense. Why should a person resident in Western Australia, and being a citizen who was liable to all the laws, be exempt from any one law? Why should he be exempt on part of his income if he chose to invest in Western Australian Government funds.

Mr. BATH: The Attorney General asked first, why should the stockholder

within the State be exempt from income tax? Because he, like the stockholder outside the State, had purchased the stock without any prospect of an income tax.

*The Attorney General:* But his liability to pay the tax arose from his citizenship.

*Mr. BATH:* What about companies whose shareholders were all resident outside the State, but had to pay dividend duties? They were not citizens.

*The Attorney General:* They were earning money from business ventures in the State. The Government did not invite people to take shares in companies, but did invite them to purchase Government stock.

*Mr. BATH:* The Government had invited share investments by granting gold-mining leases. If debenture-holders outside the State were not citizens and should therefore be exempt, shareholders outside the State should likewise be exempt, but they were liable to dividend duty.

*The Premier:* How could the amendment affect those holding debentures in respect of existing loans?

*Mr. BATH:* Then all debenture-holders should be exempt.

*Mr. SCADDAN:* The mover of the amendment (*Mr. Angwin*) first desired to exempt all stock-holders, whether resident in the State or not. The Attorney General quibbled by saying that resident stock-holders should fulfil the duties of citizenship, while the absentee, though receiving profits from the State, should be exempt. If we could not tax the non-resident stock-holder we should not tax the resident who bought his stock under exactly the same conditions. The Government evidently desired to stand well in the London market, where, according to rumour, they were making frantic endeavours to float a loan.

*The Premier:* That was absolutely incorrect.

*Mr. SCADDAN:* We should encourage the local flotation of loans; and we could not do that by making resident subscribers liable to income tax and non-resident subscribers not liable,

though other absentees were taxed an additional fifty per cent.

*Mr. ANGWIN:* The Attorney General must surely admit that if the large sum sent out of the State for interest were kept in the State, the State would be so much the richer. If we could encourage foreign companies doing business here to purchase our stock, the State would benefit. Better tax the foreign than the local stock-holder. The Government would induce our stock-holders to keep out of the country.

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

Ayes	..	..	..	10
Noes	..	..	..	18

Majority against .. 8

AYES.	NOES.
Mr. Angwin	Mr. Brebber
Mr. Bath	Mr. Cowcher
Mr. H. Brown	Mr. Ewing
Mr. T. L. Brown	Mr. Gregory
Mr. Holman	Mr. Gull
Mr. Scaddan	Mr. Hayward
Mr. Stuart	Mr. Keenan
Mr. Walker	Mr. Layman
Mr. Ware	Mr. Mitchell
Mr. Troy (Teller).	Mr. Monger
	Mr. N. J. Moore
	Mr. Price
	Mr. Smith
	Mr. Stone
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (Teller).

Amendment thus negatived; clause passed.

Clause 21—Persons by whom income tax is payable:

The ATTORNEY GENERAL moved an amendment that the following stand as Subclause 1—

*In respect of every incorporated company, by the public officer thereof.*

Some incorporated companies were not liable to pay dividend duty, and as certain companies not now liable would become liable under an amendment passed to-night, we must direct their public officers to pay the income tax.

Amendment passed; the clause as amended agreed to.

[3 o'clock a.m.]

Clauses 22 to 24—agreed to.

Clause 25—Income tax on debentures of companies:

*Mr. ANGWIN:* This clause provided that if a company borrowed on debentures

tures, the company was to be deemed the agent of every holder of the debentures. Would this apply to municipalities?

The ATTORNEY GENERAL: Those who received interest on money lent to municipalities would have to pay income tax. Usually there was no register kept of the holders of debentures. The person holding the debentures for the time being tore off the coupon and presented it for payment of the interest, so that it was usual in such a measure as this for the company to be deemed agent of every holder of debentures. This clause applied to companies, but not to municipalities. A municipality was not a company.

Clause put and passed.

Clauses 26, 27—agreed to.

Clause 28—Temporary business; security for payment of tax:

Mr. SCADDAN: According to certain individuals who had travelled recently through South Australia, the action of the Income Tax Commissioner in that State was a bad advertisement for Australia generally. Under a provision similar to this the State exacted income tax from these gentlemen before they earned anything, and when they received their earnings they found the amount considerably less than that for which they had been taxed. How would this provision be applied in this State?

The ATTORNEY GENERAL could not say whether the Commissioner of Taxation would proceed to carry out the clause on any lines which might be regarded as foolish or improper or as holding up the country to ridicule. The provision was that where the Commissioner had reason to believe any taxpayer intended to carry on business for a short time only, he could demand security. If a person came here to book orders and had no place of business, the Commissioner would demand security for the payment of the tax provided for in the previous clause dealing with non-resident traders. The provision was absolutely necessary to protect the revenue.

Clause put and passed.

Clause 29—agreed to.

Clause 30—Taxable amount, how ascertained:

Mr. ANGWIN suggested an amendment to add to Subclause 1 words providing for the payment of the tax in two half-yearly moieties.

The ATTORNEY GENERAL: Such an amendment would be absolutely irrelevant to this clause, which was simply to show how the taxable amount was to be ascertained, and had no relation to the payment of the tax.

Mr. Bath: Such an amendment would need to be moved on the Land and Income Tax Bill.

Mr. ANGWIN: Last year when an amendment in this direction was sought to be moved on the Land Tax Bill, members were told that it should be put in the machinery Bill. He thought this clause provided a favourable opportunity for moving the amendment.

Clause put and passed.

Clause 31—Deductions from taxable amount:

The ATTORNEY GENERAL moved

*That progress be reported and leave asked to sit again.*

Motion put; division called for and taken with the following result:—

Ayes	..	..	26
Noes	..	..	6

Majority for	..	..	20
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AYES.  
Mr. Bath  
Mr. Brebber  
Mr. Collier  
Mr. Cowcher  
Mr. Eddy  
Mr. Ewing  
Mr. Gordon  
Mr. Gregory  
Mr. Gull  
Mr. Hayward  
Mr. Holman  
Mr. Horn  
Mr. Keenan  
Mr. Mitchell  
Mr. Monger  
Mr. N. J. Moore  
Mr. Price  
Mr. Smith  
Mr. Troy  
Mr. Underwood  
Mr. Vervard  
Mr. Walker  
Mr. Ware  
Mr. A. J. Wilson  
Mr. F. Wilson  
Mr. Layman (Teller).

NOES.  
Mr. Angwin  
Mr. H. Brown  
Mr. T. L. Brown  
Mr. Scaddan  
Mr. Stone  
Mr. Stuart (Teller).

Motion thus passed.

Progress reported, and leave given to sit again.

## BILLS (2)—FIRST READING.

1, State Children ; 2, Public Health ; received from the Legislative Council and read a first time.

## ADJOURNMENT.

The House adjourned at 3.20 o'clock Wednesday morning, until the afternoon.

## Legislative Council,

Wednesday, 27th November, 1907.

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Question: Goldfields Water Supply, Cost to Railways	1036
Leave of Absence	1036
Return Ordered: Goldfields Water Supply, Reticulation and Revenue for Services	1036
Motion: Plantations in North-West, Tropical Experiments	1037
Roads and Streets Closure, Com. reported	1039
Bills: Police Act Amendment, 1a.	1041
Brands Amendment, Com. progress	1041
Limited Partnerships (Moss), 2a. moved	1043

The PRESIDENT took the Chair at 4.30 o'clock p.m.

Prayers.

## QUESTION—GOLDFIELDS WATER SUPPLY.

*Cost to Railways.*

Hon. J. T. GLOWREY asked the Colonial Secretary: 1, What was the amount paid per annum by the Railway Department for water between Northam and Kalgoorlie for four years previous to the opening of the Coolgardie Water Scheme to Kalgoorlie? 2, What were the number of gallons used and the amount paid per annum for water conveyed by train for railway purposes north of Kalgoorlie since the opening of the water scheme to Kalgoorlie?

The COLONIAL SECRETARY replied: 1, Year ended 30th June, 1899, £1,336; year ended 30th June, 1900,

£19,488; year ended 30th June, 1901, £21,517; year ended 30th June, 1902, £33,103; from 1st July, 1902, to 30th January, 1903, £10,842. 2, From opening of Scheme to 30th June, 1903, nil; year ended 30th June, 1904, 834,000 gallons, £260 12s. 6d.; year ended 30th June, 1905, 1,550,400 gallons, £484 10s.; year ended 30th June, 1906, 172,200 gallons, £54 0s. 7d.; year ended 30th June, 1907, 58,300 gallons, £18 4s. 4d.

## LEAVE OF ABSENCE.

On motion by the Hon. W. Kingsmill, leave of absence for six consecutive sittings was granted to the Hon. T. F. O. Brimage (North-East) on the ground of urgent private business.

## RETURN—GOLDFIELDS WATER SCHEME.

*Reticulation and Revenue.*

Hon. G. BELLINGHAM (South) moved—

*That a return be laid on the table of the House, showing the individual expenditure of reticulation and revenue for water supply from the Coolgardie Scheme at the following places: Northam, Southern Cross, Coolgardie, Kalgoorlie; also the revenue received from water supplied between the weir and Kalgoorlie, irrespective of the above places.*

Now that the House was debating at great length Mr. Patrick's motion in respect of the Coolgardie Water Scheme, it was desirable that members should be armed with the all the knowledge obtainable. Most people considered, when speaking broadly of the expenditure and the loss on the water scheme, that the loss was due to insufficient consumption by the mines. When this return was supplied, members would probably see that a great proportion of the loss was traceable to the reticulation schemes *en route*.

Hon. W. Maley: The mover might add Boulder to Kalgoorlie.

Hon. G. BELLINGHAM: Boulder was included in that district.

Question put and passed.