

AYES.	NOES.
Sir John Forrest	Mr. Connor
Mr. A. Forrest	Mr. Doherty
Mr. Hubble	Mr. Hall
Mr. Kenny	Mr. Hassell
Mr. Lefroy	Mr. Illingworth
Mr. Monger	Mr. Moran
Mr. Pennefather	Mr. Robson
Mr. Phillips	Mr. Vosper
Mr. Piesse	Mr. Wallace
Mr. Rason	Mr. Oldham (Teller).
Mr. Solomon	
Mr. Throssell	
Mr. Venn	
Mr. Wilson	
Mr. Quinlan (Teller).	

Motion thus passed.

Progress reported accordingly, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10:50 p.m. until the next day.

Legislative Assembly.

Wednesday, 2nd August, 1899.

Question: Deputy Electoral Registrars on Goldfields—
Question: Government Supplies, Tendering—
Question: Mundaring Dam, Engineers' Qualifications—
Question: Citrus Fruits, Importation and Evasion—
Municipal Institutions Bill, first reading—Customs
Consolidation Bill, first reading—Motion: Extra
Sitting Day (withdrawn)—Motion: Commonwealth
Bill and Joint Committee; to admit Press to
Meetings—Papers ordered: Wreck of "City of
York," Depositions—Midland Railway, to Inquire:
Council's Resolution—Contagious Diseases (Bees)
Bill, second reading; in Committee, reported—
Dividend Duty Bill, in Committee, clause 2,
Division, progress—Message: Assent to Bills (2)—
Sale of Liquors Amendment Bill, second reading—
Adjournment.

THE DEPUTY SPEAKER took the Chair at 4:30 o'clock, p.m.

PRAYERS.

QUESTION—DEPUTY ELECTORAL REGISTRARS ON GOLDFIELDS.

MR. ILLINGWORTH (for Mr. Vosper) asked the Premier: 1, What were the circumstances attending the recent enforced resignations of certain deputy electoral registrars on the goldfields. 2,

Whether any registered voter will be disfranchised in connection therewith. 3, What steps will be taken to afford equal facilities for the registration of voters pending the framing of the new Electoral Bill.

THE PREMIER (Right Hon. Sir J. Forrest) replied:—1, The Government were advised that the appointments were illegal; 2, No; 3, Under the existing law there is no power to give greater facilities than are given by section 14 of the present Electoral Act.

QUESTION—GOVERNMENT SUPPLIES, TENDERING.

MR. WILSON asked the Premier, with regard to the deputation of the Chambers of Commerce which waited upon him on the 27th April last: 1, What action, if any, has been taken to give local merchants the opportunity of tendering for Government supplies; 2, Whether it is the intention of the Government to extend the list of goods upon which customs drawback may be granted.

THE PREMIER (Right Hon. Sir J. Forrest) replied:—1, Instructions were issued to the Government Storekeeper that tenders for supplies were to be invited locally in every case in which it was practicable to do so; 2, The question of extending the list of goods upon which customs drawback may be granted is receiving consideration, but has not yet been settled.

QUESTION—MUNDARING DAM, ENGINEERS' QUALIFICATIONS.

MR. ILLINGWORTH (for Mr. Vosper) asked the Director of Public Works, Whether it is true that the resident engineer and his assistant at the Mundaring waterworks possess no qualifications or certificates as civil engineers.

THE DIRECTOR OF PUBLIC WORKS (Hon. F. H. Piesse) replied:—The Resident Engineer, Mr. Leslie, is a member of the Institution of Engineers and Shipbuilders in Scotland. His assistant, Mr. Gleeson, is a Bachelor of Civil Engineering of the University of Melbourne; and his assistant, Mr. Fenton, duly served four years' apprenticeship with Mr. A. Kerr, C.E. Mr. Fenton is also a certificated authorised and licensed surveyor of Victoria, and

certificated land surveyor of Tasmania. All the civil engineering in connection with the work is done either in the head office, or the office of the engineer in charge of the Coolgardie water scheme (Mr. Hodgson); and the function of the officers in local charge of the work, except in so far as the setting out of the lines and levels, etc., is concerned, is not so much engineering as administration, the work being done departmentally, and the officers in charge are doing the work which a contractor's manager and engineers would be doing if the work were let by contract. I should also mention that, as the carrying out of this particular work involves the employment of a large quantity of machinery of various characters and types, it was considered that the engineer in local charge of it should have special qualifications as a mechanical engineer, and hence the selection of Mr. Leslie, who has arranged and directed all the necessary appliances in a very skilful and satisfactory manner.

QUESTION—CITRUS FRUITS, IMPORTATION AND EVASION.

MR. QUINLAN asked the Commissioner of Crown Lands: 1, Whether citrus fruits are allowed to come into this colony from New South Wales; 2, Whether it is a fact that they are being brought from New South Wales into Victoria, and then re-shipped to this colony; 3, Whether the Government will take steps to inquire into this matter.

THE COMMISSIONER OF CROWN LANDS (Hon. G. Throssell) replied:—1, No; they are prohibited by the regulations under the Insect Pests Amendment Act, 1898, gazetted on the 3rd February last; 2, The Government is not aware of any citrus fruits from New South Wales having been re-packed in Victoria, and re-shipped to this colony; 3, The Government have already made inquiry into the possibility of re-shipping citrus fruits from Victoria and South Australia, and the Agricultural Departments of these two colonies have arranged that all such fruit exported from their respective colonies shall be inspected by their officers, and a certificate given, stating that the fruit is the produce of the colony, before export to Western Australia.

MUNICIPAL INSTITUTIONS BILL.

Introduced by Mr. A. FORREST, and read a first time.

CUSTOMS CONSOLIDATION BILL.

Introduced by the PREMIER, and read a first time.

MOTION—EXTRA SITTING DAY.

MR. MITCHELL moved:

That in addition to the business days and hours agreed to on 27th June last, the House meet for the despatch of business on Fridays at 4.30 p.m.

If selfishness was to be imputed to him in regard to the motion, he pleaded guilty to the indictment, for it was hard on country members to have to remain in Perth when Parliament sat only three nights out of seven in a week. His motive was not altogether personal, for he had the higher object of trying to get rid of a lot of work which was on the Notice Paper, so that the Government could bring down the more important measures which had been foreshadowed in the Governor's Speech; and until we got rid of the less important questions, that could not be done. Parliament had now been sitting something like six weeks, and had done nothing but talk. No member should object to sitting on Fridays. He would be prepared to alter his motion, if desired, so that the hour of sitting on Friday should be 7.30 p.m. onward. Last session Parliament sat on Fridays from 7.30 p.m. onward, therefore there was no reason why that should not be done this session. He hoped hon. members would take into consideration the inconvenience country members were put to by having to remain in town four days out of the seven doing nothing. The Premier had suggested that the country members should be placed on select committees, which would keep them quiet, but he hoped hon. members would consider the motion from the point of view of the country member. It did not make any difference to a member who lived in town whether Parliament sat three or four times a week, but to a country member the more frequently Parliament sat the sooner would he get back to his home and business.

THE PREMIER (Right Hon. Sir J. Forrest): Hon. members no doubt sym-

pathised with the member for the Murchison (Mr. Mitchell) in his desire to expedite the business of the country as much as possible, but it was to be hoped the hon. member would not press the motion at the present time. Towards the end of the session, after August, it had been usual to increase the days of sitting; but at the beginning of the session there was much other business to be transacted.

MR. MITCHELL: Beginning of the session!

THE PREMIER: At the beginning of the session there were, as a rule, so many select committees sitting, that it was difficult for hon. members to give more than three days a week to the work of the House. Some important select committees were likely to be appointed shortly, and efforts would be made to appoint the member for Murchison on select committees, so that he should have no excuse for saying he had not sufficient to do. The Joint Select Committee on the Commonwealth Bill proposed to devote Monday and Friday of each week to their work, and that would keep those members pretty well employed. No one desired more than himself to shorten the session, and get into peaceful recess, which would be a great relief to himself, as no doubt it would be to hon. members; but at the present there was so much to do in the way of arranging Bills, answers to questions, and so on, that Friday was very welcome without a sitting. As soon as convenient, he would not be unwilling to devote another day to business in the House; but that, he thought, could not be done till after August.

MR. MITCHELL: After what had fallen from the Premier, he felt he had no choice but to withdraw the motion, which he would do by permission of the House.

Motion, by leave, withdrawn.

MOTION—COMMONWEALTH BILL AND JOINT COMMITTEE.

TO ADMIT PRESS TO MEETINGS.

THE PREMIER (Right Hon. Sir J. Forrest) moved:

That in order to permit the Joint Select Committee, appointed to consider the Commonwealth Bill, to exercise its discretion in admitting the Press to its meetings, this House is of opinion that the Standing Orders

having reference to the publication of the proceedings and deliberations of a select committee should, for the purpose of this special case only, be suspended during the time this Committee is sitting.

The object of the motion was, he said, perfectly clear. The deliberations of this Committee would extend over some weeks, and the evidence would, no doubt, be voluminous; and unless that evidence and the discussions amongst the members were reported in the Press, the general public would have no opportunity of acquiring a full knowledge of what had been done. It would be too much to expect the public, or even hon. members, to wade through a long official report of evidence at the close of the sittings of such a body.

A MEMBER: Such reports were never read.

THE PREMIER: In fact, no one waded through these books of evidence, plenty of which were on the shelves of Parliament House, and were never taken down, except, perhaps, for the purpose of reference on some particular point. In any case, the mass of the people of the country never saw the evidence. In connection with the question to be investigated by the Joint Select Committee, there were no secrets to keep, and no discussions were likely to take place which the Committee would wish not to be reported. It was desired that every question put to witnesses, and every speech made, should be published as far as the Press would publish them, and on this occasion a departure might very well be made from the ordinary rule which governed Parliamentary practice in this respect. Otherwise, it might be said, as had been said in reference to other committees previously, that the members met in conclave for the purpose of hatching some plot or doing some mischief, and that only what they desired to be made public was afterwards printed. He wanted to disabuse the minds of the people of the colony of that idea, and to let them understand that there was nothing he, for one, would say to the committee that he would not say in the House. Of course, the Press would not report all that took place, because there would be discussions of a conversational character which might not be of sufficient public interest; but

important parts of the discussions and of the speeches would no doubt be given in the columns of the newspapers daily. As far as he could see, nothing but good could result from admitting the Press to the sittings of the Joint Committee.

MR. ILLINGWORTH (Central Murchison) seconded the motion. The proposal was somewhat a departure from the ordinary Parliamentary practice, but the whole business of federation with the suggestion of the referendum was against the accepted views of British Parliamentary procedure. He was quite certain that the greatest good that could result from this Joint Committee would be of an educational character; and what was desired, more than all, was to affect the minds of the general public on the question, and enable them to come to a proper conclusion. It was quite certain the public would never read the report of the Select Committee; and unless the Press were admitted to the sittings, the conclusions arrived at would be unsatisfactory. People might say "Oh, yes; that is the opinion of the committee, who were biased or influenced." But if the public had an opportunity from day to day of getting a general idea of what was taking place, their minds would be satisfied, and they could form their own conclusions, being enabled as they would be to analyse and criticise the evidence for themselves. The Press of the colony would be in a position to publish the evidence and discussions at such length as was deemed best and wisest in the general interests of the colony, and altogether a more satisfactory result would be arrived at.

Question put and passed.

PAPERS—WRECK OF "CITY OF YORK," DEPOSITIONS.

Mr. HIGHAM (Fremantle) moved:

That there be laid upon the table of the House the depositions taken at the court of inquiry held to investigate the wreck of the barque "City of York."

He did not anticipate any opposition to the motion, because the depositions would be published sooner or later, seeing that they would doubtless be laid before the select committee appointed to inquire into the administration of the pilot and harbour service at Fremantle.

Question put and passed.

MIDLAND RAILWAY, TO INQUIRE— COUNCIL'S RESOLUTION.

IN COMMITTEE.

Debate resumed on the Legislative Council's Message, asking the Assembly to appoint five members to a joint select committee for inquiry into the affairs of the Midland Railway Company.

THE CHAIRMAN: On the last occasion when the House was in Committee on this resolution, the question was raised as to whether the Committee could amend a resolution sent down by the Legislative Council. He was not quite certain on the point at that time, but he had since taken the opportunity of looking the matter up, and he could find no authority whatever for a resolution in this form being amended in the Legislative Assembly. The resolution must be either accepted or rejected.

MR. WALLACE: After hearing the ruling of the Chairman, he had no alternative but to support the resolution as it stood. He had intended opposing certain portions of the resolution; but the very first paragraph dealt with a matter he was anxious to have threshed out by a select committee, and, in order to have that adopted, he would have to support the whole. He was pleased indeed that an inquiry was to be held regarding the contract existing between this company and the Government. For many years he had been connected in various ways with lands held by the company, and he knew there were instances, as had been mentioned by the member for the Irwin (Mr. Phillips), in which land required from the company could not be obtained on reasonable terms. Notwithstanding the remarks made by the Minister of Mines, there was in the Irwin district a large quantity of good land, in some places equally as good as any in the South-West. There had been an expression of opinion by members as to a desire to break up land monopolies; and he hoped the inquiry to be held would be the means of bringing to light evidence as to the necessity of applying the provisions in the Bill now before the House to this company. It was well known to the Premier, as well as to most members of the House, that the company had also locked up large tracts of mineral country; and, as one who had been for many years connected with prospecting, he was in a

position to say there was reason to believe that coal existed in what was known as the Coal Seam, in the possession of the Midland Railway Company. He referred not to the locality known as the Coal Seam, but to the particular spot called by that name. Four or five years ago a boring party went to the locality, but, in plain words, their instructions were, he thought, to report that coal did not exist. Before this party went to the place, he was one of a syndicate which worked the property for a year, and the second year they paid their rent to the Government for the lease; when the Government suddenly found they had no right to let to them, or to anyone else, that portion of the country.

THE PREMIER: Fourteen hundred acres were reserved.

MR. WALLACE: Not the particular property referred to by him.

THE PREMIER: Whether it was reserved or not he did not know.

MR. WALLACE: That particular piece of land was now in the possession of the Midland Railway Company, and had been tested, and in the opinion of practical colliers there was every indication that coal would be found; but, at the time referred to, the attention of the Government was directed to the Collie, and there being a feeling in favour of centralisation, the Government gave no attention whatever to the opening up of a coal seam north of Perth. If it was the desire of the Government to open up the mineral resources of the colony, here was an opportunity to develop an industry that would be an incalculable blessing to the Murchison, and the people in the northern part of the colony. The property was between two lines of railway, namely the Midland Company's line at Mingenew, and the Government line at Mullewa. Originally, before the line from Geraldton to Mullewa was constructed, there was a division in this House on the question of constructing the line from Mingenew to Mullewa, and the proposition was lost by a bare majority, he believed.

MR. A. FORREST: What had Geraldton to say about that?

MR. WALLACE: The interests of the largest number were studied by him. There was no doubt that sooner or later the Murchison would have to look beyond its timber for fuel, and this coal seam

should be opened up, and no reasonable excuse could be adduced by the Government for not having taken action in that direction years ago. He also recollected—the member for the Irwin would correct him if he was wrong—that at Mingenew Hill silver ore had been discovered, about half-a-mile from the railway station. He believed representations were made to Mr. Keane, the then managing director of the Midland Railway Company, by the prospectors, and he sent a reply, but the terms offered were so severe that the men decided to abandon the idea of working the property. Then, between these two finds, at Malara Flats, there was a large tract of very rich clay. It would be better to run the risk of this particular company controlling or affecting our affairs on the London market, than to have a continuance of the monopoly which had existed for nearly 13 years; and the Government would have the assistance and good wishes of everybody in the part of the colony where the land held by the company was situated if they endeavoured to put an end to that monopoly. In paragraph *b*, a desire was expressed for the formation of a joint committee to consider “the most effectual method of securing to the people a guarantee for the safe carriage of passengers and freight over the company's line, and the adjustment of any claims that may be made against the company or its mortgagees.” He had travelled over every railway line in Western Australia, and he only wished that the—

MR. A. FORREST rose to a point of order. Was the hon. member justified in occupying the time of the House in debating the whole subject of the Midland Railway, including tariffs and land questions, on a motion for a joint select committee?

THE CHAIRMAN: In his opinion, the hon. member was not out of order, as the resolution contained the words “and generally.”

MR. WALLACE: Paragraph *b* contained a charge which he did not think had yet been established. He was going to set forward the company's railway as an example for the Government railway. People started from Midland Junction and travelled by the Midland Railway Company's carriages and trains to Walkaway, and had a fair amount of comfort,

the only comforts lacking being sleeping berths and lavatories; but at Walkaway (the Government line), they were pushed into old second-class carriages which did service years ago. It was true the carriages had received a coat of varnish, but they were pushed on to the Murchison people as first-class cars. A friend of his travelling on the Government line from Cue to Walkaway expressed thanks for his safe arrival at Yalgoo, for every joint in the first-class car in which he rode had been loose and shaking during the journey, and this was a common experience.

MR. HIGHAM rose to a point of order. What had this to do with the Midland Railway?

THE CHAIRMAN said, he understood the hon. member was pointing out deficiencies in Midland Railway management.

MR. HIGHAM: No; the reference was to a Government line.

MR. WALLACE said he would not be put down. He must ask for some consideration from hon. members, as he had been silent during the last fortnight. Surely he was within his right in criticising paragraph *b* of the motion, with a view to showing that it was unnecessary, seeing that no charge had yet been brought against the company. Certain hon. members appear to have a special grievance against the company, and desired to block his expression of opinion. It was a pity the Commissioner of Railways did not give to the Murchison people the comfort and consideration afforded them by the Midland Railway. He was also opposed to paragraph *c* of the motion, which was superfluous; for if a general inquiry were made, the company might have to bring down all their books and documents, and to show the whole of their transactions from the beginning. It was not right to inquire into every detail. It would be sufficient for hon. members to assist another place by forming the joint committee, firstly to make the inquiry, and for the final purpose of breaking up this land monopoly. The motion would doubtless be passed.

MR. SOLOMON supported the motion, and read some correspondence with the Mines Department, as follows:

To Hon. H. B. Lefroy, Minister of Mines.

Sir,—Will you kindly inform me whether the West Australian Government hold all

mineral rights as well as that of gold over the land vested in the Midland Railway Company, and if a person wishing to take up, say, 1,000 acres of land to search, say, for copper can obtain a concession to do so from the Crown Lands or Mines Office; or, if not, will you in this case inform me who is the proper person to apply to for the permission, and whether they can give a proper title.

Department of Mines,

Perth, April 24th, 1899.

Sir,—The hon. the Minister of Mines desires me to inform you, in reply to your letter of the 18th inst., that the Crown hold all mineral rights as well as those over gold in land vested in the Midland Railway Company, and that as the Mining on Private Property Act deals only with gold, there is no machinery to enable the Government to grant permission for prospecting for minerals other than gold. You might, however, be enabled to obtain permission from the company to search for minerals though no title to remove same can be given by them. Legislation is contemplated in the direction suggested in your letter.

The statement of the department seemed somewhat contradictory; for if the Government held all rights to minerals, surely they could give anyone a right to dig for and remove minerals without reference to the company. The joint committee would doubtless investigate such important matters, and the inquiry should result in the satisfactory adjustment of the difficulty. If so, the committee's labours would be of great benefit to the colony.

Question put and passed.

Resolution reported, and report adopted.

A ballot having been taken, the following members (in addition to the mover, Mr. Illingworth) were elected:—Mr. H. B. Lefroy, Mr. Mitchell, Mr. Phillips, and Mr. Robson.

Ordered, that a Message accordingly be transmitted to the Legislative Council.

CONTAGIOUS DISEASES (BEES) BILL.

SECOND READING.

THE COMMISSIONER OF CROWN LANDS (Hon. G. Throssell), in moving the second reading, said: In dealing with this small Bill for the eradication of diseases among bees, I may say that the measure has already been dealt with in another place. The object of the measure is simply to render it compulsory, on anyone keeping bees, to report the existence of any disease amongst the bees, to the Agricultural Department, under a penalty. The particular disease referred to in the Bill is "foul brood." I confess I have

not had much experience among bees myself, but I have sufficient knowledge to know that the industry is likely to grow in importance in this colony, which is evidenced by the fact that the importation of honey during 1897-8 to this colony amounted to £20,000. It is proved that the colony generally is admirably suited for this particular industry and hon. members will readily conceive that we should give encouragement to anything which is calculated to give employment to the people. I can remember the time when there was not a bee in Western Australia, the idea was scouted that bees could prosper here, but during the last 15 or 20 years bees have been found in their wild state in all parts of the colony, and it has been proved that the red gum particularly is an excellent food for bees and gives the honey that peculiar flavour which not only local consumers appreciate but is suitable for the English market. From what I can gather there is no cure for the particular disease named in the Bill, and once it is established amongst bees it is likely to spread. This Bill has been brought forward particularly at the request of the farmers themselves who meet in annual conference. Unlike many other measures which are introduced this Bill will cost very little for its administration, which is a good recommendation. I need not dwell further on the provisions of the Bill, therefore I formally move its second reading.

Question put and passed,
Bill read a second time.

IN COMMITTEE.

Clauses 1 and 2—agreed to.

Clause 3—Penalty for non-observance of preceding section or for having comb affected with contagious disease:

HON. H. W. VENN: The penalty of £10 was too much for a breach of this law; and £5 would meet the case in every way. People would err from absolute ignorance in this matter. There were bees all over the colony in every little homestead, certainly in the south, and a farmer might have "foul-brood" amongst his bees without knowing it; so that a farmer would thus be liable to a penalty up to £10. There were millions of swarms of wild bees in the southern districts; and a native could go out and

get honey in almost every tree. These wild bees might have "foul-brood" amongst them. He raised no objection to the second reading of the Bill, because he thought the law would practically be inoperative; still, it was not wise to have a measure on the statute book which provided for so large a penalty. He moved that in line 8, the word "ten" be struck out and "five" inserted in lieu thereof.

THE COMMISSIONER OF CROWN LANDS: There could be no great objection to the amendment, but he did not think a magistrate would inflict the extreme penalty, except for a very flagrant breach of the law. When we considered that £20,000 worth of honey was imported into this colony yearly, hon. members could see that the industry could be made a large one. A member in another place had told him that he had spent £250 in preparing hives, therefore it seemed a costly undertaking. A penalty of £10 for a breach of the law would not be too great when a man who had invested a large amount of money might, through the carelessness of another person, have the whole of his hives of bees destroyed. According to the clause the fine could be 5s. and not more than £10.

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

Clauses 4 to 6, inclusive—agreed to.

Title—agreed to.

Bill reported with an amendment.

DIVIDEND DUTY BILL.

IN COMMITTEE.

Consideration resumed from previous sitting.

Clause 2—Interpretation. An amendment had been moved by Mr. Doherty, that to the definition of "company" there be added the words, "or limited liability companies, other than gold-mining companies, carrying on business exclusively in Western Australia":

MR. MITCHELL: If the member for North Fremantle (Mr. Doherty) would alter the amendment by inserting after the words "limited liability" the words "and all companies and associations other than gold-mining companies," he (Mr. Mitchell) would support it. He could not see why a company, because it

happened to be under the limited liability law, should have greater privileges than any other association carrying on similar business; whereas the amendment would give undue preference to one class of company.

MR. DOHERTY: The Bill provided only for incorporated companies.

MR. ILLINGWORTH: The amendment should be withdrawn, because it initiated a new principle, and practically reduced the Bill to a measure confined to goldmining companies.

MR. DOHERTY: There was no harm in that.

MR. ILLINGWORTH: On that point he was not expressing an opinion; but it was not for the committee to draft the Bill, but for the Government to consider what they would do; and if the Government permitted an amendment like that proposed, the Bill might as well be abandoned.

MR. VOSPER: The mover of the amendment, in common with other members on the Government side, seemed to be possessed of only one idea in taxation, namely, to get as much as possible out of the goldmining population.

MR. CONNOR: The hon. member should speak for himself.

MR. VOSPER: Speaking for himself and for those whom he represented, that was his opinion. In this colony there was only one industry, on which the rest of the community to a great extent depended; and yet attempts were made to place heavier burdens on that industry than on any other. Every effort seemed to be made to turn the goldfields population into a milch cow for the Government, who had received far more generous support, so far as the Bill was concerned, from the Opposition than from the Government side. The goldfields population were perfectly willing to contribute their share of taxation, but they desired to pay no more than a fair and just share. Already companies on the goldfields, big and small, were far more heavily taxed than people on the coast, not only through the tariff, but through the railway rates. In the matter of timber alone the railway rate had been raised from £2 7s. 7d. per ton to £4 2s. 8d. on imported timber, the rate on doors from £2 17s. 3d. to £5 2s. 8d., and on other lines proportionately.

THE PREMIER: The same railway rates prevailed all over the colony.

MR. VOSPER: Surely the same rates did not apply in the 20-mile radius of Perth?

THE PREMIER: The rates were generally applicable.

MR. VOSPER: The fact remained that under these railway rates it was possible to carry jarrah cheaper than imported timber.

MR. DOHERTY: That was better for the local industry.

MR. VOSPER: It was not better, because it was not jarrah, but other timber that was wanted.

THE PREMIER: There was no difference between railway rates to the goldfields and rates to the other parts of the colony, although, perhaps, timber might be more used on the goldfields.

MR. VOSPER: That was just where the incidence of the taxation was unjust. In the matter of the tariff, for instance, the goldfields people paid no higher rates, but they consumed a greater quantity of dutiable articles.

MR. MORAN: That was inevitable.

MR. VOSPER: That might be, and he was not urging any alteration in that respect. But at present, the bulk of the taxation fell on the goldfields people, all classes alike; and though taxation might be put on the roof, the weight was on the foundation nevertheless.

THE PREMIER: Were not dutiable goods consumed to an equal extent on the coast?

MR. VOSPER: That was not so.

THE PREMIER: Did the people on the coast not eat and drink as much as those on the goldfields?

MR. VOSPER: But on the coast more local produce was consumed, for the simple reason that the supply was not equal to the demand on the goldfields.

MR. DOHERTY: By the amendment, companies, and not working people, would be taxed.

MR. VOSPER: But if a commencement were made at the top of the tree, the weight was felt at the roots, and the wealthy man could not be taxed without indirectly taxing the poor man. There was no more fallacious idea in democracy than that the rich man could be taxed without the poor man having also to pay.

HON. MEMBERS: No, no.

MR. VOSPER: The weight of a vessel was on the keel, and no matter what was put on the superstructure, the weight came to the bottom ultimately. The Government had introduced the Bill for the purpose of raising revenue fairly and equitably, and the Bill as it stood, or as now amended, would effect that object. But the amendment of the member for North Fremantle (Mr. Doherty) drew an invidious distinction between different classes of investments, providing that money invested on the coast should be free of taxation, while investments on the goldfields, where they were of the most value to the colony, should bear heavy imposts. It was not fair to goldmining investors, who lost enough before they had a chance of dividends at all, to single them out for taxation; and the member for North Fremantle (Mr. Doherty) in trying to remove one injustice, was perhaps unwittingly perpetrating another.

MR. HIGHAM: There were trading corporations on the goldfields.

MR. VOSPER: But trading companies on the goldfields were perfectly willing to pay a dividend tax, it being only the companies on the coast who objected. This was an attempt on the part of the coastal commercial corporations to avoid a tax which was intended for the whole colony. The goldfields people had always willingly and generously contributed to the revenue of the colony; and on behalf of working men, and also on behalf of capitalists who invested their money in goldmining, he protested emphatically against any attempt in a matter of taxation, to draw a distinction between one class of investments and another.

MR. MORAN: The tone of the opening remarks of the member for North-East Coolgardie (Mr. Vosper) was to be regretted; because he had insinuated this was a party question, and that there was a desire on the Government side to unduly tax the goldfields.

MR. VOSPER: That was not the meaning intended by the remarks. What he said was that certain members on the Government side seemed to have only one idea in the matter of taxation, and that was to get as much as possible out of the goldfields' population.

MR. MORAN: The Government were standing firmly to their own Bill, and could not be accused of wanting to tax the goldfields alone; and if the spirit to which the member for North-East Coolgardie referred was abroad, it must be amongst the rank and file of the Ministerial supporters. Before the member for North-East Coolgardie made that speech on behalf of the goldfields, he (Mr. Moran) had made some similar remarks on the second reading of the Bill, and had protested most emphatically against any invidious distinctions being drawn in the matter of taxation between the coastal districts and the goldfields. Was he not supported by a great many hon. members sitting around him? It could not be said this was a party question. If it were a party question, it was in this way, that the Government were in favour of dealing out even-handed justice. He was not pre-judging any man, but members on the Opposition side of the House had been urging there should be a tax on the goldfields only. The member for North-East Coolgardie (Mr. Vosper) was with him when he said he would not favour any invidious taxation against the goldfields, but we must not get confused in the matter, and allow it to be understood there was an attempt on the Government side of the House to do what the Opposition were unwilling to do. He did not agree with the theory of taxation laid down by that hon. member, that we could not tax the rich man without taxing the poor man, for it was absolutely contrary to all political economy. We could tax the rich man without taxing the poor man.

MR. VOSPER: The opinion he entertained was the same as that held by Adam Smith.

MR. MORAN: It was not true in every instance. The members of the Ministry in this House received £1,000 a year each, and if we imposed a tax on them, how would it hurt the poor men of Western Australia? Or let it be put in another way: suppose we taxed a luxury, such as champagne—he was happy to say the Ministers did not touch it; but supposing they did, and we taxed champagne, they would pay the tax out of their salaries, and, so far as he could see, we should not hurt the poor man at all.

MR. VOSPER: A poor man, too, liked champagne.

MR. MORAN: That was right, but it did not affect the argument. The question came back to the old proposition he had urged, namely that we ought to have an income tax; and before the Bill got through the crucible of this debate, the absurdity of it, as it stood at present, would be proved.

MR. VOSPER: *Delenda est Carthago.*

MR. MORAN: Yes. Let everyone pay direct taxation in some form.

MR. ILLINGWORTH: The time had not arrived for an income tax.

MR. MORAN: An income tax in Western Australia could be made to produce a quarter of a million, without hitting anyone seriously. He repeated the assertion. It would ultimately be hard to recognise the Bill as that originally introduced. Even as it stood, the Bill would be unfair, and we should be leaving some people alone who ought not to be excluded; but if we made the Bill apply to goldfields only, it would be worse still, for it would encourage a bad feeling, whereas we wanted good feeling to exist between the goldfields and the coastal districts.

MR. KINGSMILL: As a goldfields member, he hoped the House would support a tax on gold-mining only.

MR. VOSPER: There were no companies in the hon. member's district.

MR. KINGSMILL: There was considerable ground for such a tax, seeing that the gold-mining companies practically consisted of absentees, and he altogether failed to see how taxing these absentee companies could affect the men working for them. The member for North-East Coolgardie (Mr. Vosper) had said that if we placed a weight on the superstructure the keel must bear it; but in this case the superstructure happened to be in one country and the keel in another, and he did not see how the connection was going to be made. He could not see that the imposition of a dividend tax on gold-mining companies would seriously affect the bulk of the population of the fields; but it would cause those people drawing dividends from Western Australia, on whose behalf the Government had spent millions of pounds, to contribute somewhat to the upkeep of the Government of the colony.

MR. MORAN: That was quite fair.

MR. KINGSMILL: The amendment moved by the member for North Fremantle (Mr. Doherty) did not go so far as he would like, but he intended to support it in default of anything else, as being a step, however small, in the right direction.

MR. DOHERTY: What did the hon. member suggest?

MR. KINGSMILL: The Bill was altogether too long and cumbersome, and the task of amending it would be too great, and occupy too much time. He would like to see the Bill withdrawn, and another submitted on the lines he had suggested, which would take much less time either to confirm or reject.

MR. MORAN: That was a straightforward way of doing it.

MR. HIGHAM: The remarks by the member for Pilbarra (Mr. Kingsmill) met with his approval, for he thought that not only the amendment but the Bill itself should be withdrawn, and another introduced in accordance with the original intention. There could be no question the demand made was that a tax should be imposed on successful goldmining companies.

MR. VOSPER: Where did the demand come from?

MR. MORGANS: What about successful financial companies?

MR. HIGHAM: Let another Bill be introduced in regard to successful trading companies.

MR. MORGANS: Why?

MR. HIGHAM: Because, by the present Bill, firms were omitted and only corporations were taxed. Judging from the expression of opinions, the majority of members would not be satisfied to see taxation imposed upon trading companies who happened to be incorporated, while other companies, doing a larger business, in the majority of instances, were allowed to go scot free. As to an income tax, he did not think it would pay the cost of collection unless it was a very heavy one. There was a certain demand for taxation on gold-mining companies making immense profits out of this country, and paying a very small amount to the revenue.

MR. KINGSMILL: And not living here.

MR. HIGHAM: The shareholders were absentees, and we knew of mines—not only one, and possibly not only two

—from which, for an expenditure of £30,000, the shareholders received half a million profit; and, considering the small amount of rent charged—from £25 to £50 a year—we ought to have a small share of those profits in the way of a dividend tax. A good deal had been stated about the taxation we obtained from these companies through the Railway Department, but, to his mind, the argument was absurd, for, notwithstanding the fact that the rates might seem high compared with those obtaining in other colonies—possibly they might not be so, but it had been argued that they were—anyone who had considered the question must realise it was much better for the companies to pay three, four or five pounds a ton for carriage by railway than £50, £60 or even £100 per ton for cartage. The company should be grateful to the country for providing the railway facilities existing at the present time. The Government had done everything they possibly could for the mining community and were still endeavouring to do so. He would endeavour to do as much as possible in the future, as he had done in the past, to foster the goldmining industry; but he maintained that this particular taxation should be carried out on the lines originally intended, and should not be diverted to trading corporations, unless it could be done on an equitable basis. He hoped the amendment would be withdrawn.

MR. OATS: For what reason?

MR. HIGHAM: It was impossible to so amend the Bill as to make it apply on the lines desired. The Bill should not apply to any other than goldmining companies, and if there was a desire to tax trading corporations, let a Bill be brought in, as he had said, and then members could discuss it on its merits.

MR. RASON: Neither gold-mining companies nor goldfields representatives would object to this form of taxation if it applied to other industrial concerns; but they would strongly object to mining companies being singled out for taxation. [MR. VOSPER: Hear, hear.] The statement of an hon. member that the goldfields representatives said that the Government had done nothing for the mining community was untrue, for all such members cheerfully admitted that the State

had done much for the goldfields—[MR. ILLINGWORTH: Hear, hear]—but he would ask hon. members who did not represent goldfields constituencies to say whether the mining community had not done a great deal for the colony.

MR. HIGHAM: That was admitted.

MR. RASON: Then both parties should meet each other in an equitable spirit. Consider how this proposed tax has been received by mining companies. There had not been a single protest, so long as it was understood that the tax applied to others also; but any industry would naturally object to be singled out for taxation. As a matter of expediency, it might have been advisable to make this Bill apply to mining companies only, with the full understanding that another Bill would be brought in fairly taxing other dividend-paying corporations. Half of the arguments used to show that the Bill should apply wholly to mining companies were based on the ground that such a tax could be easily allocated and collected, whereas there might be some difficulty with regard to ordinary financial and trading concerns; but this consideration did not affect the principle that taxation should be equitably adjusted.

MR. ILLINGWORTH: Once again he must point out the invidious position in which the House would be placed by the amendment of the member of North Fremantle (Mr. Doherty); for if it were carried, the Western Australian Bank would pay no tax, though all the other banks in the colony must pay. All foreign banks would be taxed, whereas the institution which had its origin and being in the colony would go free. Surely this would not commend itself to the committee, for hon. members were not destitute of a sense of equity and right.

MR. MORGANS: There was nevertheless a good deal of selfishness in the House.

MR. ILLINGWORTH: If hon. members voted for the amendment they would surely do so under a misapprehension. The Bill might have been drawn to tax mining companies only, which would not have been equitable; or its scope might have extended to taxing the dividends of companies of every kind—to all financial institutions. If, however, it were decided first to tax mining companies, next to tax financial institutions, and finally to tax trading corporations, then the incidence

of taxation as between those various bodies must be equitably adjusted. Though it might be decided to go as far as that, he was certain hon. members would never agree to single out one bank to be exempted from taxation. He was not speaking in defence of any banking institution which might have hurt the feelings of any hon. member. He sympathised with what was apparently the desire of the mover of the amendment, namely, to rectify the evil which would result from the Bill as it at present stood: it would be most inequitable that an incorporated company should be taxed, while a private firm doing the same kind of business should escape. Let hon. members endeavour to enlighten the committee as to how this inequality should be removed.

MR. DOHERTY: Alter the Bill so as to impose an income tax.

MR. CONNOR: Make it an equal tax.

THE CHAIRMAN: Order.

MR. ILLINGWORTH: A proposal for removing this inequality without creating greater inequalities would have his hearty support; but when it was proposed to abolish this inequality by passing a proviso by which one bank alone should be exempt from taxation, whilst all the others were taxed, and when it was proposed to extend the same inequitable principle to other institutions, he could not support such an amendment, which would be grossly unequal and unrighteous in its operation.

MR. MORGANS: Hear, hear.

MR. VOSPER said he thought some hon. members had slightly misrepresented him—of course, unintentionally—during the discussion. It had been assumed, more especially by the member for Pilbarra (Mr. Kingsmill) that he (Mr. Vosper) was opposed to the taxation of gold-mining companies. That was not so. In his opinion, such companies should be taxed, and they would willingly consent to it; but what he had said was that the Government had shown in this Bill a desire to be fair and just to all classes of the community. That was why he supported the Bill, and why he objected to the amendment of the member for North Fremantle.

MR. CONNOR: Was not the amendment fair?

MR. VOSPER: No; it was an attempt to remove a small injustice by substituting a greater one.

MR. HOLMES: So far he had been silent, because he knew that if the Bill were allowed to proceed, it would ultimately reach the peculiar position it now occupied. The only way out of the difficulty was to withdraw the Bill, and to bring down another with the object of taxing gold mines only.

THE PREMIER: It was unnecessary to withdraw the Bill to do that.

MR. HOLMES: A withdrawal would be the best way out of the difficulty. So far he had voted for every amendment which would extend the scope of the Bill.

MR. MORGANS: Why not propose to confiscate the gold mines?

MR. HOLMES said he wished to extend the operation of the Bill to every company, whether limited or otherwise, which was making money in the colony. Limited companies had to register statements of their affairs.

A MEMBER: For their own advantage.

MR. HOLMES: And for the advantage of the public, while there had been instances of large private firms doing business in the colony which had failed, and had been found to have no assets. The scope of the Bill should be extended so as, if possible, to tax everyone; otherwise it should be withdrawn, and a Bill brought down to tax gold-mining companies only.

MR. MORAN: Make an income tax of it. It would be quite possible to have a dividend tax and an income tax at the same time.

MR. DOHERTY: Yes; and the same form of declaration would do for a private firm as for a limited company.

At 6:30 the CHAIRMAN left the Chair.

At 7:30, Chair resumed.

MR. HIGHAM asked the member for North Fremantle (Mr. Doherty) to withdraw his amendment, as he desired to move an amendment to exempt all trading companies, corporations, and associations other than gold-mining companies from the operation of the Bill. The amendment he suggested would secure the object which a majority of members desired to attain.

MR. DOHERTY: The amendment now suggested would probably meet the case better than his own amendment, therefore he asked leave to withdraw his amendment.

Amendment by leave withdrawn.

MR. HIGHAM moved, as a new amendment, that in the definition of "company," after "marine insurance company," the following words be added:—"or a trading company, corporation, or association other than a gold-mining company." He wished to bring the question to the real point at issue. There was a consensus of opinion that the primary object of the Bill was to reach those gold-mining companies which were reaping immense benefits from the country for a small expenditure of money. He admitted that many of the companies, corporations, and associations which it was proposed to exempt made large profits out of the country, and should be subject to taxation, but the machinery provided in the Bill would not reach these companies, corporations, and associations on an equitable basis. If it was desired to tax trading corporations that should be done by some other machinery other than this Bill, therefore he wished to see the Bill confined strictly to gold-mining companies. Such a Bill had been demanded.

MR. MORGANS: Such a Bill had not been demanded.

MR. HIGHAM: If the member for Coolgardie represented a metropolitan constituency he would realise that there were a large number of gold-mining companies making immense profits and paying a nominal leasehold rent for the land they held. These companies had been provided with railway facilities to enable them to make their profits, and they did not contribute what they should to the revenue of the country. They were generally considered fair objects for special taxation.

MR. MORGANS: That would be "bleeding" the gold-mining companies.

MR. HIGHAM: There was no question of "bleeding." One particular company, on an expenditure of £30,000 working capital, had paid away over £500,000 in dividends.

MR. MORGANS: That was only a solitary instance.

MR. HIGHAM: There were many other instances in lesser proportion, and the hon. member was not justified in asserting that the tax would "bleed" gold-mining companies. It was rather peculiar that English companies were quite prepared to pay a tax of 8d. in the pound to the British Government.

THE PREMIER: All classes of companies were taxed in England and in the other colonies.

MR. HIGHAM: While British companies were quite prepared to pay a tax to the Home Government on dividends paid to shareholders in Great Britain, directly Western Australia, which was the source of those dividends, made a claim for a small share, complaint was made that companies were being "bled." Considering the facilities given to gold-mining companies in this colony, the Government ought to be able to raise some taxation from them; and at first he had been disposed to advocate an export tax on gold, but he realised that to raise the gold often cost 50 per cent. more than the value. Some gold absorbed £6 an ounce in production. The only object he had in submitting the amendment was to secure a certain amount of support for the men of this colony, and he might be disposed to advocate a tax on unmined gold exported. The real aim of the Bill was to obtain a small proportion of taxation from very successful mines, and trading companies, corporations, and associations should not be taxed except on a fair basis. The Bill did not provide that fair basis, because many small companies which had been incorporated for very good reasons, and were only small concerns, would be taxed, although they had to provide a nominal capital, while the majority of trading companies carrying on similar businesses on even larger lines, would go free. Both private and incorporated firms should pay their share of taxation, but only on an equitable basis, and as he could not see any possible way in which that could be secured by the Bill, the provisions ought to be confined to gold-mining companies, and other associations left for future legislation.

MR. MORGANS: During the debate, if he had been struck by one thing more than another it was the overpowering generosity of hon. members who advo-

cated a tax on gold-mining, while leaving other industries free.

MR. ILLINGWORTH: It was sublime!

MR. MORGANS: It was always interesting to "tax the other man," and the member for Fremantle (Mr. Higham), the member for North Fremantle (Mr. Doherty), and the member for Pilbarra (Mr. Kingsmill) bubbled over with a desire to be equitable, and yet, in the same breath, proposed to leave free every company in Western Australia except gold-mining companies. In all his experience he had never heard a more wild or unjust suggestion, either inside or outside Parliament; and such a law would discredit the Legislature of Western Australia. The member for Fremantle held that mining companies should be taxed because railways had been made to the goldfields; but he (Mr. Morgans) was prepared to assert that those railways had been of quite as much benefit to the commercial community on the coast, especially at Fremantle, as to residents on the goldfields. Such an argument used in support of special taxation for gold-mining companies was absurd.

MR. KINGSMILL: What about the goldfields water scheme?

MR. MORGANS: That subject would be touched upon presently. The mining community paid for the railways, which had cost the Government nothing outside the limits of the goldfields. When the line was extended from Southern Cross to Coolgardie, it was constructed at an absurdly low price per mile; and the contractors held the railway in their own control for 18 months, charging the goldfields community rates varying from £4 to £8 per ton between the two places mentioned.

MR. ILLINGWORTH: And the same thing happened on the Murchison.

MR. MORGANS: No doubt; and the argument that the goldfields reaped all the advantages of the railways was not worthy the attention of hon. members. As a Parliamentary representative and also as one of the goldfields community, he recognised that the railways had been of great service to the mining industry, but their construction had benefited Fremantle quite as much as it had the goldfields.

MR. ILLINGWORTH: And the agricultural districts too.

MR. MORGANS: Every place on the coast had been benefited by the goldfields railways. It was true that gold-mining companies were sending very large dividends out of the country, but it must be remembered that a gold-mining company did far more for the welfare and interests of Western Australia than any trading company. He did not wish to be offensive, but, after all, a trading company must be looked on as more or less of a parasite in relation to the producer and the consumer.

MR. A. FORREST: What about the timber companies?

MR. MORGANS: Purely trading companies were being dealt with now.

MR. HIGHAM: A trading company did as much good to the country as any mining company.

MR. MORGANS: The good done by a trading company to the country could not be compared to the good done by a big gold-mining company. A trading company was not a producer in any sense of the word, but simply bought material from the producer, sold it to the consumer, and pocketed the difference. It was true a trading company employed a certain number of men; but as to accumulating wealth, or adding to the wealth of the country, it did nothing at all, whereas a gold-mining company did add very materially to the wealth of the community.

MR. DOHERTY: Mining companies sent all their money out of the country.

MR. MORGANS: There were some facts in regard to gold-mining companies that hon. members were apt to overlook. One fact was that the mining companies of Western Australia were to-day paying £60,000 a week in wages.

MR. MONGER: But what were trading companies paying in wages?

MR. MORGANS: The member for York misunderstood what he had said. He was not speaking of such an industry as the timber industry, or any undertaking of that kind, but was drawing a distinction between mining companies and purely trading companies; and the member for Fremantle (Mr. Higham) wished to exclude non-producing companies from the operation of the Bill. It was unreasonable and unjust to suggest anything of that kind, because mining companies were doing far more for the community than any trading company of the kind he was now criticising. It was

true that mining companies were getting a great deal of gold, but they were paying enormous sums in wages to the miners week by week. The actual amount of wages paid upon the whole of the goldfields of Western Australia reached a sum of nearly £80,000 weekly.

MR. MONGER: All mines did not pay dividends.

MR. MORGANS: What he was talking about was the good accomplished by mining companies. The hon. member (Mr. Higham) said the gold produced was being sent out of the country, and he tried to mislead the House, though not intentionally.

MR. HIGHAM: What he said was that the bulk of the profit was sent out of the country.

MR. MORGANS: The hon. member gave as a reason why mining companies should be taxed, that they were producing gold and sending it out of the colony. That was not logic, nor was it a proper position to occupy, because in the production of that gold the companies were, as he had stated, spending an enormous amount of money in wages weekly, besides incurring outlay in the purchase of stores, timber, and other materials, which also was for the benefit of the country.

MR. DOHERTY: Where did the companies get the purchasing power from?

MR. MORGANS: From the mines, exactly the same as the hon. member got his from cattle. That applied equally to everyone, and there was no argument in the interjection of the hon. member. The member for Fremantle (Mr. Higham) had tried to show that mining companies were practically of no benefit to the country.

MR. HIGHAM: No such attempt had been made by him.

MR. MORGANS: At least the hon. member tried to convince the House that the mining companies were paying these enormous dividends, and practically robbed the country and refused to pay taxes. Mining companies would be only too glad to pay a dividend tax of five per cent., and up to the present time he had not heard a single objection raised by any mining company to the payment of that tax.

MR. ILLINGWORTH: Hear, hear.

MR. MORGANS: We should certainly have heard something through the

Press on the fields if there had been objection; but if the House passed an amendment to tax gold-mining companies alone, cutting everybody else out, the gold-mining companies would rise up in righteous indignation against an absolute injustice, which he could not believe for one moment the House would ever contemplate forcing upon them. Surely it was forwarding the interests of the colony to develop all these mines, and members should consider not only the gold obtained from the mines, but also the enormous amount of money the companies had brought into the colony. It had been computed, and he believed correctly so, that mining companies, private and public, had brought something like twelve millions sterling in hard cash.

[A MEMBER: Not quite so much as that.]

It must be close upon that, he thought, and up to the present time they had not taken anything like so much gold from the colony as they had brought into it. [A MEMBER: They would do so.] It was to be hoped they would, and any man who brought capital into this or any other country, and invested in the gold-mining, timber, or any other industry, deserved to make money. If the mining companies were prepared to willingly pay a tax of five per cent. upon dividends, why should not a trading company, and any other company, be ready to do the same?

MR. HIGHAM: Let them be all taxed alike.

MR. DOHERTY: Yes.

MR. MORGANS: Then why single out mining companies to pay this tax?

MR. KENNY: Hear, hear.

MR. MORGANS: If the member for Fremantle (Mr. Higham), who had moved this amendment, was sincere—and he believed he was—why did he not bring in an amendment that goldmining companies and all other companies should be taxed?

MR. HIGHAM: That was the Bill itself.

MR. MORGANS: No, it was not the Bill. It had been argued that because the Bill did not reach a private firm, all other companies except mining companies should be excluded; but did anyone ever hear such a ridiculous argument? If hon. members had urged the Government to take in all, their position would have been tenable.

MR. HIGHAM: All had said that.

MR. EWING: Members spoke one way and voted another.

MR. MORGANS: The idea of gentlemen seriously telling the House they were prepared to rake in everybody under this tax, and the member for Fremantle (Mr. Higham) then getting up and proposing an amendment that everybody should be excluded except mining companies! It was the most absurd position he had ever heard suggested by any man in the House. The member for Fremantle said something about companies paying an income tax in England; and it was perfectly true that they did so, but the income tax was not confined to mining companies. When the results of their trading transactions became known in England they had to declare the amount of profit made, and to pay a tax upon it; and that was perfectly right too.

MR. HIGHAM: They paid on the profits.

MR. MORGANS: Yes; profits and dividends were the same, practically. Nobody had ever heard a suggestion from the British or any other Government that taxation should only be imposed upon dividends of mining companies.

MR. DOHERTY: They had no gold mines.

MR. MORGANS: Yes, they had, and some very good ones indeed. What about the steamship companies coming from the other colonies to Fremantle, who were actually paying an income tax in the other colonies, but did not wish to do so here, where they were probably making more profit than anywhere else? Why should steamship companies get off without paying something to the coffers of the colony? Why did his hon. friend wish to exclude them, and those other big firms trading at Fremantle? It appeared the policy here was to get hold of an unfortunate goldmining company, twist its nose, screw its tail, and obtain all we could out of it. What would the mining community on the goldfields say if this tax were imposed upon them, and no one else? They would look upon it as one of the grossest injustices ever perpetrated by the House, and they would be perfectly right in so doing.

MR. HIGHAM: It would not trouble the community much.

MR. MORGANS: It would trouble the community. Mining companies would be only too pleased to pay a tax, and he

did not approve of the member for Fremantle (Mr. Higham) getting up and misleading—he did not say intentionally—by trying to induce members to believe the mining companies objected to pay it.

MR. HIGHAM: That had not been said by him.

MR. MORGANS: The hon. member inferred it.

MR. HIGHAM: No.

MR. MORGANS: The companies had never objected to pay the tax; and were perfectly willing to pay, but let the other people pay also. Where was the equity of taxing the mining company alone? He hoped the committee would reject the amendment; for, if passed, it would be an act of injustice which would create in the minds of the goldfields population a bad impression difficult to remove. The community would not stand this one-sided system of taxation. If taxing were right, let everyone be taxed; and if it were not possible by this Bill to reach the private individual who should pay taxes, bring in an amendment Bill to get hold of him; but by all means retain in the Bill the names of all institutions which so far it had been proposed to tax. It was a great mistake to exempt fire and life insurance companies.

MR. CONNOR: Let the hon. member move an amendment.

MR. MORGANS: If private firms could not be taxed by this Bill, let them pay an income tax or some similar impost. Had not the committee sufficient intelligence to devise some means of reaching those whom the Bill did not include? If not, hon. members were unworthy of their positions as legislators. The member for North Fremantle (Mr. Doherty), whose position was difficult to understand, had said he did not object to being taxed, provided the tax were imposed on everyone.

MR. DOHERTY: Quite right.

MR. MORGANS: And yet the hon. member supported an amendment which proposed to let all but mining companies go free. He entered his strongest protest against the amendment, which, if carried, would be a discredit to the Legislature of Western Australia.

MR. EWING: The mover of the amendment (Mr. Higham), when he told the committee that the intention of the Bill was to tax gold-mining companies,

must either have read the Bill carelessly or must be a person of less than ordinary intelligence.

MR. HIGHAM said his statement had no reference to the wording of the Bill.

MR. EWING: From the title of the Bill it was clear that it was a measure for the taxation, not of goldmining companies, but of dividends; and if the committee intended to exempt from taxation the dividends of any particular class of company, they ought to have very sound and substantial reasons for so doing. Had the mover of the amendment given any such reasons? No. True, he had said the Bill would not reach all sections of the community; but we seldom found a Bill which did so. In introducing new legislation, let Parliament first reach one section, and no doubt the Government would ultimately bring in a measure which would tax those sections not touched by the present Bill. Every kind of legislation must have a beginning, and the beginning now made by the Government in the shape of this measure was one which should not be cut about and destroyed as was proposed in the amendment, unless for some substantial reason. One would almost think the goldmining industry was an octopus living on the community; but the hon. member (Mr. Higham) must surely know that the improved condition of affairs in the colony during the past few years had resulted from the investment of capital in the gold mines; that the gold mines were the backbone of the community, and that the prosperity or depression of almost every industry in the country was dependent on the success of goldmining. Why then did the hon. member single out this industry for taxation? Why not tax other industries which were living on the mining community? In the town of Fremantle, represented by the hon. member, there were hundreds of people living indirectly on the profits of the gold mines. Why should such people be exempt from taxation? In the exceptions made the previous night, the committee had already gone too far. The Bill, as brought down by the Government, was by far the best Bill that could have been passed, and he was sorry that any amendment whatever had been made therein. [THE PREMIER: Hear, hear.] The hon. member (Mr.

Higham) professed an intention to cast the meshes of this net of taxation as widely over the community as possible. He (Mr. Ewing) had interjected that some hon. members were in the habit of approving of a principle, and then voting against it. The hon. member to-night said he wished to extend this taxation so as to cover everything, yet here he was found when the division bell rang voting to exclude certain financial institutions.

MR. HIGHAM said he was still desirous of so doing.

MR. EWING: Last night the hon. member sought to make invidious distinctions. He sought to except fire insurance companies—for what reason it was hard to tell; but the hon. member did it, showing that it was his intention to restrict the operation of this beneficial measure—

MR. HIGHAM: To the goldmining community.

MR. EWING: The hon. member admitted that his constituents and trading companies in Fremantle were living on the goldmining industry.

MR. HIGHAM: Only partially.

MR. EWING: Again, any industry which originated trade should receive primary consideration. Any concern which took wealth out of the soil and made it a marketable commodity should be encouraged above all others. [MR. MORGANS: Hear, hear.] Yet the hon. member, whose constituents, more than any other section of the community, were reaping benefits from the goldfields, deliberately tried to tax goldmining companies and give them nothing in return.

MR. HIGHAM said he never made such a proposal.

MR. EWING: The proposal was to tax goldmining companies and to exclude trading companies.

MR. HIGHAM: But not to give them nothing in return.

MR. EWING: As far as this method of taxation was concerned the hon. member was unwilling to give the goldfields anything. As the Fremantle representatives always did, he would take all he could get, but when the question of giving arose he would be as slow as possible.

MR. HIGHAM: Quite untrue. The people of Fremantle were always willing to pay their fair share of taxation.

MR. EWING: The Fremantle people did not like to give Midland Junction its just share of the railway workshops.

MR. HIGHAM: That had nothing to do with the goldfields.

MR. EWING: Again, it was most undesirable to draw any distinction between companies trading in Perth and Fremantle and those operating on the goldfields. There was a question of sentiment here which should not be lightly passed over. The impression had long been current that the goldfields in the matter of Parliamentary representation and in other respects has been sacrificed for the benefit of the more settled population—that West Australians were not extending to the newcomers that welcome which the latter had a right to expect.

MR. WOOD: No, no.

MR. EWING: Such an impression was abroad on the fields.

MR. VOSPER: Hear, hear; and it was well recognised, too.

MR. EWING said he did not mean to say that the idea was correct.

MR. WOOD: Why, then, did the hon. member mention it?

MR. EWING said he mentioned existing facts to show why the committee should not pass the amendment. There was a feeling that the goldfields were unfairly treated; then why, for the sake of saving people in Perth and Fremantle from a little taxation, should the Committee accentuate the feeling referred to? Hon. members said that at present the goldfields had no real reason for complaining of unfair treatment; but if the mining community were picked out for special taxation, then they would surely complain of being treated like the Uitlanders in the Transvaal.

MR. HIGHAM: Rot!

MR. EWING: The hon. member, judging from his amendment, would make a worthy follower of President Kruger. It had been said that the Government was expending much money for the benefit of the goldfields in paying for the Coolgardie water scheme and for railways, etc. As a farming representa-

MR. WOOD: A what?

MR. EWING: A farming representative.

MR. DOHERTY: Since when?

MR. EWING: As a farming representative, he stated that his constituents would be the first to applaud the efforts of the Government to develop the gold fields, for those efforts must result in benefit to the country at large. Every ton of ore which the Government made it possible to raise was of benefit, not merely to the goldfields, but to farmers and all other colonists. Why then pass to the debit of the goldfields the public works undertaken for their development, seeing that they were for the benefit of the whole community? It was no argument to say that as the Government were spending money on the goldfields, mining companies must therefore be taxed more heavily than others. He hoped hon. members, if only from the standpoint of sentiment, would set their faces against any distinction between the treatment of companies trading on the goldfields and those trading elsewhere.

MR. HIGHAM: That was not the point.

MR. KINGSMILL: Feeling some diffidence in approaching the subject, after the eloquent representations which had been made by the members for Coolgardie and the Swan, he was beginning to think he should be utterly ashamed, after the scathing utterances which had been made, that he should still be left fixed in his determination. Both the members he had referred to had unwittingly misrepresented the state of affairs. Both had used the term "goldmining community"; but what made the goldmining industry? Did the goldmining companies do so? The goldmining companies came after the men who made the goldmining industry, the prospector and the digger, and it was not proposed to tax these men. When we considered the magnificent results that had been attained from the £12,000,000 that had been expended, when we believed that already £3,000,000 had been paid in dividends, and when probably this year that amount would reach four and a half millions, hon. members would see that the goldmining companies were able and should be willing to pay a dividend duty.

MR. MORGANS: The companies were willing to pay the tax.

MR. KINGSMILL: During the last few months it had been well known that it was the intention of Parliament to impose a dividend tax, not on general

dividends but on gold-mining dividends, and it was supposed that this tax was to take the place of an export duty on gold. When the gold-mining companies knew that this was intended that was the time to protest, but we heard no protest.

MR. MORGANS: Nothing was known until the Government had brought in the Bill.

MR. KINGSMILL: There had been an impression throughout the country that a dividend tax was to be imposed on gold-mining companies only, and yet the gold-mining companies had made no protest. He asked the Committee to consider the position of the foreign shareholder, who did not pay anything towards the upkeep of the Government of this country, or the upkeep of the public works which rendered his position more secure and his dividends more certain. The foreign shareholder did practically nothing for the colony, and now that he was asked to contribute a little towards the upkeep and the expenses of the country he seemed through his representatives in the Assembly to strenuously object. These objections should not be taken seriously by the Committee. Hon. members admitted that the Bill as it stood was impracticable, it simply taxed incorporated companies and left the private associations to go free. While we could possibly amend the Bill so as to impose a duty on the dividends of gold-mining companies only, it was almost an impossibility to turn the measure into an income tax bill. The best course for the Committee was to make the Bill apply to dividends of gold-mining companies, and afterwards if it were thought necessary to bring in a Bill imposing an income tax on the general public of Western Australia; that could be done, and such a Bill would have his support, if the cost of collection would leave anything for the revenue. He regretted that the amendment moved by the member for Fremantle did not contain a provision to tax the dividends of gold-mining companies whose head offices were situate outside Western Australia. He did not think there was any desire to tax only the few small companies who were conducting their operations altogether in this colony, still he must say he had always looked upon British capital as not being an unimixed blessing. Un-

fortunately the exigencies of gold-mining in Western Australia seemed to have made it imperative that the aid of outside capital should be brought in. He failed to see why this should obtain here any more than it did in Queensland and Victoria. Those two countries possessed gold-mining companies second to Western Australia, but the foremost gold-mining companies in both those countries were carried on without the aid of British capital. Had our mines been developed in the same way as the Queensland and Victorian mines were, we might not have been so far ahead as we were to-day, still the mining industry would have been incalculably of more use to Western Australia than it was at present. He hoped the member for Fremantle would add a few words to his amendment in the direction he had suggested; in that event he would have much pleasure in supporting the amendment.

THE PREMIER: As this discussion went on we must all be inclined to think that the Bill as it was originally placed before the House was really the best solution of the difficulty.

MR. MORAN: The whole Bill?

THE PREMIER: The whole Bill.

MR. MORAN: Why not "stick to it" then?

THE PREMIER: If he told the Committee the truth, in a weak moment he was induced not to do so, but the more he considered the subject and the more he heard the discussion in regard to the Bill, he did not see any good reason for doing so; he did not see any reason why he should alter any provision in the Bill. This measure was founded on the Queensland Act which had been in existence in that colony for 10 years and had never been altered. It was a marvellous thing that a Bill which was placed on a statute book in 1890 should never have been altered up to the present time. He noticed that Sir Thomas McIlwraith, who was Colonial Treasurer when moving the second reading of the Bill, said:

I do not think anything in this world can better stand taxation than profits, and I do not think there is anything that can better stand taxation than the profits of limited liability companies, or these big financial companies trading with capital in the colony. The fact that they have an immense advantage from the operation of the limited liability principle is seen by looking at the posi-

tion of banking now as compared with its position before the Act embodying that principle came into operation. Why, sir, individual efforts in banking are wiped out, private banking is obliterated, and the merits of the principle are seen in the advance and progress of banking institutions. Looking at the career of most of the banking companies, the land companies, and other companies employing large capital in the colony, mostly coming from England, and looking at the large profits that have accrued to them, I do not think it is an unfair thing to come down, at a time like this when we want money so badly in the Treasury, and ask them to contribute.

MR. A. FORREST: He could not make that speech now.

MR. MORAN: He could if he were here.

THE PREMIER: Sir Thomas McIlwraith further said:

I do not think there is a fairer tax in this world than a tax upon banks, and when we see the progress banks have made in this colony, and their constantly increasing profits, it is a fair thing to say they should contribute a little more than they have done hitherto to the coffers of the State. At all events it is quite clear that the proposal cannot be objected to as being very hard upon this community, because three-fourths of the tax will be upon people who do not live in the colony at all. That is a merit in the tax. I do not think we can put ourselves in an obnoxious position by taxing people upon the profits they make in this colony. In England it is done, and they tax persons there on the profits they make here.

These were observations which showed that the same reasons which actuated the Legislature of Queensland in passing the Dividend Duty Bill were those which he (the Premier) had put forward in this House in regard to the difference that existed between limited liability companies and private individuals trading. He regretted very much—he did not want to go back to any extent—the actions which the Committee took last night. There could be no reason whatever why fire insurance companies should be exempt.

A MEMBER: Or life assurance companies either.

THE PREMIER: There was something in life assurance, and on that point Sir Thomas McIlwraith was in doubt, although Sir Samuel Griffith thought there ought to be a tax. Fire insurance companies came here—they need not bring any capital with them—opened offices, sent their premiums to the country they came from, and, if a fire occurred, these

companies drew on their principals. These companies did not want money here, it was not necessary; they could carry on their business without capital, no doubt they did, and sent most of their profits away monthly to their principal houses either in England or the colonies. Why these companies should escape taxation he could not make out. The same thing might be said in regard to banking institutions. It was not necessary for banking institutions to have a large capital in the country to enable them to do an immense business and make big profits, when these institutions could make enormous profits in the country by receiving large deposits, for nothing at all, and other deposits at two and three per cent., and lending the money at six or seven per cent. It did not require any large capital, although the institutions must have capital for emergencies. Why these institutions should escape taxation he did not know. Taking the other companies doing business here—one hon. member referred to foreign companies doing commercial business in this colony—nearly every limited company in the colony, he did not say every one, but a majority of them, were offshoots of houses elsewhere. Their principal place of business was not in this colony; they came here to do their business and their profits were distributed amongst the proprietors outside the colony. If hon. members were so solicitous for the welfare of the people of this colony they must see that the trading companies did not spend a great deal of money here. All their profits or nearly all were sent elsewhere, and in that respect these companies were very different to life assurance companies, which, almost without exception, invested their profits and premiums in the colony. Limited liability companies which operated in this colony and were offshoots of business houses in England and the other colonies, all paid taxes where they had their headquarters. In Queensland the payment was in the shape of a dividend tax, and in the other colonies and England, in the shape of income tax, even on profits made in Western Australia, while this country, where the money was earned, got no benefit whatever except the privilege of having the business carried on here. Of

course the colony had got along without a dividend tax in the past, and could no doubt do without in the future, but the Government could do better with a tax, and there was plenty to do with the money. Seeing an opportunity for a tax on profits, and on profits only, he had thought this a reasonable impost to propose; and he did not mind saying that the large profits made by goldmining companies put the idea into his head. It then became a question how best to frame the tax, and it was deemed the fairest way to follow the 10 years' example of Queensland. He saw no reason why a trading company, which, like most trading companies, was an offshoot of a business elsewhere, and earned perhaps larger profits here in proportion to those earned elsewhere, should escape the tax. The argument came with great force that to tax one class of company and let others go scot free was not equitable, and there was no reason why every company should not pay this small impost, because, after all, unless immense profits were made the tax would not amount to much. A five per cent. tax would only mean a twentieth part, or £1,000 out of a £20,000 dividend; and even that would not come out of one man's pocket, but was so distributed as to be felt by no particular person. Companies complained they had already to pay income tax in England on the profits they made in Western Australia; but the law of England might be amended in that respect, and in any case the Government of Western Australia had nothing to do with taxes levied elsewhere. The Government here required revenue, and must try to get it from those who could best afford to pay; because it was of no use levying imposts where no revenue would result. If, however, profits were taxed after a business had paid its way, no injustice was done. He did not think the proposed tax was too high, though whether it was too high or too low was a matter on which hon. members could decide as well as he. The principle of the Bill was a good one, and he hoped hon. members would now go on with the measure. As he had said more than once he had no wish to fight the Bill clause by clause, but desired to be conciliatory, and to meet objections as far as possible; but he thought the Bill was as near meeting the

general views of hon. members as any Bill they were likely to pass.

Mr. MORAN: The committee had arrived at a stage at which they should have arrived on the previous night. All the cheese-paring had been so much waste time, the real question at issue being whether the Bill should be a goldfields measure exclusively, or applied generally. All the whittling had undeniably been brought about by those who wished in the end to narrow the Bill down to goldmining companies; and he was pleased to hear the Premier admit that it had been a great mistake for the Government to desert their own Bill, and for the Ministers to be found voting against their supporters. Such a state of affairs was not desirable on a question of great national policy such as increased taxation. Were the committee going to indulge in, not, perhaps, class legislation, but in legislation which would give rise to ill-feeling between different sections of the community? He thought not; and he appealed to hon. members who wished to confine the measure to goldmining companies to withdraw their objections. It was not desirable in the present state of feeling between the people on the coast and the people on the goldfields, that additional cause should be given to the latter to think injustice was being inflicted on them. Representatives of goldfields constituencies were strongly in favour of a tax on goldmining dividends; but they were also in favour of taxing trading companies which made large profits out of the labours of the miners and those who invested money in the mining industry. Were the goldfields to become deserted to-morrow, or the gold was to "peter" out, how many of the trading corporations in Western Australia would be found doing flourishing business 12 months hence? All those corporations depended yet on the goldfields for their trade, and the Government should not only adhere to the rest of the Bill, but re-commit the measure; and if the Government had seen their error in departing from any part of the Bill, hon. members who had voted to exclude fire insurance companies would turn round, prepared to include them if life assurance companies were also included. If a law had stood the test of 10 years in Queensland, a country

situated exactly as was Western Australia, with a large area and similar trading interests, it would stand the test of another 10 years in Western Australia, and the Government would find it to their advantage and to the interests of the country, to insist on the Bill as originally drafted.

Mr. MONGER: The Bill, at first glance, appeared a measure which would find practically unanimous support, with the exception, perhaps, that the measure did not go far enough. In addition to incorporated companies or associations, the Bill ought to have included all firms registered under the Registration of Firms Act, and he intended to submit an amendment to that effect; but if big financial institutions were to be exempt, the Bill ought to be narrowed down to goldmining companies. He would be the last to say that those companies should be taxed more than any other, because, in this respect, all corporations ought to be treated on an equitable basis. He was pleased to hear the Premier admit that the Government had made a mistake on the previous night; and it was to be hoped the Bill would be recommitted and carried out in its entirety, with a provision including registered firms. The member for the Swan (Mr. Ewing) in dealing with the question, said the people of Western Australia did not appear to extend to those who came from other colonies that kindness and sympathy expected; but he (Mr. Monger) could only say that the treatment extended to new-comers in this colony was more hearty than that extended to Western Australians in the other colonies.

Mr. EWING: The member for York (Mr. Monger) must know that his concluding remarks contained a misrepresentation, because he (Mr. Ewing) used no such words as had been attributed to him. What he said was that there was an impression abroad on the gold-fields to the effect described, and he expressed his opinion that the impression was not well founded.

Mr. A. FORREST: No hon. member, after hearing the arguments of the member for Coolgardie (Mr. Morgans), could do otherwise than support the Bill as drafted.

Mr. ILLINGWORTH: The member for West Kimberley (Mr. A. Forrest) moved

the exclusion of fire insurance companies from the operation of the Bill.

Mr. A. FORREST: That was only because life assurance companies had previously been exempted, and he was quite consistent in his action. When the Government began to pull their own Bill to pieces it was time for hon. members to do what they could to make the Bill a little worse; but they had now gone far enough, and he did not intend to assist in further mutilating the Bill. If the measure were recommitted, and the Government included life assurance companies, he would support them. If it got abroad that goldmining companies were alone to pay dividend duty it would cause widespread dissatisfaction, and no good argument could be advanced why people in the other parts of the colony should not also be taxed. Many members had said that at first they were inclined to tax the gold export, but having looked into the matter carefully they found the plan would not be workable, because it would be taxing people paying £10 an ounce for their gold, and there was no reason why the House should tax those who were losing money. The member for York (Mr. Monger) wished to go a little further, and desired to tax all those companies registered under the Registration Act passed last year (and a very good Act it was); but in many cases a person traded under the name of a company, and such person would have his name removed from the registration list and trade under his own name, thus becoming exempt, so that, in regard to the clause introduced, great care would have to be exercised to embrace firms trading under the name of a company. The member for West Perth (Mr. Wood) acted under the name of a company, but he was the sole representative; and there were hundreds of cases in Perth. If the Bill were further amended to embrace those registered under the Registration Act, we would not get very many of them, although we might catch a few; and he would have no objection to our catching them. There was a great difference between a firm consisting of three or four persons trading as a company, and having no responsibility, and people who had everything at stake. If the Government would agree to re-introduce the Bill, most members

would, he thought, be of opinion that it would catch as many people as possible at the present time.

MR. CONNOR: If registered firms were to be taxed, all traders should come under the operation of the Bill. If we unanimously agreed to tax the goldmining companies, then the incorporated companies, then the firms, and then private individuals—he did not think we should—how in all justice could we allow absentees with big rent rolls to escape? Such people had the value of their property increased by the industry, money, and energy of traders in the colony, and how could they be excluded, whilst those still working hard and doing good to the country had to pay?

A MEMBER: There should be an income tax.

MR. CONNOR: It came to that. Either we must tax all or none. There was what was called the unearned increment, and that must be taxed, if the traders of the colony were to be called upon to pay under the suggested amendment. If, as originally intended, a tax were to be imposed exclusively on the large profits obtained from gold mines, it would be a hardship upon certain people, but he did not say it would be an injustice, because, after all, the best people to bear the burden of taxation in this colony were those who were drawing immense dividends without contributing very much wealth for the purpose of getting them. But when we passed from those people and went to incorporated companies, there was an objection, for such companies would be handicapped by the five per cent. tax, and would be at a disadvantage in conducting their business in competition with others. It would be utterly impracticable to carry out taxation unless it was made general in some form, and if there was to be general taxation, it ought to take the form of an income tax.

MR. DOHERTY: It was to be regretted that the member for Coolgardie (Mr. Morgans) was not in his place the previous evening, for, if he had been, probably some of the words uttered by him on the present occasion would have remained unsaid. No member received more attention than the hon. member, because he was, above all things, fair; but the position he took up to-night was

that members were apparently opposing the Bill with the idea of class legislation. Had he been in his place the previous night, he would certainly have discovered that such was not the case. As far as he could judge, members simply wished to make the application of the measure universal. They took the opportunity of perhaps defeating the Bill as it stood, in order that they might get an improvement in one direction, so that benefit might be derived from all firms and companies earning a profit from their business. Members did not wish to particularly select goldmining, but, if we analysed the question, we might find that goldmining companies were better able to bear the burden of this tax than companies simply trading in the colony. There were many reasons that pointed directly to gold-mines. It might be said that when gold was obtained the country was richer by it; and such would be the case if it remained in the country; but did it?

MR. MORGANS: About 50 or 60 per cent. did.

MR. DOHERTY: There was no means of replacing gold obtained from the mines, whereas, in the case of the pastoral industry, we found that year by year the carrying capabilities of the land were increased.

MR. MORGANS: Who ate the cattle?

MR. DOHERTY: The gold-miners; but the gold-miners took the wealth from the country.

MR. VOSPER: Did the hon. member think we should keep the gold here?

MR. DOHERTY: No; decidedly not; but if the gold mines were held by people living in the country, and spending their money here, we would be richer to the extent of 50 per cent. of the value of the gold.

MR. ILLINGWORTH: The people in Western Australia held all the mines 40 years ago.

MR. DOHERTY: They were in suspense, were they not?

MR. ILLINGWORTH: Very much so.

MR. DOHERTY: Was he to understand that those who came from Victoria discovered them.

MR. ILLINGWORTH: Unfortunately, he did not discover any of them.

MR. WOOD: The hon. member did not bring them with him.

MR. DOHERTY: Did the people of Victoria and New South Wales bring the gold and deposit it here?

MR. MORAN: They brought a good deal of gold.

MR. DOHERTY: The Member for Coolgardie (Mr. Morgans) thought the members for Fremantle and the coastal districts had a wonderful knack of twisting the tail of the goldfields people. If those people were only touched, there was a roar, and it was said members were not in sympathy with them; but there was always a readiness to meet the goldfields. Reference had been made to Sir Thomas McLlwraith, but if we were to consider the clause referred to, he would ask what happened in regard to the Queensland National Bank?

MR. MORAN: That bank had nothing to do with Sir Thomas McLlwraith, who left the colony long before the occurrence referred to.

MR. DOHERTY: Of course he left it, and he took good care not to come back. If the Government were prepared to make this taxation general, to embrace insurance companies, banks, and private firms, he would be prepared to support them, but he would fight tooth and nail, from beginning to end, against class legislation. He assured the member for Coolgardie (Mr. Morgans) that there was no desire to put a burden on the goldmining companies only, though probably these were better able to pay the tax than those trading in other districts. He hoped the Government would re-commit the Bill and tax private firms and all other traders.

THE PREMIER: Every storekeeper in the country?

MR. DOHERTY: Every storekeeper, grocer, and auctioneer.

MR. KENNY: Last night he had gathered, from the trend of opinion, that he might improve the clause by an amendment to include unlimited companies, unregistered firms, firms registered under the Registration of Firms Act, or private individuals carrying on business with a turnover of not less than £5,000 per annum. The suggestion met with a bad reception. But a change had "come over the spirit of the dream," and he was proud to note that the member for Coolgardie thought a good deal of the principle of the amendment, which no doubt the hon. member would have supported

had he been here last night. While he (Mr. Kenny) did not wish to pose as the adviser-in-ordinary to the House, or as the candid friend of the Government, it was his honest opinion, judging from the speeches of hon. members, that if the Government would re-commit the Bill, and add to it this amendment, the measure would pass without a division.

MR. WOOD: The discussion was simply a repetition of that of yesterday. The "devil" had evidently been in the House during the last two nights. The amendments so far would improve the Bill. He would support the amendment to tax fire insurance companies, but life assurance concerns might well be exempted, and the exemption of these was the cause of the whole trouble yesterday. There was too much of the personal element in this discussion; and with regard to two members in particular, there was no reason why they should be members of an incorporated company unless they chose. Why did they incorporate their firm? Any firm which sheltered itself behind the conditions of the Companies Act should be prepared to pay, in the shape of a dividend tax, for the protection afforded by that Act.

MR. DOHERTY: Would the hon. member pay his own share of taxation?

MR. WOOD said he had never objected to do so. But the proposals of the member for East Kimberley (Mr. Connor) and the member for North Murchison (Mr. Kenny) would tax lemon-squash shops, tea-rooms and restaurants—a ridiculous proposition; for how could their profits be ascertained? All such systems of taxation must have a beginning, and the Bill would ultimately lead to an income tax. Such a tax, however, should be kept as a reserve for a time of great distress.

MR. DOHERTY: In such a time there would be no incomes to tax.

MR. WOOD: That was not so. In view of the splendid way in which the Queensland Act was working, and after the speech of the Premier, hon. members should be well satisfied with the Bill. He would support it, and would oppose this amendment.

MR. OLDHAM supported the Bill as it stood. Some hon. members objected to the Bill because it did not go far enough; and yet rather than have their

particular businesses taxed, they desired to curtail the operation of the measure. That was a most remarkable position to take, and the only reason for it appeared to be that certain limited companies trading in the colony must be making enormous profits, else they would not so strongly object to a dividend tax. What would be the effect of a re-committal of the Bill? The whole battle would have to be fought again.

THE PREMIER: The Bill could be re-committed for a special purpose.

MR. OLDHAM: Any attempt to tax life assurance companies would meet with his opposition, such concerns being of considerable benefit to the Government.

MR. MORGANS: That was no reason why they should not be taxed, if they made profits.

MR. OLDHAM: Anyone acquainted with the constitution of mutual life associations knew that their policy-holders were already taxed.

MR. MORAN: Not at all. A tax was something which was given to the Government with no hope of return.

MR. OLDHAM: The object of this request for a re-committal was not to further extend the operation of the Bill or to improve it, but merely to kill the measure; and it would certainly be unfair to carry the amendment, and thus make the tax applicable to goldmining companies only. That would be one of the most unjust and inequitable forms of taxation any Parliament could pass.

MR. MORGANS: In reply to the member for North Fremantle (Mr. Doherty), those observations were confined to the criticism heard in the House to-night. He (Mr. Morgans) would be very sorry if any observation of his had been offensive to the hon. member or to any other gentleman in the House. His remarks had no reference to anything that had taken place on the previous evening. Regarding life assurance companies, such of them as were mutual concerns made no profits, and the suggestion to tax the gross premiums of such companies was absurd and unfair. If this mode of taxation were to be equally adjusted all round, it must be a tax upon profits; therefore if the scope of the Bill were limited to taxation of profits, mutual life assurance companies would escape, and it

was therefore unnecessary to make any exception in their favour, as such companies made no profits.

MR. OLDHAM: Undoubtedly they did. The profits were divided amongst the shareholders.

MR. MORGANS: No. A mutual company made no profits. Such a company undertook to ensure a man's life for a certain amount on payment of a certain premium; the premium charged was really in excess of the amount required to cover the company's risk; and if, when the accounts were balanced, the company found themselves with a surplus arising from the fact that they had charged more than was necessary to cover risks, then the company returned the surplus to the insured in the form of a bonus.

MR. MORAN: What about money invested by such companies in property?

MR. MORGANS: Such moneys were taken from reserve funds.

MR. MORAN: They were not profits?

MR. MORGANS: No.

MR. OLDHAM: Could not a goldmining company escape a dividend tax by similar means?

MR. MORGANS: Exactly in the same way. A goldmining company could escape a dividend tax or even an income tax, if they chose to pay the whole of their profits to a reserve fund; but the Government were not going to allow the companies to do that. A company could not in any other way escape than by putting profits to reserve funds, or repaying capital. We need not feel much anxiety in regard to life assurance companies, and he thought the Bill might be made to include everybody if the principle was confined to five per cent. on profits made. If it could be shown that no profits were made no duty would be paid, but if it were shown that profit had been made then the five per cent. duty would have to be paid.

MR. MORAN said he could not agree that life assurance companies never paid a profit. In his case he paid a certain amount per annum to an insurance company as an investment, say £40 a year. He did this because he thought it better than buying £40 worth of land around Perth every year. By getting a greater advantage through insuring he was to escape taxation. The £40 which he invested with an insurance company was

invested by the company in properties which he himself did not choose to invest in. Accumulated capital had a better chance of investment than he would have. The insurance companies benefited from the endeavours of every man, woman and child in the colony to push the colony ahead. He was investing for himself or those whom he was bound to support.

MR. MORGANS: That was a reason why insurance companies should pay the tax.

MR. MORAN: That was a reason why life assurance companies, who had the benefits of the railways and the hospitals and the assistance of the Government in helping to make the lives of the people secure, should not escape taxation.

MR. OLDHAM: A tax on life assurance companies was a tax on thrift.

MR. MORAN: What was not a tax on thrift? Every tax was a tax on thrift. Even the man who obtained unearned increment received the benefit of somebody's thrift. The member for Coolgardie was wrong when he said that life assurance companies had no profits. He had received profits from a life assurance company.

MR. MORGANS: A return of excess premiums.

MR. MORAN: In his case he had been unfortunate to leave his premiums unpaid for 12 months, but the unearned increment kept the policy going. Take the balance-sheet of the A.M.P. Society; clearly and distinctly it was laid out in so many tens of thousands the profits on the investments of that company. The balance-sheet showed the real property which the company held in Australia and the unearned increment on that property, yet we were told the profits of these companies should not be taxed. He failed to see the logic of it. The argument about life assurance societies was not a sound one, and if the Bill was re-committed he saw no reason why life assurance companies should not be included.

MR. HOLMES in supporting the amendment said the object of hon. members was to extend the operations of the Bill to every company and to every one who was making money in this colony. The best and most equitable tax was one on dividends; no one was in a better position to bear a tax than the person receiving dividends.

MR. MORAN: A man getting a fair salary should pay a tax.

MR. HOLMES said he was prepared to go that far. He with other hon. members was prepared to curtail the operations of the Bill to such an extent that the injustice of its provisions would be realised and then another Bill might be introduced which would meet with the approval of hon. members. When discussing the Rural Lands Bill members had said that the operations of the measure should extend to everyone, including the Midland Railway Company, the Hampton Plains Company, and every one holding land, yet these very members on a somewhat similar question to-night were not prepared to extend the operations of the tax, but wished to curtail them. If we extended the operations of the Bill to private companies as well as to limited liability companies, then we would soon have an income tax, because if we taxed goldmining companies that would hasten an income tax. If the taxation of goldmining companies did no other good it would hasten on an income tax.

MR. MORGANS: Take some other medium to work on.

MR. HOLMES: The member for the Swan had said that there must be a beginning, and he (Mr. Holmes) indorsed that remark. This Bill would hasten on what he desired to see, everyone contributing towards the upkeep of the State.

Amendment (Mr. Higham's) put, and a division taken with the following result:—

Ayes	5
Noes	22

Majority against ... 17

AYES.	NOES.
Mr. Connor	Sir John Forrest
Mr. Higham	Mr. A. Forrest
Mr. Holmes	Mr. Hall
Mr. Solomon	Mr. Hubble
Mr. Doherty (Teller).	Mr. Ilbingworth
	Mr. Kenny
	Mr. Lefroy
	Mr. Mitchell
	Mr. Monger
	Mr. Moran
	Mr. Morgans
	Mr. Oldham
	Mr. Pennefather
	Mr. Piesse
	Mr. Quinlan
	Mr. Rason
	Mr. Throssell
	Mr. Venn
	Mr. Vosper
	Mr. Wallace
	Mr. Wood
	Mr. Ewing (Teller).

Amendment thus negatived.

MR. ILLINGWORTH suggested that in lines 15 and 16, the words "or on any reduction of capital" should be struck out. If the words remained, a company, in order to avoid paying the tax, instead of declaring a dividend might declare a reduction of capital. A company with a capital of £750,000, instead of declaring a dividend of 10s. per share, might declare a reduction of capital by that amount.

THE PREMIER: What would the company do with the money?

MR. ILLINGWORTH: They would pay in reduction of capital.

THE PREMIER: To whom?

MR. ILLINGWORTH: To the shareholders.

THE PREMIER: But that would be a bonus, and bonuses, profit, interest, and dividends were provided for in the Bill.

MR. ILLINGWORTH: "Reduction of capital" was distinctly declared to be an exception, and the words nullified the clause.

MR. DOHERTY: What would the company pay out of?

MR. ILLINGWORTH: Instead of paying a dividend, they would pay a reduction of capital.

MR. DOHERTY: Quite so; but what out of?

MR. ILLINGWORTH: It did not matter what.

MR. DOHERTY: If it was paid out of profit, the transaction would be discovered.

MR. ILLINGWORTH: That was not the question. The clause made a distinct exception, and opened the door to easy evasion by a reduction of capital out of profits.

MR. DOHERTY: Capital could not be reduced out of profits.

MR. ILLINGWORTH: It could; and it was quite common to declare a dividend and pay it by a reduction of capital. The clause distinctly stated that if there was not a dividend but a reduction of capital, no tax need be paid; and surely that was not the intention of the Bill.

MR. VOSPER: A company paid out of capital, and worked on the profits?

MR. ILLINGWORTH: Quite so.

MR. DOHERTY: A company would have to falsify its books in order to do that.

MR. ILLINGWORTH: The hon. member did not seem to grasp the point. If

the words "or on any reduction of capital" did not occur, the other clauses of the Bill would secure the object in view; but here was a distinct exception. According to the clause, a company might wind up with a million of money, pay the whole of it to the shareholders, and start again; and, as no dividend would have been paid, the company would evade the tax. As the clause stood, a company with the nominal capital of £750,000 could pay actual dividends by reducing the capital altogether, before it could be called upon to pay a penny tax. This was a defect in the clause which he wanted to remove.

THE PREMIER: There appeared to be some ground for the amendment suggested by the member for Central Murchison (Mr. Illingworth). It would appear that a company with a capital of £100,000 might, after carrying on business, find there was £20,000 to the good, and instead of a dividend being declared, the capital would be reduced by £20,000.

A MEMBER: That would be a bonus.

THE PREMIER: No; it was a reduction of capital by £20,000. In the original Bill, as placed before the Queensland Parliament, the words "or on a reduction of capital," did not occur, but were inserted at the instance of the Colonial Treasurer of that colony, who, in the course of the debate, was reported as follows:

He did not say it did not affect the bonuses, but it was a different thing to taxing them. If the hon. gentleman said, "Would it affect the bonuses?" he must say "Yes."

No doubt the effect of the words was that the capital of a company might be returned to the persons who had contributed it, and those payments would not be regarded as a bonus, but as a repayment of capital; and, in fact, all the capital might be repaid in this way before the company could be called on to pay a tax on dividends.

MR. A. FORREST: Meetings of shareholders would have to be held.

THE PREMIER: A company could not carry on without capital, but still it would be well if the words "or on a reduction of capital" were omitted, and he felt inclined to support the amendment.

MR. DOHERTY: A company would necessarily have to keep a correct set of

books, and yet the Premier said that a company which had earned £20,000 could pay its shareholders out of capital.

THE PREMIER: The company could reduce the capital by that amount.

MR. DOHERTY: Then what would the company do with the £20,000 earned?

MR. VOSPER: Use it as capital in place of the capital paid away. Was not that obvious?

MR. DOHERTY: The amount would have to be transferred to a profit and loss account and capital account, and would the Government officer pass that?

MR. EWING: The Bill provided for its being passed.

MR. DOHERTY: The £20,000 were the earnings of the company, and while they might call it a reduction of capital it was not a reduction of capital, and they would have to pay the tax.

MR. ILLINGWORTH: The tax was on dividends and not on capital.

MR. DOHERTY: That was quibbling, because the capital still remained £100,000.

MR. ILLINGWORTH: That did not affect the question.

MR. DOHERTY: Under the conditions described, the capital was not reduced, because if the money was placed to the reserve fund it became capital.

MR. VOSPER supported the amendment. The object of the Bill was to reach absentee companies and make them contribute to the revenue. We had in the colony a number of Anglo-Belgian, Anglo-French, Anglo-German, and some pure German syndicates, and the French companies operating in France or in foreign countries invariably repaid their capital before they paid a dividend. That being the custom among continental companies, if that practice were carried out here, some companies of an absentee nature would escape the tax altogether. It was not the object of the Government to tax British companies and leave foreign companies alone. As to the book-keeping objections raised by the member for North Fremantle (Mr. Doherty), they were fudge. Supposing a company had a certain capital, and a profit was made, they might apply profit to wiping out capital; and, if they continued to operate upon the profit, and declared dividends, there was no Government auditor appointed to examine how they arrived at

their results. He would allude to four or five words of the clause having reference to winding up, in regard to which there seemed to be a certain amount of danger. It was possible a winding up might be made for the purpose of distributing a large profit so as to escape taxation of a dividend. That had been done before, and it might be done again. Suppose a company to be formed with a small capital of, say, from five to ten thousand pounds, for the purpose of prospecting a mine on the Coolgardie goldfields, and the mine contained a large quantity of gold immediately realisable. That mine, or the gold resulting therefrom, might be sold for a quarter of a million. What would be easier in such a case than for the company to wind up? And it would practically cease its operations when it sold its mine. By that means it would escape payment of taxation on dividends. He knew it was very unlikely that a company established in business, and in the habit of giving regular dividends, would adopt that course for the purpose of escaping payment; but if a sudden rise took place in the value of a company's property, people might sell out in a hurry, the shareholders disposing of their interest, and practically swindling Western Australia out of the dividend tax. What all members aimed at was to make the Bill a revenue-raising measure, and those on the Opposition side of the House were only doing the Government a friendly turn in offering suggestions to remedy defects in the measure. He hardly knew how to frame an amendment to meet the case. A proposal to strike out the words "except in a winding up" would not meet the difficulty, because, if a company became bankrupt, we would get dividend duty on the distributed estate.

THE PREMIER: Such would not be the case, he thought. Returning the capital, or part of the capital, would not be a bonus or dividend.

MR. VOSPER: If the Premier thought it would meet the case, he would move that the words "except in a winding up or on a reduction of capital" (in lines 3 and 4) be struck out. He moved the omission of those words.

MR. MORAN: It was advisable that progress should be reported, for it was perfectly evident to him that nobody in

the House thoroughly understood the Bill.

MR. VOSPER: Let the hon. member speak for himself.

MR. MORAN: Not only was he speaking for himself, but also for others, judging from what he had heard. It seemed members had not been able to devote the time to the Bill they would have liked.

THE PREMIER: The observation made was not justified, in his opinion.

MR. MORAN: It was absolutely certain no one thoroughly understood the Bill. Apparently the Premier was in favour of striking out the portion of the clause referred to, and that would be a hasty action; and he would recall the Premier's own words, in which he said the measure had been in existence in Queensland for ten years.

THE PREMIER: This Bill was not exactly the same as the Queensland measure.

MR. MORAN: If the Premier had altered the Queensland measure, members should know it. He would suggest to the member for Central Murchison (Mr. Illingworth) that if he included "winding-up," it would be absolutely on false grounds.

MR. ILLINGWORTH: Reduction of capital.

MR. MORAN: A syndicate in Perth might start with a capital of £10,000 and might sell for exactly that amount, and decide to wind up at once. What would it have made? Some people would say £10,000, but he asserted that it would not have made a penny.

THE PREMIER: Then there would be no dividend.

MR. MORAN: The syndicate wound up then.

THE PREMIER: No; they could deal without winding up.

MR. MORAN: If they did not wind up they would be charged on the so-called earning.

THE PREMIER: The return of capital only.

MR. ILLINGWORTH: A dividend must be declared.

MR. MORAN: The Premier wanted to tax them on the capital.

THE PREMIER: No; let the hon. member look at the other side, for they might have a tremendous lot of profit besides their capital.

MR. MORAN: If they had another £10,000, that would be an earning. Supposing they did not want to go ahead again, and they put the money back into their pockets, there was no proposal to tax them for that money.

THE PREMIER: Any bonus.

MR. MORAN: Nobody seemed to thoroughly understand the meaning of the Bill, and he moved that progress be reported, time being given to further consider the question. Members were going to vote on the question, and none of them thoroughly understood it.

THE PREMIER: Why did not the hon. member speak for himself?

MR. MORAN: Being very generous, he did what he could for others as well as himself.

Motion—to report progress—put and negatived.

MR. CONNOR: Was it to be understood from the Minister in charge of the Bill that the measure would be re-committed and could be discussed again? He meant in reference to some clauses already passed.

THE PREMIER: Very likely it would be re-committed. There would be plenty of time to think about it.

MR. CONNOR: Would the Premier promise it would be re-committed?

THE PREMIER: If it was the wish of the House, he would have no objection.

MR. ILLINGWORTH: The clause under discussion contained the words "'dividend,' means and includes every sum of money intended to be paid or credited to or distributed among any members of or in any company, except." If that exception were not there, it would include any dividend in any form, but, in this case, unless the amount was declared as a dividend, it would not come under the operation of the Bill. He did not agree with the member for North-East Coolgardie (Mr. Vosper) as to the words "except in a winding up," because he thought winding up would be interpreted in a court of law as a winding up under an order or something of that kind.

MR. MORGANS: Then it ought to be clearly defined.

MR. ILLINGWORTH: The clause said also "or on a reduction of capital." Any company at any time might decide to reduce its capital, and that was a very common thing to do. If a company had

£100,000, which it proposed to use for the purpose of paying off its capital, it ought to pay a duty on that expenditure just as if it were paying a dividend.

THE PREMIER agreed with the hon. member on that point.

MR. ILLINGWORTH: For safety's sake, the word "winding-up" should also be struck out.

MR. DOHERTY: An insolvent company could not pay a dividend.

MR. ILLINGWORTH: Did not we constantly read of the first or the final dividend paid by companies which had been wound up?

MR. DOHERTY: Those were paid by the court, and could not be taxed.

MR. ILLINGWORTH: If a company propose to wind up, and declared a dividend of 40/- in the pound out of its reserve fund, when the shareholders had only contributed perhaps 2/6 in the pound, such dividend should be taxed under the Bill.

THE PREMIER: If the hon. member would leave the matter to him, he would provide for that contingency.

MR. A. FORREST: Regarding the reduction of capital, Block 14 Company, of Broken Hill, reduced its capital from £500,000 to £100,000 at a time when it had no money for reducing capital. The company simply wrote it down by entry in their private ledger.

MR. MORAN: It was news to hear that capital could be reduced without the necessary funds. The hon. member evidently meant the nominal capital.

MR. MORGANS: It was clear, from the wording of the definition, that it applied to the reduction of capital, for it went so far as to say "except in a winding-up or on a reduction of capital." It was a common practice for public companies to reduce their capital; it was frequently desirable to do so; and in many instances it was quite just to repay out of profits the whole capital of a company. If a company had made a profit of 100 per cent. and could make no further profit, it was a perfectly honest proceeding to apply the profit to the repayment of the capital paid up.

MR. MORAN: That was done somehow by every company which made a profit.

MR. MORGANS: Undoubtedly. The definition covered a case of that kind.

MR. MORAN: But it should not cover such a case.

MR. MORGANS: Care should be exercised before altering these definitions, for in certain circumstances public companies should have some power to perform such acts as he had described. Most companies making good profits did one of two things: they either formed reserve funds for contingencies, or, before striking a balance and making out a profit and loss account, they set apart a certain amount of money for the reduction of capital. Under this definition they would be able to do that. A company with a capital of £100,000 might at the close of a profitable year decide to wipe off £10,000 of its capital. That would be done before a profit and loss account was made up, and if the legality of the step were questioned, a reference to this definition would make it clear that the proceeding was legal. The striking out of this definition might seriously interfere with the operations of certain public companies. It was, of course, quite possible for companies to repay their capital out of their gross profits.

MR. ILLINGWORTH: But should they or should they not be taxed on such payments?

MR. MORGANS: Under all circumstances, he did not think they should. There were cases in which they should not be called upon to pay the tax; and therefore some latitude should be left. It would not be difficult to draw up a clause providing for the various contingencies which would occur.

MR. VOSPER: The Premier had already promised to do so.

MR. EWING suggested for the consideration of the Premier that, as the object of the Bill was to tax dividends, profits distributed among the shareholders, the words after "except," in line 3 to "whether" in line 4 should be struck out, together with the word "profit" in line 5; and the word "provided" should be inserted in lieu, thus making the definition read:

"Dividend" means and includes every sum of money intended to be paid or credited to or distributed among any members of or in any company, provided the same is derived from income or from capital, and whether the same is called by the name of dividend, bonus, interest, or any other name.

That would make it clear that the tax would apply only to such dividends as were derived from income, and not to those arising from a division of capital. Why companies should be compelled to pay a tax on a division of their capital when winding up was difficult to understand. The object of the measure was to make them pay on profits; and if his suggestion were accepted by the Premier, this end would be attained.

MR. MORAN: What was income?

MR. EWING: The term was one which most people could understand.

THE PREMIER: Sometimes companies paid dividends out of capital.

MR. MORAN: Income was not profit.

MR. EWING: According to his suggested amendment of the definition, any dividend paid out of capital which arose from profits of the company would be taxable, whereas if the dividends were declared out of the original money invested, such dividend would not be taxable. That was the key-note of the situation.

MR. ILLINGWORTH: Hear, hear.

MR. EWING: The House desired to tax the profits, and not the money invested.

MR. DOHERTY: Then impose an income tax.

MR. EWING: The suggestion already made would show clearly that the Bill did not impose a tax either on a winding-up or in any other circumstances, when capital not derived from the profits of a company was being repaid.

MR. MONGER: Enough had been said about this definition of "dividends." He moved that progress be reported.

Put and passed.

Progress reported, and leave given to sit again.

MESSAGE—ASSENT TO BILLS.

Message from the Governor received and read, assenting to the Supply Bill (£850,000), and the Perth Mint Amendment Bill.

SALE OF LIQUORS AMENDMENT BILL.

SECOND READING.

THE ATTORNEY GENERAL (Hon. R. W. Peunefather), in moving the second reading, said: By this Bill it is proposed to add to the amendment of the

Sale of Liquors Act, 1897. It appears there was an omission made in the Act in giving power to certain persons to take liquor from licensed premises with a view of testing it, to see whether it was adulterated or not. This power was given to justices and inspectors of police, but not to inspectors of licensed premises; and the first clause now proposes to introduce the words "Inspectors appointed under the Act" so as to give inspectors of licensed premises power to take liquor with a view of testing it. The next clause is the most important, and it is one that bears upon a difficulty that the department has experienced in trying to detect and convict people who are selling illicit liquor. Unfortunately, there has been a conflict of decision on the Supreme Court bench, and the state of the law as it now stands is that one learned Judge says that he will not receive the evidence of an accomplice unless it is corroborated by the testimony of another person in some material particular, while another Judge has expressed the opinion that in cases of this kind where accomplices, so to speak, have to be called in order to detect the illicit selling, and carry out the provisions of the Licensing Act, the law is not so severe, and it is not necessary that an accomplice should be disbelieved. There has been no appeal to the Full Court, and each Judge may give a ruling which is not appealed against. The object of the clause is to put an end to any doubt on the subject, and to provide that the evidence of one police constable or excise officer shall not be challenged because it is the evidence of a person who has technically helped to commit the offence. Hon. members will see that while on the one hand one does not like attempting to set right conflicting decisions of Supreme Court Judges, on the other hand there is the greater interest to look after the administration of justice, with reference to the detection of people who are selling illicit liquor. I am told, and I believe it is true, that in the centres of Kalgoorlie and Coolgardie there are a number of places where a traffic is carried on in the illicit sale of liquor; and I ask the House to assist me in the passage of this measure, the effect of which I think will be beneficial. In the meantime no prosecution can

be brought against unlicensed people selling liquor, because a conviction cannot be obtained. If we appeal to the Supreme Court, it is a singular thing that nearly all the cases are set down before the learned Judge who gave his decision on this point, according to his views, requiring corroboration in the case of an accomplice. Apparently people look to see when it is this learned Judge's time to come round to sit, and they set their cases down before him. The object of this short Bill therefore is to provide that where an officer of police or constable or officer of excise gives evidence that he has detected a person selling liquor without a license, that officer's evidence shall not be rejected because it is evidence of an officer of the police or an excise officer. There is a danger in carrying the law too far, and if it were to be admitted that a common informer, who shares in the penalty, should not be corroborated, then I think the remedy would be worse than the disease. Therefore there is a limitation in the Bill giving to officers of police and excise officers this power. I submit the Bill with confidence to hon. members.

MR. EWING (Swan): This Bill is striking at a very old and established principle of law, which has been in force not only in the Australian colonies but also in Great Britain for a long time. It has long been decided and held that in the case of a person laying an information and offering evidence in support of that information, as to the commission of an offence, if an accomplice assists to commit the offence, the person charged shall not be convicted on the evidence of the accomplice alone. That has been found for years to be a salutary principle. A person laying an information has a direct object in the conviction, because he gets portion of the penalty. There are persons in this colony making considerable sums of money in this way, and the police fund derives a large amount from this source. For hundreds of years the court has required some corroboration: there must be someone to support the evidence of the person who is going to get a benefit out of the conviction. I think it will be a sad day when the person who is to get half the penalty—the person who lays the information against the individual—can get the person convicted on his own word alone. I think there is good reason

for the law as it now exists in the old country, in the other colonies and in this country up to the present. It would not be difficult for a constable to take another witness with him and look on and give the necessary evidence.

THE ATTORNEY GENERAL: He would be an accomplice too.

MR. EWING: Excuse me. If two policemen go in and one offers money and induces a person to commit an offence, that person is the accomplice. I have known cases in which a policeman has gone into a public-house—I defended a person at the Bunbury court the other day—and say that a person was dying and must have liquor. This policeman got half a bottle of liquor on a Sunday morning, and then laid an information against the publican for Sunday selling. The law as it stands prevents unprincipled persons, for their own profit, plundering other people; and it seems only right that there should be some independent party to say whether the accomplice is telling the truth.

MR. MORAN: How would the person be independent if he went to the house?

MR. EWING: If you get two men swearing to a set of facts and only one reaping benefit from a conviction, the probability is that you will get the truth.

MR. ILLINGWORTH: If there were two policemen, both would get a benefit.

MR. WILSON: Do not the inspectors get some benefit?

MR. EWING: I understand that in the case of the police—the Attorney General will correct me if I am wrong—half the fine goes into the police benefit fund.

THE ATTORNEY GENERAL: Yes; the policemen do not get the money personally.

MR. ILLINGWORTH: Both policemen get the same benefit in that case.

MR. EWING: There is a direct benefit to procure a conviction, and it is desirable in cases like this that some corroborative evidence should be given. What has stood the test for centuries in the old country and for years in the other colonies should not be set aside here because two Judges do not give the same opinion.

MR. MORAN (East Coolgardie): I am pleased to be present when this second

reading debate is on, to speak at the request of one of the largest and most important corporations trading under the laws of the land in the district I represent—I speak of the Licensed Victuallers' Association. It is at the unanimous request of the licensed victuallers, and they are an honourable and important portion of the community in my electorate—they are affiliated—and I am also authorised to speak, absolutely requested to speak for the whole of the goldfields, and with the concurrence and support, and at the request of, the whole of the licensed victuallers in Western Australia on this subject. There need be no fear that licensed victuallers are going to be hampered or interfered with, or are afraid of getting into trouble for Sunday grog-selling. What I am afraid of, and the community also, is the overwhelming amount of crime, misery, and corruption wrought by sly grog-selling. I do not know so much about Perth in this respect, but I do know about my own electorate; and there is a hydra-headed evil that must be put down with a firm hand. Sly grog-selling on the goldfields, with all the attendant iniquities, is a disgrace to Western Australia.

MR. ILLINGWORTH: It is the same in Perth.

MR. MORAN: We see the law flouted every day as a consequence of the decision by a learned Judge in this colony; and no matter what the conviction may be, or how clearly the offence may have been proved, the law on the goldfields particularly is openly defied, and appeals are made to the Supreme Court. In this open defiance a great evil stalks unchallenged through the land. At Boulder the police statistics show that over 150 authenticated and publicly frequented sly-grog-shops exist in one district alone; and in Kalgoorlie a well-established connection in the same line of business is carried on in the open streets—in Hannan Street itself—mostly by women. This trade, with all its attendant abhorrent vice and crime, carried on in certain classes of shops on the goldfields, is a disgrace to the colony. No matter what law may be quoted, we lay members in this Assembly are not going to be guided by some fusty old principle which for a certain number of years may have been thought "good form" in the old country. Is there a mem-

ber in the Assembly who does not know that murders are committed every month in Western Australia, as the direct result of sly-grog shops? I do not doubt that three-fourths of the murders committed in the Kalgoorlie district had their source directly in this nefarious traffic; and the Police Commissioner is of opinion that, until there is some alteration in the law and the police are made something more than mere dummies, crime will continue to stalk unchallenged through the land. The law is laughed at, because someone in a high place has a fancy about some fad of law. We representatives are not the interpreters of the law, but we are placed here to make law; and when we see a great evil like this resulting in degradation and murder, we should legislate and stop it. I have correct information from the police, and I along with many others know that absolute murder has resulted from this traffic. Unfortunate men are seen in sly-grog shops, and afterwards found dead not far away; and the police, though they know of these places, are too disheartened to take action. The Commissioner of Police told me personally that until there is some alteration in the law by which there will be no possibility of anybody excusing these crimes, the police are powerless. Are we going to listen a moment to niceties of law which may have been held sacred for a number of generations, when there is a big evil like this? Are we going to hesitate to go any and every length to break down a traffic which gives rise to crimes of the kind I have described? But there is another aspect of the question. The Government are losing revenue "hand over fist," and I tell the Premier what he already knows, that grog is being manufactured and distilled in thousands of gallons at Kalgoorlie and Boulder to-day.

MR. ILLINGWORTH: And other places too.

MR. MORAN: Whisky is being distilled and sold in deserted mines in and around Kalgoorlie and Boulder, and one plumber told me he had made a "good figure" by constructing any number of "worms" and other apparatus. Where is this liquor sold? Certainly not in licensed victuallers' hotels.

MR. OLDHAM: The liquor is bad enough there, sometimes.

MR. MORAN: The hon. member may speak for Perth, and his interjection is very little recommendation to the hotel-keepers of the metropolis.

MR. OLDHAM: I mean the goldfields hotels.

MR. MORAN: I speak for the goldfields I represent, and there no bad liquor is sold in hotels which I visit, and I have occasion to visit a good many, especially about election time. It is in the sly-grog shops that the bad liquor is sold. This liquor is taken about in carts and offered for sale in broad daylight. The police dare not enter sly-grog shops in the same way as they can licensed premises, and even if the police do prove a case, the conviction is quashed on appeal. This illicit traffic does a great injustice to hotel-keepers, who are a law-abiding section of the community and are obliged to keep good liquor or be prosecuted by excise officers. Young fellows, with little else to do, go about town, and after the hotels are closed are tempted to those sly-grog shops where, advanced "in their cups," they are supplied with the vilest "tack" in the world, and driven absolutely mad. They go about like raving maniacs until all hours of the night, and are probably arrested and fined a few shillings next morning. That is common, not only on the goldfields but in Perth; and the harpies who are the cause of all the evil are allowed to go scot-free. Hon members should listen to no arguments against the putting down of this crime, but should protect legitimate trade and also the revenue, and more than all, should do everything possible to preserve human life and promote morality.

MR. QUINLAN (Toodyay): I have very much pleasure in supporting the Bill before the House, because I think the time has arrived when some such steps as those proposed should be taken. I know it has often been urged that blame should be attached to publicans for supplying liquor contrary to the law. According to my experience, at any rate, it will be much better to have such a measure as this, which will punish those who trade contrary to the law. So far as the hotel-keepers generally are concerned, or at all events the greater portion of them, the respectable ones, I am sure they will be glad if the measure is passed.

The revenue has been referred to by the member for East Coolgardie (Mr. Moran); and it is not only on the goldfields that sly-grog selling takes place, but also in Perth, in perhaps an equal degree. The revenue of the colony is robbed by that means, and undoubtedly sly grog-selling has led to very many cases of degradation and immorality. The places where it is carried on are frequented when the hotels are closed. The Government are to be congratulated upon introducing the measure. A gentleman, occupying a very high position here, has asserted that because a man comes forward and gives evidence, he is an informer, and merely does so with the object of participating in the amount of the fines imposed; but, speaking for hotel-keepers, I say they will be very glad for persons to give such information, and the country will be the better for it. As to the oath, I would like to see it abolished altogether in the courts, for I am sure very few pay the respect to it that they ought to do. The absence of such respect is frequently seen, both in the Supreme Court and the Police Court, and I have noticed it myself, and I repeat that it would be better to abolish the oath entirely. I shall cordially support this motion.

MR. ILLINGWORTH (Central Murchison): In the present condition of the House, to which I desire to call attention, I think it would be just as well for the Government to adjourn the debate. You can hardly vote in a House that has not a quorum.

THE PREMIER: We do not want to vote.

MR. ILLINGWORTH: If it is the intention of the Government to go on, I wish simply to say I am in thorough sympathy with the objects of the Bill, and the remarks made by the member for East Coolgardie (Mr. Moran). I cannot speak from experience, as he does, but from information received I can assert that the evils he has referred to appear to exist in this city, and all over the country; and if we could succeed—of course we could not do it with this particular Bill—in putting down the sly grog-selling, it would, to take a very low view of the question, make a difference of £100,000 in our revenue, to start with. I possess some information which perhaps the hon. member does not. I know what

the position of affairs means when there is a duty of 16s. per gallon on spirits, and the same can be made for 2s. 6d. a gallon, as is the case.

MR. MORAN: It can be sold at 2s. 6d.

MR. ILLINGWORTH: When spirits are being sold to a very large extent to the exclusion of duty-paid drinks, it makes a very material difference to the revenue. As already stated, I estimate the amount at close upon £100,000 a year; and I generally manage to get tolerably close to the mark in questions of figures. The money side of the question is, however, a comparatively small portion of the subject. The degradation, the moral phase, the health phase, and the life phase of the question are more important than all the money; and then there is another phase of the subject to which we ought to give some consideration. We license houses to do a retail trade, and expect them to do legitimate business, and to a very large extent the people engaged in the trade are endeavouring to do it, with exceptions, of course, as in every trade. As a whole, the licensed victuallers of the colony are trying to do all they are expected under the law, and alongside of them their very trade is being sapped all the while. Not only that, but people are being ruined. Their health and life, and everything good and excellent is being destroyed; and yet the police are absolutely powerless because of the want of some support from the bench and the courts; and an excuse is now made that the evidence is insufficient. Of course I know this measure will not do all we want, but it will accomplish something, and, that being so, I give it my most hearty support, for I think we should do everything we can in maintaining the law, and putting down one of the very worst phases of the drink question. There are all sorts of phases of the drink question, and some people think there are good phases, but I question that; and one of the very worst phases is that of the atrocious stuff sold as good which pays no duty to the State, and it is not even pretended it is an adequate return for what a man pays. It destroys and takes away his reason and makes him a burden upon the State twenty minutes after he has consumed the liquor, and what he will do after that no one can tell. He may kill himself or somebody

else, and that would not be the case if he obtained an ordinary drink in a licensed victualler's hotel; but he gets this vile stuff, and the country has to take the consequence. I hope the House will not only adopt the measure, but will heartily support the Government in every attempt they make to put down this tremendous evil which exists in our midst.

MR. WILSON (Canning): I am quite with the Attorney-General in supporting this Bill to widen the scope of inspectors and police in putting down the sale of bad liquor, but I do not see why the provisions should not also apply to the licensed houses. It is a well-known fact that you can go into many licensed houses, not only in Perth but other portions of Western Australia, and be served with bad liquor.

THE ATTORNEY-GENERAL: The principal Act deals with that.

MR. WILSON: The Bill says that on the hearing of any charge for selling or disposing of liquor without being licensed, the evidence of a police or excise officer may be given without corroboration.

THE ATTORNEY-GENERAL: You can get plenty of people in public-houses.

MR. WILSON: The Bill should apply to all, and if that can be done, I shall be prepared to support it.

Question put and passed.

Bill read a second time.

ADJOURNMENT.

The House adjourned at 11 p.m. until the next day.