NOES.	
Mr. Doust	Mr. Seward
Mr. Hawke	Mr. Thorn
Mr. McDonald	Mr. Troy
Mr. McLarty	Mr. Welsh
Mr. Nulsen	Mr. Willcock
Mr. Patrick	Mr. Wise
Mr. Sampson	Mr. Doney
	(*Teller.*)

PAIR	
AYE.	NO.
Mr. Stubbs	Mr. F. C. L. Smith

Amendment thus passed.

Clause, as amended, agreed to.

Progress reported.

House adjourned at 10.46 p.m.

Legislative Council,

Wednesday, 17th November, 1937.

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

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. C. H. WITTENOOM (South-East) [4.35]: I intend to support the second reading of the Bill. Though we all dislike taxation, we appreciate that the Government must have money. In Committee I hope that the Bill will receive considerable amendment.

Member: If it reaches Committee.

Hon. C. H. WITTENOOM: One hon. member suggests that it might not reach Committee, but I think we shall have to pass the second reading. The financial emergency tax was introduced several years ago when unemployment was proving such a heavy burden on the people. As the tax was inaugurated for that reason, it is only fair that most people in the State should subscribe something towards it, though I do not infer that we should expect to collect from everybody. The tax obviously is necessary; no one denies that, although some members during the debate have stated that the depression is almost a thing of the past. We have to admit, however, that the effects of the depression are still with us and are likely to remain with us for a considerable time to come. I pay a good many employees, and personally I have not heard any of them complain at having to pay this tax. In fact, I believe most of them recognise that they receive many gratuitous advantages from the State, and that they have little to pay in the shape of other taxation, except, of course, indirect taxation, which everybody has to pay. They enjoy the advantages of free education, of police protection, and of hospital service, and the unemployed, of course, receive assistance. Members have suggested that the name of financial emergency tax is no longer applicable, but I do not know that the title matters much. After all, what's in a name? When the next depression arrives, which we hope will not be in our lifetime, I do not think any difficulty will be experienced in finding a title for any fresh form of taxation that might be considered necessary. I strongly object to Clauses 4 and 5 of the Bill, and shall oppose them in Committee. I consider it most unjust that if any employer paying wages fails to carry out certain provisions, he should be held liable to pay the whole of the tax that should have been paid by the employee. Far worse than that, however, is the amendment proposing to make that liability retrospective for three years. Everyone is liable to make a mistake; people often forget to stamp a document, but this is too serious a matter in which to permit the Government to go back for three years to collect from employers. Realising that the Government must have money, I shall vote for the second reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [4.40]: Quite a number of members have taken exception to the title of the tax on the ground that financial emergency does not exist at the present time, or that if financial emergency does exist, it does not exist to the extent it did when this legislation was originally approved by Parliament. It is true there has been a considerable improvement in conditions during recent years, but I do not think any member of the House would say that we have reached the stage when it is not necessary to raise the amount of money produced by this tax. Every member is well aware that while the position has improved greatly as compared with that of seven or eight years ago, nevertheless the requirements of the Government are such that this amount must be raised either by these means or by some other means. Though conditions have improved, there is a big responsibility on the Government, particularly in the matter of finding employment for a large number of men, and so long as that responsibility rests on the Government, there cannot be any easement in the amount of money that must be raised year by year. Again, I do not know that it matters much what the tax is called. More than one member has suggested that we might do away with the name of emergency tax altogether, and make provision for raising the money by way of income tax. I wonder whether those members have given serious consideration to the proposal? The Government has done so, and members might be interested to know there are difficulties in the way of introducing an amending income tax Act that would produce the amount of money that must necessarily be raised at the present time. Another feature that must not be lost sight of is that this tax is collected at the source, while the money raised under the Income Tax Act is collected by assessment. Members will realise that if we did not have the emergency tax or a similar tax under some other name, there would be a period of many months during which the Government would be short of considerable sums of money.

Hon. J. Cornell: How does South Australia manage?

The CHIEF SECRETARY: South Australia has never had a financial emergency tax.

Hon. J. Cornell: But South Australia doubled its income tax.

The CHIEF SECRETARY: More than doubled it. If we attempted to amalgamate the two taxes, it would be necessary to increase the rates, in some instances many times, in order to produce an amount of money equivalent to that raised by the financial emergency tax and the income tax.

Hon. W. J. Mann: It looks as if there was every chance of the tax remaining.

The CHIEF SECRETARY: I do not suggest that the tax will remain in this form for ever. The Government has given consideration to ways and means by which the two taxes can be amalgamated, but this cannot be achieved in one week or even one month. Much research will be needed before the Government will be able to bring down a Bill embodying the two taxes and giving satisfaction to all parties concerned, including companies. Again, I wish to comment on the fact that numerous members appear inconsistent in their criticism of the Bill. Mr. Mann, for example, advocated that this tax be amalgamated with the income tax. That means that there will be exemptions for many people—I assume on somewhat similar lines to the present exemptions from income tax. A little later in his speech Mr. Mann said he considered that every person should contribute to taxation, no matter how small the sum might be. I find it hard to reconcile those two ideas.

Hon. W. J. Mann: They represent general principles.

The CHIEF SECRETARY: The advocacy in this respect of Mr. Mann and Mr. Seddon shows that they have been consistent through the years. I believe I am correct in saying that each session when this measure has come before the House, they have expressed the same sentiments. However, when this tax was originally introduced, it applied to a considerably larger number of people than is the case now. In other words, the exemption was much lower. It will be remembered also that the tax used to be on a flat rate, the same rate for everybody irrespective of wealth. The advent of the Collier Government brought a change whereby we endeavoured to carry out the principle that those best able to pay should pay. Accordingly it was decided to exempt persons who were earning the basic wage or less. As a result of trying to give effect to that principle, it was necessary, owing to actions of this Chamber, that a certain figure should be stated in the Assessment Bill. That figure usually represented an amount slightly above

the basic wage for the metropolitan area and the South-West Land Division. Although the desire of the Government was to exempt all persons earning the basic wage in their respective districts, we were never able to get this House to agree to the extent of enabling us to exempt basic wage earners on the goldfields. Last year, hon. members will recollect, we endeavoured by using the term "basic wage" to have the exemption applied throughout the State. However, in deference to the wishes of this Chamber the Government eventually agreed to insert a figure which at that time was slightly above the basic wage in the metropolitan area and the South-West Land Division. Hon. members are aware that shortly afterwards there was an increase in the basic wage, with the result that numerous persons whom the Government desired to exempt, and who were exempted for a period, eventually came within the scope of the tax and were also called upon to pay income tax. On this occasion we are again anxious to exempt the basic wage earner, no matter where he may be situated in the State. Although some members have argued that people in various parts of the State will have difficulty in knowing what their basic wage is, I am afraid I cannot agree with that view. Every employer, no matter where situated, has a knowledge of the basic wage for his particular district. Employees too have a good knowledge of what the basic wage is in their respective districts.

Hon. G. W. Miles: How much revenue are you going to lose by bringing the basic wage into this?

The CHIEF SECRETARY: I cannot say. We shall certainly lose a little in the goldfields areas. But we are not concerned about that. We want to be consistent. As the hon. member is aware, the basic wage is fixed by the Arbitration Court, and in fixing that wage the court does not take into consideration the payment of a tax such as the financial emergency tax. Consequently, if we levy that tax upon basic wage earners we shall be deliberately bringing them down below the standard fixed by the Act, or by the Arbitration Court under the Act, as the minimum that should be paid to basic wage earners, no matter in what part of the State they may be situated.

Hon. G. W. Miles: How are you going to make up the amount that you will lose?

Hon. C. B. Williams: By putting a little more on men like you.

The CHIEF SECRETARY: Certainly it will make a little difference in receipts, especially from the areas I have mentioned. The Government intends on this occasion to bring down a taxing Bill which will have the same incidence as the measure of last session. No Treasurer can estimate to a pound or two just what a tax will bring in. In fact, we do not know the actual number of basic wage earners in the goldfields areas. We do know, however, that the number is not as large as some people imagine. However, that is by the way. It is the principle that counts, and we are endeavouring again to get the House to agree to the Government's policy in that regard.

Hon. J. Cornell: Why not apply it to the income tax as well?

The CHIEF SECRETARY: That is a different matter altogether. We desire that all basic wage earners should be exempted from payment of this tax. Although Mr. Seddon and other hon. members have advocated so consistently that every person, no matter what his earnings, should pay some small amount of taxation as a recognition of what he receives from the community, I hope the House will agree with me that earners of the basic wage or less are fully entitled to be exempted from any special taxation such as this.

Hon. J. Cornell: This is not special taxation now.

The CHIEF SECRETARY: It was special taxation when introduced. Hon. members may call it what they like: it is essential that this amount of money be raised. Whether raised by the method in the Bill or some other method, it has to be raised, and the Government will have to take the necessary steps. Mr. Baxter, speaking on the second reading, went so far as to say that many items of Government expenditure could not be justified even if the State's revenue exceeded the expenditure by an appreciable amount. He also said that it was necessary for the Government to reduce expenditure in order that a gradual reduction in taxation might be brought about. In support of his argument the hon. member specifically mentioned three items—Government motor vehicles, the Railway Department, and travelling expenses incurred by Ministers and civil servants. I am afraid that if those are the three most important items Mr.

Baxter can quote with a view to reduction of Government expenditure, he has not a very good case. I sometimes wonder whether Mr. Baxter and other hon. members realise the very small proportion of the total expenditure of the Government that is actually available to the Treasurer for the effecting of economies. It is easy to say that the Government should effect economies here, there and everywhere; but it is an entirely different matter when one looks around to ascertain what avenues are open for the making of economies. This year, for example, it is estimated that expenditure will total £10,782,000, of which about 75 per cent. will be devoted to the servicing of the public debt, and the necessary expenditure on public utilities to earn the revenue for which the Treasurer has budgeted. The payment of interest, sinking fund and exchange on the public debt will account for a sum of £4,217,000, while public utilities expenditure is estimated to absorb £3,619,000. When these items have been deducted from the total, there remains a figure of something less than £3,000,000 representing the limits of the field in which the Government can effect economies. Of this balance, however, a sum of £362,000 represents payments under special Acts appropriating revenue for such purposes as pensions and retiring allowances, the University of Western Australia, Parliamentary allowances, and so forth. Then again, a proportion of the residual amount comprises payments of salaries and wages of officers whose remuneration is fixed by agreements or industrial awards. Hon. members will realise, therefore, that little opportunity exists for effecting any considerable economies in the remainder of the field of expenditure. I may say also that in endeavouring to achieve a balanced Budget the Government has had only one alternative where it has been unable to reduce expenditure, and that has been to increase revenue. It has also been necessary to increase revenue from taxation owing to reforms made in our financial methods. I have a vivid recollection of Mr. Holmes and other members criticising this Government and past Governments in years gone by for their financial methods. I do believe that since the change has taken place and our financial position is being presented in a somewhat different manner, those members who formerly criticised are now satisfied that the Government is on the right track in the method which has been adopted. Hon. members will recall that the first two reports of the Commonwealth Grants Commission condemned the method by which loan moneys were taken into revenue. In this connection I would mention the old system of crediting to revenue interest due by the Agricultural Bank in excess of actual collections from settlers. As the trust fund from which the moneys were taken contained not only payments of interest but also repayments of capital, the Bank was often left with insufficient funds to make further advances. Money for this purpose had to be obtained from the loan fund. The net result of this practice was that loan funds were transferred to revenue. The criticism that was levelled so frequently in this connection was not levelled at the present Government only. It was levelled at other Governments as well, but it is a practice that this Government has taken steps to stop, and as a result of our action in that regard the finances of the State have been affected to an appreciable extent. Since the amendment of the Agricultural Bank Act the Treasury has received only the actual amount of interest collected from settlers, and now has to make good the deficiency from revenue. To give members some indication of what this and other similar alterations in our financial methods have meant, I would point out that during 1936-37 the collections from departmental fees totalled only £863,000, as compared with £1,640,000 in 1930-31. That is to say the reduction practically offset the whole of the collections from the financial emergency tax. On the other hand, if the Government had still been following the old method of allocation as between revenue and loan, last year's deficit of £371,000 would never have been incurred. Instead there would have been a surplus of £434,000. The difference of £805,000 comprises the following:—

	£
Agricultural Bank and Soldiers' Settlement	433,000
Group settlement	273,000
Trading concerns	36,000
Agricultural land purchase debentures	40,000
Cartage of ore subsidies	16,000
Cartage of wheat subsidies	7,000
Total	£805,000

These figures indicate how seriously our revenue position has been affected by the reform in the Treasury's financial methods. Mr. Craig suggested that "a big proportion of the financial emergency tax is used up in providing work for sustenance men." Actually works for the relief of unemployment are being financed chiefly from the Loan fund and trust funds, such as the Commonwealth Aid to Forestry and the Main Road Board Trust. During 1936-37 unemployment relief expenditure from revenue amounted to a little over £50,000. It was made up as follows:—

	£
Rations and lodging	34,298
Miscellaneous grants	164
Sustenance works	14,822
Miscellaneous	1,860
Gross expenditure on relief ..	51,144
Less collections, refunds, etc. ..	939
Total ..	£50,205

The estimate for the current year is £50,000, or 5 per cent. of the collections anticipated from the financial emergency tax. With regard to Mr. Baxter's strictures in connection with Government motor vehicles, I have no figures to indicate the precise amount of expenditure incurred on this item each year. However, it is interesting to note that net expenditure on the Government motor car service, which in 1928-29 totalled £7,228 only amounted to £3,584 last year. The estimate for the current year is £3,748. With regard to the railways: I think members are just as well aware as I that for many years it was not possible for the railways to be kept up to the standard at which they should be maintained. There was an item commonly known as "belated repairs" which the present Government had to attend to, and those belated repairs, necessary to bring the railways up to the standard that exists to-day, have absorbed many thousands of pounds.

Hon. J. Cornell: The same amount is wanted still.

The CHIEF SECRETARY: Even now there is room for considerably more expenditure in that regard. Much of the expenditure that has been incurred will be indirectly reproductive in that it has been used with the object of making the railways more efficient, enabling heavier loads to be drawn over certain sections of the track, in saving waste and in easing the position in regard to the running of the service. So that if we take those three items and analyse them with a view to seeing how far it would be possible for this or any other Government to economise, I am afraid that every impartial member would have to say that there was very little scope indeed, and even if there were, it would be infinitesimal, compared with the amount that the critic would expect. I have already pointed out that the Bill represents the considered policy of the Government. I hope that on this occasion the House will agree with the proposals contained in the Bill. The criticism offered in regard to the proposal to make the employer responsible for a period of three years appears to be all right on the surface, but I think it is overlooked that the employer is responsible at the present time under the Act. He is only responsible at the present time, however, for a period of six months. Unfortunately experience shows that there is a considerable number of employers who either wittingly or unwittingly have evaded the payment of this tax, and there are many cases that come to the notice of the department in which the tax has been stopped from the employee and not paid to the department. In those cases it will be seen that there has been a deliberate evasion. There is no question about that.

Hon. G. W. Miles: Has the department not taken action in those cases?

The CHIEF SECRETARY: Action has been taken in a large number of cases. Unfortunately we have not the inspectorial staff to cover the whole of this State in a period of six months. I could imagine the criticism that would be levelled at the department if it set out to appoint sufficient inspectors to cover the whole State within that period. Members must be aware that under the Income Tax Act the period is three years. I suggest that if it can be shown that there has been deliberate evasion of the payment of the tax by an employer within the period of three years the department should have the right to take proceedings against that employer. I am not saying that is a general practice, but experience has shown that it is taking place in far too many cases.

Hon. H. Seddon: You will hit the innocent men as well as the guilty.

The CHIEF SECRETARY: We do not hit the innocent men as well as the guilty. The department has to be satisfied that there

has been deliberate evasion before action is taken. I know of hundreds of cases in which no farther action has been taken against the employer beyond his having to pay a fine and to put his account in proper order. I am astounded at some of the cases that have come to my knowledge where employers have been called upon to pay large sums of money running into hundreds or thousands of pounds. In some of those cases money has been deducted at the source, being stopped from the wages of the men, but stamps have not been purchased and used, and those employers, to say the least of it, have had the use of those large sums of money until such time as they have been found out by an inspector.

Hon. H. V. Piesse: Why don't you make an example of them?

The CHIEF SECRETARY: We have done so, but if the time has exceeded six months it has not been possible to make an example of them. So when we come to consider the whole of the circumstances of the case it is a reasonable request that the same limit should apply under this Act as applies in regard to the Income Tax Act. I do not think any hon. member desires to justify deliberate evasion of the payment of the tax, and I do not think any hon. member would expect the department to go to the expense, which would be very large indeed, of appointing sufficient inspectors satisfactorily to cover the whole of this State in a period of six months. May I suggest that even if that were done, by the time the whole of the State was covered and the inspectors returned, the probability is that a fair percentage of the books would not have been inspected within that period. I am not saying that inspectors inspect the books of every employer in that connection. Inspectors at the present time have their particular districts. They do the best they can in the time at their disposal, but one can quite understand how difficult it is for one inspector to do a large number of inspections each day, more particularly if he comes across one or two cases where the tax has not been paid. He has to go through the whole of the wages sheets of the particular firm or employer and assess the amount of tax that should have been paid each week, and it often happens that hours of work are entailed, very profitable work from the Treasury point of view. It is not necessary for me to say any more on that particular point, but I hope the House will agree that the Government should have the power to prevent deliberate or fraudulent evasion of the payment of this tax, no matter what form the emergency tax might take. More than one hon. member referred to taxation of this kind as class legislation. One hon. member has suggested that we should take a bigger and a better view, and as a result of taking that bigger and better view, tax all and sundry, irrespective of what their earnings might be. Mr. Seddon spoke about what he called the vicious principle of gradually extending the exemptions to a larger number of people. Of course the principle might be vicious so far as he is concerned.

Hon. H. Seddon: You cannot call it a moral one.

The CHIEF SECRETARY: I think it is a most moral one.

Hon. H. Seddon: It is a most immoral one.

The CHIEF SECRETARY. The hon. member calls it immoral, and suggests that those breadwinners who are earning the basic wage or less should be called upon to pay some small amount out of the wages they receive as a recognition of the social services rendered to them.

Hon. J. Cornell: What about the sustenance worker; he does not even get the basic wage?

The CHIEF SECRETARY: I do not see the hon. member's point.

Hon. G. W. Miles: What about the 25s. that he has to pay to his union?

The PRESIDENT: Order!

The CHIEF SECRETARY: One gets tired of hearing that interjection so frequently——

Hon. G. W. Miles: It is a fact all the same.

The CHIEF SECRETARY: —particularly from members of this House who are just as strong and as keen to see that their own organisations are kept up to a state of efficiency. We get many examples of the efficiency of their organisations and that could not be so unless the members of them were just as rabid—if I might use that term —in regard to the support they render those bodies as are the unionists in supporting theirs. The question whether a man should or should not support his union is one that I think was settled many years ago, and I do not suppose any member of this House has very much time for the man who is not prepared to support an appropriate organisa-

tion that is looking after the interests of the occupation in which he is engaged.

Hon. J. Cornell: If a man on the basic wage cannot afford to pay the tax what about the sustenance worker who does not receive the basic wage.

The CHIEF SECRETARY: He is not taxed.

Hon. J. Cornell: You are not giving him enough.

The CHIEF SECRETARY: There is point in that remark. If we were receiving sufficient money from this tax and from other sources, there is no doubt that the sustenance worker would, in many cases, be in full-time employment. Never in the history of this State has any Government done as much for those who are unemployed as has the present Government, and we are doing so still. Some members of this House have openly advocated that we are doing too much. Mr. Cornell apparently thinks we are not doing enough. In a large percentage of cases the sustenance workers to whom he is referring are as well off and in some cases better off, than ever they were before, that is, those with bigger responsibilities. It is for those people that we have to try to do all we possibly can, and if I know the feeling of this House correctly, I am certain members will support the policy of the Government which determines that the working man having big responsibilities, particularly the man with four or more children, shall be provided with sufficient work to enable him at least to earn the basic wage during the greater part of the year. That is what is being done by the Government at the present time. So that the point raised by Mr. Cornell is not so important as it looks. Employment is being found at the present time by the Government for 6,500 men and until such time as private enterprise can absorb a fair proportion of those men, the responsibility will be on the Government—the present or any other Government—to find work or sustenance for them. There is no gainsaying the fact that the Government cannot afford to lose the revenue that is provided by this tax, and until such time as ways and means can be provided whereby it can be amalgamated with the income tax, we will have to carry the tax in its present form. On this occasion I express the hope that the House will agree to the proposal of the Government to exempt the basic wage earner throughout the State, no matter the district in which he may be, the basic wage in the various districts being, in the metropolitan area £3 14s. 11d., the South-West division £3 15s. 11d. and the goldfields £4 7s.

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

Ayes	.. ..	19
Noes	.. ..	6
	Majority for	13

Ayes	
Hon. E. H. Angelo	Hon. W. H. Kitson
Hon. L. B. Bolton	Hon. J. M. Macfarlane
Hon. L. Craig	Hon. W. J. Mann
Hon. J. M. Drew	Hon. G. W. Miles
Hon. C. G. Elliott	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. H. Tuckey
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. G. B. Wood (*Teller.*)
Hon. E. M. Heenan	

Noes	
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. J. Cornell	Hon. H. Seddon
Hon. J. J. Holmes	Hon. V. Hamersley (*Teller.*)

Pair.	
Aye.	No.
Hon. T. Moore	Hon. H. S. W. Parker

In Committee.

Hon. V. Hamersley in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2 of the principal Act:

Hon. H. SEDDON: The clause provides that the basic wage shall apply to future taxation. Up to the present this House has always insisted on a definite figure being employed as the minimum from which the taxation will begin. A person receiving the basic wage will, under this Bill, be exempt from any taxation, and the effect on Government finance will be considerable. Up to the present the Government has had the benefit of alterations in the basic wage that have taken place between the passing of the Act in one year and the passing of the Act in the subsequent year. I hope that the clause will not be passed as it stands.

The CHIEF SECRETARY: I hope that the Committee will not delete the paragraph dealing with the matter to which the hon. member has referred. It deals with persons who pay taxation on assessment by the department. Naturally if the principle of the basic wage is agreed to by the House it will be necessary for the clause to re-

main. Members are aware that payments are not made until assessments are issued by the department, and in that case, one has to arrive at the amount of money represented by the basic wage over the whole of the year. On the other hand, I agree that if the principle embodied in the Bill in regard to the basic wage is defeated by this House, the clause will have to come out.

Hon. C. F. BAXTER: I hope the House will agree to Mr. Seddon's suggestion. This is a precedent in taxation measures and it is a dangerous precedent too. We should state the amount of the exemption. At the present time the exemption is £3 15s. Why not stick to that figure? We have no right to depart from it.

Hon. G. FRASER: I cannot understand the attitude of members who want to stick to the set figure appearing in the Act. My desire is to legislate for the whole of the State, not only for the Province I represent. If we insert the amount of £3 15s., we shall exempt only a part of the State.

Hon. J. Cornell: You have only a penny to come and go on.

Hon. G. FRASER: That is near enough for my province. On the goldfields, however, the basic wage is well above £3 15s.

Hon. J. CORNELL: This is the third time that an attempt has been made to fix the basic wage as the starting point for this tax. The attempts began in the time of the late Mr. McCallum. In 1935 no amendment was brought forward, but last year the basic wage principle was again advanced, and rejected by this Chamber. The question is whether, now that the Bill is in Committee, members are going to accept a varying figure as the starting point for the tax. We know it is the policy of the Government, but it has never been the policy of this Chamber. If the principle is affirmed, logically it can be applied with equal force to the income tax measures. If the clause is voted out, the existing basis, namely £3 15s., will remain, and the taxing Bill will not be affected. The real basic wage on the goldfields is the amount fixed by the court once a year, plus a district allowance granted by the court. The basic wage is therefore 7s. a week greater in Norseman than it is in Kalgoorlie, and 30s. a week greater in Marble Bar. I venture to say that 5 per cent. of the goldfields wage-earners only would benefit by the inclusion of the expression "basic income." I cannot support the innovation contained in the clause.

Hon. G. W. MILES: I oppose the clause, and am in favour of retaining the existing system. The Government declared that the change has been introduced to carry out a principle. The Government does not care about the finances of the State when a principle is at stake. The argument was that the Government must have revenue, but when I asked the Chief Secretary he did not know what revenue would be lost by this proposal. Probably the loss would be from £50,000 to £100,000 a year, whereas the Treasurer cannot afford to lose a penny. I agree that everyone should pay something towards this tax, but men on the lower rung should pay only a small amount. Other members have suggested throwing out the Bill and incorporating the tax in the income tax measure. If that were done, the man on the highest income would pay four times as much as he is now paying, and would get no income at all, because it would all have to go to the State and Commonwealth authorities. I voted for the second reading only so that Clauses 2 and 3 might be struck out, and Clause 4 retained.

Hon. T. MOORE: Mr. Cornell spoke of the wage-earners on the goldfields, and of the district allowances given to them. He said that not more than five per cent. would come under this taxing measure.

Hon. J. Cornell: And they would be in Kalgoorlie.

Hon. T. MOORE: The five per cent. referred to are mostly in the back country, and they have every right to be brought on a line with the city worker who has so much more comfort and can live more cheaply than the other man. If we were equitable in our dealings we would relieve the country people and those who go away from the city, by making their taxation lower. The workers in Kalgoorlie are receiving extra money so that their incomes may be on a par with those that men receive in the city. This clause really covers all who put in income tax returns, and exempts those in the country who are not wage-earners. If only 5 per cent. of men in the back country need help, they should receive consideration. Even if this means taking away from the Treasury money that would otherwise be

contributed, I support the clause from the standpoint of equity.

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

Ayes	9
Noes	15
Majority against	6

AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. C. G. Elliott
Hon. E. M. Heenan	(*Teller.*)

NOES.

Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. J. Cornell	Hon. H. Seddon
Hon. L. Craig	Hon. H. Tuckey
Hon. J. T. Franklin	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. G. B. Wood
Hon. J. M. Macfarlane	Hon. E. H. Angelo
Hon. G. W. Miles	(*Teller.*)

PAIR.

AYE.	NO.
Hon. A. M. Clydesdale	Hon. H. S. W. Parker

Clause thus negatived.

Clause 3—Amendment of Section 4 of the principal Act:

Hon. J. CORNELL: The clause is consequential upon the preceding clause, which has been rejected.

Clause put and negatived.

Clause 4—Amendment of Section 9 of the principal Act:

Hon. H. SEDDON: This clause imposes a penalty upon the accountant as well as upon the employer, if the financial emergency tax is not deducted from wages paid. While I can understand the employer being made responsible, I cannot understand the accountant being placed in that position, so I suggest that the clause be deleted. The principal Act contains the necessary provision for the person who omits to pay the tax being dealt with, and that should be sufficient.

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

Ayes	8
Noes	17
Majority against ..	9

AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. M. Heenan	Hon. C. G. Elliott
	(*Teller.*)

NOES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. J. Cornell	Hon. H. V. Piesse
Hon. L. Craig	Hon. H. Seddon
Hon. J. T. Franklin	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. G. B. Wood
Hon. J. M. Macfarlane	Hon. E. H. Angelo
Hon. W. J. Mann	(*Teller.*)

PAIR.

AYE.	NO.
Hon. A. M. Clydesdale	Hon. H. S. W. Parker

Clause thus negatived.

Clause 5—Amendment of Section 13 of the principal Act:

Hon. H. SEDDON: I am prepared to support the clause, which will bring the financial emergency taxation into line with the legislation dealing with the income tax.

The CHIEF SECRETARY: I hope the Committee will agree to the clause. There has been a lot of talk about the Government not being able to afford to lose the money involved in the exemption of the basic wage earner on the goldfields, but the amount involved in that respect is infinitesimal compared with the money likely to accrue to the Government under Clause 5. I do not like to be unduly critical of the Committee when they are prepared to agree to this clause, but it rejected Clause 4 under which the employer was to be made personally responsible!

Hon. J. CORNELL: There is something to be said against the clause.

Hon. G. Fraser: That goes without saying.

Hon. J. CORNELL: Why.

Hon. G. Fraser: You generally have something to say.

Hon. J. CORNELL: There is a fundamental difference between the income tax and the financial emergency tax. Income tax returns are put in once a year, and it is sometimes nine months before the taxpayers receive their assessments. That does not apply with regard to the financial emergency tax, which is deducted weekly, fortnightly or monthly.

Hon. G. W. MILES: Did I understand the Leader of the House correctly when he said that in rejecting Clause 4 we had exempted the employer from liability?

The Chief Secretary: Yes, personal liability.

Hon. G. W. MILES: I cannot understand that. Mr. Seddon was the only man who looked up the original Act and he put up the case against the clause, but the Min-

ister did not refer to that particular phase. If the Minister's statement is correct, and we have, by rejecting Clause 4, exempted employers from personal liability, we should recommit the Bill and reinsert that clause. I think it was the duty of the Minister to give us a lead.

The Chief Secretary: You have been given the lead regarding that clause several times.

Hon. G. W. MILES: I support the clause under consideration because the Government should obtain all the revenue possible.

Hon. H. SEDDON: Where there has been short-payment of the tax, there is a provision in the parent Act under which the employer has to pay.

Hon. H. V. Piesse: Up to six months.

Hon. H. SEDDON: And the clause under discussion will extend that period to three years. It is provided in the existing Act that if there has been a short payment, the employer has to make it up.

The CHIEF SECRETARY: The clause is intended to give the department power to recover tax over a period of three years.

Hon. L. B. Bolton: From the employer?

The CHIEF SECRETARY: From the person paying the tax.

Hon. J. Nicholson: It might be the paymaster.

The CHIEF SECRETARY: Yes. I thought I had explained the clause thoroughly, but apparently some members even now do not understand it. The clause is intended to prevent the fraudulent payment of tax. It cannot be done under the existing Act, where the limit is six months. In many cases persons who pay the tax weekly have had the tax deducted by the employer, notwithstanding which the tax has not been paid to the department. There have been hundreds of such cases. I do not think I need say any more in justification of this clause.

Clause put and passed.

Clause 6—agreed to.

Title—

Hon. J. CORNELL: It will be necessary to amend the Title. I move an amendment—

That in line 1 the words "two, four, nine, and" be struck out.

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

Bill reported with amendments, and an amendment to the Title.

BILL—WHALING.

Returned from the Assembly without amendment.

BILL—NURSES REGISTRATION.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Second Reading.

Debate resumed from the previous day.

HON. G. B. WOOD (East) [6.6]: Last session I supported this Bill, although I said very definitely that I was against State trading concerns in general; I supported the Bill on the advice of some goldfields members who told me that that was the only way in which miners could be compensated for miners' complaints. Since then I have made it my business to go into that question, and I have gained a great deal of information, particularly through reading the evidence of the select committee appointed by another place. It is my intention to vote against the Bill. I have had my conscience pricking me a little, and I was expecting to be accused of inconsistency. Therefore I was pleased last night when Mr. Drew told members that they should not stick to their old ideas merely because they had been good enough in the past. Also the hon. member drew attention to the fact that on many occasions the House of Lords had reversed its decisions. So to-day my conscience is quite clear, and I thank Mr. Drew very much indeed for having brought those considerations to my attention. Last night I listened closely to three or four speeches and was greatly impressed by the speech of Mr. Drew, who put up a wonderful case from his side of the question, and of Mr. Bolton and Mr. Holmes, who also kept to their side of the question. Mr. Bolton's speech must have taken considerable time in its preparation, and it was good to listen to. However, I was very sorry to hear Mr. Craig attack Mr. Holmes. Mr. Craig's speech, like the flowers that bloom in the spring, and had nothing to do with the case. In his endeavour to abuse Mr. Holmes, he forgot

about the Bill. For many years have I looked upon Mr. Holmes as a very desirable member of our State Parliament. I am not saying that with any idea of scratching his back or any nonsense like that; I have admired him for taking the stand that he thought was right, irrespective of which Government was in power. Like myself, many other people admire the hon. member, and I am sure it will be a long time before he is regarded as a joke in this House. I did not agree with everything that Mr. Holmes said. For instance, he said that two-thirds of the House came here pledged to abolish State trading concerns. If Mr. Holmes had said that the honest conviction of two-thirds of the members was against State trading concerns, he would have been on good ground; for I am convinced that two-thirds of the members are definitely against State trading concerns, and I think that Mr. Craig is one of them. If those members are of that opinion, it is their duty to throw out this Bill on the second reading, lock, stock and barrel.

The Honorary Minister: What about the miners; how will they get on?

Hon. G. B. WOOD: I will deal with that pretty fully later on. Mr. Drew declared that if a calamity occurred and many miners contracted occupational diseases the State Insurance Office would come to Parliament for money to cover the risk. Generally speaking if a calamity arises in the country from a bush fire or is caused by a storm, the insurance companies do not come to this House to demand money. My experience of insurance companies has been a very agreeable one, for never at any time have they quibbled about any claim I have had to make, especially hail claims. The State Insurance Office definitely will not accept hail business, because it is too risky.

Hon. L. B. Bolton: That office likes to pick its business, just as does every other insurance office.

Hon. G. B. WOOD: One thing I wish to touch upon is the huge loss the State trading concerns have made, something like £2,000,000. Should we now legalise the State Insurance Office? Certainly there is no knowing where it will go and where it will finish up. I have yet to be convinced that the State Insurance Office keeps down the premiums. I do know, for I have it on very good authority, that some of the premiums of the State Insurance Office are above those of other insurance companies. This applies to the building trade, to plumbers, to hospitals, to sleeper-cutters, to timber hewers and to road boards. We have heard a lot about there being no competition without the State Insurance Office. But there are 51 insurance companies in the association, and six non-tariff companies. While I admit that there is agreement amongst the tariff companies, there is certainly no agreement amongst non-tariff companies. And even the tariff companies have reduced their premiums. If I were asked why do not people rush the non-tariff companies, I would say it was because people had had such a wonderful deal from the other companies. For instance, Lloyds came here and offered insurance policies, knocking off 20 per cent. from the rates. What was the result? It was not very much. Whether the people did not trust them, or whether the people preferred to stay with the other companies, Lloyds did not get very much of the people's business; anyway not as much as they expected.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. B. WOOD: I was speaking of the influence of some of the non-tariff companies in reducing insurance rates. I wish to refer to the charge of one of the companies for motor car insurance. A £10 premium is charged to insure the car against every risk possible for £300. I understand that that is the lowest rate in any part of the world excepting South Africa. Quite a lot has been said regarding what other Governments have done in the matter of State insurance. It has been used as an argument that because the Mitchell-Latham Government countenanced the continuance of the State Insurance Office, it should still be countenanced. I do not hold with that argument at all. I am not a bit concerned about what another Government did. It has nothing to do with the case. Anyhow, two wrongs do not make a right. The Honorary Minister, by way of interjection, asked what would happen to the miners if the State Insurance Office were abolished. I can assure the House that I am just as much concerned about the welfare of the miners as is the Honorary Minister. In England, South Africa, New Zealand, New South

Wales and Victoria the miners are provided for out of another fund. In South Africa the mining industry is somewhat similar to that in Western Australia with the exception that the mines there are a little deeper.

Hon. C. B. Williams: Do not take anybody else's advice on mining.

Hon. G. B. WOOD: I do not mind the hon. member interjecting, but I hope he will speak up so that I can hear him. I have been sent here to represent the whole of the State and not merely the mining industry. In my province every kind of primary industry to be found in Australia is being carried on, even fishing and a little mining. Many members consider that the Bill is desirable in order to deal with miners' diseases, and they have used that argument in its favour. I held the same view last year, but I wish to prove that it is not necessary. Some years ago Mr. Cornell went to South Africa and secured quite a lot of good information. I intend to quote from his report of the proceedings of the Royal Commission in South Africa.

Hon. C. B. Williams: He did that himself years ago.

Hon. G. B. WOOD: What applied years ago might still apply to-day. The Royal Commission sat in South Africa some 12 years ago and I wish to quote from the report as follows:—

> In a lengthy and masterly preamble to its report the Commission confirms the provision in the existing Act making it obligatory and compulsory for employers to find the whole of the finance necessary for compensating all cases of declared silicosis and tuberculosis; and the draft Bill perpetuates in its entirety this obligation in the case of List A mines. In the case of List B mines a similar obligation is placed upon them, but they are to receive for a time a small Government subsidy. Definite provision has, however, been made in the draft Bill for the appointment of a statistician whose specific duty will be to ascertain by 1924 the silicosis rate in each mine on both lists; and after that year the present method of levying the mines for finance for compensation is to disappear, and from thence on each mine is to be levied on its silicosis rate alone.

I shall quote now from the remarks of Mr. Montgomery, at that time State Mining Engineer. He said—

> The rating of mines for a compensation fund on the basis of the silicosis rate of each, as recommended by the South African Royal Commission of 1920, is designed to exercise severe pressure upon all mine-owners to force them to take all possible means of keeping their mines free of the disease.

The next point is very important—

> To maintain such pressure it would be necessary to provide further for the prohibition of covering the risk by insurance, as this would tend to defeat the purpose by averaging all the mines instead of giving the good ones the advantage due to them and penalising those with a high silicosis rate.

In other words, he urged that the risk should not be covered by insurance as the mine-owners might thus evade their obligation to take steps for the prevention of disease. He added—

> There seems little doubt that the prospect that the mines in South Africa will have to bear the cost of dust damages to the workmen's health, and that this cost will be enormous unless conditions are greatly improved underground, has had the very strongest effect in inducing mine-owners to regard this question very seriously and to exert themselves to devise measures by which to minimise the expense which they will have to pay.

The point is that if the obligation rests upon the mines to find the money for compensation, they will adopt all possible measures to prevent disease.

> The results already obtained give much hope that, with close attention to prevention of dust and improvement of ventilation, the number of sufferers from dust diseases will be reduced to a quite small fraction of what it has been hitherto, and therefore the cost of compensation will not be excessive once the accumulated cases of past years are disposed of. It is not at all improbable that compulsory humanitarianism in this as in many other cases of preventable diseases will in the end prove to bring about great national economy.

Those are the words of Mr. Montgomery, a very estimable man.

The Honorary Minister: When were those words uttered?

Hon. G. B. WOOD: I have quoted from a report by the Hon. J. Cornell in 1922. Mr. Montgomery also gave his opinion and the opinion of the Royal Commission in South Africa. Most members will agree that the point there stressed is a strong one. It was considered that the insuring of the miners should be prohibited so that the mine-owners would take the whole responsibility. I think that should apply in other cases also. I have often heard people speak to this effect, "This machinery is all right; we are insured." I have heard that said in regard to shearing. It applies in a much greater degree in mining. I do not take much notice of the recommendations of the select committee that inquired into this

Bill. I venture to say—and I say it without any disrespect to the Minister for Employment—that the Minister who had fathered the Bill should not have been chairman of the select committee. I think he made up his mind what the recommendations would be regardless of the evidence. It is only natural that he should do so. I daresay had I been in his place I would have done the same thing. Anyhow, there is no question that that is what was done. What I am more concerned about, however, is the evidence. I regret that the evidence taken by another select committee was not available to us. However, I have read carefully the evidence taken by the select committee on this Bill and I can see very little in it to justify the legalisation of the State Insurance Office. I intend to oppose the Bill because I am against State trading. In view of the remarks I have made I consider the Bill quite unnecessary. No doubt miners' diseases could be dealt with in the manner I have suggested. I am surprised that members who represent goldfields constituencies have not suggested something along the lines of the system in vogue in South Africa. If some such system were applied to miners' diseases, the insurance companies have undertaken to underwrite workers' compensation in every industry in Western Australia, including the mining industry.

HON. C. B. WILLIAMS (South) [7.41]: I did not intend to address myself to this measure. I am not much concerned as to what South Africa has done or is doing. I am more concerned about what is happening in this State. Going back many years before I entered Parliament, a measure known as the Miners' Phthisis Act was passed by a National-Country Party Government, but its operation was held in abeyance for years. The only redress that the miners had at that time was the Mine Workers' Relief Fund which was a contributory scheme. At the outset the parties paid 6d. per week all round; to-day the contribution is 9d. per week by the Government, the employers and the men. Every worker on the mines must contribute to the fund. That scheme continued from 1914 or 1915 until the Government introduced a Bill to remove from the mines men suffering from tuberculosis. As I have said, that Act was allowed to remain in abeyance. Mr. Scaddan, the then Minister for Mines, met a conference at the Mines Department office, Kalgoorlie. Mr. Cornell was present on that occasion and I believe Mr. Seddon also. We asked Mr. Scaddan to proclaim the Miners' Phthisis Act. Mr. Scaddan told us that all his brothers had died of miners' complaint and that he knew all about it, that he was in sympathy with the request, but was in the hands of the Government, who would not do as he desired. We did not want the affected men taken out of the mines without their receiving compensation. The Act remained in abeyance until such time as the Labour Government under the leadership of Mr. Collier proclaimed it. Then rates of payment were fixed that were very decent, much more decent than are those of to-day. They provided for half wages for a man and his wife and 8s. 6d. a week for every child under 16 years until the amount of the basic wage was reached. Upon the death of a miner his wife receives £2 a week for life or until remarriage. The idea was to get some insurance company to take the risks of accident in mining. The taxpayers of Western Australia pay for that to-day, and they paid for it then, the object being to get the private insurance companies to quote rates for Third Schedule risks. The schedule was to come into operation on a certain date. What happened then? I want to draw the attention of opponents of the Bill to the fact that we are here to-day because of the foresight of the Government which took the risk of creating State insurance, against the law of the country. That action saved Western Australia from going absolutely bankrupt and from not being in a position to let the mining industry take up the burden when the depression struck us. That could not have happened but for the Labour Government led by Mr. Collier, if that Government had not defied Parliament by instituting State insurance. Parliament backed up Mr. Collier. I was not a member then—I became a member in 1928—but I have backed him up ever since then. This Parliament, as Mr. Holmes has said, has had an opportunity to deal with State insurance every year since 1926, an annual opportunity of discontinuing State insurance.

Hon. J. J. Holmes: But State insurance legislation does not come up every year.

Hon. C. B. WILLIAMS: An Appropriation Bill comes up every year. Let us not quibble amongst ourselves; let us quibble with opponents. It is the Council's job to-

day to choose, and that has been the Council's job for the past 11 years. The House can throw out the Appropriation Bill, which covers State insurance. I challenge hon. members to do it. I repeat, it could have been done any time during the last 11 years. The House has opposed State insurance, claiming that it is illegal. The House could have voted it out, but did not dare to do so. If the House dared to do it, I would give a hand. What would have happened in 1926 if Mr. Collier had not taken the bull by the horns and re-enacted the State insurance legislation? The insurance companies refused the risk. For at least 15 years all those private insurance companies, not one of which has its head office in Western Australia, took profits from the mining industry, eventually to get from under at three days' notice. When the Third Schedule was proclaimed, the mine-owners had immediately to find cover for thousands of men employed in the industry who then were suffering from miners' complaint. The Government spent some thousands of pounds in trying to help those men. Let us say that on a Wednesday, the first day of the month, the Golden Horseshoe closed down and threw 700 men out of work in Boulder. Mr. Collier then created the State Insurance Office and, going still further, paid 12 months' premiums for the mining industry. That insurance did not cost the mining companies a bob for the first 12 months. The insurance premiums came from Western Australian taxpayers. If Mr. Collier had not taken that action in 1926, the goldmining industry would have passed right out, and in 1931 we would not have been able to take up the burden from our poor depressed farmers and woolgrowers. But for that action of the Collier Government, Western Australia would long-since have gone back to sheep-stations. Such was the position in 1926. The State Insurance Office was established, and the Government paid the first year's premiums in respect of Third Schedule risks. Mr. Holmes does not deny that Mr. Collier did what I say he did. Mr. Collier came to the miners and said, "What can we do?" He wanted to proclaim the Third Schedule and to give the miners what was due to them. However, the insurance companies still would not quote. I was present at Mr. Collier's meeting with the miners. We put it to him, "Could not you do the insurance?" Mr. Collier was statesman enough to do what Lord Forrest did in the case of the Goldfields Water Scheme—take the bull by the horns.

Hon. J. J. Holmes: But Lord Forrest put a Bill through Parliament first.

Hon. C. B. WILLIAMS: The Golden Horseshoe mine closed down overnight, without any warning. After taking the premiums of the mining companies for 30-odd years, the insurance companies gave only three days' notice. Mr. Holmes is a great member for looking after the State's finances, and so is my friend Mr. Seddon. Never a word has been said about this yet. It cost the State scores of thousands of pounds to keep the Horseshoe mine open. About 700 men were thrown on the labour market without a prospect of work. The Collier Government created work for those men between MacPherson's Rock and Salmon Gums. At that time farming was going ahead. Those 700 men were employed to clear roads and make dams for the farmers who were to settle in that area. However, farming has never reached the area yet. What did it cost the State in 1926 because the insurance companies would not quote? In my opinion it cost the State a quarter of a million to put those 700 men into work at top wages. That money is all gone because farming never reached the district.

Hon. L. B. Bolton: That may be fortunate.

Hon. C. B. WILLIAMS: Yes, as things have turned out. Mr. Holmes never cavilled at that. He must admit that the expenditure by Mr. Collier was in the interests of Western Australia. It meant that there was no stampede of the men. Those who have been here long enough will remember the stampede in 1921, when men were thrown out of work from the mines because of an increase in wages. What misery was caused in Western Australia then! Any company in Western Australia has the right to quote rates against the State Insurance Office. I do not think any insurance company will quote. I would not advise the companies to do so. Hon. members know as well as I do that the risk is not an insurance risk. However, there is no reason why the Government should take the bad risk which the insurance companies will not accept, and not be permitted to take the other risks. Insurance costs the mining companies to-day 10s. 3d. per week on the lowest-paid man. The First and Second Schedules represent

4s. 6d. to 5s. per man, and the Third Schedule risk costs another 4s. 6d., plus the 9d. per week for every miner. Those figures relate to the minimum wage. At higher wage rates the cost is much greater. This has gone on since 1926. The insurance companies will not accept the risk. Then why do hon. members say they will not have State insurance? I challenge the House to throw out the next Appropriation Bill. The Government prepared the way for the private insurance companies. The Government went the length of removing diseased men from the mines. For that the State is paying £50,000 or £60,000 a year, and has paid as much as £80,000 in a year. The money is paid to clean the mines, so that the private insurance companies will quote rates to cover the risk on healthy men. That has been made up since, but we paid before that up to £80,000 a year to clean the mines, not for State insurance but so that the other companies could quote a risk for good, clean men. For miners' complaints £300,000 is only a fleabite, but the risk will be very little for the next eight to ten years, and in that time the State Insurance Office should have about £4,000,000 or £5,000,000. The State office will have it because this House will be just as hypocritical as it has been for 11 years and will not stop it despite the fact that members may vote this Bill out, because they know the people for whom they are ramming, as I am ramming for State insurance, do not want the risk and will not have it. They dare not have it. I want again to criticise the remarks of Mr. Wood. He is only a young member. I do not want to go into the matter but I must. A miner is covered for 12 months after leaving the industry. He may leave his employer the minute he gets early silicosis and go away into the farming districts for 10 or 12 years. So long as he carries out the provisions of the Mine Workers' Relief Act, he will get his £750. I want to make this clear so that hon. members will give us a fair vote. A man leaves a mine and registers. Provided he contributes to the relief fund and re-registers every 12 months, in 10 or 12 years' time he can get, or his widow can get, £750. He has a claim against his employer for £750 as soon as he gets silicosis. He can get a percentage of the amount per week, say about 30s., until he exhausts the £750. But an early silicotic man may not wish to take his compensation in the manner I have outlined. Then all he has to do is this: He leaves the mine, say, on the 1st December, 1937, goes away to the South-West and works there for 11½ months. He comes back and works in the mines for a fortnight. All the time he has an employer whom he can sue. He goes into the mines for a fortnight and then goes back to the South-West again for 11½ months. Although he has only done a fortnight's work in the mines, he has an employer whom he can sue when the time comes. Through a private insurance company he could never do that because the quote would be too exorbitant. This latter course is the course which the sensible miner takes. He leaves the mines and gets a block. He has two years in which to come back under the certificate that he is granted, provided he does not develop T.B. within 12 months from the time he leaves the mines. In that case he does not get anything from anybody; he cannot sue anybody. Provided early silicosis does not develop into T.B., within two years he can come back to the mines. What private insurance company would carry such a risk as that? None would. But the State Insurance Office has to carry it. That is the position of the miner to-day and I defy contradiction from the best legal men in this country. With early silicosis he can retire from the mine and under a certificate granted under the Mine Workers' Relief Act need not go back to the mine. If he develops advanced silicosis he gets the money. He would probably get a percentage per week, according to the number of children. A man with six children, for instance, would get 45s. for his children alone. On a basis of 25 per cent. he would get £1 a week for himself; and there is £3 5s. If he is fit enough to work for anybody else, he can do so for 10, 12 or 15 years and then get the money. I am not speaking from a book but from actual practice. That is the law of to-day. What insurance company would carry that? Do hon. members think any Labour Government is going to alter the law to make it harder for a worker to get compensation? Let us be candid with ourselves. I admit that it would be good if a proposition were put up by the mining companies and they pooled their resources to make a big fund.

That would meet the position admirably, but that is all moonshine. But the position we are facing to-day is this: that if the State Insurance Office goes out to-morrow, the mining industry must close. If the State Insurance Office did what the private insurance companies did in 1926, the mining companies would close down. Their liability would be too great seeing that they employ 15,000 men, of whom 6,000 or 7,000 work underground and of whom 1,000 are already on the way to becoming diseased within 12 months or two years. No mining company would carry on with the liability entailed in medical expenses and compensation. And the State is dependent on mining. If in 1926 the Labour Government, headed by Mr. Collier, had not done what it did, the mining industry would have been out of existence, and de Bernales would have been here with a lot more pups. Some would have been good but it would have taken many more years to get new mines into the producing stage. But mining went ahead and employed thousands of men to the best interests of the farmer and everyone else in the community. The State Insurance Office is carrying the burden because the provision it makes is a necessity and no insurance company has offered to quote for these risks, and if it did the quote would be too high. I challenge contradiction of the statements I have made. I assert that any man who is an early silicotic and gets a certificate is immediately worth £750. He can get it at £1 a week or some other sum per week until the money is exhausted, but it is there for him if he wants to wait and collect it later. What insurance company is going to do that? What has happened lately? A lot of men have been put off from the mines in the Murchison district, that is from mines floated under wildcat schemes. A lot more have been put off around Kalgoorlie and Southern Cross. Those men have a 12-months claim against those companies. We have even got money for a man suffering from pneumonia. What insurance company would do that? We were able to prove that because of a weakened lung due to his employment, the man concerned was more susceptible to pneumonia and, as a consequence, we got the money, although he never had silicosis. In view of that, I ask hon. members not to get up with their tongues in their cheeks and say they are against this Bill. You know, Mr. President, and every hon. member knows that the risk is too great for any insurance company because the cost to industry would be too great. I have heard the argument time and again, "Reduce taxes." Mr. Seddon used that argument the other night and other hon. members have said, "Reduce taxation in the interests of industry." Only the mining industry could stand up to such a scheme as this, but the mining industry itself is heavily taxed. Before anything is got out of that industry 14s. per head of the men employed goes somewhere else. That money goes out before the men get their wages or the companies their costs. I repeat my statement that in 1926 we cleansed the mines in order to give the private insurance companies the right to cater for this class of insurance. The Government took upon itself the obligation of removing every man with tuberculosis out of the mines, and that cost £80,000 in one year. Until the gold tax was put on, the Government had to pay the lot, and I doubt if the tax meets the outlay even yet. The private companies have had 11 years in which to cater for this insurance, and they have not attempted to do it. Nor will they attempt to do it because it is not a real insurance risk. The mining industry alone carries the State. At its worst the industry has never carried less than 5,000 or 6,000 men and it now employs in the vicinity of 16,000. If hon. members are genuine let them vote out the Appropriation Bill, and then out will go State insurance and out will go the mining industry. I do not want the mining industry to go out, but that is the position and it is useless members getting up year after year and putting up the arguments they do. I appreciated the remarks of Mr. Craig when he first came here and talked about this hypocrisy and said that if this business was being carried on it should be legalised. I am not concerned about motor car risks. Premiums charged to the owners of luxurious motor cars should be put up 1,000 per cent., because that is a pure luxury, but it is wrong to burden an industry which is second to none in the State. Goldmining is second neither to the wheat nor the wool industry, because there are 1,000 men in one mining town and more in that town than would be found in a wheat or wool area of 100 square miles. Whatever other concerns hon. members may be interested in let them realise what the goldmining industry means to this State. Let us cast our minds

back 11 years. Members can ask for the figures, and see the amount of money that has been expended. One mine, the Golden Horseshoe, closed down because the private insurance companies could not and would not quote a reasonable figure for insurance against miners' diseases, and if the State Office had not taken on that insurance the mining industry as a whole would have gone out. That sums up the whole business and it is no use flogging it further. We are faced with 16,000 men, nearly 7,000 of whom work underground. Mr. Cornell has an obsession in respect of the conditions of work in South Africa where coloured men are employed. The coloured men there do all the work and the supervision is carried out by white men. I have turned up arguing with my colleague from the South Province on the subject of conditions in South Africa as compared with those in Australia. The South African mines are just like the mines covered by the Golden Mile; you could hold them almost in the palm of your hand.

Hon. C. F. Baxter: They extend over 65 miles.

Hon. C. B. WILLIAMS: What does it matter what the distance is? In Western Australia they extend over a thousand miles.

Hon. G. B. Wood: I have mines even in my province.

Hon. C. B. WILLIAMS: And the hon. member had better go down with me some day so as to learn something about them. We in this State have mines in every direction, north from Perth a distance of 700 miles to Wiluna, and then further north still as far as Marble Bar. Gold mines in South Africa could be packed into an area of 60-odd miles. How does that compare with the area over which gold is found in Western Australia? But to revert to the Bill, what is the Government to do? Under the Workers' Compensation Act a check must be kept on all men. Hon. members do not know the ramifications of the work that is involved. A man at Pilbara might want a job, but there is no laboratory there. If an employer wants a man to work for him he has to send that man to Kalgoorlie to be examined, because Kalgoorlie is the only official place for the examination in Western Australia. The employer must get a doctor's certificate before a miner can start to work for him. That certificate gives a man the right to work until such time as the Commonwealth Laboratory official comes along to examine him. How are we going to compare the conditions in South Africa with all this? I will take Mr. Baxter's word for it that the mines in that country extend over a distance of 60 miles, but that is only a fleabite compared with what we have.

Hon. G. B. Wood: Are not the conditions somewhat similar?

Hon. C. B. WILLIAMS: I do not know the difference between the various breeds of cows, but I do know something about mining. In South Africa there are coloured workers and here we have white men. A white man's only chance in Western Australia of getting out of the industry is to win a lottery or something like that, otherwise he is compelled to work in a mine all his life. In South Africa the coloured men work for a time and they are thrown aside. That is just the difference between the conditions in South Africa and in Australia. Some years ago the Chamber of Mines talked about imported coloured labour to do the work that white men were doing, but we never did want slaves in this country and to-day we get the best money possible for our miners. No hon. member should be opposed to State insurance because we all know that the companies will not take that risk, and if they did the premium would be such that the industry would have to close down. I shall support the second reading of the Bill.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.23]: For eleven years I have been at issue with the insurance companies for their action at that time, especially for their precipitate action in giving three days notice to the mines of their withdrawal from general business. From Mr. Williams's speech to-night it has been made clear that the companies did the right thing. Had they taken up the risks, lacking the information asked for, disaster must have followed. We remember the controversy that was carried on between the late Mr. McCallum and the insurance companies. It was a case of a strong-minded man who was representing the Labour Government and whose policy was to enter into the field of insurance, and a strong-minded body of people—the insurance companies. The latter combination was obstinate in regard to the position that was taken up, but at the same time I consider there was some justification for what they did, and on reading the evidence that was tendered to the select

commitee appointed by another place we find that supported. The companies before quoting for the risk were asked to be supplied with certain information. The reply of the then Minister was that the information could not be supplied because it was private and confidential. At the same time I am convinced that that information was made use of when it was determined to establish the State Insurance Office. Insurance companies to-day definitely state that that was the position. Had that information been supplied to them there might have been a different result, but they had to contend with a strong-minded Minister whose anxiety was to put into effect the policy of the Labour Party. Equally strong-minded, as I have said, were the insurance people who were not prepared to submit to the attitude adopted by the Minister. Consequently instead of having sweet reasonableness and the Minister calling the companies together to try to elucidate some scheme that would have solved the problem, the parties drifted apart and brought about conditions which resulted in the establishment of the State Office. My sympathies go out to the men who have to work underground and incur the risk of becoming subject to the disease from which so many miners suffer. I often wonder after all, and remembering the toll of human life that this work takes, whether it is worth while our continuing these operations or whether it would be better perhaps to close down the mines. My desire is to be of some service to the industry, and yet to be true to my principles and say that the State shall not enter into the field of private enterprise. If I could give the Minister some support in respect to the work he wants to do on behalf of the mining industry and others, and at the same time adhere to my principles, I would willingly do so. Mr. Curlewis, representative of the insurance companies, told the select committee that the insurance companies were prepared to undertake the risk.

Hon. T. Moore: Did he quote a price?

Hon. J. M. MACFARLANE: He said the companies would undertake the risk provided they were given the information they required, as well as the assistance of the Government. I feel that we could get somewhere if the Government acceded to that request. When giving evidence before the select committee the Solicitor General in questions 9 and 10 was asked in regard to Orders-in-Council whether there was any power of disallowance in either House of Parliament. He replied in the negative. The next question was that Orders-in-Council were not the same as regulations. The Solicitor General replied, "No; Orders-in-Council have not to be laid on the Table of the House. Regulations have to be laid on the Table, but they may be embodied in a schedule to an Order-in-Council." So that the Bill is asking us just to validate the State Insurance Office for the work it is doing at present. It is not undertaking fire or marine risks. If we are going to have a measure under those conditions solely with the experience we have had, how long will it be before an Order-in-Council will be passed over the head of Parliament to enable the State Office to conduct every branch of business? I consider that would be wrong, and it would be wrong also to try it out for a period, bearing in mind the obstinacy of the Government in 1926 and the attitude since towards the opinions expressed in Parliament. The matter has been well discussed and there is no need for me to prolong the debate. I intend to vote against the second reading, but will agree to validate the actions of the Government up to date if the office should go out of business. I would give support to the Bill if it were confined solely to the work of insurance associated with miners' diseases, a class of insurance which, I consider, should for the time being be undertaken by the Government.

On motion by Hon. H. V. Piesse, debate adjourned.

BILL—INCOME TAX ASSESSMENT.

Second Reading.

Debate resumed from the 11th November.

HON. H. SEDDON (North-East) [8.30]: The Minister in introducing the Bill indicated that it was brought down as the result of the decision of the State and Federal Governments to adopt a uniform Income Tax Assessment Act. Income taxation is not a popular thing. For a long time the tax gatherer has been regarded as a most unpopular person. We have a Biblical authority for that. There was one tax gatherer who made a boast of his honesty in collecting taxes, and who said that where he made a mistake he repaid four times.

Hon. H. S. W. Parker: Give me the quotation.

Hon. H. SEDDON: Our tax gatherer is different. If a mistake is made, it takes us a long time to get our money back. The tax gatherer, however, serves one good purpose, namely that of whipping boy for the Government. Whilst the Government imposes the tax and fixes the conditions under which it is levied, the Taxation Commissioner, who has to carry out the job, gets all the abuse. This Bill re-casts the old Assessment Act on different lines, and also includes the Dividend Duties Act. It is brought as nearly as possible into line with the Federal Act. Most of the clauses are word for word identical with the Federal Act. To that extent uniformity has been obtained, and possibly the taxpayer's job is made more simple, though I would not say made easier. There is no doubt the Bill will when it comes into operation bring in a somewhat larger revenue than the old Income Tax Assessment Act did. I often think that when the historian of the future investigates the records of to-day he will be confronted by two very peculiar documents, one the return with which the taxpayers endeavour to supply the Commissioner with information as to his income, and the other the Senate ballot paper. Probably he will wonder why these documents were invented, and will arrive at the conclusion that they were used by the Government as an intelligence test. That seems to be the chief function of these documents. The Income Tax Assessment Act certainly comes under that heading. There are many people who absolutely fail to take the hurdle at all. They are so flabbergasted by the conditions, the various deductions, etc., that they throw up the sponge in despair and engage an expert to make their returns.

Hon. C. F. Baxter: An alleged expert in some instances.

Hon. H. SEDDON: Possibly. A new profession has been brought into existence, namely that of taxation expert. There is an old adage that the man who is his own lawyer has a fool for a client. When it comes to making out taxation returns a good many people are in the same position. They feel they are likely to make a great many mistakes, consequently they incur the expense of a taxation expert to make out their returns. Not only is the unfortunate taxpayer assessed for taxation, but he also has additional charges thrown upon him by having to meet the fees of the experts. One would have thought that the Commission which planned the returns would have endeavoured to make them as simple as possible. Anyone who examines the Bill before us will realise that it is just about as complicated as was the old Assessment Act. The only difference is that the man who is familiar with the one will find that familiarity will carry him through in dealing with the Federal tax and the Tax Acts of the other States. The present Bill is the outcome of the Royal Commission appointed to inquire into the question of simplifying the taxation position. We may hope that next year the taxation returns will be in one column instead of two. The conditions will largely apply in both the Federal and State spheres. We will have one set of deductions instead of two, and have one system for calculating depreciation on various assets that the taxpayer possesses. Although there has been a striving after uniformity there are distinct differences between the Federal and State legislation. These differences will require to be watched in the Committee stage of the Bill. The uniformity is not quite as complete as we have been led to believe. One thing will have impressed every taxpayer, namely that whilst the Commission was on the job it did not make a good job and finish it. At present we have to pay three income taxes. Many people regard the hospital tax as another tax, making a total of four. The effect of this Bill will be that we shall still pay three income taxes, the Federal, the State and the financial emergency. I understand it is the intention of the Government to revise the conditions applying both to the financial emergency and the hospital taxes. Before it finalises discussion upon this Bill the House should know what the Government proposals are with respect to these two avenues of revenue. I should like the Minister to indicate what the intentions are. The effect of these charges will be very material upon the taxpayer when considered in conjunction with this Bill. The Government should therefore take Parliament into its confidence and bring down those other Bills at an early date.

The Chief Secretary: There is no hope of any information upon that.

Hon. H. SEDDON: Very well! We know where we stand now. I strongly advise the House to delay the passage of this Bill until we have before us the taxes which refer to income tax and the financial emergency and hospital tax, and also any amending Bills dealing with the imposition of these taxes. The whole position should be put before us so that we may know exactly what we are doing. The taxpayers are entitled to ask why the Government does not reduce the number of income taxes to two, and amalgamate the emergency and income taxes. There is one feature about the emergency tax, namely that it is collected at its source in the case of wages and salaries, thereby providing a much better scheme of collection than we have under the ordinary income tax.

Hon. E. H. Angelo: Why not put it into the income tax?

Hon. H. SEDDON: I agree. The amalgamation of the two taxes would drive home to many taxpayers exactly what they are paying. It would give them one amount instead of two.

Hon. J. J. Holmes: In bulk form.

Hon. H. SEDDON: The graduations under the income tax are already steep, but the graduations would be steeper if the two taxes were amalgamated, although that would get over the difficulty of a dual tax. In 1937 the Government received from income tax the sum of £283,539 and from the hospital tax £234,500. In the same year it received £971,000 from the financial emergency tax, or 3½ times as much as it got from the income tax. On analysing the emergency tax figures, we find, according to the report of the Commissioner on page 6, that the amount contributed under the Financial Emergency Act by way of wages and salaries was £535,487, whereas the amount contributed on incomes, exclusive of salaries and wages (that would include company taxation) was £435,885; about half the emergency tax, therefore, came from individuals and half from companies. Many people are asking why the emergency tax is still imposed. The Chief Secretary indicated the enormous expenditure to which the State is committed, thus rendering a continuation of the tax essential. Whether it is imposed as a super tax or as an income tax the taxpayer will have to pay for a considerable time to come. When one hears presumably intelligent business men asking how long the emergency tax will remain, one almost despairs. One is inclined to wonder where all the business acumen comes in, because of the deplorable ignorance of the average business man concerning the financial affairs of the country, and the accounts that are presented to Parliament from year to year. The report of the Auditor General this year is as lucid and clear in its explanations as it ever has been before. It is a credit to the Auditor General that the information should be placed before us in its present form. The facts are there plainly for all to see. They constitute a warning to the effect that the finances of the country will for some time to come involve a heavy increase in tax. In our public debt there is a sum of £11,900,000 made up of deficits which have been accumulated. It constitutes a tremendous burden for the State to carry by way of taxation to meet charges upon that sum. Of that amount £6,000,000 has been funded and another £5,500,000 has yet to be funded. The position is not at all satisfactory, especially with regard to the unfunded debt. Treasury bills are peculiarly subject to the vagaries of the money market. This affects taxation. We made a loss of about two million pounds last year in respect to our loan assets and that loss is likely to continue for some time. Whilst these losses are incurred, any thought of reducing taxation is entirely beside the question. While the Bill is formidable from the standpoint of the number of clauses, there is a great similarity between the proposals contained therein and the Federal tax. For that reason I do not anticipate much difficulty in dealing with the Bill in Committee. There are certain alterations I think should be considered by members. In the first place, there is a provision in the old assessment Act whereby the taxpayer was able to deduct the Federal income tax from his State income in the same way as he was able to deduct the State tax from the Federal income. That provision has been altered, and he is no longer to be allowed to deduct the Federal income tax. I do not understand why that provision was introduced. Personally I regard it as a legitimate deduction so far as businesses are concerned, just as I think the deduction of State income tax is also legitimate. I do not see why that provision should not have found a place in the Bill, and why people

should be deprived of the right to make those deductions in their returns.

Hon. G. W. Miles: The object was to bring our law into conformity with that of the other States.

Hon. H. SEDDON: I do not know that it will do that.

Hon. W. J. Mann: At any rate, there is no equity in the proposal.

Hon. H. SEDDON: No, and I do not know why we should pursue that course. It is not a matter of principle. On the other hand, there are certain deductions allowed that may be regarded as compensatory. First of all, provision is made whereby the taxpayer can deduct up to £50 for medical expenses for himself, his wife and his children. He is also allowed to deduct up to £20 for funeral expenses, should he be unfortunate enough to lose his wife. He can claim that deduction provided he does not receive any refund of funeral expenses from a friendly society or from some other source. Then again, an employer is allowed to deduct amounts on account of embezzlement. In the past, should an employer be unfortunate enough to have an employee who embezzled money, he had to bear that loss. The Bill proposes that he will be allowed to claim deductions to the amount of the sum embezzled. The Bill also allows a deduction up to £50 for insurance. In that respect it is not so generous as the Federal Act, under which up to £100 is allowed. There is a point to which I desire to draw attention, and that is in regard to the deductions for losses. In the old Dividend Duties Act there was a provision enabling a person to claim deductions on account of losses incurred by his company in the year of assessment. The Bill provides that losses can be deducted for two years prior to the year of assessment, but that is to commence only from the beginning of the Act. The effect of that is that the deduction will not be available until three years hence. One would have thought that the Government would have been generous enough to allow the deduction to take place as from the inception of the Act. Apparently it is intended to preserve the advantage already secured under the old Dividend Duties Act. I believe this will have a very material effect in keeping up the returns from taxation. Provision is also made in the Bill for taxing the proportion of profits made by a foreign company in this State. I understand that previously this was not provided for, and under this heading there should be a considerable increase in income tax collections. This is also in line with the provision in the Federal assessment Act. One point to be borne in mind is that although great effort has been put forth to bring our legislation into line with the Federal and other State assessment Acts with regard to the income tax, there have been quite a number of amendments secured in taxation measures. I am inclined to think that with the progress of time the uniformity of legislation will be gradually lessened, and that we will find divergences within the next few years. A suggestion was advanced, but not favourably received in another place, that arrangements might be made to meet the position of a man who had been discharged from bankruptcy, and having encountered more favourable times, endeavoured to repay some of his old debts, from which he had been released. It has been argued that such instances would be very rare. On the other hand, in the event of there being such instances, men who are honest enough to pursue that course should be allowed to deduct the amount so paid from their taxable incomes. If a man is honest enough to desire to repay debts from which he has been at least partially released and to make those payments up to 20s. in the pound, he should certainly be allowed to claim deductions in that respect. Nevertheless, that suggestion was not received favourably in the Assembly, and it may be worthy of consideration by members in this House. In my opinion, the man who is honest should receive such recognition.

Hon. T. Moore: There certainly would not be many of them.

Hon. H. SEDDON: Not many at all. With regard to statutory exemptions, I am inclined to think that a doubt exists regarding the present definition which sets out that a married man or married woman who has a dependent husband shall be entitled to certain deductions that are set out. No provision is made for a widow or widower, and possibly it may be assumed that they would come within the definition of a married man or woman. The intention is not clear and I think consideration could be given to that phase.

Hon. T. Moore: Neither the widow nor the widower is mentioned in the old Act.

Hon. H. SEDDON: Where the widow or widower has dependants, obviously she or he should be entitled to the same consideration as a married person. Seeing that we are getting away from many provisions of the old Act, here is another that is worthy of attention. A further question arises with regard to dependants, and that is whether the person who is supporting one of his parents should not be classified as a married person under this measure. Members will recall the conditions that apply under the emergency Act. Under that measure, the person who has dependants, a list of whom is given, is placed apart from the single person. Provision is made in the Bill for the deduction of procuration fees in connection with borrowed money, and also for the cost of the preparation of leases. In considering the deductions that may be made, that referring to the taxpayer who introduces a pension scheme for his employees should be made clearer. There are certain funds, described as provident funds, that have been established by certain firms, and the same conditions should apply to that form as to pension schemes.

Hon. G. W. Miles: I think that was the intention, but the provision should be made clear.

Hon. H. SEDDON: That is so. The Commissioner of Taxation is bound by the wording of the Act in case of doubt. He may be inclined to take a certain course because he considers that obviously that was the intention of the Act, but on reference to the Crown Law Department he will find that he is bound by the exact wording of the legislation. In that event, he cannot give effect to what he thinks is right. The Bill imposes a condition to which I alluded by way of interjection when the Minister moved the second reading of the Bill. I refer to the position that will obtain on the death of a taxpayer. Under the old assessment Act, the law was silent on the question of taxing the income of a person who died. The position was that in the year he died he would not pay the income tax. The Bill contains a clause whereby he will pay not only the income tax but also on that portion of the income that comes into the possession of his trustee after his death. Perhaps I can explain the position better by giving an illustration. Suppose a doctor died on the 1st January, and that he had been in possession of an income of £1,000 a year. Up to the 1st January he would have received £500. Thereafter the income that would be derived would come from outstanding fees that had to be collected. That would represent income, and would go to the trustee. Under the Bill, that money would also be assessed as income, with the result that the estate would not only pay income tax on £1,000 but also on £500 in the form of probate duty. To that extent, double taxation would be paid. Income tax would be charged on the money because it was regarded as income, and probate duty would be levied because it was regarded as part of the estate. Let me carry that illustration a little further. Assuming that the doctor had an estate worth £10,000. Instead of being assessed for probate on £10,000 he would be assessed on £10,500, and at the same time he would be assessed under the Bill for income tax on £1,000 as well. That does not seem to be quite fair, for it actually means collecting double taxation. The Commonwealth Government is much fairer. Under Section 221 of the Federal Act, where the estate is assessed for probate duty, income tax is not collected. That is much fairer than the proposal in the Bill under which both probate duty and income tax would be collected on money that should be regarded from either one or the other standpoint, but not from both. I think the fairer position would be to incorporate the Federal section of the assessment Act as an amendment to the Bill. On the other hand, we must consider another phase which may influence members in dealing with the Bill. The Government has not indicated its intention with regard to the rate of tax. In those circumstances if we were to insist upon possible amendments in the present Bill, we might be confronted with different proposals regarding the rates of tax in the taxing Bill. That is why I consider this House should know what the Government's intentions are before we allow the present measure to pass from our control. If we indicate our intentions regarding amendments, the Government would then know what they were faced with, and they would know how to shape their proposals. At any rate, we should know what the Government intend to do with regard to taxation. In Clauses 140 to 142 conditions are set up under which taxation is imposed on insurers

who effect insurances from outside the State. Under the Federal Act taxation is imposed on the premium incomes of those companies, and the taxpayers can elect to do one of two things. Either they can pay a flat 10 per cent. on the gross premium income, or can furnish a profit and loss account and be assessed on that at the company rate. Whichever he determines to adopt he will have to adhere to. In this Bill we have the same conditions provided, but the obligation on the taxpayer will be materially affected by the rate of tax he will have to pay. Under the old Dividend Duties Act it is 1s. 5d. in the pound. If that rate is going to apply to the insurer, he will know where he is, but if the Government increases the rate, he may be involved in a very heavy loss; because he is bound by strict conditions of contract in regard to his overseas clients and he may even find himself in the position that his client will repudiate. So in that case we wish to know what the intentions of the Government are in regard to the tax to be imposed. It is interesting to note that there are variations in the rate of tax in the other States. For instance, in Western Australia the rate is 1s. 5d. in the pound, in New South Wales it is 2s. 3d. plus a special tax of 10d., in Victoria it is 1s. 9d., in South Australia it is 2s., and in Queensland it varies from 1s. 9d. to 5s. 3d. in the pound, plus 20 per cent. So there are considerable variations. I have touched upon that because there is another question associated with it. The Bill provides for the first time in this State that residents shall be taxed on dividends received by them from any source, no matter where the profits are made. The Federal Government does not seek to tax dividends derived from sources outside of Australia if the profits out of which the dividends have been paid have been taxed in the country of origin. So it will be seen that in the Bill we are going farther than the Federal Government goes. At the same time it is proposed to allow a rebate on all dividends, irrespective of source, at the standard rate of tax paid by companies in this State. It is claimed that this is inequitable and will place many taxpayers in an unfortunate position, as the tax paid by companies in other places may be much higher than that imposed in this State. Although that may have been dealt with in the pamphlet issued by the Premier, on the other hand, it may have escaped notice. I have here a table setting out the incidence of tax on the new basis proposed. It is as follows:—

INCIDENCE OF TAX ON NEW BASIS—OR BY UTILISING DIVIDENDS TO FIX RATES ON OTHER INCOME.

(Latter applies until Company rate 17·25d. is exceeded.)

			New Rate.			Old Rate.	
Income of £1,000— Dividends £150	... Other Income	£ 850 at	d. 8·3	£ s. d. 29 7 11	...	d. 7·25	£ s. d. 25 13 6¼
Income of £600— Dividends £50	... „ „	550 „	5·5	13 10 8	...	5·15	11 16 0¼
Income of £800— Dividends £200	... „ „	600 „	6·9	17 5 0	...	5·5	13 15 0
Income of £1,400— Dividends £400	... „ „	1,000 „	11·1	46 5 0	...	8·3	34 11 8
Income of £2,100— Dividends £1,400	... „ „	700 „	16·0	46 13 4	...	6·2	18 1 8
Income of £2,100— Dividends £700	... „ „	1,400 „	16·0	93 6 8	...	11·1	64 15 0

The Taxation Laws of Australia—Baldwin and Gunn states the position with regard to Tasmania—pages 316 and 317. The whole position of dividends—Federal and State—being reviewed pages 279 to 317.

Pages 85 to 89 of Royal Commission on Taxation deal with the question of the taxation of Companies and Dividends by the States. Members will see that under the scheme laid down a considerable benefit will accrue to the Government by the introduction of the new rate of assessment. The Royal Commission on Taxation was in favour of the taxing of divi-

dends by the State, provided that it was on a flat rate. In that case a man who received a dividend from New South Wales or from Queensland deducted the same rate as he would be charged in that State. But that principle has not been agreed to by the States, and it would seem as though the Government's proposals are inequitable and liable to place an impost on the taxpayer. Again, I am reminded of the necessity to try to find the Government's attitude in regard to the treatment of hospital tax, financial emergency tax, and other taxes on dividends or profits derived from other States or countries. There are income taxes in the other States, and so far our Government has given no indication as to whether there is to be any sort of reciprocity between the various States. These are questions that might well be answered by the Minister when he is replying to the debate. Another question is that Western Australian residents who pay a periodical visit to Victoria are compelled by that State to pay tax on any dividends, despite the fact that the taxpayers are resident in this State. These are some of the features associated with the Bill before us. The Tasmanian system is fairer than this, but it is suggested that the least cumbersome method for our purposes would be that favoured by Queensland, namely only bringing the dividends to account for the purpose of fixing the rate of tax on all other incomes and of determining the concessional deductions allowable. Then there is a matter which ought to be referred to, namely the position created by Clause 103, which deals with the assessment of income under trusts. It is there provided that where a person has created a trust, and he has power to revoke or alter the trust so as to acquire a beneficial interest in the income derived, the net income of the trust estate shall if the Commissioner so determines be deemed to be income of that person if living and so any income tax chargeable on that income may be recovered from the person creating the trust. That I think is an anomaly. Another anomaly in the Bill deals with agents. Under Clause 215 agents are liable for the payment of tax due and payable by non-resident persons. And this legislation will apply to last years' income under the existing Income Tax Act. So the unfortunate agent will find himself liable for the payment of money to that extent. Obviously that is absurd, especially in regard to trustees.

Hon. G. W. Miles: Would he not have a clearance from the Taxation Department before he distributed the money?

Hon. H. SEDDON: The point is that he has already distributed it, and under the Bill he will be liable for the tax. This seemingly is an anomaly that should not be overlooked. In conclusion, I should like to draw attention to the provisions for a court of appeal. That is all set out in Clause 171, but it is provided that the court of appeal should be a magistrate. To my thinking obviously that is not the best kind of court for the purpose, for the magistrate is not a competent accountant nor an authority on taxation. We might advantageously embody the Federal conditions whereby a board shall be constituted that shall contain at least one person who is acquainted with the intricacies involved in cases of appeal.

Hon. G. W. Miles: That is one of the most important provisions in the Bill.

Hon. H. SEDDON. I have drawn this comparison between the Bill and the existing law because I considered that we should investigate the matter thoroughly and endeavour to remedy defects. I realise that the Minister might be able to offer a satisfactory reply to the points I have raised, in which case there will be no need for any amendment. At the same time I thought that these were matters that should be brought under notice so that they might receive careful consideration. I have pleasure in supporting the second reading of the Bill.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 11th November.

HON. H. S. W. PARKER (Metropolitan-Suburban) [9.19]: I opposed a similar Bill the year before last. I mentioned on that occasion that the incidence should be altered and that unless it were altered, I could not see my way to support a continuance of the existing provisions. The evil I mentioned of postponing was becoming greater than the original evil it was intended to adjust. At the present time the mortgagee has to

apply to the court for leave to call up a mortgage, and he has to pay all the costs of those proceedings. That is a burden on the mortgagee that I consider is unreasonable. The mortgagor who has borrowed the money should be the person to apply to the court for the indulgence of having his debt postponed. At present there are a great many mortgages in existence in which no equity is left, and the owner of the property, realising that fact, takes no interest in the property. He allows it to become dilapidated to an extent, and permits the rates and taxes to accumulate. I know that the answer made to that is that the mortgagee might apply to a judge to have the position rectified. Experience shows that the judge or commissioner is rather more lenient now than he was originally. Nevertheless many people have taken advantage of the Act to the detriment of the man to whom the money is owing. I had a case recently that emphasises my statement. A man has a property in which he lives. He borrowed £850 on first mortgage and then £250 on second mortgage, a total of £1,100. The property at present is valued at between £1,100 and £1,200. However, there are seven years' arrears of rates to the local governing body, and two or three years' arrears of water rates. It was necessary for the mortgagee to apply to the judge for leave to call up that money. The interest was in arrears to the extent of about £70. It was pointed out to the judge that the man valued his security at about £1,200, which was roughly sufficient to liquidate all the liabilities, but his trouble was that he could not raise money from another possible mortgagee to pay off the first mortgage because of the existence of the second mortgage. The matter was taken before the judge and was postponed for three months to give the man an opportunity to sell the property privately. There is no possible chance of that man getting any equity out of the property, and the postponement was really only putting off the evil day to the disadvantage of the mortgagor, who will only get further into debt. In that case one side said that the place was in disrepair, while the other side contended that it was not. That, of course, will always happen. Quite a number of people have given me instances to show that no equity remains in the property, but the mortgagee has to go to the expense of making the application to the court. True the application does not involve great expenditure, perhaps £5 to £10, but why should the mortgagee be put to that unnecessary expense, especially when the mortgagor, as in some instances, has disappeared, and the mortgagee is put to the additional expense of endeavouring to get service effected by substitute service, sometimes by advertising or in other ways? When cases of this kind are mentioned the question is often asked, "Why should the mortgagor lose his property?" I should like to point out that the mortgagor has no property to lose, and in many instances he never did have any property to lose. What has often happened has been that the man who mortgaged his dwelling or property did so to invest in some speculation that at the time appeared to be perfectly good, or else he borrowed the money to meet some financial difficulty. But why should a mortgagee be the person to bear the brunt of a mortgagor's investments? That is what it amounts to.

Hon. G. W. Miles: In some instances for gambling.

Hon. H. S. W. PARKER: That is so. Every investment is a gamble of some kind or other. Whether it be farming or anything else, it is in the nature of a gamble, and I think we can safely say that there is no greater gamble than farming. If a farmer has two or three bad seasons he has no equity at all left in his property. But why should the man who has money to invest and does not care to undertake farming himself, but is prepared to let somebody else gamble in farming, bear the brunt?

Hon. G. B. Wood: He is a gambler, too.

Hon. H. S. W. PARKER: Yes, but the lender cannot increase his capital. If I borrow money on my dwelling to purchase a farm and am thus enabled to get £1,000, why should the mortgagee take the risk of my being a good or bad farmer? Why should the mortgagee take the risk of my investing money in good or bad investment, whether it be goldmining, starting a store, or anything else? This Act has been in operation since 1931. Thus for six years these mortgages have been postponed, and the mortgagors in many instances are still being protected when they have little or no equity left.

Hon. A. M. Clydesdale: In some of the properties there is any amount of equity left.

Hon. H. S. W. PARKER: If that is so, the current rate of interest is very much lower than the rate in the old mortgage, and there should be no difficulty in raising a new mortgage at a lower rate. If the mortgagor cannot borrow he can sell his property, provided there is an equity, and is entitled to retain the equity. I am assuming that there is not sufficient equity to enable him to borrow to pay off the existing mortgage. Why should the mortgagee be required to carry such a man on when he has no equity in the property? A mortgagee is a man who invests his money with the absolute certainty that his capital cannot increase. He is not gambling at all. He is not like the man who invests his capital with the intention that there shall be some prospect of its increasing, as in the case of industrial shares, for instance, or even Government bonds. With a mortgage, unquestionably one cannot get back any greater principal than that originally lent.

Hon. G. B. Wood: But there is greater security.

Hon. H. S. W. PARKER: Under the Trustee Act one has to have a 33 per cent. margin, one lends only two-thirds of the sworn value. But that has all gone now. It is the duty of a trustee, under ordinary circumstances, when the equity is diminishing to call up the mortgage so as to save the principal for those entitled to it—widows or infants, or whatever they may be. The Workers' Homes Board is not included in the Bill. It is free. Why should the board be free when other people are not? A mortgage is a definite contract. There are many instances where people have borrowed to the very last farthing they could get on their properties, and now find those properties in a hopeless position. Such people have lost heart, and no longer attempt to get themselves out of their difficulties. In fact, they cannot. However, they sit tight and go on and on. To this a reply will be given drawn from statistics and the number of cases brought before the courts. They are nothing. Any land agent or lawyer will say, "It is no use; try to do it this or that or the other way." People go on until at the last the position becomes so hopeless that the mortgagee realises the uselessness of proceeding further, and the matter comes before the courts. In fact very few of these matters go before the courts; there are very few summonses indeed. It is the unfortunate careful person who suffers through this legislation. The man who suffers is the small man who has invested his money on mortgages, which have always been regarded as the investment of a careful, steady man—not the man who gambles. The person who likes to put his money into shares and gambling propositions is not interfered with at all by this legislation. The person who has saved up and invested has no protection. It is only the one class, the careful small investor who has invested in mortgages, that sees its capital continuing to go. He is unable to do anything. He has his interest reduced as well. Of that I do not complain, because the interest payable prior to 1921, less 22½ per cent., is slightly more than the rate of interest obtainable at the present time. I must vote against the Bill; but I will support a measure, if the Government will bring it forward, throwing on the mortgagor the onus of applying for leave to allow the mortgage to continue.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [9.35]: I feel somewhat disappointed that the Minister has brought this continuance Bill forward. If he had brought it forward with the idea of giving relief in cases somewhat similar to those which Mr. Parker has adduced, or giving relief in respect of rates and taxes, which may be held over, I would have felt that there was something in it. It is not the large mortgagor who goes down in these days because the interest rate has gone down also, as stated by Mr. Parker. It is the small investor, the frugal man, who has been badly hit. I have had any number of telephone messages and letters from people protesting against the continuance of the Act because of the way it hurts them. I feel disappointed that the Bill contains no amelioration for cases of that description. I would have liked to move an amendment to the Bill releasing anybody with a mortgage of £500 or less from the operation of the Act. I understand, however, that in connection with this Bill I cannot move such an amendment. If the Chief Secretary would afford me the privilege of moving such an amendment, he would earn the gratitude of many persons who have felt the ill effects of the Act. Hon. members

will have received a circular dated the 22nd July and addressed to all Parliamentarians. I will not read it out. There is also a long letter from a man who called on me a little while ago, and whom the "West Australian" was good enough to give a paragraph on the 10th of this month. I intend to read one letter received by me, because it supports all that is stated in the other documents, and all that has been stated to me by other people affected, who blame me for not having done something in past years to secure relief. The letter reads:—

Dear Mr. Macfarlane.

Re Mortgage Restriction Act.

This pernicious legislation is crippling many people who have led a careful and economic life in their young days in endeavouring to save part of their earnings to provide a competence for their old age, and are now being legally defrauded of the benefit of their savings when they are almost past working. I, like many others, invested my savings in reducible mortgages with a view to having a small weekly income when I am past work.

May I quote instances of this pernicious legislation as it affects myself:—

(1) I purchased an equity in a house being sold on contract of sale, providing for weekly payments of 17s. 6d. Shortly afterwards the Act came into force, and the weekly payments ceased. The purchaser paid the interest only, less 22½ per cent., for two months after the Act came into force, then made one payment every three months only to keep within the law. Eventually, when the amount owing was £95, he decided after much trouble to vacate the house on the condition that he be released from all his obligations under the contract of sale. When I regained possession I found the house in a disgraceful condition: three doors had been removed, probably used as firewood, kitchen sink likewise. The necessary repairs to make the place fit for a tenant to live in cost £130; in addition, rates owing were £14, and water rates £5 14s. I had to raise a loan on my own home to finance this.

(2) A similar proposition in connection with a garden property at Osborne Park, on which pump and irrigation scheme was installed; the purchaser of this on time payment was to pay it off at £1 weekly. When the Act came into force his payments ceased, also interest payments. After continued correspondence and persuasion had failed to secure payments, and the outstanding amounts had reached a total of £85, notwithstanding that he was marketing vegetables three times weekly. I was compelled to seek legal advice, and an application was made to the court for a cancellation of the contract. My solicitor's fee was £5 5s., but the court would not make an order, and the position continued as before. In desperation I approached the purchaser to agree to the cancellation of the contract. He only agreed to this providing I agreed to release him from all payments due. Failing to see any hope of justice at law, I was compelled to agree to these terms; but when he vacated the property, he removed the kitchen stove and 18 sprinklers of a value of £1 11s. 6d. each. However, in view of the hopelessness of obtaining consideration in court, I was glad to regain possession of the property. I was then compelled to pay rates owing (£18 16s. 6d.) and resell the property clear of the Act at a loss of £300.

(3) I also loaned amounts of £300 and £350 on mortgages on dwelling-houses. I have, of course, only received the interest, less 20 per cent., but although the loan was only for three years, it has now gone on for eight years, and I am unable to secure the return of my capital or any part of it. I am 63 years of age, and may at any time be called upon to retire; then, although I have endeavoured for the last 30 years to provide for my old age, I cannot secure the money due to me. But young men in a better position than myself are getting the benefit of my savings which has enabled them to secure a home to live in, and only pay a reduced interest as rent, thus securing a house at a nominal rent only, representing the interest paid. These houses have not been painted or repaired for years, and rates are accumulating. The whole position is rotten, and makes one wish that he had placed his savings in safe deposit so that they would be available in emergencies or old age. I certainly, like many more, am now adopting this principle, as it appears that before my present capital will be made available I shall be taken to Karrakatta unless there are some fair-minded members of Parliament who will prevent this iniquitous legislation being continued in its present form, and depriving old persons from enjoying the savings of their youth in their declining years.

Like other hon. members, and like my colleague, I have received many communications of that nature, and have had many telephone conversations and interviews regarding the matter. It does appear that the Act has outlived its usefulness. It should be repealed altogether, or else some relief should be given to the class of people on behalf of whom my colleague and I are appealing this evening.

HON. J. CORNELL (South) [9.44]: If hon. members will turn to "Hansard," New Series, Volume 98, page 2580, they will find that last year's Bill was the unfortunate child of that session, inasmuch as it came before the Council at 9.20 o'clock on the evening of the day of the abdication of the late King Edward the Seventh. As a consequence, the atmosphere of the Chamber

on that night led to the Bill being passed through all its stages in five minutes.

Hon. H. V. Piesse: That shows what a good Bill it was.

Hon. J. CORNELL: It shows what the hon. member knows about it when he makes that inane interjection. The speech of the Minister in introducing the measure occupies 24 lines of "Hansard." I venture to say that had not that unfortunate set of circumstances which was Empire-wide in its ramifications, presented itself, this Bill would have received equal discussion with the Financial Emergency Act Continuance measure, and the Tenants and Purchasers Bill, which got the order of the boot, to use a vulgarism. I have said in relation to the continuation of the Financial Emergency Act that it is about time this Parliament squared up to the situation and refused to pass continuation measures of this kind. The Bill does not affect those whom it did affect in the South Province, because I think they have all died since the passing of this measure. Mr. Seddon will bear me out in that connection. Consequent upon their death, the Bill has ceased to have an effect in regard to their estate. I fancy that the cases enumerated by Mr. Parker and Mr. Macfarlane can be added to tenfold—cases of people in a small way who have endeavoured by means of mortgages, including mortgages on houses, to provide a little nest-egg for the future and who to-day are being classed in the same category as people who went out speculating in jerry-building. The impositions placed upon the highest of the land, those who represent the community in this House and in another place, and all in the civil service, right down to the most humble civil servant and Government employee, have been removed, and they have been restored to the position they occupied prior to the passing of this Act. That being so, it follows that the deserving people who come under this Bill should be given some consideration. I know the answer will be made that they can go to a judge of the Supreme Court. If my lawyer friend on my left were here, I know he would bear me out, and I know Mr. Parker will do the same when I say that the last thing a lot of these elderly people desire to do is to consult a lawyer.

Hon. H. S. W. Parker: That is the unfortunate part.

Hon. J. CORNELL: So far as Mr. Parker is concerned, no doubt it is. Without in any way eulogising Mr. Parker in this respect, I should say that for every pound he gets in fees he gives £10 worth of advice without any payment at all.

Hon. G. W. Miles: Perhaps that is all it is worth.

Hon. J. CORNELL: I have a better opinion of Mr. Parker professionally. If I were in trouble to-morrow, I would look to him before any lawyer I know. I do not know if that is a recommendation or a hit in the back. Parliament at all times is charged with the responsibility of endeavouring to give easement to the people who are the most deserving of it and the least capable of getting it themselves. I need only refer to the debate of two or three hours ago when arguments were put forward that people on the basic wage should not be taxed. Surely those unfortunate people who are in a small way in regard to mortgages and who are affected by this Bill, should be given that consideration too. I shall vote against the second reading of the Bill. I have tried for six years to have some alteration made, but the same old chestnut is brought forward every year.

HON. G. B. WOOD (East) [9.53]: I am glad the Government has seen fit to reintroduce this measure. I do not think the time has arrived——

Hon. J. Cornell: You never will, being a cockey.

Hon. G. B. WOOD: —when certain measures enacted during the depression should be abolished. Mr. Parker and Mr. Macfarlane have quoted some extreme cases, and I have no doubt they are true. There are hardships amongst those particular people. But on the other hand one could mention hardships that would occur to others if the Bill were not continued. This applies not only to farmers but to workers who have bought houses and have not been able to keep up their payments through being out of employment or having only part-time employment. I hope that the measure will again be passed and, in the ensuing 12 months, perhaps Mr. Cornell may be able to formulate some scheme that will make it possible to abolish this measure next year. I support the second reading.

On motion by Hon. H. V. Piesse, debate adjourned.

BILL—LAND ACT AMENDMENT.

Second Reading.

Debate resumed from the 10th November.

HON. T. MOORE (Central) [9.54]: I am pleased that the Government has seen fit to bring down this amending Bill. After the years of experience we have had of the lands of this country, the time has arrived when we should have a review of many of the prices put on the land in different parts of the State. We find now that land that was considered first-class in certain areas has proved over the years not to be first-class at all. I am speaking of the marginal areas, and hon. members will understand that I mean those areas on the outer York gum region. Owing to the fact that the land was carrying York gum, which was considered to indicate good soil, the men who went out surveying—and it was the surveyors who classified all this country—put on certain values that time and experience have proved to be too high. We have heard much about abandoned holdings. In the area I represent almost all the holdings abandoned should have been abandoned. In the first place they were not sufficiently large to carry a family. Under the old Act it was possible to have only 1,000 acres of cultivable land and in those areas it was not possible for a farmer to make good. He needed much more, and under this Bill, if it becomes an Act, it will be possible to get 2,000 acres of land. In those districts there are men struggling along on small blocks and my idea is that instead of other men being allowed to come in and take up two blocks together, the land could well be cut up and parcelled out to some of the men already there in order to give them a chance to carry on by the introduction of stock. If these areas are to be taken up by others the men already on small areas there will not have much chance of making good, even on the inner section, where we find there has been such a setback as the discovery of salt soils in some of the best areas. The consequence of that has been that men who were put on first-class blocks now find that some of the best of their land is no use and that they need more. Unless the Department takes a stand in that regard and sees that the men on small blocks are given a chance to get some of the adjacent blocks, it will be a very bad job and some of the men will have a hard row to hoe. I hope the Government will keep that in mind. The Bill will make it possible for the men to be given extra pieces of land. There have not only been salty soils on the property taken up by these men but shallow soils on which it has been difficult to grow wheat. That has been one of the greatest troubles on the outer areas. There has also been experience of soil erosion which has spoilt many good blocks. Where land has been acquired in areas of particularly good rainfall gullies have been worn out and good land has been spoilt. The settlers need a little extra land and the Bill will have the effect of providing them with it. The land there was highly priced and there should be a review of the prices. I could take the inspectors into areas where the land was priced up to 11/- and 12/- owing to the fact that it was York gum country. But the valuers failed to take into account that it was an unreliable rainfall area and that the soil was shallow. If the Government attempts to charge the same price as before, now that we know by experience that the land is not worth it, a great mistake will be made. The Government would need to see that when blocks are taken up the settlers are not charged what the old settlers were made to pay. If the fair thing were done for those settlers who had to abandon their holdings, their money would be refunded because in many instances they were charged too much. In the old days quite a lot of money was paid before a man was allowed to go on a block. During the first few years rents were paid. The Government has had quite a lot of money from abandoned holdings already. I notice in the Bill there is a reference to "prescribed areas," and places were mentioned by the Minister in the north-eastern districts. I hope, however, the Government will not confine its attention to the areas mentioned. If that is done, it will be altogether wrong. Regarding land generally in those areas, it would be a fair thing for the Government to do the same as it is proposed to do for the unfortunate pastoralist; exemption should be given from land rents, particularly since there have been bad prices. For the past five or six years it has not been possible for those people to pay their rents, and those rents are standing against them. It would be a fair thing for the Govern-

ment to exempt them altogether for a five-year period. I have had interviews with the Lands Department about this matter, and I have been told that the settler should not worry because he is not paying the rents. It does, however, worry the settler to know that he has an immense sum owing. The good man usually does not desire to owe any money. In that respect the Government could have done the decent thing by many struggling settlers by giving them exemption for five years, particularly on the areas to which I have referred, where they have had little chance of making good. With regard to the pastoral holdings, I know that every member agrees that what is proposed is a fair thing, and therefore it is not necessary to repeat what has already been said. We know that the pastoralists in the province I represent have had an awful time during the past five or six years. The drought is still with them and a deplorable state of affairs exists there. Even when the drought does break, because of the dreadful losses of stock, it will be very difficult for those people to again stock the holdings, at least for many years to come. They have lost their sheep and when good times return there will be plenty of feed but it will not be possible to make use of it. Every hon. member will agree with that part of the Bill and I do not think anyone will begrudge the relief it is proposed shall be given to the farmers who have been in a precarious position since 1927.

HON. H. V. PIESSE (South-East) [10.4]: I support the second reading of the Bill and congratulate the Minister for Lands in another place on having introduced it. There are many instances of well-to-do farmers who have young families. Those farmers have not yet the freehold of their land. There is one case of a man who purchased an Agricultural Bank property in the South-East Province. He has five young sons ranging in age from six to 17 years, and he asked me the other day whether it would be possible for him to take up extra farming land so that he could provide for the younger lads when they reached the stage of manhood. His desire was that they should have reasonable farms on which to carry on operations. These young men are being trained where their fathers have made good, and in those cases where they have had experience they undoubtedly make the best settlers. They are trained in those districts and they know the existing conditions. In my opinion, if a man has sufficient capital and can finance additional farms, it is only reasonable that he should be granted more land. Mr. Moore expressed the hope that the Minister would consider those areas in the southern districts, and I feel sure from the experience I have had of the Minister in the last three or four months, he will give every consideration to those cases and treat them on their merits. There are many deserted holdings and many abandoned Agricultural Bank farms. Those farms to-day are in the hands of one agency—Goldsbrough Mort and Co.—for disposal, and one has only to look at Saturday's newspaper to learn of the disposal of some of them during the week. I am sure that the new conditions set out in the Bill whereby the larger areas can be held by farmers will prove beneficial indeed, because there will be experienced men to carry on the operations and make a success of the holdings. The pastoral areas, we all know, have gone through a very difficult time, but as there are many representatives of pastoralists in this House, who are able to put up their side of the question, I shall not allude further to it. I intend to support the Bill and trust it will pass the second reading.

HON. C. H. WITTENOOM (South East) [10.9]: I am glad that the Bill has been brought down and I have pleasure in supporting the second reading. An attempt has been made to improve the Act by taking advantage of the experience that has been gained during a number of years. There are two main points and both are very sound. The first is to do away with the limit of the area of a holding of cultivable land from 1,000 acres to 2,000 acres, and the other is to relieve pastoralists from paying all or portion of their rents on account of the drought. With regard to the first it was found to be advisable, because of the prices of wheat and wool, to go in for mixed farming. Thus it was found that an area of 1,000 acres was considered to be too small for any mixed farming proposition. It was all right when the price of wheat was very high, but conditions have changed a lot on account of the varied seasons and the periods of very little rain, as well as the depredations caused by rabbits. The ques-

tion of increasing the size of the holdings was raised many years ago and even then it was thought that it would not be long before it was considered that a block of 1,000 acres would not be sufficient. With regard to the pastoralists, the Government certainly must be given great credit for what has been done. During the last 18 months relief has been given in several directions, notably by way of freights to get fodder up to the stations and in the transfer of starving stock. That assistance has been fully recognised by the pastoralists and members will admit that the pastoralists have never asked for anything beyond what was reasonable. A board was appointed to deal with the sufferings of the various pastoralists and that board did its work up to a period ended the 31st December, 1936. I have not heard a word of complaint regarding the decisions that were arrived at by that board. The members of it appear to have done their work very well and fairly. As has already been mentioned by other members, the drought on the Murchison is far from being at an end. There are many stations that boasted thousands of sheep and that now have only very few. I assure members that the figures the Chief Secretary gave were not in any way exaggerated. I could instance many cases on the Lower Murchison the figures in respect of which would be much worse than those mentioned by the Chief Secretary the other evening. One station that had many thousands of sheep has scarcely any left. As has already been mentioned, the trouble is going to be when the drought does break. Old hands declare that the indications are such that the drought will break, and when it does break the difficulty will be to stock up again. Although so many of the stations are still under the influence of the drought, the rains that have fallen in certain parts of the North have been responsible for an almost prohibitive rise in the price of ewes. When the drought does break, it will be almost impossible to buy ewes with which to stock the stations. Many of the stations had practically no lambing at all. In my own case I have not had any lambing for six or seven years and the few sheep left there are very old, so that if it does rain shortly there will not be many of them left and it will be many years before it will be possible to stock up. Personally, I hope that the relief to the pastoralist will be continued year by year until the drought does break, because I assure the House that the position is very serious indeed. I am glad that the Government has brought down the Bill and I shall support the second reading.

On motion by Chief Secretary debate adjourned.

House adjourned at 10.15 p.m.

Legislative Assembly.

Wednesday, 17th November, 1937.

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

QUESTION—NATIVE MISSIONS.

Mr. COVERLEY asked the Minister for Agriculture: 1, Will he give reasons why up to date no native missions have been proclaimed a native institution in compliance with Section 2 of the Native Administration Act, 1936? 2, Will he indicate when effect will be given to this section of the Act? 3, Is he aware that the charge of 20s. per employee, chargeable under the department's voluntary payment to the medical fund, has had the effect of increasing premiums tenfold by insurance companies insuring natives under the Workers' Compensation Act?

The MINISTER FOR AGRICULTURE replied: 1, Because of the preparation and adoption of suitable relative regulations. 2, Very soon. 3, No.