

that satisfactory means for suppressing the rabbits had been adopted by the holders of the blocks, upon which it was reported that rabbits had been seen. That, I need hardly point out, is absurd. Fancy in a huge State like this making it compulsory for the Chief Inspector to visit every holding himself! That provision is entirely wiped out by the Bill. The Chief Inspector's representatives are now empowered to visit holdings for the purpose of the Act. In the case of persons refusing to destroy rabbits on their holdings, the original Act provided for such persons being summoned to appear before the Minister. Only one Minister has ever exercised that power.

Mr. Maley: Not before the Minister?

Hon. F. E. S. WILLMOTT (Honorary Minister): I do not wonder at the interjection of the member for Greenough, because the system is unspeakably absurd. However, that is what has to be done under the Act as it stands. The Bill will do away with that absurdity. Let hon. members just think of settlers being brought from all parts of the State to appear before the Minister in Perth! In some instances the railway fares of the settlers would amount to as much as £8. I do not think I need dwell upon this measure. If hon. members will peruse it carefully, they will come to the conclusion that the recommendations of the select committee have been fully considered, and that provision has been made for carrying those recommendations into effect. As hon. members will recollect, when the select committee's report was submitted to this House, the framers of that report were congratulated on their work. I also wish to congratulate them. Let me add that the recommendations of the Agricultural Royal Commission have likewise been duly weighed in the framing of this measure.

Mr. Johnston: What about rabbits on Crown lands?

Hon. F. E. S. WILLMOTT (Honorary Minister): That matter also is provided for, as the hon. member will find if he reads the Bill. I think it will be agreed that the measure proposes to give effect to the recommendations of the select committee and of the Agricultural Royal Commission by the best possible methods. I move—

“That the Bill be now read a second time.”

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

House adjourned at 10.44 p.m.

## Legislative Assembly,

Thursday, 18th April, 1918.

The SPEAKER took the Chair at 3 p.m., and read prayers.

[For “Questions on Notice” and “Papers Presented” see “Votes and Proceedings.”]

### MINISTERIAL STATEMENT—BUSINESS OF THE SESSION.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [3.5]: The Government feel that the time has arrived when it would be as well to make a short statement with regard to the business which appears on the Notice Paper. Hon. members will see that Numbers 1 to 6, namely the Insurance Companies Bill, Wyndham Freezing Works Bill, Employment Brokers' Act Amendment Bill, Apprentices Bill, Friendly Societies Bill, and Special Lease (Gypsum) Bill, will not occupy very much time, and I am hopeful that it will be possible to get through these measures by the tea adjournment, and that we shall then be able to devote the remainder of the evening to discussing the Dividend Duties Bill, Land and Income Tax Assessment Bill, Land and Income Tax Bill, and the Stamp Act Amendment Bill. Then to-morrow we may be able to dispose of the Vermin Bill and the Rabbit Bill. With regard to Nos. 13 to 17 on the Notice Paper, embracing the Public Education Act Amendment Bill, Interpretation Bill, Prisons Act Amendment Bill, Criminal Code Amendment Bill, and Church of England Diocesan Trustees and Land Bill, the Government feel that, so far as at least two of these measures are concerned, they will excite considerable discussion, and that it would not be fair to ask hon. members, in view of the long sittings we have had, to further debate these matters this session. Consequently, it is intended to drop those measures Nos. 13 to 17 inclusive. Some time ago the Premier stated that no new Bills would be introduced this session, and I am desirous of carrying out that undertaking. There is one matter, however, which it is felt should be disposed of. I have consulted the leader of the Opposition with regard to it and he has undertaken to assist me to get it through. It is a short Bill, the object of which is to effect an adjustment in connection with some land which forms part of an endowment at Fremantle. I will explain the details when the Bill is before us. There is nothing contentious in it. By sitting a little later than usual to-morrow evening, it ought to be possible to conclude our business and adjourn to a convenient date, say the 14th or 15th May. The Legislative Council has adjourned until the former date and I am hopeful that we shall then be able to complete the work of the session.

Hon. W. C. Angwin: Members of the Council will not be able to take their seats on that date.

The MINISTER FOR WORKS: I do not know whether that will be so or not. I desire, on behalf of the Premier, to thank hon. mem-

bers for having assisted us to make the progress we have been able to do in connection with our legislative programme. I wish also to add my thanks to hon. members.

Hon. W. C. Angwin: Do not thank us too early.

The MINISTER FOR WORKS: At any rate, I am grateful for the assistance which has been given.

Hon. W. C. ANGWIN (North-East Fremantle) [4.40]: I can say that there will not be any factious opposition from this side of the House. There is one matter on the Notice Paper, however, which hon. members should have an opportunity of determining and it is the motion which I moved in favour of the disallowance of the Fremantle Harbour Trust regulations. If we cannot dispose of that motion this week, we might be able to do so when we reassemble.

The Minister for Works: I will confer with the hon. member about that.

#### BILL—INSURANCE COMPANIES.

Read a third time and transmitted to the Legislative Council.

#### BILL—WYNDHAM FREEZING, CANNING, AND MEAT EXPORT WORKS.

##### Second Reading.

Hon. R. H. UNDERWOOD (Honorary Minister—Pilbara) [4.42] in moving the second reading said: The position is that the Wyndham Freezing Works are sufficiently forward to allow us to go on with the work of canning, and there is a sufficient number of cattle in the district to supply the works. Considering the urgent requests which have been made by the allied nations for tinned meat, it is desirable that we should start canning without delay. The reason for the introduction of this Bill is that under a measure passed last year it is not possible for the Government to start operations unless they bring these works under the Trading Concerns Act. The section in the Act in question, dealing with the matter, reads—

No trading concerns other than those to which this Act applies, or shall apply, shall, unless expressly authorised by Parliament, be hereafter established or carried on by the Government of the State, or by any person acting on behalf of such Government, or under its authority . . .

Unless we pass the Bill now before hon. members we cannot carry on operations at Wyndham. Whatever is to be done with the freezing works, whether it be proposed to sell or to lease them, we cannot do that before the works are completed. The beginning of canning operations this year will fit in very well with what we shall be able to do, but to start canning, this Bill will have to be passed. I might inform hon. members that if ever the time comes to dispose of or lease the freezing works, it will be necessary to pass another Bill, permitting of that. In works of this description, which will cost the Government roughly half a million, Parliament undoubtedly should

have control. We have had serious difficulties in obtaining tin plates. In respect of those we had ordered to come out, we have recently been informed that the ship carrying them was sunk. However, we can still get sufficient tin plates to go on with.

Mr. Green: Have the butchers required for the work gone up yet?

Hon. R. H. UNDERWOOD (Honorary Minister): In regard to that, the department is negotiating with the Trades Hall. There are some eight or ten unions concerned, and the idea of the department is to get a fair rate struck between all those unions and then, if possible, register the works under one registered agreement, so that we shall be dealing with one union instead of many.

Mr. Green: What I wanted to know was whether the works are sufficiently advanced for the butchers?

Hon. R. H. UNDERWOOD (Honorary Minister): I presume the hon. member means the slaughtermen. Of course the works will have to be sufficiently advanced for the slaughtermen, or they cannot start. The Government have already made contracts for the purchase of cattle. It is anticipated that the total outlay will represent something like £150,000; but there will be the sale of meat and other products, which will serve to reduce the necessary advance to something like £80,000. As I say, we have already contracted to purchase cattle, and even if the works do not start on time the prices at which we have purchased will still be able to stand, because cattle are in excess in the district to-day. We have a party out endeavouring to find a stock route between Derby and Wyndham. There is, of course, a stock route in existence already, but if we can get a route through from the head of the Leonard it will reduce the distance by many hundreds of miles. We have a really good man out, and we have every confidence that a route will be secured. This will relieve us of considerable difficulty.

Mr. Green: It will go through to the Leopold?

Hon. R. H. UNDERWOOD (Honorary Minister): The Leonard itself goes well up to the Leopold, and the route, as near as possible, will give a straight run through. We shall then be able to treat all the stock in East and West Kimberley at the Wyndham Freezing Works. If any further information is required by hon. members, I will endeavour to furnish it. I move—

“That the Bill be now read a second time.”

Hon. W. C. ANGWIN (North-East Fremantle) [3.20]: I have no objection to the Bill; in fact I welcome it. At the same time I do not see why the Government could not have gone on with the work without the Bill, as has been done in connection with other State trading concerns.

Hon. R. H. Underwood (Honorary Minister): This comes under the Act.

Hon. W. C. ANGWIN: But these works were started prior to the commencement of the Act. Undoubtedly the works will be of great benefit to the North-West, and will lead to the taking up of many additional holdings in the

Kimberleys. Eventually, when the works are running at their full capacity, they will have the effect of cheapening meat in the metropolitan area. Of course it will then be necessary to have additional provision at this end for the chilling of meat. I understand the Minister for Works has that question under consideration now. I have no objection to the Bill.

Hon. J. MITCHELL (Northam) [3.22]: I can quite understand the member for North-East Fremantle welcoming the Bill, for it means another trading concern. I think the Minister should have told us what the policy is to be in regard to the works. I understand that canning is to be the only form of activity just now. It will be necessary for the Government to run the works until they are thoroughly tested, and the value of the water supply established. After that the works should be handed over to the control of those most concerned. I have no great faith in Government works, particularly when situated so far from the centre. We have had some indication of what may happen from the Minister, who explained that he is endeavouring to merge ten different unions of workers into one union.

Mr. Lutey: Private employers would have to do the same.

Hon. J. MITCHELL: Yes, but we know the jumble we have had at Wyndham already, and we know that in connection with works so far distant from the centre trouble will always be intense, more so than if the works were privately owned.

Mr. Green: Nonsense! Vestey Bros. have had a great deal more trouble than have the Government.

Hon. J. MITCHELL: Vestey Bros.' works have closed down now. I understand there was some trouble up there, but I am not in a position to judge of the seriousness of that trouble. If the Minister starts off in the belief that there will be no trouble at Wyndham, he will very soon be disillusioned.

Mr. Green: You go and work up there through the summer.

Hon. J. MITCHELL: The people who have to work there have my sincere sympathy. The works have cost a great deal more than was originally intended. The position now is that we are going to operate the works. It is undoubtedly a good thing that, as a result of the works, we shall be able to can certain beasts not up to the requirements of our own market. Unless the Minister provides storage works he will not be able to bring chilled meat from Wyndham, because it will have to come down in large quantities. I should have liked to hear a good deal about the intention of the Government in regard to the future of the works. I understand the Minister has sold his cattle from Moolabulla. I expect he got a much better price than he has to pay private owners at Wyndham for the cattle there.

Hon. R. H. Underwood (Honorary Minister): About the same.

Hon. J. MITCHELL: Why, then, did the Minister sell his own stock out of the State, since there is bound to be trouble about the supply of cattle for the works until we have

a great many more cattle in the State than at present? Apparently the Minister could have sold his stock to the works at Wyndham for the price he got in Queensland, and had that course been followed the Minister's stock would have provided work at Wyndham.

Hon. R. H. Underwood (Honorary Minister): We have bullocks to burn in the Kimberleys.

Hon. J. MITCHELL: Just the same I think the works will be able to deal with many more than are available. However, I have no intention of opposing the Bill. I hope the present plan is merely temporary, and that better methods will be introduced. The people who use the works must be subjected to some form of monopoly, even if it be Government monopoly. The Minister will say, "You must take so much for your beasts if they are to be treated at our works." The works have to be paid for, and the interest and sinking fund met, and to a large extent this must be borne by the cattle now running in the Kimberley district. Long ago, when the question of the establishment of freezing works at Wyndham was being discussed, it was decided that some part of the interest on those works should be borne by a stock tax covering all the stock within the area served by the works. That, I suppose, will be considered later. In the meantime I will support the Bill, not because I believe in Government control, but because it is the only thing possible in the circumstances.

The ATTORNEY GENERAL (Hon. R. T. Robinson—Canning) [3.28]: This is a Bill merely for the registration of this trading concern under the Trading Concerns Act. It does not deal with the method of carrying on, or of money. The question of money will come at a later stage, when the necessary Appropriation Bill is under discussion. We then can debate all questions of method and manner of carrying on, and generally review the whole situation. This is merely to provide for the registration necessary under the Trading Concerns Act and for the labelling of this venture as a trading concern.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time, and transmitted to the Council.

## BILL — EMPLOYMENT BROKERS' ACT AMENDMENT.

Council's amendment.

Amendment made by the Council now considered.

In Committee.

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

Clause 3—Strike out the clause.

Mr. MULLANY: I regret that another place has decided to delete this important machinery clause, which provided that the

Minister in charge could prescribe the fees which may be imposed in the offices of these employment brokers. Seeing that the session is drawing to a close and that it is not possible to get another place to do anything further in the matter, I move—

“That the amendment be agreed to.”

Hon. W. C. ANGWIN: We are getting what we want bit by bit. We have already gained a clause which we tried to get before, but failed to get. Perhaps we shall be able to go a little further later on.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Council.

## BILL—APPRENTICES.

### Second Reading.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wollington) [3.37] in moving the second reading said: This Bill will I think commend itself to all sections of the House. It is one that is intended to preserve the status of all apprentices, who may have enlisted for service at the Front. If an apprentice has joined the forces, and is fortunate enough to return to this State, he can claim full consideration from his employer for the period that he has been away. He can either take up his service under the full conditions, or he can, if he wishes, claim that his indenture shall end on the date on which it would have ended had he not gone to the war. He also has the option of saying whether he shall or shall not go on with the apprenticeship. I am rather interested in this matter, because at the State Implementation Works we have had this question raised. It has also been raised in connection with the Midland Junction shops. The rule that has been adopted has been that when an apprentice comes back he can work for the whole length of his time. If he has worked for a year before enlisting, leaving a balance of four years to be worked, he can on his return work the four years, but the remuneration which shall be paid to him shall be on the basis that it would have been had he worked the whole time, and had not gone to the war. If he has worked a year, then goes to the war and returns, instead of taking up the second year's pay he takes up the third year's pay, if he has been away for 12 months. We recognise that although a boy, who has been away from his apprenticeship for that length of time, will not be as competent a workman as he would have been had he remained in the shop, he has gained in general worldly experience that which would enable him to make good his loss of works training by reason of his absence.

Mr. Munsie: The Bill does not provide for that.

The MINISTER FOR WORKS: I think the hon. member will find that the Bill preserves the rights of apprentices. It also provides that, if apprentices have gone away, the employer shall be entitled to put on other apprentices to carry on the work that was being done by those who enlisted. That seems to me

to be a fair thing, and to merit the consideration of the House.

Mr. Green: Suppose some of the journeymen had enlisted, would the employer only keep on a number of apprentices proportionate to the number of journeymen remaining?

The MINISTER FOR WORKS: I do not know if matters of that kind can be provided for.

Mr. Green: Suppose you fill the industry with apprentices.

The MINISTER FOR WORKS: I do not think that is likely to happen. I think that the proportion of apprentices to journeymen is something like one to three.

Mr. Green: It is one to four at the Midland shops.

The MINISTER FOR WORKS: Let us say, then, that it is one to four.

The Minister for Mines: It was altered recently.

The MINISTER FOR WORKS: If an apprentice goes away, we put another in his place.

Mr. Green: Suppose three journeymen went away.

The MINISTER FOR WORKS: If all the journeymen went away, should we have to shut up the shop? These matters have to be dealt with in a reasonable manner.

Mr. Green: And you would put in all apprentices.

The MINISTER FOR WORKS: No. Why should the hon. member say that? It would be a foolish policy to fill a shop with apprentices. The proprietor would either have to be a skilled tradesman himself in order to instruct them, or he would be a fool to give them an opportunity of handling either his machinery or his tools.

Mr. Pickering: What is the age at which apprentices are accepted?

The MINISTER FOR WORKS: In the Government service they are accepted at the age of 16. They are bound for a term of five years. I think the Bill will be found to be one which is fair to both sides. If hon. members can show any way in which it is unfair, the matter will be considered and dealt with. I move—

“That the Bill be now read a second time.”

Mr. MUNSIE (Hannans) [3.42]: I do not wish to oppose the second reading of this Bill, but merely to point out some of the disadvantages which are likely to be caused by it. I am certainly not opposed to protection being afforded to apprentices who enlist, for I want to see them get every protection that is possible. This Bill, however, provides that if an employer has one apprentice, and that apprentice enlists, he is permitted to take on another in his place. If the second apprentice enlists after three months, he can take on another, and the second apprentice gets the same privileges as were accorded to the first. There is no limit to the number of apprentices who can be taken on in this way. We must not forget that we have journeymen in this State who have enlisted as well. We must also remember that there are very few apprentices in Western Australia.

The Minister for Works: I am sorry to say that is correct.

Mr. MUNSIE: I am sorry also. The Bill will not apply very much here, unfortunately. Let me instance the case of a big manufacturing centre, apprentices from which have enlisted, as has been the case in the Eastern States. The places occupied by these apprentices have been filled by others, and some of these may have gone to the war. What will be the result when peace is declared, and all these apprentices come back? They can all claim their rights under the Bill, and where will the journeymen come in? Journeymen also have gone to the war. They have completed their service in their trade, and are fully qualified men, and are entitled to receive positions on their return. There will, however, be no work for them. This is not the worst feature about this Bill. The Bill does not provide what wages an apprentice shall receive when he returns from the war. A boy may have two years still to serve when he enlists and goes to the war. He has been to the war over two years, and when he comes back he claims his right under this measure. He goes to work for the same employer, who pays him the rate which he would have been receiving had he continued in the employment. But the difference between that rate and the minimum rate paid to an ordinary journeyman is to be made up from the repatriation scheme. Therefore, the employer is getting the whole benefit, while the employee gets none and the country pays. I do not altogether object to the arrangement, but I trust hon. members will endeavour to induce the Government to accept the amendment in this connection which was defeated in another place. That amendment was very reasonable indeed. It provided that the employer should pay the full wages in the first instance, and then collect any money coming from the repatriation scheme. If the Bill passes as it stands the position may be that the apprentice will be getting one drab of his wages from the employer, and will have to go to the pension office, perhaps, for another drab, and thirdly to the repatriation scheme for the balance. That would not be a fair proposition. The one collection should serve for the whole of the wages, and the employer, who is getting the benefit of the arrangement, should collect whatever may be coming from the repatriation scheme.

Mr. Thomson: What part of his wages would the apprentice be collecting from the pensions office?

Mr. MUNSIE: If the boy is returned and discharged as unfit for further military service, he may be receiving a pension of 10s. a week, though capable of going to work as an apprentice.

Mr. Thomson: But you would not count the pension as wages?

Mr. MUNSIE: Under this Bill the pension would be part of the wages, and similarly under the scheme for apprentices adopted by the Commonwealth Repatriation Minister, Senator Millen, which scheme was published in the "West Australian." I believe Senator Millen's statement also appears in "Hansard." I wish to prevent the possibility of the apprentice having to collect his wages from three sources. Further, I consider there should be some limitation to the number of times an employer is permitted to fill the position of any one apprentice. None of us can tell how long the war may

last; none of us knows how many apprentices may enlist one after the other. Irrespective, however, of the duration of the war, it is not fair to let the employer continue to fill the places of apprentices who enlist, which would mean that when the apprentices come back the journeymen must go out.

The Minister for Works: Would it not be much fairer to provide that the apprentices subsequently put on should make way for those who return?

Mr. MUNSIE: But the Minister is trying to pass a Bill which would prohibit that from being done.

Mr. PICKERING (Sussex) [3.50]: I have pleasure in supporting the Bill. I do not think the danger to which the last speaker referred exists in this regard. My experience of business in this State, especially in the building trade, is that the employer finds great difficulty in obtaining any apprentices at all.

Hon. W. C. Angwin: The difficulty has been that the employers would not guarantee the apprentices work.

Mr. Munsie: Western Australian firms cannot be got to take on apprentices.

M. Green: An employer could get fifty apprentices to-morrow morning if he was prepared to indenture them.

Mr. PICKERING: It is essential to the interests of the tradesmen that apprentices should be encouraged to the greatest possible extent. The weakness of discouraging apprentices is that this course discourages enlistment. As regards the case put up by the member for Hannans (Mr. Munsie), I do not think it is likely that by the time the youth of 16 who is now being apprenticed reaches the age of 18 the war will still be in progress.

Mr. Munsie: But the danger is as regards the young man of 20 now serving his apprenticeship. If he enlists, a boy aged 16 is engaged in his place.

Mr. PICKERING: We owe a duty to all who enlist, and we should do our utmost to assist every one of them on his return.

Mr. GREEN (Kalgoorlie) [3.52]: While not opposing this measure—because I recognise that there is a difficulty to be overcome—I consider that the Bill in its present form will tend largely to defeat the object for which the last speaker appears to be striving. He says we owe a duty to the apprentices who have gone to the war. Undoubtedly we do. But the point is that if the employer is allowed to take on another apprentice for every apprentice that goes to the war, the apprentices who enlist will very likely, on their return, find themselves squeezed out as far as the job is concerned. I have no great faith in the idea that every employer who in a sort of way promises that the employee shall get his position back on returning from the war will effectually observe the promise. Circumstances may have altered. The employee's physical powers may not be quite as great on his return as they were previously. Moreover, it is easy so to arrange conditions on the job that the returned apprentice will not be anxious to resume his former position. Unfortunately, it is true that there are not a great number of apprentices in this State; but those

that there are have enlisted remarkably well. Under the Arbitration Act apprentices are supposed to be registered, but it is a regrettable fact that apprentices even in the employ of the Government are in many cases not registered. Large numbers of apprentices employed in the State Implement Works are not registered, and the same thing is true of the apprentices in the Midland Workshops.

Mr. Thomson: What is the reason of that?

Mr. GREEN: Neglect, I take it.

Hon. W. C. Angwin: Nothing of the kind. It is because they are not under the Act.

Mr. GREEN: At all events, those apprentices ought to be registered. It will be seen therefore, that the number of apprentices as stated by the Arbitration Court to have enlisted is misleading, and that the figure cannot be taken as final. The records show, however, that of 17 apprentices in the timber trade no less than 15 have gone to the war. In the engineering trade, out of 33 apprentices 17 have enlisted; and the like ratio is to be found in many other trades. My trouble in connection with this Bill is that the measure has a twofold object. Firstly, it desires to help the apprentices. But the apprentices will not be helped if the employers are permitted to take on large numbers of apprentices indiscriminately now. In this connection I am inclined to favour the suggestion of the member for Hannans, that for the first apprentice who enlists another should be taken on, but that yet another should not be taken on until two more have enlisted. The reasonableness of such a provision is strengthened by the admitted fact that large numbers of journeymen have gone to the Front. If the number of new apprentices is to be governed solely by the number of apprentices enlisting, the result will be to fill the workshops with apprentices. The member for Sussex, illuminating this subject, like all other subjects, with the lamp of his omniscience, has asserted that the employers in the building trade cannot get apprentices. In reply, let me point out to the hon. member that not one of the employers in the building trade has been prepared to take on an apprentice. That is the position we are up against. What do the employers ask for? They ask for that curse in the building trade, that curse under which I suffered when I was a young fellow, the improper system, under which complete tradesmen cannot be produced. The trouble nowadays is that so many young fellows want to become clerks or counter jumpers or Government servants. I have the old fashioned notion that every lad ought to be taught a trade, say that of engineer or bricklayer or carpenter or something of that kind. My opinion is that a smart boy could be taught such a trade and then allowed to follow any avocation he likes. My idea may be old fashioned, but it is a good one. In Western Australia there seems at present to be absolutely no outlet, comparatively speaking, for the young fellows growing up.

Mr. Thomson: One cannot get apprentices. The young fellows will not appreciate themselves.

Mr. GREEN: The Minister in another place is responsible for the statement, which I had heard long before I read his remarks in "Hansard," that the contractors in the metropolitan area will not take on apprentices but want improvers.

Mr. Thomson: They have not got continuous work.

Mr. GREEN: In those conditions it is plain that the position of apprentices in this State cannot be rosy. I ask the Government to consider those apprentices who have gone to the Front and so rendered the highest service to the Empire. Their positions should, at all events in some measure, be secured to them on their return; and that can be achieved by adopting the suggestion of the member for Hannans (Mr. Munsie), to which I have already referred. I have pleasure in supporting the Bill, but I hope that in Committee it will be amended in that direction.

Mr. THOMSON (Katanning) [3.58]: I desire to reply to the speech of the member for Kalgoorlie (Mr. Green) and also to various interjections which have been made. The member for Kalgoorlie has said that it is impossible for boys to become apprenticed here. That remark opens up a big question.

Mr. Green: I referred to the building trade.

Mr. THOMSON: I think I can speak with a fair amount of knowledge of that trade.

Mr. Green: And so can I.

Mr. THOMSON: I have been in that particular business for years, and I have not been able to get apprentices. It is all very fine for members opposite to say that I could get 50 to-morrow morning. I regard hon. members opposite and their party as to some extent to blame. The system which has arisen is also to blame. I believe the member for Kalgoorlie will agree with me at least in this statement, that our present system is unjust and unfair so far as apprentices are concerned.

Mr. Green: Why?

Mr. THOMSON: Because a boy apprenticed to the building trade must, if he is worth his salt, be worth more than the wages offered to-day. And that boy is bound down to work for a period of five years, and probably his maximum wage, when he finishes his apprenticeship, will be £1 or 25s. per week. The boys are dissatisfied with that, and will not become apprenticed.

Mr. Green: Who is responsible?

Mr. THOMSON: The hon. member is seeking to blame the employers.

Mr. Green: Who pays the apprentices?

Mr. THOMSON: While hon. members opposite are condemning this Bill, which endeavours to protect the apprentices—

Mr. Green: We are not condemning the Bill.

Mr. Munsie: No.

Mr. THOMSON: I say it is impossible to get apprentices because there are too many boys looking out for clerical positions. We have no tradesmen coming on in Western Australia. In this State we are dependent almost entirely on the imported article.

Hon. W. C. Angwin: And a very good article, too.

Mr. THOMSON: Some of them. As far as the building trade is concerned, that trade is just and equitable to boys, and if a boy has been 12 or 18 months at his trade, he ought to be paid in comparison with what he can earn.

Mr. Green: That can be arranged.

Mr. THOMSON: Yet the hon. member wants to limit it. Those members who are opposing the Bill want to blame the employers altogether, while a portion of the blame should rest on the employees. This Bill does not deal with the system of apprentices in existence in Western Australia, but is providing facilities for soldiers on their return. Members are endeavouring to restrict the number of apprentices. If boys have gone to the war, how is the employer to get employees? Supposing I have an apprentice who enlists to-day, and I have a certain number of journeymen, do hon. members say I am not permitted to take someone else in place of the boy who has enlisted? Every fit and eligible man in the Katanning district who is a tradesman has gone to the war. Are we to tie the employers down so that positions will be kept open for apprentices; suppose they do not return. Members should take into serious consideration the popularising of artisans.

Hon. W. C. ANGWIN (North-East Fremantle) [5.5]: The hon. member (Mr. Thomson) is engaged in the building trade and is endeavouring, as far as possible, to throw the responsibility for the want of apprentices on the Labour party, because the wages are limited by the Arbitration Court. In every award of the Arbitration Court the minimum rate has to be paid, but there is nothing to prevent an employer paying a higher wage than that provided. In my time boys not only had to sign on but they had no wages at all. This Bill is brought in for the express purpose of protecting apprentices who have gone to the war and to give an opportunity to those who have apprentices that have enlisted, or who have been called up belonging to the naval or military forces, to employ other apprentices in place of those who have gone. We have to consider what is going to be the effect if the war is over at an early date, and we give permission to an employer to engage another apprentice in the place of the one who has gone—supposing both come back. I believe fifteen or sixteen apprentices went away from the implement works. We shall be having too many apprentices and none of them will turn out competent tradesmen.

Hon. R. H. Underwood (Honorary Minister): The boy who returns should be taught his trade.

Hon. W. C. ANGWIN: I agree with the hon. member. How is it possible for a person carrying on a business to continually promise men that he will keep open their places? It is a difficult position, especially if men keep on enlisting one after another. A man would have so many apprentices that none would turn out efficient tradesmen. A committee was appointed who made certain recommendations for the Government, and I

think it was suggested that there should be compulsory training through the technical schools. The board was appointed for the express purpose of seeing that there was a proper examination held and that the apprentices on returning from the Front were properly taught their trade. We must realise that if in a factory there are four apprentices who have gone to the war, and four others are taken on in their places, and those who have been taken on are only 12 months at the trade, and those who went to the war were only 12 months at the trade, there will be eight apprentices at about the same standard when they all come back. What will be the position if there is not sufficient work, and the employer is compelled to keep the apprentices? If there is not sufficient work to employ journeymen then the journeymen must give way. There will not be sufficient competent tradesmen to teach the apprentices their trade in a proper manner. We are at the dead end, so to speak, in Western Australia. Every day I have some father or mother coming to me and asking if there is any possibility of their boy learning a trade. I have about a dozen on my hands now. Some want to be engineers, some boilermakers, some carpenters, and so on. Every member is in the same position as myself. It is a great difficulty because we have not the industries here like there are in the other States. But those who are to be trained must be trained in an efficient manner and the way to do that is to have sufficient competent tradesmen employed. I agree with the Minister in his statement that there ought to be some provision when apprentices come back that they should not be paid a boy's wage for a man's work.

The Minister for Works: They should be paid a rate according to their age.

Hon. W. C. ANGWIN: If a lad went away when he was 18, probably he had put in two years at his trade, and would be earning 25s. a week. What position would he be in when he comes back? I saw a lad only a couple of days ago who had just returned from the Front. He was not 17 when he went away and he is as big as any man in this House.

Mr. Hardwick: Do you suggest giving him a journeyman's wage?

Hon. W. C. ANGWIN: He was not apprenticed. There is a lot in the Bill that is beneficial, and I agree with the member for Hannans that there should be some provision to see that apprentices are properly paid, and that they shall not be debarred from the provisions of the Bill.

Mr. DAVIES (Guildford) [4.15]: I support the second reading of the Bill. Members need have no fear with regard to the number of apprentices who have enlisted probably coming back to resume their trade. I am satisfied that those who return after having had two years at the front will be better men than many of us who have been left behind. Most of those who were apprenticed to the engineering trade enlisted in the engineering corps, and the experience they have been able to get in France, Egypt, or Palestine will enable them on their return to take up journeymen's positions.

Hon. W. C. Angwin: A large number enlisted in the infantry as well.

Mr. DAVIES: No doubt there are some in the infantry. So far as the apprentices are concerned, I think that the first lad who goes away should be protected, and it should be understood between the employers and the employee, and the employers and the union, that those who are taken on are merely temporary hands. So far as the Midland Railway is concerned, an agreement has been entered into with the general manager which will enable every man who leaves the service of that railway to serve his country, to resume the position he held on his return. If there are 300 men away and only 300 positions to be filled on their return, those 300 men will get those positions irrespective of the hands who have been taken on in their absence. In the event of a lad returning from the front and applying for his old position, that position should be available. There is a difficulty, so far as the employer is concerned, regarding the number of apprentices taken on. At the present time industries in the State are not what they were three years ago. We must remember that apprentices are taken on according to the number of journeymen employed. The number of journeymen is monthly being reduced, with the result that the openings for apprentices are also reduced, and where at one time a man could take on three or four apprentices in a workshop, to-day he can only take on one. Hon. members need have no fear so far as the Bill is concerned; the position will right itself.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington—in reply [4.20]: The only argument it is necessary to reply to is the point raised by the member for Hannans, and also referred to by several other hon. members, with regard to an apprentice who goes to the war and another one who takes his place, and who also later on goes to the war, and so on. Hon. members forget that the majority of apprentices who have gone to the war are not under 19 years of age, and that those who would be taking their places would be mere lads of 14 or 15 years of age. On his return from the war an apprentice who wants his old position has the option, under the Bill, of taking it without displacing the boys who are there. The lads who take the places of the apprentices who have gone to the war would not themselves go to the war because they would be too young. We can find out during the operation of the measure whether it needs to be altered, and if it does, an alteration can be made. With regard to the difficulty about obtaining apprentices, the unfortunate part of the whole thing to-day is that a boy may be earning 10s. or 12s. a week. Someone asks him what he is earning, and then offers him 15s. The boy will accept that, and perhaps six months later he sees a chance of earning £1 a week, and leaves his employment again so as to get the higher wages. Several firms have told me that they have never been able to keep a boy more than six months. The difficulty arises from the fact that it is the parents who desire that their boys shall earn the higher wages. Since I

have been Minister for Works I have had to cancel eight or ten indentures which were signed by the member for North-East Fremantle when he was Minister. In those cases the boys either got sick of the trade or found that they could do better elsewhere.

Hon. F. E. S. Willmott (Honorary Minister): To gain a temporary pecuniary advantage.

Mr. Green: They may be unfitted for their jobs.

The MINISTER FOR WORKS: They are not all like that. I blame the parents for making the boys shift from one job to another. The boys acquire a little knowledge of one thing and a little knowledge of another, and when they become men they will not know enough to take a definite job.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time and passed.

#### BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Second Reading.

Hon. R. H. UNDERWOOD (Honorary Minister) [4.28] in moving the second reading said: This is a small Bill which is required to enable the friendly societies to amalgamate their funds. That is to say, many of the societies have two funds, a sick fund and a funeral donation fund, and they find that there may be a strain on one fund and not on the other, and their desire is that these funds shall, if the Registrar approves, be deemed one. It will mean that one fund will help the other. The war time conditions have caused a considerable strain on the friendly societies. Many of them are allowing their members who have gone to the front to discontinue their contributions, and at the same time to remain entitled to the benefits to be derived. I appreciate that action very much. The actuary has issued a warning to the friendly societies that possibly a disaster may happen, but I want to say, personally and as a Minister, that the friendly societies are amongst the finest institutions which have ever been established in any country, and it is the duty of the Government to see that there shall be no disaster. If there were, I am sure it would be the duty of the Government to assist them. All that is asked in the Bill, however, is that they be allowed to amalgamate their funds, that is to say, that the sick pay fund and the funeral donation fund shall be worked as one. I move—

"That the Bill be now read a second time."

Mr. GREEN (Kalgoorlie) [4.30]: I am at a loss to understand the necessity for the measure. What experience I have had of friendly societies has been confined to the A.N.A. When I was secretary of that body the sick and funeral contributions went into one fund, known as the sick and funeral fund.



Whether the method is different now, I cannot say.

Mr. Hickmott: That applies to all friendly societies.

Mr. GREEN: Possibly it was permissible on application to the registrar for any society to lump the sick and funeral funds, but I know from experience that it was done in the A.N.A. Therefore, I cannot see the reason for the Bill.

Hon. W. C. ANGWIN (North-East Fremantle) [4.32]: I support the second reading. The reference here is principally to where the funds are pooled in one central body. Some of the societies are forming a central body for the payment of sick and funeral charges, instead of leaving it to each branch. I know the registrar is very carefully watching this. Separate contributions are made, so much for the sick fund and so much for the funeral fund. They have been kept separate in respect to administrative costs. There has been difficulty for some time past, and the Bill will solve it. I do not think there is any danger of a disaster, because the funds of the friendly societies are increasing. In 1915 the accumulated capital was £251,741, while in 1916 it had risen to £269,075. Of course, I know that the actuary has a system or theory of working out the figures. We have seen this in the police benefit fund, in respect of which we were told it was necessary to increase the contributions, notwithstanding that the accumulated fund was increasing. But actuaries base their calculations on the possibility of certain things happening, in which event there might be danger of disaster. I do not think any such contingency is probable at present. Apparently the friendly societies have found the Bill necessary, and I see no objection to it.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time and passed.

## BILL—SPECIAL LEASE (GYPSUM).

Select Committee's report, to adopt.

Debate resumed from the 19th March.

Mr. PIESSE (Toodyay) [4.37]: I support the adoption of the report. I understand there is among members some apprehension as to the desirableness of granting to the company so large an area as 5,000 acres. The area of the Cowcowing lake is very considerable, extending over some 30,000 acres. We had it in the evidence of the secretary to the company that from time to time the company have moved the site of their workings so as to enable them to treat the deposit at a profit. I firmly believe there is every justification for granting this lease, particularly since the Lands Department took no exception to the renewal. I sincerely hope members will give every consideration to the company, who have already spent a considerable sum of money in their efforts to establish the industry. There is no occasion for misgivings as to the prospect of a monopoly being

created, because there are several very good deposits of gypsum in other parts of the State, particularly to the north of the Eastern goldfields railway. I have every confidence in supporting the adoption of the select committee's report.

Hon. W. C. ANGWIN (North-East Fremantle) [4.40]: I will oppose the motion. In my opinion the company are asking for too large an area. It is all very well for the hon. member to say that there are further deposits in other parts of the State; in all probability those deposits cannot be profitably worked, or the company would have applied for them instead of for the deposit under consideration. The hon. member declared that the Lands Department took no exception to the granting of this large area. That is quite true. But an officer of the Lands Department, when giving evidence to the select committee, said that the question had been before the Mines Department, that Mr. Montgomery, the State Mining Engineer, would be able to give the committee expert advice in regard to the area which ought to be granted, and that in the opinion of Mr. Montgomery 100 acres would be ample for the purpose. That will be found on page 6 of the select committee's report. Despite this evidence, the select committee did not call Mr. Montgomery, nor is there anything to show that they examined the file in the Mines Department dealing with the question. Seeing that the State Mining Engineer is said to be of opinion that 100 acres will be sufficient, we should be very careful before granting a lease of 5,000 acres. The company have held a lease for several years, and have done next to nothing upon it.

Mr. Brown: They have done as much as their funds would permit.

Hon. W. C. ANGWIN: A company was formed with a capital of £5,000, but they have done very little with regard to the manufacture of plaster of paris since securing the lease. As a matter of fact, for a considerable time past, they have been putting their energies into seeking a larger area. I desire to encourage the establishment of new industries, but I do not believe in giving a monopoly in respect to any of the deposits in the State. When, some time ago, we had before us two propositions for the manufacture of cement, we saw to it that there were inserted in both agreements provisions which would prevent the two companies combining and forming a monopoly. In this case the company are asking for 5,000 acres of a gypsum deposit for the manufacture of plaster of paris.

Mr. Piesse: Do not forget that they started operations at the other end of the lake.

Hon. W. C. ANGWIN: These people took up an area which they afterwards considered to be insufficient for their purpose. The State Mining Engineer, we are given to understand, distinctly stated that 100 acres would be ample for an undertaking of this kind. Is it not necessary before granting such a large area to have some statement from this officer, and the benefit of his advice. If the State Mining Engineer had said that an area of 5,000 acres

was necessary in this case I would raise no objection.

Mr. Teesdale: The stuff is very shallow indeed.

Hon. W. C. ANGWIN: It is necessary to have a report from the Government officials upon this matter. The State Mining Engineer has inspected the deposits, but his evidence has not been called for by the select committee.

Mr. Piesse: Because it was unobtainable.

Hon. W. C. ANGWIN: Then the select committee should have held their report up until they had got his evidence. We are here to consider the interests of the State, and not those of private individuals. We should know from official sources exactly what area is required to render this undertaking a profitable one.

Hon. F. E. S. Willmott (Honorary Minister): Equally large areas are held in the other States.

Hon. W. C. ANGWIN: We are not concerned in the other States in this matter. There may be areas elsewhere in Western Australia which other companies may want to take up, but I understand that this is about the only area, containing this particular deposit, that is available. I would not object to the area if we had any amount of it.

Mr. Piesse: We have any amount of it.

Hon. W. C. ANGWIN: This is the principal gypsum deposit in the State.

Mr. Piesse: This is only a small portion of it.

Hon. W. C. ANGWIN: We are asked to give this area away to one company.

Mr. Piesse: The chief advantage of it is that it is close to a railway.

Hon. W. C. ANGWIN: The people concerned obtained what they asked for in the first instance. I want the advice of the State Mining Engineer, and until I get it I will oppose the Bill.

Mr. FOLEY (Leonora) [4.48]: I have no desire to stop anyone who thinks he can establish a new industry in this State, but I cannot help thinking that the area asked for in this case is too large. It would, of course, be a good thing for the people concerned if they got it. There is hardly anything in the evidence placed before the select committee to show that such a large area is absolutely necessary for the prosecution of this industry. If this is to become an industry, and other deposits of the same kind are found elsewhere in the State, any person who wishes to take part in that industry will ask for the same area to be granted to him, and a precedent will have been established if we give it in this case. The result will be that we shall be giving away a good deal of the land in the State, and I do not think that it would be possible to work such a large area. The member for Roebourne (Mr. Teesdale) stated that these deposits were very shallow.

Hon. F. E. S. Willmott (Honorary Minister): They only average about six inches in depth.

Mr. FOLEY: These people must have known, when they first proposed to start the works, that this was so.

Mr. Thomson: Did you read the evidence placed before the select committee?

Mr. FOLEY: Yes. They apparently thought the area which they applied for in the first instance was big enough and I can see nothing in

the evidence to convince me that the area they now ask for is necessary in the circumstances.

The Minister for Works: Let the matter stand over until to-morrow, and we will get further information on the point.

Mr. FOLEY: I am in favour of that course being adopted. We are, however, dealing with the report of the select committee which took evidence. This report has been placed before us with a view to getting our votes on the question of whether or not this concession should be granted. If it is the intention to obtain further evidence I will resume my seat. I want further evidence to convince me that this area is necessary.

On motion by the Minister for Works debate adjourned.

## BILL—DIVIDEND DUTIES ACT AMENDMENT.

In Committee.

Resumed from the previous day.

Mr. Stubbs in the Chair; the Colonial Treasurer in charge of the Bill.

Clause 6—Amendment of Section 7:

Mr. JOHNSTON: Does the Colonial Treasurer think that the sum of 1s. 3d. is a fair tax to impose upon a company as compared with the sum of 2s. 6d. in the case of a private individual? We all agree, I am sure, that people should pay an amount adequate to their earnings, but, because persons happen to have formed their business into a company, they should not get off at a lighter rate than those who, in the same line of business, have not formed themselves into a company. Let me, for the sake of argument, compare Mr. Harry Boan's emporium with the Economic Stores. Because Mr. Boan is not trading as a company, he will have to pay 2s. 6d. in the pound on most of his income, while the Economic Stores, being a company, will only pay 1s. 3d. in the pound. It is not my wish to give wealthy companies an advantage over a small business which is struggling, but may some day develop into a large emporium.

The COLONIAL TREASURER: In years past this has been the other way round. Limited companies in the same business have been paying 1s. in the pound, whereas private companies have been paying very much less. I think it is a fair thing that a company should pay 1s. 3d. as against the payment by the individual of 2s. 6d. We tax a company at its base, the place at which it earns its money, and a company would pay 1s. 3d. in the pound on the whole of its earnings. In all taxation measures there must be individual cases which cannot be grappled with. There is nothing to prevent Mr. Boan forming his business into a company.

Mr. Troy: That is the danger in these cases. There is a danger of forcing all the squatters in the country to form their families into companies.

The COLONIAL TREASURER: We have tried every means possible to rectify this difficulty. It is a hard question to deal with, because we may be penalising a legitimate company. We may reach a solution of the difficulty before the Bill is finally passed.

Mr. PILKINGTON: The anomaly which exists is due to the fact that we have an in-

come tax and a dividend duties tax. Instances have been given in which a man may escape taxation by turning his business into a company. The thing cuts both ways. This 1s. 3d. comes off every pound of profit that the company makes. In effect the tax falls upon those who draw dividends from the company. If we regard a company as a partnership concern, out of which each shareholder draws a certain amount, the tax upon each partner is a very heavy one. In a normal company of a number of shareholders—not a one-man company—a shareholder may draw £200 or £300, and on every pound of that amount he pays this 1s. 3d. tax; whereas in the case of income tax the 1s. 3d. rate is not reached until the income is large, about £1,500. The anomaly is inevitable so long as we have the two taxes. The system of taxing companies' profits at the source is advantageous; moreover, the anomaly cuts both ways.

Mr. TROY: My fear is that, encouraged by the difference which obtains between income tax and dividend duty tax, numbers of people whose incomes are £1,000 and over will register themselves and their families as companies, and so pay the lesser dividend duty rate instead of the higher income tax rate. This Parliament has not yet made any provision whereby that kind of thing can be prevented. I am unable to contradict the statement that the person who pays taxation by way of dividend duty pays a higher rate than the person who pays income tax; but let me point out that the person paying dividend duty tax pays only on dividends, that is to say on profits, whereas the payer of income tax pays on income, which is not by any means all profit. The agriculturist, for instance, pays on his seed wheat and on his fodder, and also on his stock, which may not be saleable for years, and which may die in the meantime.

Mr. Pilkington: Then it is deducted.

Mr. TROY: No. In my opinion the anomaly operates most unfavourably in the case of persons paying income tax.

Mr. Pilkington: A company pays on profits, not on dividends; and the profits are ascertained in the same way as income.

Mr. TROY: That is so. But the income tax payer frequently has to go to the bank to raise money to pay his income tax.

Mr. Pilkington: That also frequently applies to companies.

Mr. TROY: I do not think so. The person paying income tax is the most hardly treated in the whole business. Perhaps the Treasurer could devise a prohibition of the forming of companies merely for the purpose of evading payment of income tax.

Mr. DRAPER: There appears to be a misunderstanding on the part of some hon. members, who contend that the shareholder in a company is treated more advantageously than the ordinary man who pays income tax. In this matter we can deal only with generalities, and I have no hesitation in saying that generally a shareholder in a company is at a disadvantage when paying 1s. 3d. in the pound as dividend duty. The object for which companies are formed is that many individuals, not separately possessed of sufficient capital to start a business, may join together to establish such a business, their liability being limited to the amount of their shares. Generally speak-

ing, shareholders in companies are numerous; and unless a shareholder is receiving by way of dividend £1,500 he will, in ordinary circumstances, be paying more than ordinary income tax. Until an income of £1,500 is received, the income tax rate of 1s. 3d. does not apply. Of course, there are other companies—they are rarer—known as one-man companies. Two or three partners in a firm may join together and form a company. There must be five shareholders, but two additional shareholders can readily be obtained. Such a firm, if turned into a company, would have to make a profit of £4,500 before deriving any benefit whatever by reason of the tax imposed on dividends as distinct from ordinary income tax. There may, of course, be exceptions, where the arrangement would work in favour of the shareholder as against the ordinary income tax payer. In practice, however, the shareholder generally will pay more, in proportion, by way of dividend tax than by way of ordinary income tax.

Hon. W. C. ANGWIN: I cannot agree altogether with the argument of the last speaker. The question is, how are we to get at the so-called one-man companies? There need be only five shareholders, and the owner of a business might make his wife and three members of his family shareholders. I know of companies in this State which are so constituted. No doubt, in the case of shareholders of small income, the State benefits considerably by levying taxation on companies under the Dividend Duties Act. But we want to get at the man with the larger income, who ought to pay. At present, owing to the income tax being lower than the dividend duty, many firms retain their businesses as privately owned concerns instead of turning them into companies. We do not desire to allow any person the advantage of turning his business into a company for the express purpose of evading income tax.

Mr. Thomson: How are you going to stop it?

Hon. W. C. ANGWIN: If a person can transform his business into a company with five shareholders he can as easily have 500 shareholders. Some members are of opinion that people prefer to carry on their business privately whatever the tax is. It is hardly fair that Roan Bros. should pay 1s. 6d. and the Economic, because they had formed themselves into a company, 1s. 3d. We should make people pay whichever is the larger tax.

Mr. Pilkington: Abolish this tax and make everyone pay on incomes.

Hon. J. MITCHELL: We increased the dividend duty by 25 per cent., which is a large increase. I think members are setting up a bogey when they imagine that companies will be formed to evade the payment of the higher tax.

Hon. W. C. ANGWIN: There were no less than 453 persons in 1915 receiving over £1,500 a year. All of these persons cannot form themselves into companies, but a fair number can.

Mr. GREEN: The man receiving an income of £500 a year might have a business which is not a paying proposition, while dividends would be all profit. A man is taking a risk in a business which he would not take to

the same extent with regard to an income. I think it is a bad policy to leave a loophole by which one or two men can form themselves into a company and thus pay the dividend, and not on incomes. It is an immoral condition of affairs.

Clause put and passed.

(Clause 7—Amendment of Section 8:

Hon. J. MITCHELL: At present the Treasurer taxes the companies 20s. per £100, and he proposes to double the tax and make it 40s. per £100, higher than any of the other States.

The COLONIAL TREASURER: The rates in the other States are—New South Wales on profits, ordinary taxation; South Australia 25s., the same as we charge, only they are taxed on their profits; Queensland, on 25 per cent. of their premiums, from 1s. up to 1s. 8d.; Victoria, 60s. to 1919. Those are the rates.

Hon. J. MITCHELL: On all premiums paid in companies other than life insurance companies this additional charge is to be imposed. Under the Workers' Compensation Act employers are compelled to insure workmen, practically by the order of the House. There is no justification for the increase. I realise the Treasurer needs money, but I do not think he needs it so badly that he has to obtain it by all these objectionable methods. We are hitting the same person in every proposal. I move an amendment—

“That Subclause (a) be struck out.”

Mr. PICKERING: I support the amendment. There must be some reason underlying the differentiation between the insurance companies and other companies. I have to repeat some of the figures which I quoted last night for the purpose of substantiating my argument. The average net profit of the fire, accident and marine insurance companies in Australia for the past 10 years did not amount to 20 per cent., but to 13.14 per cent., and that of the English companies was 11.61 per cent.

Mr. Green: Not too bad.

Mr. PICKERING: The Australian companies have their business spread over all the States and it must not be inferred that the profit is made in Western Australia. There is no justification for a differentiation between these insurance companies and the others. Business men know well that it is essential that insurance companies shall exist. The figures show that they are paying 6½ per cent. on a 13.14 per cent. profit, and it is proposed to increase this, not by 25 per cent., which the member for Northam says is unjust, but by 100 per cent. We propose not to be satisfied with the 6½ per cent. which we are already collecting, but we propose to raise it to 13½ per cent. This is not the only form of taxation levied against these companies, for it has been outlined in connection with the Stamp Duties Act that the stamp duties on renewal policies are to be increased by 200 per cent. This, I suppose the companies will have to bear.

Mr. Thomson: Do not make me laugh.

Mr. PICKERING: We have heard a lot about the large profits these companies are

supposed to be making, but hon. members who make those statements do not know anything at all about the business of the insurance companies. I had an interview with the two leading managers and one of them assured me that his company's profits in Western Australia over a period of 11 years amounted to £5,000. The insurance companies are carrying on business on legitimate lines and there is no justification for the Treasurer to mark out these companies for spoliation.

Mr. H. ROBINSON: I intend to support the amendment. I have yet to learn the reason why the Treasurer is imposing this special class taxation. If the object is, as has been stated, to recoup the Treasurer, why limit it to insurance companies, why not tax banking companies and some of those huge monopolies which have not their head offices in Western Australia; why not extend the tax to them? Unless there is good reason why this tax should be specially aimed at the insurance companies, I can only call it class taxation. Some reference has been made to their profits. Some of the rates for city blocks in Perth are less than the rates for city blocks in Melbourne. Thus it will be seen that the companies are not making the exorbitant profits that hon. members will have us believe they are doing. The conditions in this State are against these companies, and more particularly is that the case in the country, where big risks are run owing to there not being fire appliances available. I would remind the Treasurer that in good times when we borrowed money from England, the principal contributors were the insurance companies, and in many instances, but for the insurance companies, the loans would not have been successful.

The COLONIAL TREASURER: When taxation is imposed we look around to see who is paying a fair thing and who is not doing so. We must remember that there are 42 of these insurance companies operating in Western Australia. In 1913-14 the whole box and dice of them paid in taxation £3,353.

Mr. H. Robinson: That shows they are not making a profit.

The COLONIAL TREASURER: In 1914-15 the amount they paid in taxation fell to £3,295. In 1915-16 they paid £3,611 and in 1916-17 they paid £4,145. Their business is going up and the 42 companies paid to this State an average of £100 a year. Why, I pay more than that myself.

Mr. H. Robinson: What about the North-West coast?

The COLONIAL TREASURER: I am not talking about the North-West coast; I am talking about the insurance companies.

Mr. Nairn: The figures do not prove they are making huge profits.

The COLONIAL TREASURER: I did not say so, but if this is the only way we are going to directly tax them, I say that their payment amounts to only a nominal sum. We have six life insurance companies operating in this State and in 1913 those six companies paid the State £4,462; in 1914 they paid £4,514, and in 1915 £4,754 in direct taxation, yet the 42 of the other companies did not pay

as much as the six life insurance companies. This State ought not to have 42 fire, marine and accident insurance companies. They are all living practically round and round, and if any hon. member can say that the payment of £100 a year by each of these companies is a big tax, I reply that it is utterly absurd. The member for Albany (Mr. H. Robinson) stated that if it had not been for these companies, the Western Australian loans floated in England would not have been a success. It shows how much the hon. member knows about it.

Hon. W. C. ANGWIN: They are only using West Australian money.

The COLONIAL TREASURER: It would surprise the Committee to know how little of West Australian bonds are held by the 42 insurance companies in this State. When we go to London we find the people outside are investing their money where they can get a return. They do not do it out of any loyalty to Western Australia, but merely to get profits. That is the position of the insurance companies. I am not doing anything unfair, because in Victoria at present the companies have to pay 60s. as against the 40s. here, and in South Australia they have to pay 25s., and are then taxed on their incomes. At the present juncture we have a right to look around for those who can afford to pay. The rate of interest has been quoted. I say that 13 per cent. over 10 years is not a bad interest. Very few businesses can average that. The business and the taxable income of these companies are going up, yet we are receiving only £4,000 from 42 companies. Is it fair when we are taxing £100 a year and making every man pay? Insurance companies are singled out all over Australia. In some States they are charged a tax in addition. I cannot say why they are singled out for a special rate, but the fact remains. Therefore, the 40s. we suggest is not extreme.

Hon. W. C. ANGWIN: I do not know whether we can strike out "forty" and insert "sixty."

The Chairman: No.

Hon. W. C. ANGWIN: The member for Sussex, the champion of the insurance companies, last night pointed out the results of the workers' compensation insurance which we started in this State. In Victoria they have given it a wider field and made it State insurance. I have here a little work entitled "State Regulation of Prices in Australia." Dealing with workers' compensation insurance in Victoria, the author shows that there is keen competition between the State office and the private companies for business, and that the initiative in reducing premium rates was taken by the State office, the balance sheet of which, to the 30th June, 1916, contained these items:—premium income, £25,646; claims, £10,418; expenses, £5,421; profit, £10,964; general reserve fund, £7,000; bonus reserve fund £3,964. This is only one branch of the business, and the other branches are equally profitable, some of them even more so. Yet the hon. member says that these companies make no profit: In our own State we have built up a reserve capital of nearly

£30,000 since 1913, and this, too, on business confined to Government employees.

Hon. J. MITCHELL: But their work is not dangerous.

Hon. W. C. ANGWIN: Some of it is the most dangerous in the State, including construction of railways, construction of harbours, timber mill work, and manufactures. And this reserve capital has been built up on premiums one-third less than those charged by private companies. The action we took last night will probably block those companies from raising their premiums. The Treasurer is merely asking them to pay a fair thing. I do not think the insurance companies themselves object to it; at all events I have heard no complaints, notwithstanding that the Bill has been before us for a long time. I regret that we cannot increase the Treasurer's proposal.

Hon. J. MITCHELL: I do not think the profit of the insurance companies can be very large. The member for Sussex says it has been 13 per cent. over a number of years. Hon. members will agree that an insurance company ought not to be called upon to pay more on its profits than is a gold mining company or any other trading company. If we make it 40s. as against 18s. 9d. we shall be doing an injustice. The company has to pay on its gross income, whether it makes a profit or not. The Treasurer says there are 42 companies in the State. I fancy that many of them must be mere agencies. Hon. members opposite are willing to increase taxation until the cows come home. The Treasurer is in a very happy position, for he knows that he can get support from those opposite for all his proposals.

Mr. LAMBERT: I am sorry that the member for Northam has not given the Committee the benefit of his wide financial experience, and it is to be regretted that he has led us to believe that these insurance companies are paying to the State that which they are entitled to pay. It was unfair of him to state that we as a party, on this side of the Chamber, desired to exact the last shilling from any company operating in Western Australia.

Hon. J. Mitchell: I will withdraw that.

Mr. LAMBERT: If there was ever a time when the Treasurer should look round and see what avenues of revenue are provided in the State, this is the time. The member for Northam should not, in a spirit of levity, suggest that we are getting from these companies more than we should get. I hope the Treasurer will, later on, have an opportunity of obtaining an amount commensurate with the earning capacity of these companies, and with the opportunities that are afforded to them of making this money.

Hon. J. Mitchell: They will pass it on to the people who insure.

Mr. LAMBERT: There is a safeguard in another Bill we have passed, which will prevent that.

Hon. J. Mitchell: It is a very imperfect safeguard.

Mr. LAMBERT: It is, to my mind, scandalous that any hon. member of this Chamber should suggest that these big institutions

should be immune from taxation. It indicates a callous indifference to the financial position of the State.

Mr. PICKERING: I must reply to the hon. member who has just sat down. I asked the Colonial Treasurer why it was that these companies were singled out for this particular form of taxation, and he replied that it was the custom in the other States. There is no reason why these companies should be singled out in this manner. If it is the desire of the Treasurer to get more than his due from these companies, why does he not say so?

Mr. LAMBERT: I suggest that the hon. member should be the Treasurer of the State, and that the State should file its schedule within three months.

Mr. PICKERING: I ask that the hon. member should be made to withdraw that statement.

The CHAIRMAN: There is nothing in the statement which affects the hon. member.

Amendment put and negatived.

The COLONIAL TREASURER: I move an amendment—

“That in proposed Subsection 3 after the words ‘Western Australia’ in line 5 the following be inserted:—‘or where any such first-mentioned company, under the authority of a general cover or floating policy issued by any company or person carrying on insurance business outside Western Australia, issues declarations of insurance or other documents in the nature thereof in Western Australia.’”

There are institutions carrying on the business of insurance outside Western Australia which would really not come under this Bill without an amendment. It was thought when the Bill was drafted that the State would be sufficiently secured in this respect, but it was found subsequently that this would not be the case. In order to provide that such companies shall pay the same amount as companies carrying on business here would pay, I desire that this amendment should be carried.

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

Clause 8—Amendment of Section 18:

Hon. W. C. ANGWIN: I hope that hon. members will not agree to this clause. A person may make a false statement in a return which may mean far more than the £100 penalty provided by way of taxation. In this manner the State would be the loser unless provision was made to guard against such a state of things. I think the original section of the Act provides for all that is necessary.

Sitting suspended from 6.12 to 7.30 p.m.

The ATTORNEY GENERAL: I recognise the difficulty which the member for North-East Fremantle suggests. Section 18 of the principal Act, which this clause seeks to amend, provides a penalty of three times the amount of duty payable, for the offences stated. Quite rightly, the hon. member has pointed out that the offences are of a varying character, while the penalty prescribed is of a fixed character. One can readily conceive that a person making default in sending in a return might well be fined £10 or £15, but not £1,500; whereas a

person making a false declaration might well be fined even £1,500. A further difficulty is that, when the matter is investigated, there may not be any duty whatever payable, and three times no duty would amount to nothing. The object of this clause is to meet the case of the man who fails to send in a return, or makes a false declaration, but in whose case it is found, when the return is received or a true declaration is made, that no duty is payable.

Hon. J. Mitchell: Cannot he be punished otherwise?

The ATTORNEY GENERAL: Yes; but not in respect of the return.

Hon. J. Mitchell: Who imposes the penalty?

The ATTORNEY GENERAL: It would have to be imposed by a court. I intend to move an amendment under which the penalty would range from, say, 1s. to any sum representing three times the amount of the duty. A later clause, No. 11, limits the minimum fine to one-tenth of the maximum, so that in this case the minimum penalty would be £10. Even that amount might be too much, and I intend to move an amendment in Clause 11 which will make the fine not less than £5 and up to three times the amount of the duty. I now move an amendment in Clause 8—

“That the following be inserted after ‘amended’ in line 1: ‘by inserting after the words ‘His Majesty,’ in line 9, the words ‘a sum not exceeding’ and.’”

Hon. W. C. ANGWIN: I think it is an error to include false declaration in this provision at all, because false declaration should be severely punished.

The ATTORNEY GENERAL: The provision will give a wide discretion to the magistrate in dealing with the three offences.

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

Clauses 9, 10—agreed to.

Clause 11—Minimum penalty:

The ATTORNEY GENERAL: For the reasons I have stated, I propose the insertion of a minimum penalty of £5 in this clause.

Mr. THOMSON: Why not make the minimum less than £5? Suppose a man makes a mistake unwittingly; surely a fine of £2 would be sufficient.

The ATTORNEY GENERAL: I accept the suggestion of the member for Katanning. I move an amendment—

“That the following be added to the clause: ‘or not less than the sum of £2.’”

Mr. MUNSIE: Clause 8 provides a penalty not exceeding £100. Clause 11, as printed, makes the minimum penalty one-tenth of the maximum penalty. One-tenth of £100 is £10; and yet this amendment proposes to add a minimum of £2. Which direction would guide the magistrate?

The ATTORNEY GENERAL: If Clause 8 were the only reference to the fine, the penalty would be not exceeding £100, or any sum from, say, 1s. up to £100. But the magistrate will read Clause 8 in conjunction with Clause 11, which, if my amendment is carried, will provide for a minimum penalty of “one-tenth of the maximum penalty prescribed, or not less than the sum of £2.” Clause 11 is a governing clause on all the penalties through-

out the measure. There is a number of penalties where the maximum only is provided, so that for no offence can a man be fined less than £2.

Hon. W. C. Angwin: It will be better for the Attorney General to leave this clause for another place to deal with. The next clause provides for a penalty not exceeding £5 a day.

The ATTORNEY GENERAL: The penalty is not exceeding £5 a day and the magistrate may make it, as it at present stands, 1s., but the amendment would provide that the penalty shall not be less than £2 per day.

Hon. W. C. Angwin: That would be too heavy for a minor offence.

The ATTORNEY GENERAL: I am inclined to agree with the member for North-East Fremantle. Section 19 gives a magistrate discretion from nothing at all up to £5. We might strike out Clause 11 and subsequently look into the matter.

Clause as amended put and negatived.

Clause 12—Increased duty to be payable on profits from 1st January, 1917:

Hon. J. MITCHELL: Will the Treasurer explain how this clause will apply? Apparently, it is proposing a super tax for six months at the rate set out.

The Colonial Treasurer: That is so. If we pass this clause, we practically agree to the super tax.

Hon. J. MITCHELL: I object to this additional tax. We have increased the rate by 25 per cent. A double tax is collectable in the case of land. The taxation we are imposing will realise much more than the Treasurer estimates, but I think we can well do without this super tax. I intend to oppose the provision for a super tax in the Land and Income Tax Bill, therefore it is illogical to impose such a tax in this Bill.

Clause put and passed.

Clause 13—agreed to.

Title—agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments, and the report adopted.

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

##### Second Reading.

Debate resumed from the previous day.

Hon. W. C. ANGWIN (North-East Fremantle) [7.55]: As the Treasurer stated in introducing this Bill, it is more a Committee measure than one on which to make long second reading speeches. The Bill is composed entirely of amendments to the principal Act. There are a few amendments which in my opinion the Committee should endeavour as far as possible to improve. The Treasurer proposes to strike out the £200 exemption on all incomes. That exemption in my opinion should be retained. By doing so we would be acting on the same principle as every other State in Australia. In New South Wales there is no income tax paid on the first £250; in Victoria there is no income tax paid on the first £200

but if any person has an income between £200 and £500 that person is exempt for £150, but over £500 there is no exemption. In Queensland the first £200 of income of all taxpayers except companies and absentees is exempt. In South Australia the first £200 of income of all taxpayers except companies is exempt. When we come to Tasmania we find exemption there. Incomes are taxable from £100. The first £70 is exempt from taxation and the exemption is reduced by £10 until it reaches £400. Above that there is no exemption at all. Last year Tasmania provided for an increased income tax; I think the increase was one-fifth, but that increase does not apply to any income under £200, so that all through Australia there is an exemption to the extent of £200. The Treasurer compared this Income Tax Bill with a Bill introduced by the Scaddan Government in 1914. According to Mr. Scaddan's Bill incomes under £156 did not carry any tax. That tax was proposed for a special object, an object which has now ceased to exist with the exception that the finances, if anything, are perhaps a little worse, but the tax was earmarked for the express purpose of providing work for the unemployed brought about by the drought and the first conditions of the war. We had a number of people unemployed in this State but by subscriptions provision was made to tide these persons over the difficulties they had to go through. Since then the cost of living has increased considerably. Do members think for a moment that a person earning £156 per annum is in a position to pay increased taxation? Further, in 1914 when the Bill was introduced there was no Commonwealth taxation in force. Now those workers earning small wages have to pay a tax to the Commonwealth. Articles that previously could have been bought for one pound in 1914 cost 26s., and in 1917 30s. 1d., an increase of 4s. 1d., and that increase was on groceries and food only. Therefore, every person to-day who earns less than £200 per annum has a greater difficulty than previously in making ends meet. I maintain that if we leave the exemption as it is at the present time the State will not lose a large amount of money. We might lose a little from those who are earning over £200, but not much from those earning less. The Treasurer told us that there are 23,800 people receiving from £100 to £156 per annum. I will ask hon. members to weigh those figures carefully. How many persons receiving these amounts will be liable to income tax? We know that at the present time a great number of single men are out of the State on military duty, and we also know that there are many married men earning less than £156. That being so the number liable to pay income tax will be very small indeed. In Western Australia the average wages in all industries earned by males is £3 7s. 10d. per week. Those figures are according to Knibbs. There must therefore be a large number earning less than £3 a week to make the average £3 7s. 10d. The average wage earned by a female in Western Australia is £1 18s. 10d., and it follows, so far as females are concerned, that there will not be a large number who will have to pay income tax under the Bill. The Treasurer also told us that there are 11,000 people

in receipt of from £156 to £208 per annum. We can reduce that number by several thousand because the £156 will apply to a number of married men who will be entitled to certain deductions, and when those deductions are made these people will be exempt. I should say that the figures of the Treasurer will be reduced materially. My opinion is that between 20,000 and 25,000 of the 34,800 will be exempt from paying the tax. Therefore, if we keep the present exemption of £200 the State will not lose much. It has been said that if we advocate this exemption we should suggest something else for the purpose of providing revenue. A person earning £250 or upwards can afford to pay a little more income tax, and he will not feel the payment he may have to make to the same extent as the man earning less than £200. I would suggest an increase in the tax on those in receipt of £250 and upwards, and on salaries above £1,500 a graduated scale could be made to apply to a large amount. In that way the Treasurer would be able to recover a portion of whatever loss might be suffered if my suggestion were adopted, that is, to allow the exemption to stand as it is. No provision is made in the Bill for those unmarried men who have to maintain a home. There are many single men in Western Australia with dependants and nothing is said about them in the Bill. That is a matter which should receive attention in Committee. There seems to be a tendency in the direction of losing that enthusiasm which we showed some time back towards those who are on active service. At the same time I would point out that a man who is away on active service is an absentee from the State, and being an absentee he may be liable to pay an additional tax of 50 per cent. A person who resides in the State for only a certain period of the year is liable to additional taxation and while only a few months ago we exempted persons who were on active service from paying taxation, there is a possibility, so far as I can see, that an absentee will not only have to pay the ordinary tax, but the absentee tax as well.

The Colonial Treasurer: The Act which was passed last session provided that those who were on active service should not suffer any disadvantage.

[The Deputy Speaker took the Chair.]

Hon. W. C. ANGWIN: I know that those who are on active service are allowed to preserve their rights so far as the Electoral Act is concerned. The Bill does not provide for the payment of the tax in two instalments. The Treasurer told us that this had not been availed of in the past, but if the measure we have before us is passed in its existing form, some of the taxation will come to a considerable sum and it might prove a hardship for anyone to have to pay it in one sum. One part of this Bill, that which deals with the collection of the tax so far as workers or wage earners are concerned, is an innovation. It is provided that an employer can—and I think under the regulations he will be compelled—collect weekly from the employee the amount necessary to meet the taxation.

Hon. T. Walker: It is applying the Truck Act.

Hon. W. C. ANGWIN: Yes. That idea might apply fairly well to those who are in constant employment. For instance, it would be all right in the case of civil servants and others permanently engaged, but there are many in the community who are casual workers. They may work a few days here and a few days somewhere else, and the position will be that an employer will deduct a portion of the wages and pay it to the Taxation Department and the responsibility is thrown on the employee of making an application for a refund in the event of over-payment. That looks very well on paper, but many difficulties will arise. There will be many who will have their tax deducted in this way—many who will not be able to afford it—and who will find at the end of the year that they were not liable to pay any tax at all. There is another clause I consider is rather objectionable, namely, the clause dealing with the right to make an employer an agent. If a person does not pay his tax within 60 days the Government will have power to appoint the employer the agent and instruct the employer to pay the tax. It might be said that the employer would not be hard on the employee. But, under the Bill, he has power to collect the whole of the tax in one week's pay, if he thinks fit, notwithstanding that the delay might have been brought about through circumstances over which the employee had no control. Again, this sort of thing might lead to the employer determining not to be worried with the business, and telling the employee to look out for a job elsewhere.

The Minister for Works: But would not the money be deducted every pay period?

Hon. W. C. ANGWIN: Not always. The Treasurer has said that he intends to frame regulations for the working of these provisions; but we do not know what those regulations will be. From past experience, I would rather deal with a private individual than with the Government, because sometimes Government officials are disposed to be a little harsh in their interpretation and application of regulations. Only the other day I was speaking to a man who explained to me that he had worked a little over six months for an aggregate amount of £140 and that he had done nothing for the remaining five months of the year, notwithstanding which he had to pay income tax in full, for the reason that, in the adjustment of dates, it was being collected on the six months during which he had worked. In regard particularly to casual workers, considerable hardship might be imposed under the provision. I am not going to lodge an objection to the super tax, which is to be charged at the rate of the old tax. Some time ago the Treasurer announced that increased taxation would be necessary, and probably this is well known all over the State. But since the Treasurer delivered his Budget speech, another member of the Ministry has told us that the finances of the State are not in as bad a condition as the Treasurer thought when he expounded his Budget, and that in



all probability the deficit will be £250,000 less than was anticipated. That being so, are we not justified in asking the Government to modify their taxation proposals? Revenue has come in more freely than was anticipated, and the Railways have done better than was expected.

The Colonial Treasurer: There is still nearly three months to run.

Hon. W. C. ANGWIN: In view of this later Ministerial announcement, I think we should be justified in asking the Government to modify their taxation proposals. I sincerely hope that we shall be able to relieve the taxpayers of a little of the burden proposed in the Bill. Another point: Under the existing Act settlers on the land pay only income tax or land tax, according to which is the higher. It is now proposed to increase the taxation they pay. I think we should have been told why this alteration has been made. Personally, I cannot see why the man on the land, who owns the land, should not pay land tax, just the same as any other landowner. He has not to pay land tax if he pays income tax.

Mr. Thomson: Because he is making his living out of the land.

Hon. W. C. ANGWIN: So do other people.

Hon. F. E. S. Willmott (Honorary Minister): No; the other people make their living out of the man on the land.

Hon. W. C. ANGWIN: Nonsense; if my friend would but give a little attention to economics, he would find that we are all assisting in production. If the hon. member grows fruit, and I buy it from him, and if I produce something which he pays me for, we are both producing, and neither of us is living on the other. The man on the land is earning an income. If he is using his land he has exemption in respect of a large amount, and he has also exemption in respect of improvements, which reduces his tax to about one-half. Therefore, I cannot see why the man on the land should be exempt from either land tax or income tax, according to which is the greater, while others have to pay both. There are in the Bill many small provisions which, I think, will require to be amended in Committee. I do not know whether it is wise to give the Taxation Department power to impose all penalties, nor do I think it advisable that we should regard the posting of the assessment notice as *prima facie* evidence that it has been received. Again, I do not like the provision that a person charged with wrongdoing shall have thrown on him the onus of proving his innocence. Unfortunately, we are becoming quite familiar with this provision in our legislation. Instead of the department having to prove the alleged wrongdoer guilty, he has to prove that he is innocent. I think that when the department accuses a man of wrong doing, the department should be required to prove it.

The Colonial Treasurer: Suppose he has made a false return, and pleads that he knows nothing about it, that his clerk made it out?

Hon. W. C. ANGWIN: If a false return is made there are in the Assessment Act provisions under which the department can examine all the books.

The Colonial Treasurer: You would make the department prove that he did know; surely

he should be asked to prove that he did not know.

Hon. W. C. ANGWIN: Of course, the person signing the return should make sure that the return is in proper order. If, after a thorough examination of his books, the department found that he had made a false statement, it has at its disposal the means of bringing him to book.

The Colonial Treasurer: But the man says, "I did not know; it was my clerk."

Hon. W. C. ANGWIN: I contend that we are too prone to make a man guilty before proof.

The Colonial Treasurer: How would you get on in the case of a man who does not keep books?

Hon. W. C. ANGWIN: In such a case it would be impossible for the Taxation Department to determine whether or not he had made a false return. I have nothing more to say, and will reserve any future remarks to the Committee stage. I do hope that in Committee we will obtain at least the same exemptions that are being resumed at present.

[The Speaker resumed the Chair.]

Hon. J. MITCHELL (Northam) [8.30]: This is mainly a Committee Bill. When we reach the Committee stage I hope we shall be able to effect some alterations in the measure. We may have the privilege of helping the member for North-East Fremantle (Hon. W. C. Angwin) in regard to the £200 exemption, and to people who draw small salaries or wages. I believe the Federal Government are now applying their tax to the lower paid men. I should not mind if we could make the exemptions less and the allowance for children a great deal more. We could well afford to do that, and the principle would be a good one. The allowance should be a considerable one. The hon. member has also referred to the cancellation of the clause which exempts farmers from payment of a land tax as well as an income tax. The law at present says he must pay the higher tax, whichever it may be. It strikes me as strange that the Treasurer should propose to exempt mining companies to the extent of the work done in developing mines. I would point out that, in the matter of development, the farmer is as much concerned as a mining company.

Mr. Troy: No. A shaft may be put down at a dead loss.

Hon. J. MITCHELL: A good deal of the work that the farmer does may be a dead loss to him. The farmer may happen to show a profit of £1,000 without improving his holding to the extent of £1,000. It is possible to tax a business man in Hay-street, and for that man to add the tax on to the cost of his goods, but there is no possibility of the farmer passing the tax on to the consumer. He cannot do that, because of the law of supply and demand. Notwithstanding the objection raised by the member for Mt. Magnet (Mr. Troy), I venture to say that what applies to developmental work on a farm applies equally to that which takes place on a mine. A farmer puts his profit into the de-

velopment of his holding and into stock. If he goes to the Taxation Commissioner and tells him that he has spent £1,000 in this way, the Commissioner replies that he must pay income tax on that amount, if that represents his earnings for the year. We want to encourage the man on the land. There is no class of man in the State more heavily penalised than the farmer. Everything he uses has gone up in price. His fertiliser, his bags, his wages, and everything that he has to do with is costing far more to-day than it ever did. At the same time his produce is bringing him in very much less. It is almost impossible for him to sell a great deal of the produce of the farm. He never received so little for his work as he does to-day, and yet it is now proposed to place him under the disadvantages set out in this Bill. The system of taxation now in vogue has been in operation for a considerable time. Even in good times it was not thought wise to make any amendment, but to-day, when the producer is suffering as greatly as he is, this new proposal comes along. It should be remembered that all forms of taxation find their way back to the farmer and producer, who is in this way heavily hit.

Mr. Lutey: Not always.

Hon. J. MITCHELL: Yes, the producer is always hit. The tax will always find its way back to the man on the land. The salaried man can be taxed, but his employer will not give him an increase in salary for that reason. The wages man, however, can get his wages adjusted in the Arbitration Court, because he can show that the cost of living has gone up. The court exists for the purpose of rectifying these matters. Every man who employs men realises that the cost of living has gone up, and accordingly is paying more in wages than he did before. To some extent the wages man has been compensated—I do not say in every case, but in many cases—and I hope, therefore, in the interests of the man on the land, we shall, when we get into Committee, be able to effect some alterations in this respect. I notice that the stakes won on racecourses are to be taxed to the tune of 4d. in the pound. In my opinion the tax ought to be far greater. If the prize is £500 I do not see why we should let the winner off with a tax of 4d.

The Colonial Treasurer: The winner will have to pay income tax in addition.

Hon. J. MITCHELL: The member for North-East Fremantle made reference to that clause which deals with the amount paid to soldiers. This means that where a soldier has left his employment, and the employer is making up the difference between the salary the employee was being paid and the pay he receives as a soldier the difference is to be taxed.

The Colonial Treasurer: No.

Hon. J. MITCHELL: That is so. I look upon this as a mistake. The Treasurer in explaining the position said that men drawing incomes from their properties had escaped taxation. He also said that in five cases some thousands of pounds had been saved by the taxpayers in this way.

The Colonial Treasurer: You are quite wrong.

Hon. J. MITCHELL: It seemed to me from the Treasurer's explanation that this applied to the properties of all men who had gone to the war, which properties were still making a profit.

The Colonial Treasurer: That is not so.

Hon. J. MITCHELL: I am glad to hear that statement, but at all events it reads that way in the Bill. The only object of this particular clause is place the Treasurer in a position to be able to tax the difference between the amount paid by the employer and that received by the soldier while on military duty. I hope hon. members realise that we can go a little too far in the matter of taxation. I think that when we go into the taxation proposals we shall find that we shall be raising more than twice as much as the Treasurer showed we would raise, if we pass all the proposals that are now before us. I shall reserve any further remarks I have to make to the Committee stage of the Bill.

Mr. THOMSON (Katanning) [8.40]: When I go into these taxation proposals I feel somewhat alarmed as to the effect they will have upon Western Australia, more particularly when we compare them with the taxation which is being imposed in the other States of the Commonwealth. We have been preaching the gospel of production, and of the establishment of industries. When we compare the taxation say, Victoria, we must wonder whether we are wise in going to this extent. Of course I admit that money must be raised in order to finance the State. In Victoria the income tax is 3d. up to the first £500. In the case where the income goes up to £1,000, the tax on the first £500 is 4d., equal to £8 6s. 8d. per year, and on the succeeding £500, up to £1,000, the tax is 5d., equal to £10 8s. 4d., or a total tax on the £1,000 of £18 15s. If hon. members will turn to the ready reckoner, they will find that on an income of £1,000, it is proposed to take from the taxpayer the sum of £43 19s. 2d., which means that the taxpayer in this State will be paying £25 4s. 2d. more than the Victorian taxpayer on the same income. When we come to the earnings of £1,500 a year, we find that the Victorian tax works out at £32 16s. 8d., and from the ready reckoner we find it is proposed to take from the taxpayer, earning that income, the sum of £97 1s. 8d., which means that the Western Australian taxpayer will have to pay £54 15s. more than the Victorian taxpayer. These figures cause one to wonder whether this House is justified in placing such a heavy burden on the people of the State. I sympathise with the Treasurer in the burden that he has to carry. I have often said myself, and believe that the Colonial Treasurer has also said so, that we cannot tax Western Australia into prosperity. As this is not a Bill, which calls for a long second reading speech, I propose to deal more fully with the clauses when we reach the Committee stage. Hon. members will see from the Notice Paper that it my intention to bring forward some amendments which I trust will receive some consideration. If it is neces-

sary to increase our taxation in order to assist the State, it is also necessary, even in a slight way, to consider those who are producing and creating the wealth of this State. I have placed on the Notice Paper a new clause—

Whenever any person is assessed for income tax on profits derived from any of the following businesses, namely:—(1) Agricultural, (2) Pastoral, (3) Grazing, (4) Mining, and (5) Manufacturing, then such person may claim and shall be allowed an abatement of so much of the amount payable for income tax on the profits derived solely from such businesses as equals 20 per centum of such income tax.

My object is that the State should recognise that the people who are creating wealth must be fostered and be given assistance. In view of the taxation proposed by the Bill before us, I fear we shall not have many new industries started here. I propose also another new clause, reading—

In addition to the taxable amount so ascertained as aforesaid, there shall be payable (1) In the case of income derived from any business carried on as a brewery, or under a publican's general license, hotel license, or wayside house license, by virtue of the Licensing Act, 1911, an additional tax equal to 20 per centum of the tax so calculated—

The businesses mentioned in this new clause are not wealth producing, but practically are carried on the shoulders of other businesses and industries. Therefore I commend this new clause to the consideration of hon. members. As regards ingoing, we know that the proprietors of hotels call tenders for the renting of the premises and receive as much as £1,000 or £1,500, or in some cases even as much as £3,000, by way of ingoing. I contend the State is entitled to some portion of the ingoing because the State has given the proprietor a license, which represents a monopoly.

Mr. SPEAKER: The hon. member could discuss that matter much better under a Licensing Bill than under this Bill. I think the hon. member had better deal with these new clauses in Committee.

Mr. THOMSON: Surely I may be permitted to explain, at this stage, the reasons which actuate me in submitting my amendments.

Mr. SPEAKER: The hon. member cannot discuss these amendments on the second reading.

Mr. THOMSON: I bow to your ruling, Sir; but I wished to explain to the House the nature of my amendments. An hon. member may not understand, for instance, what ingoing means; and therefore I wished to explain the term. I propose further that—

In addition to the taxable amount so ascertained as aforesaid, there shall be payable (2) In the case of incomes derived from any of the following businesses: (a) Bookmaking, (b) Horse-racing, (c) Concert promoting, (d) Cinematograph shows, (e) Theatricals, and (f) Athletic concerts, an additional tax equal to 25 per centum of the tax so calculated under this Act as aforesaid.

This last proposal springs from a regret on my part that the Colonial Treasurer has failed to introduce an amusement tax. I trust hon. members will give these proposed amendments

earnest consideration. The member for North-East Fremantle (Hon. W. C. Angwin) said that he was opposed to the abolition of the £200 exemption. I for my part would abolish all exemptions, and let everyone, no matter how small his income, pay his just proportion.

Mr. Troy: Would you abolish land tax exemptions?

Mr. THOMSON: We will discuss the land taxation question when we come to it.

Hon. W. C. Angwin: This Bill deals with land taxation.

Mr. THOMSON: At present I am dealing with income taxation. If exemptions were abolished, I would be prepared to increase the allowance for each child. I have been very keen on increasing the allowance from £10 to £26. I have, however, to admit the convincing nature of the Colonial Treasurer's argument—that the people who have children want them educated, and that to increase the allowance for each child as suggested would practically mean that the cost of education would not fall on those requiring it. Were it not for the necessity to impose taxation such as that asked for in this Bill, I would be prepared to support a higher allowance for each child. There is no doubt that the incidence of taxation is unduly hard on the married man. Unfortunately, however, the State does not get the benefit of that taxation, because it is mainly through the Customs, and the Federal Government thus reap the benefit of it.

Hon. W. C. Angwin: They do not reap all the benefit. We get 25s. per annum for each child; and then there is the special bonus.

Mr. THOMSON: Those are my views; other hon. members are entitled to theirs. I trust my amendments will be carried.

Mr. BROWN (Beverley) [8.56]: I shall be brief in speaking on the second reading of this Bill, but in Committee I hope to obtain certain amendments. Most of us regard taxation as not a very pleasant imposition, however rightly applied. In my opinion, taxation is frequently not applied in the direction it should be. The larger incomes of this State are not, I consider, paying their quota of taxation as compared with the smaller incomes. Whether the system is bad or not, I am unable to say; but certainly it should receive the closest attention of the Taxation Department, in order that an equitable distribution may be brought about. The increases in taxation which have been proposed by the Colonial Treasurer are most excessive. A bad system of taxation must ultimately end in the ruin either of industry or of the State itself. It is not difficult to overtax an industry or to overtax a State; and the Government, in their endeavours to raise revenue, should be particularly careful to see that they do not impose taxation which will be harmful either to our industries or to Western Australia as a whole. The present taxation of the Australian people may be described as enormous. It has been increased in every direction. Moreover, Australia has a dual system of taxation, which involves considerable hardship to many people. The taxation proposed in this Bill is much higher than the Federal taxation.

Hon. W. C. Angwin: The Federal Government's taxation goes up to 5s.

Mr. BROWN: The taxation proposed in this Bill is considerably higher. I have already been a sufferer at the hands of the Federal Government, and I am justified in drawing a comparison between their figures and ours. According to the schedule of charges presented to us by the Treasurer with this Bill, our income tax is to be 30 per cent. higher than the Federal income tax. Our taxpayers are not all similarly situated as regards paying taxation. Many men in business are able to bear taxation however high it may be, because they can pass it on to the other man. But there is one member of the community, and that is the producer, who cannot possibly pass it on. He has no guarantee whatever as to whether he is going to get a fixed price for his product. Had he a guarantee from the Government that he was going to get a fair figure for his product, he would then perhaps be quite willing to come forward and pay his quota of taxation without a murmur. But that is not the position with the primary producer. He is unable to pass on the tax. The position will be made worse by the fact that it is proposed to delete that section of the existing Act which provides that should the income tax be greater than the land tax, or vice versa, the higher one will be the only one exacted and the other will be exempt. That in my opinion was fair, but the Bill provides for sweeping away all exemptions and there are increases from beginning to end. The Colonial Treasurer has no justification for demanding this excessive increase. It has been said by the Minister in another place that the deficit is not going to be as large as was expected. Where then is the justification of the Treasurer for endeavouring to impose excessive taxation? In my opinion the Treasurer is going to receive considerably more than he estimates from this taxation measure. I agree that we should increase the tax to an extent that the people can bear, a tax which will raise sufficient revenue to enable the Treasurer to tide over difficulties. In the first instance the Treasurer intends to double the income tax on the assessments made for the half year. Secondly he intends to repeal Section 17 of the principal Act which means that the primary producer or the man who derives his income from the land, will have to pay not only income tax, but land tax as well. There we get double taxation again. The Treasurer intends to abolish the exemption of £200. He also intends to increase the general tax over 50 per cent. Under the old Act on an income of £500 the rate was 4d. and there was an exemption of £200. A man in receipt of £500 paid a tax of £5. Under the Bill the tax will be £11 13s. 4d., more than double. A man with an income of £750 under the old Act paid 5d. in the pound and with the exemption of £200 was liable for £11 13s. 4d. Under the Bill his tax will amount to £25 4s. 2d.; again more than double. The income tax on £1,000 under the old Act at the rate of 6d. in the pound and with the exemption of £200 amounted to £20. Under the Bill the tax will be £43 9s. 2d. On an income of £1,500 at 6d. in the pound without exemption the tax came to £37 10s. Under the Bill the

amount will be £97 1s. 8d. The Federal tax on £1,500 in this State is £67 18s. 1d., or about £30 less than the proposed State tax. I want to go further. As I stated, a man with a small income is really paying more in proportion than the man with a big income, because it hits the small man harder than it does the man in receipt of a big salary. When the amount is above £1,500 there is no increase beyond 2s. 6d. in the pound. In my opinion the greater a man's income is above £1,500, the greater should be the tax. The Treasurer is treating the people of this State more harshly than we have been treated by the Federal proposals. The Commonwealth allow for an exemption of £5,000 in connection with land tax, and the allowance for every child is £26. That is absolutely justified. We want to encourage men to marry and to increase the population. The Treasurer has allowed the deduction of £10 for each child to stand, but that, I do not think is sufficient. I intend to propose a number of amendments when the measure is in Committee, and I hope I shall be successful with them and that the effect will be a considerable modification of the Treasurer's proposals. There is a suggestion I would like to make with regard to the profits made by those who are producing on the land. As we know, the seasons are uncertain, and there may come a year of drought. I would suggest to the Treasurer that the basis of assessment be formed on an average of the profits for three years. Take as an example the years 1915 to 1917. In 1915 a man derived, say, an income of £1,000 from his property. In 1916 he had no income at all, because of a drought. In 1917 he had an income of £1,700, making a total for the three years of £2,700. We divide that by three and get an average income of £900. Should he make a loss of £600 in 1916 his average income would be £700. That is a very good system and many would prefer it to paying an excessive income tax for one year and not be able to recoup for loss on a drought year. My proposal too, would equalise the income, and the farmer would be better able to pay his tax if that were done. It is not necessary to take up the time of the House any longer, because I intend to have a good deal to say when the measure is in Committee. I hope the Treasurer will meet us in our desires to have the clauses modified and I trust we shall be successful in bringing about some reductions, otherwise the proposals of the Treasurer will be most harmful not only to the local industries, but to the State as a whole.

Hon. T. WALKER (Kanowna) [9.13]: I agree with the previous speakers that this is a matter which essentially lends itself to debate in Committee, but there are certain drastic alterations proposed which deserve comment and perhaps at some little length. In the first place, the measure is lacking in equity by the taking out of the exemptions which are recognised by every Government in the civilised world to-day. The whole of the wealth of this State is created by toil; it is the worker who gives the profits to every man who will be called upon to pay under this measure, and

in the Land and Income Tax Bill which we shall shortly be debating. There is nothing that we use or enjoy in life which is not created by toil, and toil receives the least of the good things created by its energies, its sacrifices, and its exertions; it is upon the toiler that the bulk of this burden will fall. He has not only to pay under the new proposals his share, or alleged share at the very start, but he has by his energies and his constant sacrifices to create the means whereby every stage in the ladder of taxation finds its means of paying the tax. And it is not alone that the toiler is taxed directly now, the old poll tax practically of the Wat Tyler period, but he is taxed all through his life. For the moment your tradesman has to pay extra income tax, and to that extent lessen the profits of his income, he increases the prices of all commodities the worker requires. The worker is burdened by the tax gatherer of every species, the man who sells him the clothing he wears, the builder who constructs the shelter he uses, the man who furnishes him with diet to give him the bare sustenance of life, all put on their extra taxes to enable those who are getting the most in life to pay in accordance with the schedule provided for us by the Treasurer. If we entirely deduct every possible tax from the worker earning up to £250, we still leave his lot a hard one. In these times, when taxation is sought through every channel—for in some quarters we have put our special taxes on special profits created in war time—it is recognised everywhere that the extra cost of living is such that the toiler earning £250, if he has any family at all to support and educate—for the free education of the State does not include all the costs of just and fair education to the children of the working man—finds his wage inadequate; and to tax a man who is getting only what barely keeps the family alive, to tax the man who saves not one penny year in and year out from the wages he receives, is to take bread from the mouths of his little ones, or clothing and comfort from his wife and those dependent upon him. The State that requires that amount of exaction makes us think of those old world States where the helpless and ignorant people, without weapons and without arms, risked their lives to resist the taxgatherers. It is, I repeat, the poor man who pays all the taxes, for the taxes that have to be paid by the merchant will be by him collected from the retailer, and the retailer in turn will collect from the consumer. Therefore, every State in the Commonwealth has its exemption. But we in Western Australia are to set the example of abolishing the exemption and treat our workers as unworthy of that special consideration. At this very hour there are in this City families that know, not exactly what want is, but know something of the direction privation is taking, who cannot live up to that standard that should give the body firm physical strength and general health, who are obliged to live in a constant sense of self-denial. Yet we are going to tax still further those people. And, as if that were not enough hardship upon the working population, we are, by the measure as proposed, to create a new set of taxgatherers. We are to make every employer in the State a tax collector. There is nothing in

the general sense of mankind more detestable, obnoxious, disagreeable than the tax collector. Under this measure we are not to have a man accustomed, like the bailiff, to take all the odium and reproach of his work, but we are to put all that odium upon every employer of labour, and say to the man who employs another, "You must collect the taxes for us."

Mr. Davies: Mr. Scaddan suggested that first.

Hon. T. WALKER: I do not care who suggested it; it is wrong and unjust.

Mr. Munsie: Mr. Scaddan did not put it in his Bill.

Hon. T. WALKER: It has never to my knowledge been incorporated in any law, in any land that calls itself civilised. But why talk of what was done? History tells us of a lot of things suggested and done which time has demonstrated the folly of. This certainly requires no demonstration. When Henry VII. built up his colossal fortune by the exploitation of every possible form of taxation, he employed two particular men to assist him in the operation; and those two men so earned the execration of the people that when Henry VIII. came to his throne the first thing he did was to have both those men executed. I mention that merely to show the odium that attaches to the taxgatherer. It is a strong historical example of what the taxgatherer incurs.

The Minister for Works: It may not be a pleasant, but it is not a dishonest occupation.

Hon. T. WALKER: I do not say it is. The bailiff's work is not dishonest, the policeman's work is not dishonest; but we do not particularly like the work they do when it affects ourselves. And we have no right to annoy the people, to make them feel that they are in the grip of the hard law. There is nothing makes a people develop the sense of rebellion more keenly than the feeling that the tight hands of the voracious law is upon them, that a portion of their all, and that is needed for the support of their wives and children, is to be taken from them by the skinny fingers of the law. And in this instance the law is to conscript the services of the man who employs them, in whose power they are—for the worker is dependent on his employer for his weekly wage; he cannot expostulate to him, he cannot roundly abuse him as he could the tax collector or the bailiff. He has to submit. But the poignancy of that submission sinks the deper in his heart and makes of another citizen a rebellious subject.

Hon. J. Mitchell: Well, we had better sink the Bill; that is the best thing we can do.

Hon. T. WALKER: I think a Bill of the kind ought to be sunk. It is outrageous to turn employers of labour into taxgatherers. Some of those employers will themselves be conscious that they are doing an injustice to the men from whom, as agents of the Government, they are taking the taxes. As the member for North-East Fremantle has pointed out, there are not a few of the citizens of the State who have to depend on casual employment. They may be employed six or eight months in the year, some even less; but if they are employed for only three months in the year at the ordinary wages paid to the casual men, the employer can deduct from the three months' wages at the rate of an annual salary of that standard, and take

for the purpose of the Treasurer the little that the employee needs to carry him through the year. It is simply iniquitous. There has been no parallel with it in the history of taxation since the very darkest of the evil times. There was a time when we felt proud of our State, when we felt we could invite all new-comers to make their homes here, as the paradise of those who wanted to build for the future. We are now taking steps that will drive people out of the State. As has been pointed out by members of the Country party, we are taxing their industry, giving no encouragement to the man who goes out into the wilderness and gets a few bags of wheat to his credit after years of plodding in the wilds, in clearing Nature of her exuberance, and planting the forests with fields. We are to take that man and compel him to pay to the utmost—four per cent., it is true, being allowed for his improvements. But there is nothing to mark his industry, or to enable him to get one step ahead and go forth further in his conquering of Nature. We are to tax that man who cannot pass it on any more than can the worker. He is the last resource. We have him in the corner; we can slich from his pockets, and he has no redress. And in addition to that, we cannot blind ourselves to the fact that, whilst the worker and the producer are thus to be taxed, those very men who create all the wealth upon which the rich luxuriate, we cannot take from our conscience that over and above this there steps down upon us the Commonwealth with a tax almost equally iniquitous. Whilst that is going on those of us, who are in districts helping to develop the country, are compelled to support our local governments. Where is the chance for the small man, who wants to build up this State, to get a single start or a solid footing?

Hon. J. Mitchell: He is taxed to death.

Hon. T. WALKER: At present, without this tax, their farms are lying idle.

Mr. Johnston: Good farms.

Hon. T. WALKER: There are good farms deserted. The holders cannot make a do of it, not because they are wasters, or because they are idle, or that they cannot endure, or because they are weak in heart, but because, after striving and struggling for so long, they find it a useless task, and have refused to drag their children down any further into the mire of suffering. That is the position to which we are now reduced. If we add this extra straw to the load that is already breaking the camel's back, we shall make our industries still more feeble, and fewer people will stay upon the land. I am astounded that we should have this measure introduced by an hon. gentleman who is, I know, full of human instincts and impulses, and possesses a large experience of the world, and good reading, and that his fears for the interests of the State, as he would put it, and the worry of not being able to meet bills as they fall due on the part of the nation, could have made him so blind to the iniquity of this great burden that he is putting upon the wealth creators and producers of the country. It may be said, "What did Mr. Scaddan do? I am only imitating him." It would not be good ground for following that example. It would not bind the Colonial Treasurer.

Mr. Davies: It did then.

Hon. T. WALKER: It would not bind him merely because it was an example. I am taking the tax that we did introduce and passed in this Chamber. What we may accept to-day, it is quite possible to see good reason for not accepting to-morrow. It might be possible to accept it and say, "Yes, Mr. Scaddan did bring in a super tax." He did bring in one, which another place rejected, and which the Press denounced uphill and down dale, and filled the air with shrieks regarding the iniquities of the Scaddan Government in daring to presume to put that burden upon the people. Let us see the actual difference. It will be remembered that when the super tax was proposed the country had just gone through one of the worst droughts that had ever been known in Western Australia, or in the Commonwealth itself. This drought had paralysed every species of industry, stopped every public work, and at that time there were public works in process of completion, which were absolutely necessary in order that our industries might be carried on. We needed the money to carry on these public works. That must never be forgotten.

The Colonial Treasurer: Oh goodness! The whole thing was to get £150,000.

Hon. T. WALKER: We wanted the money for that purpose.

The Minister for Works: There is no doubt we wanted the money.

Hon. T. WALKER: Yes, and for that purpose. Goodness or no goodness, that is a fact.

The Minister for Works: I am not disputing what you say.

Hon. T. WALKER: The Minister for Works was in the Chamber when it was discussed, and knows the speeches which were given, and the assurances that were made. Is there anything like this at the present time? We have had no bad harvest since 1914. Nature has been kind, and although we have not been able to market, by sending our products of the farms overseas, we have by financing obtained something like a payment for these harvests. There is no need, on that score, therefore, for a special tax. Apart from that, practically all our public works have ceased.

The Minister for Works: Not entirely.

Hon. T. WALKER: They never could entirely cease. It would be impossible for the country to live if they absolutely and entirely ceased. This would be to lock up every door, but to all intents and purposes our public works have ceased. There is no progressive public works policy on foot to-day, and there are no new works or undertakings on the way. All that is stopped. There is no attempt, however, to stop getting money in consequence of that. I ask hon. members seriously, are the Government going to tax those of this day and this hour for the amounts that are necessary to carry on to the future, over these dark days that surround us because of the war? The debts of this country have been created by obtaining the assets of this country. We have at hand, through the money which has been spent by this State, and on which we have to pay interest, all the machinery for practically starting in full swing the moment the evil

times pass over us. As soon as the war ceases, and we can get our ships to trade with, from that very moment our railways will come into full swing over hundreds of miles of lines which were not laid in 1914. We have our harbours, and our public works of every possible kind. All the machinery is here with which to start creating and preserving wealth, at the very moment when conditions of a normal character return. But, just because in this dark hour we are a little nervous about the ready cash here, we are now going to pay for everything as it were, to get all the money possible out of those living and suffering at the present time. We are building up, and have endeavoured to build up in the past, for the generations that are to follow us, and they will have to take their share of it all. There must be no coming down full-swoop upon those who are living in the hour of darkness, and taking their all in order to provide for conditions of ease in the future. The future has to take its share. We are not at all overburdening our liabilities. An enormous territory like Western Australia, with its mineral, agricultural, pastoral, and other resources, can bear the burden, and stand it. There is no need to rush down with this extravagant legislation, which is going to crush the worker and blunt the spirit of the producer at a time like this, and turn half our citizens into the odious character of tax collectors. There is no need for this drastic hysteria. When Mr. Scaddan's super tax was proposed, the whole world cried out, "It is not necessary; only business acumen, care, judgment and economy are the things required, and if practised all could be tided over." If that were true then, how much more is it true now, when we have, in effect, stopped our public works, when the country has had to stand still, when we are practising economy, and when there is no need for lavish expenditure of any kind? How much more objectionable is it to come down with an annual income tax and a super tax, and to delve down into the pockets—if they have any clothes which could stand pockets—of the very poorest? It is a confession of weakness that must be a bad advertisement for us, in every State of the Commonwealth. It must be a bad advertisement in England, and a worse advertisement for us here. As I have already pointed out, we shall, by this tax and the Federal tax, and all the burdens one after the other, drive the people off the soil, and just as our secondary industries have gone and our factories have shut up one after the other, we shall even close up our farms; and this great State of Western Australia, with its possibilities equal to any country in the world, with an area and fertility which have invited all men in whatever zone they may be born, this great State will sink back to what it was before our gold discoveries, a land for the emu and the kangaroo, not a land for human creatures, for country homes and growing townships. One feels it everywhere. One hears it in the streets. One notices what is abroad. We are going to crush the spirit of the people and blot out our industries. We are going to sink back into despair and desertion. Some say even now. "Western Australia will soon be a good coun-

try to get out of." I feel absolutely disgusted with the idea of putting these burdens upon the people at a time when hearts are breaking with the sorrows they are suffering from other causes more poignant and more real, when there is a gloom upon every home because of our fears for the life of the Empire, and when sorrow exists in every town and every hamlet of the country because of the war. We daily hold our breath in anticipation of news that is to decide the fate of the future, even of our flag, and in such circumstances to come down and take the last penny from the poorest, and from the producer upon the soil, will be to impose a burden that will prove intolerable to the people, and bring hopelessness to their children.

Mr. JOHNSTON (Williams-Narrogin) [9.45]: I feel it my duty to oppose some of the provisions of this measure, particularly in so far as they appear to me to represent a reversal of the past policy of this State. I refer more particularly to the proposal to impose taxation on married men with incomes of less than £200 a year, and also to the proposal to make the man earning an income from land pay a double tax on the land. Undoubtedly, this will be the effect of the repeal of Section 17 of the principal Act. That section provides that a man who earns an income from working on land shall pay only the land tax or the income tax, whichever is greater. On reference to the remarks of the Treasurer of 1907 when introducing the original Act, it will be found that the desire of the Parliament of Western Australia has always been to avoid the imposition of double taxation on the small land owner. Speaking on the 22nd October, 1907, the then Treasurer, Mr. Wilson, said—

If a taxpayer is living in his own house, or if he is using land with improvements for his enjoyment, he is liable to pay income tax on four per cent. of the actual value of such property. At the same time, we have safeguarded such persons, for we do not want them to pay both land tax and income tax on the same property.

I am indeed sorry to say that this measure proposes to remove that very valuable safeguard. The then Treasurer continues—

We do not wish them to pay double tax; we wish to avoid double taxation. Therefore they pay only the land or income tax, whichever is the greater, on such properties as I have mentioned. Then there is in Clause 17 of the Bill another provision to avoid double taxation: that when a person is using land and derives profit directly, is cultivating his land, then he shall not be taxed on the profits in addition to being taxed on the land. He shall have the right to deduct the amount paid by him for land tax from the amount to be paid as income tax.

The passage I have quoted from "Hansard" shows clearly that the intention of the framers of the original Act was to encourage land settlement in Western Australia by avoiding the imposition of double taxation on the small land owner. Personally, I would not have objected had the alteration applied only to the owners of town properties, who, I

think, might bear a little heavier taxation than they are paying to-day.

The Minister for Works: They are paying municipal taxation as well.

Mr. JOHNSTON: They are getting off much more lightly than the men in the country. They are getting their regular incomes, whilst the man in the country is at the mercy of variable seasons and of such disabilities as increased railway freights and increased rates of interest. I feel that every encouragement we possibly can give to settlers to remain on small properties in the rural areas ought to be extended to them.

The Minister for Works: Do you think town properties bring a clear five per cent. on their capital cost?

Mr. JOHNSTON: Yes, I do.

The Minister for Works: I can prove to you that they do not do it.

Mr. JOHNSTON: My knowledge of town properties tells me that the return is more than that.

Mr. Troy: You are referring to business premises.

Mr. JOHNSON: Yes.

The Attorney General: For business premises the basis is five per cent., and no more.

Mr. JOHNSTON: Yet we find people borrowing money at six per cent. every day in order to build more business premises, which strikes me as peculiar. The abolition of the exemption is going to operate against the man living on his own land and working it and making an income from it—the very man we want to encourage. On the other hand, the man who is holding land out of use, who is not deriving an income from it, will under this Bill be subject to no additional taxation. If the main object of the Bill were further revenue, I for my part would have preferred to see the extra impost placed on unimproved land.

The Colonial Treasurer: Be candid, and say that you do not want your people to pay either land tax or income tax.

Mr. JOHNSTON: I do not want any people working land in Western Australia to pay a double tax. Take the case of a professional man. With every respect, I instance the Colonial Treasurer, who, in the honourable conduct of his own business, uses brains. We do not tax the brains and the income. We only tax the income; but the hon. gentleman wants to tax the farmer's land, his source of profit and his income as well. Men fortunate enough to be in the professional classes are not being asked to pay a double tax in the way the land owner is being asked, under this Bill, to pay land tax and income tax.

The Colonial Treasurer: I have to pay land tax and income tax, and those are two taxes.

Mr. JOHNSTON: One can easily imagine the position of a leading professional man—say a barrister. Such a man, thanks to his forensic ability, makes a large income here; and probably the only land he occupies is an office at the top of a building in St. George's terrace. What land tax does he pay? The quotation I have read from "Hansard" shows clearly that the idea of the framers of the original Act was to avoid double taxation,

and I now express my regret that double taxation is to be imposed on land owners whilst other sections of the community, not dependent to the same extent on the land for their living, are not to be called upon to pay a double tax under this measure. I desire to stress the point that if it had been intended to alter the incidence of taxation on land, it would have been better to put the increased taxation on unimproved land, rather than, as proposed here, on land from which a man is earning his living: a pretty difficult feat in the seasons we have had lately in Western Australia. At all events, I stand in this House pledged to oppose taxation of this nature. The people of this State expect increased Federal taxation. We know that the Federal Government have the conduct of the war in their hands; and the people of Western Australia, who have ever been foremost in all patriotic endeavours, are prepared for increased Federal taxation which is necessary for the conduct of the war. But I consider that increased Federal taxation throws on the State Government an increased responsibility to economise and, if possible, to reduce taxation, in order to enable our people to meet the burdens thrown on them by the war. I have endeavoured to help the State in a policy of economy by supporting, in connection with the recent Estimates, every motion for reduction of expenditure, whichever side it came from, with the exception of the attack on the Education Vote. In that matter, I opposed the reduction, through a fear that if it were carried it would adversely affect the small schools in the country. In advocating economy I may refer to the Taxation Department itself. In that department there is a field for governmental economy. Surely it is time that the people of Western Australia were called on to support only one Taxation Department; and, I would add, only one Electoral Department. In the very department which will administer this measure, I suggest to the Treasurer, there is room for economy. An urgent effort should be made to amalgamate our Taxation Department with the Federal Taxation Department. Let us, if necessary, fall into line with the Federal Government in our taxation. Let us grant the £26 allowance for each child that the Federal Government grant. Then perhaps it could be arranged for one staff to collect the double tax, half of which would be paid, without any cost for collection, to the State Government of Western Australia.

Mr. Munsie: Why not advocate that our State Government should collect the Federal tax?

Mr. JOHNSTON: I am indifferent, so long as the people of Western Australia are not called upon to support more than one Taxation Department. However, the tendency appears to be for the superior Government—in the case, the Federal Government—to establish these departments and run them. The time is not far distant—it cannot be more than two or three years off—when the State Governments are likely to lose the 25s. per head contribution from the Federal Government; and then such reforms and economies as I have indi-



cated, pertinent to this Bill, will be forced upon the State Governments of Australia. In conclusion, I wish to touch on the retrospective nature of the proposed super tax. It is not a just thing, when people have closed their accounts six months ago, or nearly 12 months ago, now to turn round and say to them, "We are going to collect from you a full year's taxation for the half-year which began on the 1st January, 1917, and ended on the 30th June, 1917." That period of time is past, and the people have closed their books; dividends have been distributed; partnership affairs have been wound up. Therefore I hope the Government will see their way clear to forego retrospective taxation of this kind, which must work grave injustice and inspire a feeling of distrust in any Government amongst those people who are subjected to it. If it is open to this Parliament to-day to pass retrospective legislation for that by-gone period of near a year ago, it would be open for some Government later to come along with retrospective proposals going back for perhaps a period of 10 years. I feel that such retrospective legislation is opposed to the principles of British justice, and I hope the House will not consent to legislation of that nature.

The MINISTER FOR WORKS (Hon. W. J. George) [10.0]: Whocver shoulders the burden of the taxation portfolio is bound to receive heavy criticism, because the very proposals put forward are those that touch practically every individual in the State. I regret that some of the speakers have not recognised the fact that on the shoulders of the Colonial Treasurer to-day, and on the shoulders of any Colonial Treasurer who may follow him, there rests a duty and a burden that he has to carry out. It is not the pleasantest task in the world to say that the requirements of the State and of the Government are such that we have to ask the people to contribute more than they have contributed previously. We all know human nature pretty well, it is very strong in every one of us, and while we desire to pay our honest debts, it takes a lot for a man to convince himself that the Taxation Department comes under the category of honest debts. I was speaking to a gentleman a little while ago and he told me that whenever he took out his cheque book to draw a cheque, whether for Government taxation, whether for municipal taxation, roads board taxation, or whatever taxation it was, he said, "I am afraid it is the most unpleasant cheque I draw and I use fairly strong language when I have to pay." I ask hon. members to take that into their view and not in any way to attach to the Colonial Treasurer anything personal, because he has to come as a matter of duty to the House and through the House to the country, to state what is an absolute fact, that more money must be abstracted from the taxpayers of the State, or that practically we as a Government cannot go on. As the last speaker mentioned, all economies that can be made must be practised. That goes without saying and as far as the Government are concerned and as far as every member of it are concerned, as long as we sit here we shall do our best to bring about

economy. It is not for any particular Minister to boast that he has done this or he has done that. What he may have done it has been with the full knowledge, consent and direction of the Cabinet, and the gathering in of this extra money proposed does not mean that it will be squandered or that the force of economy will be cast on one side. It simply means that the Treasurer, recognising the necessity to raise money, so as to produce something like the satisfactory balance sheet that is required by the State, has to put forward certain proposals. Some members, and I think most members, really in their hearts acknowledge it—there is no doubt about it—but they may be doubtful as to whether we are not trying to do in a short time what they in their opinions think might be done in a longer time. That is a matter that is fairly open to debate in Committee. On the second reading debate, it is open to members to express their opinions on the proposals of the Bill and those opinions are invited, recognised, and appreciated by the Government. While we do that we wish that the members should recognise that the motives actuating the Treasurer are those that spring from a strong sense of his duty to the country in its period of trial, I might almost say, distress, at the present time.

Mr. Johnston: No one doubts.

The MINISTER FOR WORKS: With all the best intentions in the world there is in a discussion of this kind a tendency on the part of everyone, perhaps, to go away from the broad aspect and dilate on particular ideas which more closely affects ourselves or our constituents, and from the speeches delivered. The Treasurer will be able to gain and to gauge the opinions of the members of the House. If I may take some of the speeches delivered, the desire seems to be to defeat the Bill. The desire it seems on the part of some members is that the Bill is so drastic and far-reaching that they cannot see daylight as to what the ultimate end may be. It may be so, but is that a reason why they should talk of defeating the Bill and throwing it out. There must be a taxation measure, if this Bill be not carried.

Mr. Draper: But this is not a taxation Bill.

The MINISTER FOR WORKS: It is dealing with taxation and we cannot well separate it from taxation. We must have a Bill of this nature; it may be moderated or increased, that rests with members when in Committee. On second reading speeches, members give their ideas on principles. There may be points in the Bill with which I do not entirely agree, still I recognise we must have a Bill. Is it not better that we should, having recognised that there must be a Bill to deal with the matter, endeavour in Committee to bring it more in accordance with what members consider is the course that should be pursued. I have been a good few years in Parliament, and I have heard a number of speeches by different Colonial Treasurers, and I affirm, and I think the older members of the House will agree with me, that there has been more plainly and easily understandable propositions and statements of

the finances of this State placed before the House in the whole of the period I have referred to than by the present Colonial Treasurer. Some people may say, "Well, if the Treasurer had not been quite so open, he might have done better." Some people believe the art of parliamentary Government is to obscure the issues, but so far as the Treasurer is concerned and so far as his colleagues are concerned, we came into office with a distinct understanding that a true statement, with the true state of the affairs of Western Australia should be made known to the people so as to deal with it.

Hon. W. C. Angwin: When were they ever kept back?

The MINISTER FOR WORKS: I am sorry for the hon. member. He always thinks if I speak like that, I am reflecting on the Government of which he was a member. I am doing nothing of the kind. I say some politicians believe that openness in the way I have spoken, is not political strategy, that if politicians want to carry their way, they will give to members just as much as will satisfy their cravings and understandings. We do not believe in that. We may be here for a long period or a short period, but while we are here we are prepared to give to members and the country what we honestly believe to be the state of the finances and it is only right that we should do so, and we appeal to members to assist us. A few weeks ago the Colonial Treasurer speaking in the House, stated that he considered that the other 49 members of the House were co-directors of the State with him. One of our leading journals took that up and said it was a confession of weakness. I think it a confession of strength and I am confident the Colonial Treasurer is willing to invite and to gratefully appreciate assistance from every member of the House.

Hon. W. C. Angwin: It is not the Colonial Treasurer, but the Government.

The MINISTER FOR WORKS: I am not going to play on words. If I strip for a fight, I am not going to draw back—well, the Government or every member of it if you like.

Hon. W. C. Angwin: You used the words "Colonial Treasurer" just now personally.

The MINISTER FOR WORKS: I spoke of him as a man who has been put in a position to deal with the finances because it is recognised by the party, and I believe admitted by the other side, his experience and qualifications justify the choice.

Hon. W. C. Angwin: Since the Labour Government went out.

The MINISTER FOR WORKS: Let the past bury its dead. The hon. member knows that when the great plague went through London—before he was born and before I was born—they used to cry, "Bring out your dead"; and again, "let the dead bury the dead." We are not discussing the Labour Government or the present Government, or whether the situation we are now in is due to any Government. What we are discussing now is in the same way as the great generals in France are discussing the war plans to-day. It does not matter if mistakes were made three weeks ago, they have to face the posi-

tion as it is to-day. It does not matter who made the mistakes. We the Government of to-day, and you perhaps the Government of to-morrow, have to discuss the same problems in a similar way, seeking for and applying a remedy. What have we to do with those who made the mistakes or what does it matter really? I can say to members we must have a Bill and if members do not entirely agree with this Bill, let us get into Committee and see if we can get our divergent views together and the collective wisdom of the House to assist the Government to so arrange the Bill that it can serve its purpose. We must have taxation. The Government do not desire to burden anyone, but the Government do desire if possible that every person capable of paying, if only a few pence, shall contribute something towards the taxation needed by the State. I ask hon. members to think it over, and when they have done so they will find the view which I have put forward is worthy of their consideration.

Mr. TROY (Mt. Magnet) [10.14]: I have listened very attentively to the discussion that has taken place on the merits of the Bill, and I was struck by the soundness of some of the remarks of those who objected to certain proposals. I agree with the member for Kanowna largely in regard to those who are compelled to pay more than their fair share of taxation, by our present economic conditions, but I do not agree with that hon. member when he deplored in strong language the introduction of the present measure; nor do I agree with the member for Beverley as to there being no justification for this Bill. I deplore the introduction of all taxation. I do not like it, and I think I am in entire agreement with every member of the community in that.

Mr. Munsie: With everybody.

Mr. TROY: But so far as there being no necessity for taxation, while there may be something in that, we are not here to plead justification but absolute necessity. I endorse the principle of the Bill just as I endorsed Mr. Scaddan's Bill and for the reason, I think, the Treasurer endorsed it, because circumstances compelled it. I have to admit to-night that we must increase the revenue of the country, if we are to carry on and meet our liabilities. I could hope that that was not necessary. I am not quarrelling with what has been said with regard to the statement that Western Australia will be more heavily taxed than any of the Eastern States. I can quite imagine that our burden will be heavier, for in the Eastern States the burden is more widely distributed, and there are more shoulders capable of bearing it.

Mr. Munsie: Still, I think the people in this State are better off.

Mr. TROY: Any country which is heavily taxed is not a desirable place in which to carry on operations. I have heard people say that after the war they are going to the Argentine, or to some country which is not involved in the present war, because, they declare, taxation will be so heavy with us that we shall not be able to carry on and pay our way. Those who believe in a country and have faith in it, and those who are prepared to live in it and carry on, must face the burden and en-

deavour to provide means of paying our way. We cannot all leave the country, it would be undesirable if we did. If I get into financial difficulties I am not looked upon as a good citizen if I give way. I have to use my intelligence and pursue some course actively which will enable me to face those difficulties and overcome them, and after all, that is the purpose which we should all have in this country at this time of our present difficulties. It is not for us to say to the people that this taxation is so drastic that it will ruin them and discourage the continuance of their operations. If we do that we are not fit to occupy the positions we hold in this House. There are principles in the proposed taxation which I do not agree with and I am going to express my disagreement when the opportunity arises. I have no quarrel with members on the other side of the House who now agree that this is an absolutely necessary measure. The member for Kanowna disagrees with it. He said that those members now sitting on the Ministerial benches condemned Mr. Scaddan's super-tax Bill and declared that it was not necessary, and moreover that it meant ruination and stagnation. I have no quarrel with them, because they have changed their views. It is an outstanding feature of Australian politics that the party, more particularly represented by members on the Ministerial side of the House, have always condemned every progressive measure introduced by a Labour Government. But the time comes when that same Liberal party seizes the opportunity of introducing that which they had previously opposed and condemned. I rather sympathise with them; it shows the utter hopelessness of their cause. My remarks are not directed to the Treasurer, because in 1915 that hon. gentleman supported Mr. Scaddan's proposal, and for doing so came under the ban of his own party, as well as under the ban of a section of the Press. I am referring to his consistency because he is standing to-night where he stood in 1915, when he had no share in the government of the country. I am opposed to the reduction of the exemption to £100 in the case of single men and to £150 in the case of married men. Since 1915 the cost of living has increased largely in this country and whereas, in Mr. Scaddan's time, some protection was given to the people by way of a measure under which the Government had power to prevent exploitation, the people no longer have that protection. As a result, the fact that taxation is passed on to the worker, who cannot pass it on, has become more and more apparent as the years have gone on. To-day there is no protection for the individual worker, or the consumer. The business man or companies can pass on every measure of taxation, and they do so. The Minister stated the other night that it was intended to hit up these companies, but we do not hit them up, we hit up the people. Immediately we impose further taxation on a company, that company passes it on to the people, and the consequence is that the great mass of the community, who are the workers and producers, pay all the taxation. With the exception of measures, such as this, all those which are introduced by the Government to endeavour to secure additional revenue, are passed on to the rest of the community, and

that is done because the community have no protection. There is less justification now than ever there was for reducing the exemption. The cost of living has materially increased; Knibbs' figures are evidence of that. Therefore I am not going to agree to a proposition for abandoning the exemption provided for in the present Act, and which is barely sufficient to protect the amount necessary for the upkeep of a man and his family. We on this side of the House who favour the exemption do not speak for the people we particularly represent but for the whole of the community, the worker, the producer, the business man, the pastoralist, and all. To them we say the exemption shall be £200. One principle which I welcome is the exemption from taxation of the labour and material expended in development work on a mine. I heard to-night comparisons made between the farming and the mining industries, in which the member who made the comparison justified the exemption to the farmer on the same ground as that given to the miner. But the comparison was not fair. The amount expended in development work on a farm is frequently an asset; it is intended as an asset, and in 99 cases out of 100 it is an asset.

Mr. Johnston: It is not maintained.

Mr. TROY: That is not the question. It should be an asset, but the money expended in developing a mine in many cases is not an asset, for the person who expends labour and material in that direction receives no return whatever and he has nothing to show except a hole in the ground.

Mr. Draper: It is experimental.

Mr. TROY: Exactly. If I spend a sum of money on my farm, unless I am a fit subject for the lunatic asylum, I can show something for it, and that something assists me to increase my asset, for without that expenditure I would not be able to do so. All money spent in farming development creates an asset, but a considerable portion of money spent in mining development creates no asset; it brings no return; it is a dead loss. So that I do not urge that a farmer should be treated in the same way as a miner. The comparison is not fair; neither is it reasonable. There is a provision in the Bill for the employer to deduct the amount of taxation to be paid by the employee. I do not like that provision at all. I do not see why an employer should be made a tax gatherer. It must involve him in expense. It may be so on the eastern goldfields. But it is a very different matter collecting State taxation. I would prefer Mr. Scaddan's proposal, which was that if requested by the employee, the employer should deduct it. I certainly object to the principle of compulsion, for under it there is bound to be friction, particularly when the person taxed does not see any direct benefit from it as he does in the case of the medical levy on the goldfields. Therefore, if this provision is retained, I recommend to the Treasurer that he adopt Mr. Scaddan's proposal. With regard to the complaint that there has been removed from the parent Act the provision by which a person receiving an income from agricultural operations was allowed to pay the higher tax, whether income tax or land tax, I do not know that any person who claims to believe in land taxation as a principle, can disagree with that.

The time is coming when we shall have to give serious consideration to the whole question of taxation, and adopt some more scientific method than merely accepting the proposals of departmental officials, when we shall have to appoint a committee to go thoroughly into the question of taxation. To-night we have had illustrations of the unfairness of some of this taxation by the extending of greater consideration to those who pay under dividend duties than to those who pay under taxation. We are going to have heavy Commonwealth taxation, and we have to agree to increased State taxation. I think that when the Treasurer brings down his next proposals, twelve months hence, the whole question of taxation in all its branches, will have to be gone into. As one who believes in land values taxation, I cannot see why, because a person pays income tax, he should be exempted from land tax. Much as I sympathise with my agricultural friends, I am not prepared to go as far as they would take us. I see glimmerings of progress in the Country party. I understand they are seriously taking up the question of land values taxation. For years they subscribed to the belief that when anybody proposed taxation of land values, what was proposed was to tax the farmer alone; and they were encouraged in that belief by people who took advantage of their simplicity. Now, however, the farmers are coming to see that taxation of land values means, not so much the taxation of farming land, as the taxation of more valuable land in the larger centres of population. With other members, I deplore the necessity for this proposed taxation, but I cannot refuse to give the Treasurer that additional revenue which he must have if we are to surmount the difficulties facing us. Unpleasant as taxation may be, and agreeing that it does not encourage progress, I admit that we have to take up our burdens, and that every man has to do his share according to his ability. Although I agree that the worker pays more than his share of taxation under existing methods, which are but the continuation of a system of taxation introduced in times when the privileged classes ruled the country, still I feel we ought to give the Treasurer some of the revenue he is asking for; because, just as in 1915 additional revenue was necessary, so undoubtedly it is necessary to-day. I therefore support the measure as a principle, but in Committee I hope to assist other members in removing from the Bill some of the objections referred to.

Mr. MALEY (Greenough) [10.40]: I propose very briefly at this stage to enter an emphatic protest against what I might term the indirect taxation imposed by the complicated returns required by the Taxation Department. It seems to me incomprehensible in a young undeveloped country such as this, that we should have to go to the extreme length of so-called scientific taxation, calculated to harass the taxpayers. In my electorate the annual arrival of the variegated coloured forms from the Commissioner's office is an event which has almost taken the place of the annual show, and the making up of those returns is something to weep over. It necessitates a trip by the unfortunate farmer to the nearest town to get an agent to fill up the return, and as the trains in the Geraldton

district are only weekly, and the farmer may not be at first successful in engaging the services of an agent, the farmer may have to make more than one trip. The fee for making up a return may be anything from one to two guineas, and this, with the additional tax represented by the provision of accommodation in Geraldton, amounts to more than the tax itself. But that is not the end of it. After the return has been furnished to the department, a letter of enquiry comes from the Commissioner's office asking the taxpayer to explain why, in his return for this year, he is showing, say, only one cow, whereas last year he showed two steers. In response to this the unfortunate taxpayer has to make another trip to the town, where the copy of his return lies, to find out from his agent what he really did say. That is the secondary stage. Eventually the assessment arrives, and in many cases this requires yet another trip to the town. These complicated returns are merely creating an unnecessarily huge department in Perth. I am of opinion that the returns could be greatly simplified by the Commissioner agreeing to accept a declaration that there has been no alteration in the taxpayer's position since the previous year. What action I propose to take in regard to the Bill will be taken in Committee. I wish to emphasise the point that the majority of taxpayers would quite cheerfully pay double the present direct tax if they could escape some measure of the indirect taxation put upon them by those complicated returns.

Mr. MUNSIE (Hannans) [10.45]: I intend to oppose, at all events, some of the principles contained in this Bill. The Treasurer in introducing it, said that considering the incidence of taxation and the necessity of the State, two points had to be considered. First, to get some direct return from those for whose benefit the domestic expenditure was incurred, and secondly, to get from those who were receiving good wages and salaries in the State some small proportion of their earnings. With that statement I thoroughly agree, and I am prepared to support the Treasurer in an effort to get increased revenue by an increase in the income tax. I do differ altogether from the member for North-East Fremantle (Hon. W. C. Angwin). He says that the reason for the Treasurer having no concern as to whether he could wipe out the exemption was that he would receive very little revenue from those proposed to be taxed who are now under an exemption. The Treasurer ended by saying that he estimated the additional revenue next year from the Bill would be £140,000, and for this year £30,000.

The Colonial Treasurer: It becomes less and less, as each day passes.

Hon. W. C. Angwin: I said he would get very little from those earning £156 a year.

Mr. MUNSIE: The member for North-East Fremantle contended that the Treasurer would not have to make up very much revenue by what he would lose if we still adhered to the present exemption of £200. With regard to the figures given by the Treasurer as to the number of people who were earning from £100 to £156 a year and those earning from £156 to £208 a year, 34,800 people all told,

the reason why I am going to oppose the wiping out of the exemption in the Bill is for a different reason to that put forward by the member for North-East Fremantle. I am satisfied on the figures supplied with this Assessment Bill that at least £80,000 out of £140,000 will be derived by the Colonial Treasurer, not from the increases he is placing on the income tax, but by the wiping out of the exemptions.

Hon. W. C. Angwin: I said that, in connection with those who were getting £200 now.

Mr. MUNSIE: I oppose this because I believe the worker, the man earning up to £4 a week, will be paying at least £80,000 of the £140,000 excess, that the Colonial Treasurer expects to get by next year.

The Colonial Treasurer: A sum of £34,800 from those getting up to £208 a year.

Mr. MUNSIE: And these are exempt at present. A man receiving up to £200 pays £2 5s. 10d. This would work out at about £75,000. I do not think I am far wrong in this estimate. When we take the number of men who are employed in the mining industry and the country districts, outside those actually employed in the agricultural industry, we find an enormous number of wages men ranging from £3 to £4 per week, and a considerable number on the gold-fields of £4 per week, who under the present exemptions practically pay nothing by way of income tax, but who would now pay on the full £200. If this provision is allowed to stand they will be paying £2 5s. 10d. each. Let us take 34,000 of these paying £2 5s. 10d. each, who paid nothing before, and we shall find that a considerable amount of the £140,000 extra, which the Colonial Treasurer anticipates receiving next year, will be paid by them.

The Colonial Treasurer: I do not think it comes to that amount.

Mr. MUNSIE: By wiping out the exemptions altogether the Treasurer will get far too great a proportion of the £140,000 excess from the worker.

Hon. W. C. Angwin: That is a different matter; I agree with you there.

Mr. MUNSIE: The Colonial Treasurer then went on to say with regard to the exemptions for children, that there was a tendency to look upon the rearing and educating of children as more of a State than a parental obligation, but he was certain that Australian parents would rather pay something, however small, for the education of their children than accept it free, when the State can, as at present, ill afford it. He went on to say that, assuming there were two children in a family, a man earning £185 a year under the suggested Commonwealth allowance would pay nothing. Under the Bill he would pay 8d. a week, or £1 14s. 2d. a year, for their education which costs the State £7 7s. 6d. for each child. The State would accept about 88 per cent. of the cost of educating the children and the parents about 12 per cent. If that was all that the parent paid towards the education of his children these figures would probably work out accurately. But I would point out that the parent is paying his share, and his fair share, of all the other taxation of the State which goes into consolidated revenue, and that from consolidated revenue the children

of the State are educated. It is unfair to say that the amount included in the exemption is the only amount that the parent is paying towards the cost of the education of his children.

The Colonial Treasurer: We are practically taking the direct taxation.

Mr. MUNSIE: Sooner than see the education of our children neglected in any shape or form, if the State cannot finance this, I would be willing to support the Colonial Treasurer if he introduced some measure of direct taxation on the entire community, for the purpose of maintaining our educational system. In the meantime I shall endeavour not only to keep the present exemption of £10 for each child, but to increase it to £26 per annum. We have a precedent to guide us in this matter. It is difficult enough for a married man to live now with all the increase that there is in the cost of living. The single man is not affected to nearly the same extent. Only recently there was an exemption in England of £10 per child, but not very long ago the exemption was increased to £25, because the authorities recognised the obligations of the people in the war, and all the difficulties that presented themselves to the working classes to make both ends meet owing to the increase in the cost of living. This example we should endeavour to follow in this State. The member for North-East Fremantle said he was prepared to support the Treasurer in getting extra revenue by increasing the amount of the tax from £250 upwards. I am with the hon. member in that. When we take into consideration the dividend duties, and the Federal taxation, which comes upon the people drawing large incomes in this State, I feel that the Government stopped altogether too soon in their graduations when they stopped at £1,500, the balance over and above the 2s. 6d. in the £. I am positive that the man with an income of £1,500, or over, per annum is in a much better position to pay even a greater tax than is proposed under this Bill, than is the man earning £3 or £4 a week. This is the direction in which we should look for more revenue. I intend to vote for the second reading of the Bill, for the purpose of seeing if something cannot be done in Committee to alter it in this direction. I will certainly do my utmost to maintain the exemptions. There never was a time in the history of the State when it has been more necessary to maintain these exemptions than it is now. Never have people found it so difficult to live on the remuneration they are receiving. It has been said that we are here, on this side of the Chamber, to protect one class only. I am not here to do an injustice to any class in the community, but I do admit that I am here to protect the working class in particular, and it is for that reason that I am advocating these proposals. It is unreasonable to ask a man, who has a wife and family to support, to contribute anything towards the income tax when his salary may be under £200 a year. Unless such a man has been of a saving disposition in his earlier days, and been fortunate to buy a house of his own and to live rent free, it is impossible in the metropolitan areas for a married man to feed and clothe his wife, himself, and his children, and give them

the necessities of life, and yet make ends meet, on £3 a week. I, therefore, oppose the reduction of the exemptions, and if I had my way would increase them.

Mr. WILLCOCK (Geraldton) [11.0]: Like most members who have spoken so far, I adhere to the principle that the original exemption of £200 should remain. One of the strongest arguments in favour of that course was adduced by the member for North-East Fremantle (Hon. W. C. Angwin), who said that in all the Australian States, without exception, £200 was regarded as a sufficiently small exemption. Further I am prepared, with other members, to support an increase in the allowance per child from £10 to £26 per annum. South Australia, following the lead given by the Federal Government, not long ago increased the allowance considerably. If we believe in the principle of this allowance for children, we ought to apply it rationally and equitably and see that it is something like commensurate with the cost of keeping a child. Anyone who goes into the matter—whether he has or has not personal experience—must realise that it is utterly impossible for a man to keep five children for £50 a year. The Treasurer in introducing the Bill expressed the belief that the people of this State are willing to pay something in connection with the education of their children. But they are paying already, although we boast of our system of free education. A man with two or three children at school is called upon to spend at least £1 per annum in the purchase of books which the Education Department require the children to possess. I hold that the benefit of free education to children represents also a benefit to the State, and that everyone should be prepared to pay his fair share of the cost. As regards the reduction of the exemption from £200 to £100, I take it the Treasurer is following the precedent set by the Federal Parliament a year or so ago. The hon. gentleman has not, however, followed the precedent of the Federal Parliament in including, amongst married people, single men with dependants. I am prepared, like other members, to support the second reading; but in Committee I intend to support the retention of £200 as the exemption, and to move an amendment which will include single men with dependants among married people, as the Federal Act does. The income of a single man with dependants should have an exemption of at least £156 for taxation purposes.

Mr. HICKMOTT (Pingelly) [11.4]: I endorse the remarks of previous speakers as regards the exemption. I am not in favour of taxation at the present time; but unfortunately both the Government and the people of this State are awkwardly situated just now. The Government want money very badly, and the people do not seem able to bear extra taxation. To make the exemption less than £200 is to reduce it unduly. We know full well that a man with a wife and family has all he can do to make ends meet on £4 per week. Something has been said regarding the land tax and the opposition of farmers in general to the imposition of such a tax. Personally I consider a land tax much fairer than an income tax. In my opinion, if a proper method of taxing un-

improved land values were adopted and the income tax done away with, that would carry us through very much better than the present system. Then everyone would know that he had to pay something. At the present time many of our landowners pay nothing. They get out of paying income tax, whether they ought to pay it or not. Under taxation of unimproved land values, everybody would pay something towards the upkeep of the state. I think the people are beginning to realise that such a system of taxation would be one of the fairest possible. When that system comes along, I believe I shall be able to support it. I have voted against taxation in this House before, and I feel rather inclined to vote against it now. Still, I trust that some of the amendments which have been suggested this evening will be made in Committee, so that the measure may pass with satisfaction to all concerned. I support the second reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin—in reply) [11.8]: I suppose the House will hardly expect me to refrain from having a few words after the debate which has taken place on this Assessment Bill. I am just wondering whether this idea of trying to get the State finances straight is genuine, or a sham. Is it genuine or is it a sham? That is the point. The position calls for plain talking. I thank God that I have a saving sense of humour. When I took on this job I said within myself, "They want neither retrenchment nor taxation." And I am getting a very fair idea that my diagnosis was right. In effecting retrenchment the Government are experiencing a great deal more difficulty than the members of this House think; and when we propose taxation, the universal cry is, "Oh, please leave me out, and tax the others." Do hon. members think it is a fair thing to ask us, as Ministers, to do one end of it while they themselves funk the other end?

Hon. J. Mitchell: What do you mean by "funking the other end of it?"

The COLONIAL TREASURER: When it comes to saying, "We will have to have taxation." I am going to point out to this House now—it is my duty to point out to hon. members—that I have got to meet the State's deficit. It may not be as much this year as I anticipated. No man in his sane senses, however, would attempt to forecast accurately what revenue the State is going to receive within the next three months. Now let hon. members observe how they have fallen down. When the war broke out, there was borrowed for this State a sum of £3,100,000. Gradually it has come down, and the limit they will give us now is £700,000. We are fortunate that I have so arranged the finances that we are safe to June, 1919, but if the Commonwealth Government are going to keep on cutting the amount in half, next year their contribution will be £350,000. Will hon. members tell me how I am going to meet a deficit of, say, £700,000 with £350,000? Do hon. members want me to dishonour their cheques? If they do not, they will have to meet the proposition, and that is their end of the stick. Do hon. members get that? Is that clear? That is the position we are faced with. So far as

I am concerned there is not going to be any nonsense. I am honest in my desire to get this State straight, because I know if we do it now, we are laying the foundation of a future prosperity when things take a turn. That is the position, and I do not care whether it be the man receiving £100 a year or £1,000 a year in this State, the future prosperity of the State is as much the heritage of the one as of the other, because if God gives him the right to get there and make his way, it is just possible that before we are grey-headed the position will be reversed. I say this honestly, believing there is not a man in this State who to-day is not willing to contribute his little mite to pull the State out of the muck. It make me dead tired to hear some of the expressions from that clever and magnificent advertiser, the member for Williams-Narrogin. This House knows him. He gets up and says "We do not want double taxation." What is his double taxation? He gets £250 exemption; he gets five years in which he does not pay any tax at all. He gets that for his thousand acres of cultivable land and, I think, 2,000 acres of agricultural land. The probabilities are these: take a thousand acres at an unimproved value of £1 per acre—and £1 is a big price to put on it—on which he pays ½d. That amounts to about £2 1s. 8d. He is allowed £250 exemption, which reduces the amount he has to pay by 10s., bring it to £1 18s. 8d. on a thousand acres. Then he can take his unimproved value, which is £1,000, and he can say "My improvements are worth anything from £500 to £1,000. He takes 4 per cent. off the total, that is £80, and he can deduct it from his income. I know this, that I got it in the neck from these people the last time I supported a Bill like the present one. They went round calling out that the super tax which Mr. Seaddan had suggested was going to ruin the farmers. Let me tell the House, and through the House the country, that the orchardists and farmers pay income tax to the extent, altogether, of £3,300 a year. I have two minds to give it to them so as to stop them talking.

Mr. Thomson: What about the land tax?

The COLONIAL TREASURER: The total amount collected by the State by way of land taxation is £47,000.

Mr. Thomson: And 40 per cent. of it is paid by the farmers.

The COLONIAL TREASURER: I have two minds to make the farmers a present of that, too.

Mr. Thomson: I wish you would.

The COLONIAL TREASURER: If hon. members are honest in their desire to get this State straight, there will have to be straight talking, but if hon. members think we are going to get it straight by taxing someone else, they are wrong. I say to-day a man is very lucky if he can just live. Some, of course, have a hard struggle, but my sympathy does not go out to the man, who, like myself, has to pay a decent income tax.

Mr. Broun: We are here to say that a man can live and help the country at the same time.

The COLONIAL TREASURER: When a man has a thousand a year income, or even £500, he has nothing to growl about. Let him pay his income tax.

Mr. Broun: We are not thinking about the man with £1,000 a year.

The COLONIAL TREASURER: Let others think of what our sons are doing, and if we are not game to back them up with money, then we are poor citizens. My friend, the member for Beverley, wants the exemption allowed by the Federal Government, but while he wants that he does not want to start at £100 for single men and £150 for married men. It is the same old experience of life, wherever there is a gift, give it to us but do not penalise us. We want everything for nothing. I listened to the eloquence of the member for Kanowna, but I have heard it so often that I am just about tired of it. On every possible subject, he goes down or goes up, but when I plead that the people shall pay a proportion of the cost of our existence, the cry is "You should not tax that." But what does the tax amount to? Caesar's ghost! Does any hon. member mean to tell me that a man who is getting even £100 a year, cannot afford to pay 4d. a week to pull his State out of the mud?

Hon. T. Walker: That 4d. a week may mean something for his children.

Mr. Broun: At any rate we are justified in opposing your taxation measure.

The COLONIAL TREASURER: If hon. members wipe out the taxation measures they must take the responsibility.

Mr. Broun: We have heard that too often.

The COLONIAL TREASURER: And the hon. member can hear it from me again. When we come to think that we are spending in domestic legislation £840,000 a year, it is time the State said some measure of taxation should follow, and it should to some extent be borne by the people for whose benefit this money is being spent. I say to my friends opposite who have a high opinion of those whom they represent, that surely they do not think there is anyone amongst those they represent, receiving £160 or £180 a year, who will say in these days of stress that £1 19s. 2d. a year is too much for them to pay to get the State out of the mire. I give the workers of this State that much credit.

Hon. T. Walker: It is only soft soap.

The COLONIAL TREASURER: It is not; it is honest.

Hon. T. Walker: Then you do not know the privations suffered by those people.

The COLONIAL TREASURER: I do not believe there is a man in the State who would object.

Mr. Lutey: If you had an adequate land values taxation proposal we might think you were honest.

The COLONIAL TREASURER: I do not get much encouragement to bring in any form of taxation.

Hon. W. C. Angwin: We have given you good support.

The COLONIAL TREASURER: That is so. Let me remark this: Last night the hon. mem-

ber did one of the prettiest little things that has been done in this House. When he found that the strain of making a number of second reading speeches was beginning to tell upon me he got up and delivered two second reading speeches without any preparation whatever, just in order to give me a chance. That is the sort of little thing that appeals to me. My friend the member for Katanning proposes taking 20 per cent. off the pastoralists and putting it on to somebody else who does not produce. That kind of thing would puzzle a Philadelphian lawyer. How would it be possible to even dream of a serviceable method of collecting? From all this terrific taxation I am only going to get £140,000 if I get it all, exactly the same as Mr. Scaddan foreshadowed when he brought in his super tax. If the condition of the State called for sacrifices then, it calls for sacrifices now; if it called for every man starting at £157 to pay then, it calls for him to pay now. It must not be forgotten that if the proposed exemption is taken away, I shall have to recast everything. On the one hand I am inclined to agree with the member for Hannaus that perhaps I drop off too quickly after the £1,500. My friends here say that it is scandalous, whereas the man who is to be hit by it also says it is scandalous. If we are going to get this thing through we require to have taxation. That is generally recognised, if not in the House, at all events outside the House. If it had not been for the stand I made at the time, these taxation measures would have been brought in 18 months ago, and we would all have been paying under them since that time. Instead of that, we have been free from taxation during these 18 months; but our expenditure, domestic and otherwise, has been going up all the time. That is the position. It seems to me we are not yet ready for taxation, except it is to tax the other man. We passed to-night taxation of dividends, increased by 25 per cent., and taxation of insurance companies which, I am told, represents an increase of 100 per cent.

Hon. W. C. Angwin: That is not taxing the other fellow.

The COLONIAL TREASURER: Yes it is, very materially.

Mr. Green: It will be passed on, and the worker will pay.

Mr. Lambert: The producer will pay.

The COLONIAL TREASURER: I have listened to the debates to-night, and I do not know which is the producer and which is the worker. The member for Kanowna tells us that the workers are the real source of wealth, while my friends of the Country party say that the producers are the sole source of wealth.

Hon. T. Walker: Are not they workers?

The COLONIAL TREASURER: That is the position. Where I am I do not know.

Hon. T. Walker: I know you don't.

The COLONIAL TREASURER: I tell you I am dead straight in this, and I tell the House and the country the position is dead straight. When I cannot be dead straight in this respect I shall not want to be here. I want to believe in my heart of hearts that there is a desire in the country and in the

House, even at the expense of sacrifice, to get within coo-ee of paying our way. In my private or business life I never like to think that there is a possibility of cheques being dishonoured, and I do not want that possibility in our public life. The only way we can prevent that is by saying that we shall each bear some share of the sacrifice, and be prepared, even when it hits our own pockets, to say, "Very well, for the good of our State, as our sons are fighting for its future, we will fight also."

Question put and passed.

Bill read a second time.

In Committee.

Mr. Stubbs in the Chair; the Colonial Treasurer in charge of the Bill.

Clause 1—agreed to.

[The Speaker resumed the Chair.]

Progress reported.

#### ORDERS OF THE DAY DISCHARGED.

On motion by the Minister for Works the following Orders were discharged from the Notice Paper:—

1. Public Education Act Amendment Bill.
2. Interpretation Bill.
3. Prisons Act Amendment Bill.
4. Criminal Code Amendment Bill.
5. Church of England Diocesan Trustees and Land Bill.

House adjourned at 11.30 p.m.

## Legislative Assembly,

Friday, 19th April, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

#### QUESTION—RETURNED SOLDIERS IN HOSPITAL FOR INSANE.

Mr. GREEN (without notice) asked the Minister for Works: How many returned soldiers at present remain in the Hospital for the Insane at Claremont?

The MINISTER FOR WORKS replied: I cannot possibly furnish the information asked for at once, but will obtain it and forward it to the hon. member.