

I shall have an immense population around me and I can go in for mass production. I know fairly well what I can get there, and I will not be speculating with my money."

Hon. C. G. Latham: And if he were to start manufacturing in Western Australia, he would always be confronted with competition from the Eastern States.

Mr. McDONALD: Yes, that is so. I will not labour this question. One of the best methods by which conditions in this State could be improved would be to increase our secondary industries and to secure the transfer of population from the Eastern States to Western Australia. All are agreed upon that. I feel that the Bill will not assist towards achieving that end. I feel that even if we encourage people here to start manufacturing and they charge rather more than they should, we would secure more benefit from their presence in Western Australia and from the money they would circulate in wages and in building up industries than we would suffer from the effect of their charging a little more than we think they should.

If I had the power, I would like to introduce legislation to enable many things to be done. I would like to pass legislation so that every employee in this State would enjoy a fortnight's holiday on full wages. I believe the time will come when we shall have a 40-hour working week. I would like to introduce legislation with that end in view, if I thought it would do the people any good.

Mr. Sleeman: It would not do any harm.

Mr. McDONALD: I would like to introduce legislation to provide more adequate superannuation, beyond that which people will secure from the national insurance scheme. But if all these very desirable reforms were introduced, would they improve the position of the people? I regret to say that we must face realities. No industry would be started here with the adverse conditions operating compared with those obtaining in the Eastern States or overseas. No industry here could compete with those operating in States or countries where lower wages are paid and where conditions do not impose such burdens. Why do not we apply legislation of this description to gold and fix the maximum price at which it can be sold? It may be said that it is a world price. The reason we do not apply the Bill to commodities such as that is that they are speculative in their nature. A man may

go out and lose all his money, so we do not object to his reaping a high reward if he succeeds in the venture into which he has put his capital. On the other hand, I would apply the same rule to our secondary industries in Western Australia. We would gain more benefit if we encouraged people to come to Western Australia rather than to pass legislation, however desirable from some points of view, if it would be regarded by them as imposing a handicap on their industries.

On motion by Mr. Marshall, debate adjourned.

House adjourned at 10.50 p.m.

Legislative Council,

Wednesday, 7th December, 1938.

	PAGE
Questions: Railways, Commissioner's and Secretary's staffs, etc.	2766
Employment, Labour Bureau, Marquis street	2767
Bills: Loan, £1,306,000, 3R., passed	2767
Amendments Incorporation, 3R., passed	2767
Industries Assistance Act Continuance, 3R., passed	2767
Lotteries (Control) Act Amendment, report	2767
Inspection of Scaffolding Act Amendment, report	2767
Bread Act Amendment, report	2767
Road Districts Act Amendment (No. 3), recom.	2767
Supreme Court Act Amendment, report	2768
York Cemeteries Act Amendment, 2R., Com. report	2768
Income Tax Assessment Act Amendment (No. 2), 2R.	2768
Income Tax (Rates for Deduction) 2R.	2768
Financial Emergency Act Amendment, 2R., Com. report	2768
Marketing of Onions, 2R., Com.	2769
Marketing of Eggs, 2R.	2768
McNess Housing Trust Act Amendment, 1R.	2809

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

QUESTION—RAILWAYS.

Commissioner's and Secretary's Staffs, etc.

Hon. E. H. H. HALL asked the Chief Secretary: 1, What are the designations of the 19 officers employed in the Commis-

sioner of Railways and Secretary for Railways' offices? 2, What are the individual salaries of these officers? 3, What were the amounts of individual travelling allowances paid to these officers for the 12 months ended on the 30th September last? 4, How many District Traffic Superintendents, District Engineers and District Locomotive Superintendents are there? 5, At what places are their respective headquarters? 6, What were the amounts of individual travelling expenses paid to the officers referred to in No. 4 for the 12 months ended on the 30th September last?

The CHIEF SECRETARY replied: 1, An average of 19 officers was employed over the year. Those actually now employed are as shown below:—Designation—Industrial Agent, Salary—£550, Travelling allowances year ended 30/9/38—£19; Officer-in-charge Finance Section, £610, £76; Officer-in-charge Staff Section, £610, £9; Officer-in-charge Commercial, Freight and Fare, £550, £18; Officer-in-charge Assets Section, £480, —; Officer-in-charge Port Hedland, £445,* £6; Officer-in-charge Records, £375, —; Assistant to Officer-in-charge Staff, £390, —; Assistant to Officer-in-charge Commercial, £360, £33; Assistant to Officer-in-charge Finance, £325, £7; Clerk, £390, —; Clerk, £315, —; Clerk, £270, —; Junior Clerk, £147, —; Junior Clerk, £116, —; Female Clerk, £217, —; Female Clerk, £155, —. *Plus £80 district allowance. 2 and 3, Answered by No. 1. 4, Excluding two relieving officers, there are five District Traffic Superintendents, six District Engineers, and five District Loco. Superintendents. 5 and 6, Headquarters and travelling expenses for the 12 months:—Location—Perth, District Traffic Superintendent —, District Engineer £21, District Loco. Superintendent £13; Northam, £22, £67, £24; Merredin, £54, —, —; Kalgoorlie, —, £44, —; Bunbury, £94, £39, £14; Narrogin, £45, £79, £24; Geraldton, £147, £63, £31.

QUESTION—EMPLOYMENT.

Labour Bureau, Marquis-street.

Hon. C. F. BAXTER (for Hon. L. B. Bolton) asked the Chief Secretary: 1, What was the average daily number of registrations for employment received at the Labour Bureau, Marquis-street, for the months of July, August, September, October and November last? 2, The number of staff em-

ployed at the office? 3, The name of the officer in charge?

The CHIEF SECRETARY replied: 1, Average daily registrations for—July 40, August 41, September 30, October 29, November 33. 2, Five. 3, Mr. M. L. Smith.

BILLS (3)—THIRD READING.

- 1, Loan, £1,396,000.
- 2, Amendments Incorporation.
- 3, Industries Assistance Act Continuance.
Passed.

BILLS (3)—REPORTS OF COMMITTEE.

- 1, Lotteries (Control) Act Amendment.
- 2, Inspection of Scaffolding Act Amendment.
- 3, Bread Act Amendment.
Adopted.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 3).

Recommittal.

On motion by Hon. H. Tuckey, Bill recommitted for the further consideration of Clause 11.

In Committee.

Hon. G. Fraser in the Chair; the Honorary Minister in charge of the Bill.

Clause 11—Amendment of Section 192:

On motions by Hon. H. Tuckey, clause amended by striking out the words "Commissioner of Main Roads" wherever appearing and inserting in lieu the word "board"; and by striking out of the proposed new Subsection (3c) the words "the said Commissioner" and the words "if so required by the said Commissioner."

Hon. H. TUCKEY: I move an amendment—

That the following paragraph be added:—“(f) By inserting a new subsection after Subsection (6) as follows:—“(6A) For the purposes of this section the term “motor traffic pass” means a cattle pit or other similar device or contrivance designed or intended for the purpose of allowing the passage of motor traffic and of preventing the passage of cattle and stock.””

A definition of motor traffic pass is necessary.

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

Bill again reported with further amendments.

BILL—SUPREME COURT ACT AMENDMENT.

Report of Committee adopted.

BILL—YORK CEMETERIES ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.55] in moving the second reading said: This is a Bill to amend Section 3 of the Act, which places the York Cemetery under the control of the York Municipal Council as the trustees. The York Municipal Council and the York Road Board desire the cemetery to be placed under their joint control, as it is for the common use of the residents in the road district and the municipality. Provision to this effect is made in the Bill. The appointment of six trustees is proposed, comprising an equal number of representatives of both bodies. By resolutions of the two local authorities, the trustees will be nominated to the Governor for appointment. Funds for the maintenance and improvement of the cemetery are to be made available out of the revenues or out of moneys borrowed for the purpose by mutual arrangement between the council and the board. For the purpose of the proposal, the Bill sets forth that the maintenance and improvement of the cemetery shall be deemed a work or undertaking within the meaning of the Municipal Corporations Act and the Road Districts Act, and that the provisions of those Acts shall apply in relation to any money borrowed under the authority of this measure. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT (No. 2).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.0] in moving the second reading said: The Bill is not in the usual form that members are accustomed to consider each year, but seeks to amend the Income Tax Assessment Act by inserting new machinery provisions in the principal legislation to implement the collection of income tax at the source. As members are aware, the Government proposes to discontinue the financial emergency tax, and to collect all the revenue required under the provisions of the income tax Act.

In its present form, the financial emergency tax represents a considerable improvement on the legislation originally introduced in 1932. At that time a flat rate of 4½d. in the pound was levied in respect of all incomes. The commencing rate for married and single persons was fixed at 40s. and 30s. per week, respectively. Since 1933, graduated scales of taxation have replaced the flat rate, while from time to time the Government has altered the commencing figure in order to exempt the married man on the basic wage. Nevertheless, despite these improvements, the financial emergency tax still runs counter to many of the principles laid down by taxation authorities. For example, the tax imposition still has little regard to the principle of capacity to pay, while the usual statutory deductions are ignored altogether. While the Government cannot forgo any of the revenue at present collected under the emergency tax, it believes that the same amount of tax could be raised on a more equitable basis if collections were levied under the income tax Act and that the present is an appropriate time for the change-over.

Parliament last year enacted the Income Tax Assessment Act. In that legislation we now have an excellent modern Act bringing our income tax law into line with that of the Commonwealth and of all the other States. The Government now desires to give the taxpayer the full benefit of the operations of a scientifically designed assessment Act. At the same time it desires to preserve, under the change-over, all the advantages of the present system of collecting the emergency tax on salaries and wages at the source.

Hon. G. W. Miles: How do you propose to make up the difference in revenue?

Hon. J. Cornell: By taxing to a greater extent you and others who pay.

The CHIEF SECRETARY: The Government does not admit there will be any difference in revenue. To proceed with my remarks on the Bill, with the object I have indicated in view, the Bill proposes to insert in Part VI. of the principal Act, which deals with the collection and recovery of tax, a new division providing for the payment and collection of income tax by instalments. This proposal will bring into operation in this State a system of collection already in force in South Australia and Victoria. As with last year's Bill, the drafting of this measure follows carefully the language and arrangement of the provisions of the existing laws in the other States, so far as possible.

The Government would like to bring the new system into operation immediately, but, as I have previously indicated, administrative difficulties render this impossible. The new method of collection will necessarily involve some increase in the Taxation Department's staff and accommodation, so that, even if this Bill were passed almost immediately, some months must lapse before the department's arrangements can be finalised. Probably the earliest date on which the new system could be put into operation would be the 1st July, 1939. However, the Bill provides that the commencement of the proposed Act shall not be earlier than that date. Meanwhile, of course, the present financial emergency tax legislation will continue to operate pending the proclamation of the proposed Act. However, all being well, income tax will be collected at the source during the ensuing year in accordance with the scheme outlined in the Bill. The actual rates that will be payable on assessment will, of course, be a matter for Parliament to determine next session when the usual Land and Income Tax Bill will be reviewed.

Dealing now with the scheme of the Bill, as members are aware, the Income Tax Assessment Act makes no provision for the payment of income tax by instalments, the tax assessed being due and payable 30 days after service by post of a notice of assessment. However, under the Act, the Commissioner of Taxation is empowered to extend the time for payment where good

and sufficient reasons are advanced. Because many taxpayers, in recent years, have found some difficulty in meeting their obligations to the Commissioner on the due date, they have inundated him with applications either for an extension of time or for the payment of the tax in periodical instalments. As a result, a large proportion of the time of the Commissioner and his senior officers has been absorbed in dealing with applications of this type. Matters have now reached such a stage that, apart from other considerations, some action must soon be taken to relieve the present position both for the taxpayer and the Commissioner.

Under this Bill the proposal is that the taxpayer whose income consists of salary or wages, shall commence at the beginning of each financial year to accumulate funds for the payment of his income tax assessment. To ensure the accumulation of the necessary funds, the Bill provides that the employer shall make deductions from each payment of salary or wages at the rates determined by Parliament. The amounts deducted are then to be applied in the purchase of stamps of a corresponding value, which are to be handed over to the employee with the balance of his salary or wage. After receiving his stamps, the employee will be required to affix them in a special book, which he is to keep for that purpose. The stamps will then be cancelled by the employee in the presence of his employer or paying officer. No further responsibility attaches to the employer, but thereafter the custody of the stamps is solely the concern of the employee. In due course, the employee will receive his assessment notice from the department, based upon the income tax return which he will have lodged with the Commissioner. He will then produce, or post, his stamp book to the department, with the notice of assessment attached, in order to make the necessary settlement. Where the value of stamps is insufficient to meet the full amount of tax, the balance standing to his debit will have to be met in cash. On the other hand, if the value of the stamps is in excess of the amount of tax, the amount of his credit in stamps will be refunded in cash.

Members will realise that no change is contemplated in respect to the furnishing of returns of income. Each employee will still be required to lodge with the Commissioner a return of his income for the preceding

year, upon which the department will continue to make assessments throughout the year as at present. However, if this measure becomes law, the necessity will arise to fix a uniform due date for the payment of tax by all taxpayers whose incomes consist of salaries or wages. This date will be shown on all notices of assessment as the 14th June, irrespective of the date of the actual issue of such notices. Thus, an employee receiving his assessment notice early in the calendar year will be able to continue accumulating his stamps until mid-year, when his full liability must be discharged under this scheme.

The amounts expended in the purchase of stamps will be flowing into the Treasury throughout the year, and the presentation of stamps at the end of the financial year will simply represent the final adjustment between the taxpayer and the Commissioner. The House will understand that the deductions for stamps will not represent the measure of the liability of the employee for the payment of the tax, as it does under the present Financial Emergency Tax Assessment Act. The actual tax liability of the employee will continue on the same basis as formerly; that is to say, it will have relation to the taxpayer's income of the preceding year, and will not be based upon the salary or wages from which the deduction is made.

The rates of deduction are provided for in a complementary measure, the Income Tax (Rates for Deduction) Bill. They are as follows:—

- (a) Where the rate of salary or wages does not exceed £8 per week, 6d. for every pound and for every fractional part of a pound exceeding 10s. payable to the employee.
- (b) Where the rate of salary or wages exceeds £8 per week, 9d. per pound and for every fractional part of a pound payable to the employee.

These deductions will be made from gross income, while the actual tax will be assessed upon the employee's net income of the preceding year, after allowance has been made for the appropriate statutory deductions. In other words, the deductions proposed under this Bill represent no more than a compulsory saving towards the subsequent discharge of the taxpayer's liability.

Hon. J. Nicholson: Are there not certain exemptions?

The CHIEF SECRETARY: From the payment of tax?

Hon. J. Nicholson: With regard to the amount of salaries or wages. Everyone who earns less than £8 a week will not be liable. For example, the man in receipt of the basic wage.

The CHIEF SECRETARY: Exemptions are set out in the income tax Act, and these provide for various responsibilities such as family requirements, statutory deductions, and so on. To my mind the Bill is almost self-explanatory in its references to those features. I have not had any experience of collections at the source such as the Bill proposes, but from the information I have gleaned, I understand the system has worked satisfactorily elsewhere. Many people in all probability will prefer the opportunity to meet their tax liabilities in this manner, rather than wait till they receive their assessments and then pay the tax in one lump sum. While the Treasurer will reap an advantage through money pouring into the coffers of the State with greater regularity than in the past, a great proportion of the taxpayers will also be advantaged.

Hon. J. Nicholson: The system will make the payment of taxation easier.

The CHIEF SECRETARY: Yes. In South Australia the deduction is at a flat rate of 1s. in the pound, while in Victoria the Act provides for graduated rates of deduction according to the weekly amount of salary or wage.

Hon. H. Seddon: Can the Minister tell the House what graduations in the tax are expected?

The CHIEF SECRETARY: The graduations will be fixed by Parliament next year.

Hon. H. Seddon: Possibly you have some particular graduations in mind.

The CHIEF SECRETARY: I have nothing in mind at the moment regarding that phase. The rates of deduction proposed in the companion measure of this Bill represent a reasonable compromise between the Victorian and South Australian scales. They have been fixed with a view to enabling the employee to meet his tax liability over a period of eight or nine months, and also with the object of obviating the additional complication imposed on employers by a number of variable rates of deduction.

Members will realise, of course, that the more a taxpayer accumulates in stamps, the sooner will he satisfy his liability for tax, and the less will he have to pay in cash on assessment. Some taxpayers will find im-

mediately upon the commencement of the financial year that they will not be liable for any tax at all on the basis of the previous year's income. This may be because their total income does not amount to the statutory exemption, or because the deductions in respect of dependant children and so on bring the income below that amount.

Taxpayers coming within this income group will be encouraged to lodge their returns immediately after the 30th June, and special arrangements will be made by the department to issue to them certificates of exemption for presentation to their employers at the earliest possible moment. When this is done, employers will be released from the necessity for making any deductions from the salary or wages of the employees concerned during the period the certificates remain in force. If at any time during the financial year, an employee thinks he has accumulated enough stamps to meet his tax liability upon the basis of his income of the previous year, he will be able to attend at the department or write, forwarding his stamp book, and demand an assessment. When he has discharged his liability for tax he will be given an exemption certificate, which will have the effect I have just mentioned.

In order to meet the convenience of employers and employees who desire to avoid the necessity of purchasing and retaining stamps, the Bill makes provision for group schemes. Under a group scheme any particular employer and his employees may arrange with the Commissioner of Taxation for the employer to make the required deductions in accordance with the Commissioner's directions, payment being made to the department in cash. Employers coming under group schemes will be required to keep records of the amounts deducted in respect of each employee. Then, when the employee receives his assessment he will be given credit for the deductions made from his salary or wages.

I have outlined the main purpose of the Bill. The other provisions are mainly of a machinery or penal nature. Unfortunately, to apply the system of compulsory deductions at the source to persons other than employees is not possible, for obviously such a scheme involves placing the responsibility for the deduction on a person other than the actual income earner. Consider, for example, a person carrying on

business. To insist that everyone buying goods from such a person should deduct an amount from the price and pay over the amount in stamps would be quite impracticable. Owing to the impossibility of arranging for matters of this kind, the Bill makes no provision for deductions on behalf of persons other than employees. If business or professional men choose to set aside surplus funds in anticipation of their tax liability, then they are at liberty to acquire stamps from authorised vendors. However, they may prefer to make other arrangements. In any event, the matter will be left entirely to their own discretion.

Under the South Australian system, taxpayers may make arrangements for the payment of tax by instalments in advance of assessment. There was a provision to the same effect in the former taxation law of this State. However, the Commissioner of Taxation reports that taxpayers preferred to await receipt of their assessment notices, and then to apply for permission to pay by instalments. The Commissioner therefore considers that the re-enactment of the former provision would be quite futile in view of past experience. The Bill is to come into operation upon a date to be proclaimed, but such proclamation shall not fix a day previous to the 1st July, 1939. Financial emergency tax deductions will cease as from the commencement of this legislation.

As I have explained, the inauguration of the system will necessitate a considerable amount of re-organisation in the Taxation Department. More staff will be required and additional accommodation will have to be provided for the public. Under the agreement for the collection of State taxes, these matters will be undertaken by the Commonwealth, but the State will necessarily bear the additional cost. Admittedly, the cost of collecting our taxation will be increased to a certain extent under the proposed system, but if the experience of Victoria and South Australia can be taken as a criterion, the added cost will be a small price to pay for the advantage gained in other directions.

With the experience of Victoria and South Australia to guide us, the change-over to the new system should be accomplished with a minimum of inconvenience. When instalment deductions were first introduced in those States, some confusion was created

because of the lack of adequate accommodation to handle the initial rush of taxpayers seeking exemption certificates from the departments. Those difficulties were subsequently overcome, and to-day the system operates in Victoria and South Australia to the satisfaction of all concerned. We do not wish to repeat that experience in this State, and, therefore, the Commissioner intends to make provision for the necessary staff and accommodation to be available from the outset.

Hon. L. Craig: The Taxation Department is in a most inaccessible place, and there is no provision for the accommodation of a large number of people.

The CHIEF SECRETARY: I think the department proposes to find a more accessible place that will accommodate a greater number of taxpayers at the one time. A number of difficulties has to be overcome, but the department has been dealing with those matters. I do not know the details of the arrangements that are in hand, but I am assured that very little trouble is anticipated if a change-over takes place. The system will be an improvement on that in operation at present. Of the larger number of people who now find it more difficult to meet their taxation liabilities at a specified time, I feel sure many will welcome a change of this kind. I commend the measure to the House, and move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [5.23]: The Bill proposes to replace the financial emergency tax by one that will amalgamate the emergency and the income taxes. The reason for its introduction at the present juncture is that machinery may be prepared for the inauguration of the new system and that the system may come into operation at the commencement of the next financial year. With those two objectives members who favour the idea of collection at the source must agree. There are, however, certain provisions in the measure to which I take exception. The effect of the Bill will be that a considerable number of persons who are paying financial emergency tax will be relieved of that payment.

If members refer to the proposed new Section 193, they will discover that, whereas a single person now commences to pay financial emergency tax on an income of 30s. a week, he will, if the Bill becomes

law, start to pay on an income of 37s. per week. In other words, the exemption has been raised from £78 a year to £96 a year. On the other hand, under the income tax Act a single person has a statutory exemption of £100. When he receives more than £100, the statutory exemption is reduced by £2 for every £1 over the £100. It is proposed that the exemption in respect of income tax should be reduced by £4, while the exemption in respect of the emergency tax is to be increased.

The position in relation to married men is still more glaring. The financial emergency tax schedule passed this year provided for a graduated tax to be imposed on incomes commencing with those between £200 and £260. Any person receiving less than £4 2s. per week will not pay emergency tax. Under the income tax Act, any person without children will start to pay tax on an income of £200, but for a person who has two children the exemption is increased from £200 to £313.

Hon. G. Fraser: Local breeding must be encouraged.

Hon. H. SEDDON: All those persons that are now paying financial emergency tax on incomes between £200 and £313 a year will be exempt under the new proposal. The result will be that a very large number of taxpayers who are now contributing something towards the revenue of the State will be exempt from payment. What is proposed is that we should incorporate in the income tax the very much higher exemption provided in respect of the emergency tax and relieve quite a large number of taxpayers from the necessity for contributing towards the taxation revenue of the State.

Hon. L. B. Bolton: About 14,000 taxpayers will be exempted.

Hon. H. SEDDON: Yes; it has been stated that 14,000 persons now paying emergency tax will be exempted.

Hon. G. Fraser: Those to be exempted should never have been required to pay.

Hon. J. Cornell: Those with higher incomes will have to pay the amount previously furnished by those now to be exempted.

Hon. G. Fraser: If they had responsibilities their taxation would be reduced.

Hon. H. SEDDON: According to the figures for 1937, the people who will be relieved of responsibility for the payment

of tax, if the new measure is accepted, provided £38,000 in taxation. That amount will have to be obtained by the Government and it can be secured only by a higher rate being imposed on the larger incomes. The financial emergency tax yielded £1,000,000 last year. If that amount is to be provided through income tax in future, even if the exemption that prevailed in regard to the emergency tax last year is preserved, the graduations will be tremendously increased. The result is that people will find themselves assessed at rates that will absolutely stagger them. The Government has decided to liberate from payment of tax a considerable number of people now paying it. In doing so it must have laid the foundation for a very steep and high system of taxation rates to provide the amount previously contributed by people now to be exempted.

The outgoing Government is in this position: It will either place upon the incoming Government—assuming there is a change of Government—the responsibility of introducing a scheme of taxation that must inevitably stagger the community, or it will have established—assuming that the same party is returned to office—a system whereby it can say, “The people have approved of it and have returned us in order to assess them at the rates forecast in the Bill passed in the previous session.” Whilst I agree with the principle of collecting income tax at the source, I feel that the Bill is loaded. The House would be well advised, in spite of the disadvantage of not being able to provide machinery for the collection of the combined tax, to reject the Bill until we see what conditions prevail next year, rather than allow the increased exemptions that the measure provides and incur the necessarily high income tax rates that will be imposed upon taxpayers through the passing of the Bill.

Hon. H. S. W. PARKER: To what section are you referring?

Hon. H. SEDDON: Any person receiving 37s. a week or more will have to pay the income tax rates. It is also provided that immediately the Bill becomes an Act, the financial emergency tax will end. The House should reject the Bill. If we are going to have a combined income tax and emergency tax assessment Act, or if an income tax measure only is to operate next year, we can consider it upon the merits when the time arrives.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.33]: I am in favour of the Bill, and have for a long time advocated that the financial emergency tax should be discarded and one income tax substituted.

Hon. J. Cornell: On what basis?

Hon. H. S. W. PARKER: The financial emergency tax is an income tax by another name. To have a number of income taxes collected in different ways is confusing to the public. The Bill is a move in the right direction. It provides for one tax in the nature of an income tax to be collected in one way. The collection of the tax at the source will be a great convenience to the department as well as to the taxpayer. When the tax is collected from the salary or wage-earner at the source, the individual concerned will not miss the money. Furthermore, the Government will have a very much better opportunity to collect the tax, and will not have so many bad debts.

Hon. L. B. Bolton: What about family deductions?

Hon. H. S. W. PARKER: That will be taken care of when we receive the taxing Bill.

Hon. J. Cornell: The taxing Bill is here.

Hon. H. S. W. PARKER: I agree with the Chief Secretary that next year the taxing measure will come before us as for the year ended June, 1940.

Hon. L. Craig: This is the rate of tax.

Hon. J. Cornell: It will be too late then.

Hon. H. S. W. PARKER: I cannot see that. I disagree with the reasoning that has been advanced. Section 193 of the Act provides only for immediate deductions. These must be made by the employer from the wages paid to the employee, provided such wages amount to 37s. a week. If next year it is decided, under the taxing measure, that people earning 25s. or 30s. a week are to be taxed, the only difference will be that those earning less than 37s., and between that and the minimum, will be taxed at the source of their income.

Hon. H. Seddon: What prevails if it does not provide for that?

Hon. H. S. W. PARKER: The taxing Act itself would prevail.

Hon. J. Cornell: The hon. member is getting the taxation and assessment measures mixed.

Hon. H. S. W. PARKER: The assessment Bill provides the machinery for collection of the tax.

Hon. G. W. Miles: We must be very careful about this.

Hon. H. S. W. PARKER: I agree that it is advisable to have all the machinery set in motion so that a start can be made with this new method at the beginning of the next financial year.

Hon. L. B. Bolton: A better starting point is required than is provided by this Bill.

Hon. H. Seddon: That is the point.

Hon. H. S. W. PARKER: I am pleased the Bill has been brought forward, and support the principle contained in it.

HON. L. B. BOLTON (Metropolitan) [5.36]: I agree with the principle contained in the Bill, but not with the suggestion that approximately 14,000 taxpayers shall be relieved of taxation responsibility. Some means must be found to ensure that they shall continue to pay as they are doing under the financial emergency provisions. The Bill means that the load on certain sections of the people will be increased. I am glad it is intended to do away with the financial emergency tax, and am not opposed to the principle of collecting the money at the source, but I am opposed to the conditions laid down in the measure. If the Government was sincere, it would amend the income tax Act, and reduce the statutory deductions, so that everyone, as is the case now, would pay a fair amount after reasonable exemptions had been granted. The system proposed in the Bill will be most unfair. Whilst I agree with the principle, I do not agree with the manner in which it is put forward, and shall oppose the second reading.

HON. G. FRASER (West) [5.37]: I support both the principle and the contents of the Bill, which, when it becomes law, will provide the correct basis for the collection of taxation, and the correct proportions for the payment thereof. Right through the years, Parliament has agreed that in the case of married men, for instance, there should be an exemption of, say, £200, and that when a man has further family responsibilities he shall benefit from other deductions. All Parliaments in Australia have agreed to that principle. A few years ago, because of some temporary circumstances, a special tax was introduced. At that time we forgot about allowing exemptions to men having family responsibilities. No member

can justify the imposition of the same tax upon a man, his wife and six children as is imposed upon a man who has only a wife to support.

Hon. J. Cornell: Your party took six years to wake up on that point.

Hon. G. W. Miles: If the Government is going to provide exemptions of that nature, it should bring down a bachelor tax.

Hon. G. FRASER: No member can justify the imposition of the same tax upon a man with six children as would be imposed upon a man with no children. All this Bill does is to make that differentiation. It aims at doing away with a disability the community has suffered in the past few years. On several occasions I have raised this very point and suggested that the Government should adopt something along these lines. It never appealed to me as being fair to impose a financial emergency tax in the way it was levied, namely, on a flat rate basis, irrespective of family responsibilities. The tax proposed in the Bill is fair and just, and is the only way to overcome the present situation. If members wish to make an alteration, I suggest they tackle the matter from a point of view different from that of merely defeating the Bill. No member can justify a continuation of the method that has been adopted during the past eight or nine years. The imposition of a bachelor tax, or any other special tax, can be dealt with in another Bill. During a period of temporary madness, we departed from the original system of taxation, which was fair to the community in general.

The principle contained in the Bill is most equitable so far as the financial emergency taxation is concerned. The measure should be passed this session. Unless that is done the new system cannot be brought into force at the end of the current financial year. To make the necessary arrangements with the Commonwealth and provide other buildings and accommodation will take some time. No one will contend that all these alterations can be effected within a few weeks. The Taxation Department is wholly inadequate, from the point of view of accommodation, for present requirements. A long time elapses before one can obtain an interview with any of the officials. The new system will create more work for the taxation officials by reason of their having to interview more people, grant exemptions, and make decisions concerning the amount that

a taxpayer has to pay. Larger buildings and more accommodation will be required, and all these arrangements will take some time to make. Many people who have been paying the financial emergency tax are entitled to a refund, but that is not easy to get.

Hon. L. CRAIG: That is a sprat to catch a mackerel.

Hon. G. FRASER: I do not know so much about that. Taxpayers have spent a lot of time in making applications for refunds.

Hon. J. Cornell: At my end of the world, the money stays where it has been put.

Hon. G. FRASER: As I say, numbers of people are entitled to a refund, and have spent a lot of time and put themselves to much trouble in an endeavour to get it. Under the system proposed by the Bill, all that waste of time will be obviated. I have considerable faith in the proposals contained in the Bill and I feel that members will be quite justified in passing the second reading. If they desire the new system to come into operation in the next financial year, the Bill must be passed this session.

HON. L. CRAIG (South-West) [5.45]: I agree, as I feel sure all members must, with the main principle of the Bill. The collection of tax at the source will apply to salaries and wages only, and will not apply to any taxpayer who has income from other sources. I believe that in a sense we are between the devil and the deep sea regarding this Bill. If we do not pass it, the measure cannot come into operation on the 1st July next. One safeguard we have is that if the commencing rates as fixed in the Bill are at a figure of which the new Government will not approve, they can be amended.

Hon. J. M. Macfarlane: The new Government!

Hon. L. CRAIG: I am not necessarily inferring that the new Government will not be of the same party, but whatever party it consists of, it will be a new Government. This measure will operate only in respect of the money due in the succeeding 12 months. Therefore an amendment could be made next session. The collections will be on the basis laid down in this measure if it becomes law, but any amendments made by the new Government will affect the current year because the taxation will be collected ahead of the assessment. Consequently the assessment

could be arrived at after portion of the tax had been collected. I admit that my explanation sounds somewhat Irish, but that is the effect—money will be collected ahead of the assessment.

Hon. H. Seddon: That is so.

Hon. L. CRAIG: An assessment is necessary and that fixes the rate of tax.

Hon. J. Cornell: No, it fixes the amount after allowing for deductions.

Hon. L. CRAIG: If the new Government so desired, it could alter this assessment measure. That course will be open in the event of a new Government being returned. If the present Government continues in office, naturally it will want the Bill.

The Chief Secretary: This is a new section to provide for collecting the tax and deals only with the collection. It does not deal with the rate.

Hon. L. CRAIG: No, the rate will be struck by the new Government in the ordinary way.

Hon. G. W. Miles: The assessment need not be altered.

Hon. L. CRAIG: But if necessary it can be altered.

Hon. J. Cornell: It rarely is altered.

Hon. G. W. Miles: There is not much chance of getting an alteration unless the Government brings in a Bill to amend the assessment Act.

Hon. L. CRAIG: I agree. Members ask what will happen if we reject the Bill. I admit that I am afraid of the measure, because I believe it will have the effect of compelling some taxpayers to contribute an excessive amount of taxation, much more than they anticipate and perhaps more than they can afford.

Hon. G. Fraser: A lot of people who are not paying will pay under this measure.

Hon. L. B. Bolton: Nonsense!

Hon. L. CRAIG: I believe that a lot of people who are not now paying taxation will have to pay under this measure. I refer to some shearers and others who do not pay.

Hon. L. B. Bolton: They pay the financial emergency tax.

Hon. W. J. Mann: Some people are evading payment.

Hon. L. CRAIG: To arrive at the amount of tax that should be paid by a man employed in the country is almost impossible. A man works for three or four days and is then out of work for a fortnight, and an employer does not know how much to tax

him. The man himself has no idea and neither has the employer.

Several members interjected.

The PRESIDENT: Order! I ask members to allow Mr. Craig to proceed.

Hon. L. CRAIG: Although I do not agree with all that the Bill contains, I cannot see how we can very well reject it. Undoubtedly if we refuse to pass it, we shall create considerable confusion at the commencement of the next financial year; the Bill must be passed this session if the new system is to operate as proposed. So far I am prepared to support the second reading, but I am still open to conviction.

HON. J. NICHOLSON (Metropolitan) [5.51]: Doubtless the Bill contains much that can be said to appeal to one's imagination in that it provides a better system for collecting taxation than exists at present. The object of the Bill, as the Minister has explained, is to remove from the statute-book a measure that was introduced because of circumstances that had arisen during the depression. Fortunately for the present Government and for a past Government the financial emergency tax has yielded a revenue far surpassing expectations. Nobody ever dreamed when the Act was introduced that it would realise a figure anything like approaching what has been collected. The financial emergency tax will be repealed and supplanted by the new method laid down in this Bill.

There seems to be a dread on the part of some members that if we do not pass the Bill this session, the Government will be placed in a very difficult position. If we do not pass the Bill, I cannot foresee difficulty for any Government, and I am not going to be rushed into giving my support to this or any other measure on the score that otherwise certain consequences may follow. Income tax assessment Bills have been introduced in former years and have taken effect some time after the beginning of the financial year.

The Chief Secretary: This is not an ordinary assessment Bill.

Hon. J. NICHOLSON: No, it is a Bill to amend the assessment Act of 1937. There is a disparity between the deductions provided in the assessment Act and those allowed under the Financial Emergency Tax Act. The claim has been made that, when the Financial Emergency Tax Act

was passed, Parliament omitted to incorporate deductions similar to those contained in the income tax Act. I say definitely that was not the case. The financial emergency tax was passed for a specific purpose. Save for several exceptions mentioned in the Act, the object was that everyone, however small his salary or wages might be, should contribute a sum, though small, to assist to meet the difficulties with which we were then confronted.

Hon. G. Fraser: Even girls receiving 12s. 6d. a week.

Hon. J. NICHOLSON: That was altered later.

The Chief Secretary: This Bill has nothing to do with that.

Hon. J. NICHOLSON: But if we pass the Bill the effect will be to repeal the Financial Emergency Tax Act and therefore the provisions of that statute will no longer apply. The net result will be, as Mr. Seddon and Mr. Bolton pointed out, that many thousands of people will be relieved of the responsibility of contributing something, however small, to the revenue of the country, as was intended by the financial emergency tax.

I ask members to bear this important fact in mind. We are passing through a time of great difficulty and shall have to face a very trying period probably in the near future.

Hon. G. W. Miles: There is no doubt of that.

Hon. J. NICHOLSON: I regret that it should be so. Let me therefore ask this simple question: Is this the time to be making changes of this drastic nature when we may need all the help that was given us by the financial emergency tax? I do not think this is the time to make such a change. I fear that instead of getting out of our difficulties, we shall be sinking deeper into the mire. Let me put another question: Is it right that, towards the end of the session and on the eve of a general election, we should make such a drastic change as is contemplated by this Bill? I cannot believe that it is right. I foresee no difficulty for the party that will be in power after the general election. I care not what party it may be—Labour, Liberal or Country—it is the right of the new Government to determine exactly what legislation of the kind it desires. Certainly it is not for a Government about to leave

office—though it may be returned—to introduce such a measure and possibly create difficulties for its successor. This is a matter that might well be held over until next session. When the new Government takes office I cannot see anything to hinder it seeking legislation in June to give effect to its desires. The Government could meet Parliament early in June and introduce whatever legislation was thought fit, but I think that in the light of circumstances the Government will not.

Hon. G. Fraser: On your argument, no Government should make alterations in the law during the last session of a Parliament.

Hon. J. NICHOLSON: I have not said that, and I would not say it. However, in a matter so important as altering the method whereby finance and revenue are received by any Government, in a matter of a Bill which will lay down for a new Ministry, whether Labour or Liberal or Country Party, an altered method, it is wrong to act before the new Administration enters into the seat of government. So important an alteration should be made when the new Administration comes into being. That will be the right time to do it—not now.

Hon. G. Fraser: The new Government will fix the amount of money to be collected.

Hon. J. NICHOLSON: That is quite correct; but in the light of circumstances existing to-day, and having regard to the beneficial results obtained from the method of taxation imposed during the period of difficulty, the benefit of which method has been received by the present and past Governments since the passing of financial emergency legislation, we should not change horses while crossing the stream. The wiser plan is to reflect seriously on this matter and leave it for a later date. Legislation can be brought in without any difficulty at all when any new Government comes forward. Unless the Minister can point out to me something that is calculated to change my mind, I certainly shall not support the Bill.

HON. W. J. MANN (South-West) [6.3]: I am not clear as to what will be the position if we refuse to pass the Bill. I know that the measure seeks to perpetuate a system which I have always opposed—a system of deductions as a form of taxation. The Bill provides for deductions.

The Chief Secretary: Yes, but not that kind of deductions.

Hon. W. J. MANN: It has been stated clearly here to-day that the passing of the Bill will mean that a vast number of people will escape taxation. That is what I am referring to. I think, and have always thought, that every wage-earner receiving over a couple of pounds per week should pay something in the way of taxation. I do not say everyone should pay on the same scale, but I do contend that everyone ought to pay. Unions insist that all their members shall pay union contributions, and in some cases irrespective of earnings. What applies there should apply in the field of taxation. I am afraid the time is not far distant when not only in this State but throughout Australia fiscal policies will have to be reviewed, and reviewed in such a manner that there will be no question of deduction, but that a great deal more taxation will have to be paid and that all the people will have to contribute.

Hon. L. Craig: We should all realise that now.

Hon. W. J. MANN: The sooner we recognise it, the better. In my humble opinion a great deal of this remission of taxation to certain sections of the community is simply molly-coddling those people to their own detriment.

HON. J. CORNELL (South) [6.6]: Financial emergency taxation has much in common with the Heathen Chinee, in that its ways are dark and its tricks are vain. Financial emergency taxation was introduced to tide the State over a financial stringency which proved of long duration. The discovery has now been made that Western Australia cannot do without that taxation. The Bill proposes to abolish the financial emergency tax by merging it with the income tax. I have advocated deduction at the source, but I never desired this Heathen Chinee method of abolishing the emergency tax by merging it with the income tax in order that a section of the community might be placated. Yet that is exactly what the Bill means.

This Government has been in office for six years. The very first gun it fired was aimed at the financial emergency tax introduced by the Mitchell-Latham Government. This present Government raised the exemption to the level of the basic wage in the metropolitan area and the South-West Land Division. The exemption has consistently risen since

then, till now it is up to £4 2s. per week. Mr. Seddon has pointed out that under the new proposal the man on the basic wage will be exempt altogether. Further, the man above the basic wage, who should contribute something, will under this measure contribute nothing if he is a married man with one child. For the married men with two children, Mr. Seddon says, the exemption will be £320.

The Chief Secretary: The Bill does not refer to that aspect.

Hon. J. CORNELL: I know that. This is one of the devious ways of the Heathen Chinee. The Bill, if passed, will become part and parcel of the income tax assessment law; and it is the law on the statute-book that fixes the exemption—not this Bill at all. Next session, again if the Bill passes, this House will have no say whatever. It can stand out till the crack of doom if a Government of a particular brand of political opinion remains in office, but the effect will be nil. Under the law as it stands, any and every Government has to bring down each session a Bill imposing the rate of tax. And the tax begins at the exemption level.

I want to tell Mr. Parker and Mr. Craig that the intention to alter the exemption represents merely a pious wish. This Bill is simply the machinery measure giving all the exemptions and providing the starting-point from which the tax is to operate. Mr. Seddon has said that a married man with two children in the metropolitan area or the South-West Land Division who pays on something in the vicinity of £100 under existing legislation will escape paying under the Bill. Now let us turn to the man on the goldfields. Here I want to address myself to Mr. Moore, Mr. Heenan, Mr. Drew and Mr. W. R. Hall, who represent goldfields electorates. The Bill is not worth a rap to goldfields workers. The position there is that the goldfields married man without children and drawing in the vicinity of £300 a year has a basic wage without a district allowance. Therefore he will not get any loaves and fishes from the Bill.

I want to wake up the Country Party too, because so far no member of that party has spoken on the Bill, which affects that party's constituents in the same way as it affects workers in the metropolitan area. I do not want Country Party members to sit on the fence. Nor do I want any goldfields mem-

ber to support the Bill as a political nostrum. I want to bring members of both parties to a full realisation of the certainty that their constituents will get it in the neck under the Bill, just as they got it in the neck under previous financial emergency legislation.

Hon. G. Fraser: Whose fault was that?

Hon. J. CORNELL: I am putting up a case for goldfields workers.

Hon. G. Fraser: Do you suggest that they will have to pay more under the Bill?

Hon. J. CORNELL: No. I contend that they will get nothing out of it, whereas the workers of the metropolitan area and the South-West Land Division will. Why this sudden conversion after six years of office? I know that the members of the Labour Party have advocated consistently, and probably rightly too, that on the married man with dependants the financial emergency tax has been unduly severe. This did not begin yesterday. They have advocated it for several years.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. CORNELL: Before tea, I was contrasting the position of the man in the metropolitan area receiving the basic wage with that of the man receiving the equivalent basic wage on the goldfields. Mr. Drew was not present then, but what I said was for his information and for the information of Mr. Heenan, Mr. Seddon and Mr. W. R. Hall. A man with two children in the metropolitan area earning £200 a year obtains an exemption of £313. A man on the goldfields on the same relevant wage, leaving out the industry allowance, without children, would pay income tax on £113, because he was receiving £312 per annum. The position becomes worse farther outback. The argument has been advanced that the assessment Act can be amended next year; and that the only way in which relief could be given would be to bring some 14,000 taxpayers under the provisions of the financial emergency tax, and then relieve them of the tax by reducing the amount of the exemption. I remind hon. members that that is something this House cannot do.

Hon. A. Thomson: We tried it before and failed.

Hon. J. CORNELL: This House cannot reduce the amount of exemption for chil-

dren. It can increase the amount, but not reduce it.

Hon. G. Fraser: You are talking about a new Government.

Hon. J. CORNELL: A new Government could not alter the position.

Hon. G. Fraser: But a Bill could be introduced in another place.

Hon. J. CORNELL: A private member in another place could not do that. This House is powerless to reduce the amount of exemption. It can reduce the rate of the tax. It cannot reduce the amount of the exemption, because the reduction would mean the taxing of people, whereas the proposal is to exempt them.

Hon. G. Fraser: It could be done by a Bill in another place.

Hon. J. CORNELL: Yes. We can throw aside sophistry. If the Bill is passed and a general election takes place, those returned to Parliament would be told, in effect, "This legislation has the approval of the country." It rests with the Government that is returned to rope in the people to be taxed. Those people can be taxed in one or two ways.

Hon. H. V. Piesse: That is the unfair part of the Act.

Hon. J. CORNELL: Exactly. Members need have no fear if they reject the Bill. What is there to fear? I have already said that the present Government was elected six years ago to supplant the Mitchell Government. The first thing it did was to alter the incidence of the financial emergency tax. It suddenly wakes up on the eve of an election, as I have said, because it is being pushed by its own supporters. I do not blame the Government for that. The Government considered the financial emergency tax was unfair because no consideration was shown to married men with children. That, however, has been apparent since the legislation was passed. Why this sudden conversion?

Suppose the Bill were lost, what would be the position? The present assessment Act would stand and so would the financial emergency tax. Taxation experts have informed me that the proper thing to do is to get at the people who are paying taxation now, but will escape it. That is the design of the Bill. Assume that the financial emergency tax ceased at the end of June next. If the Bill were lost, would that be a catastrophe? You, Sir, will re-

member that in the dying hours of the 1933 session the financial emergency legislation was considered by this Chamber. It provided for the reduction of the salaries of members of Parliament, judges and civil servants, but was lost in a conference. Did the then Premier thereupon clothe himself with sackcloth and put on ashes? No. He called a special session of Parliament, which re-enacted the legislation.

Assume that the present Government, or another Government, is returned to power in March or April. If the Bill is rejected, could that Government not do what the Collier Government did in January, 1934—call Parliament together and re-enact the legislation, if it is desired? The Government need not wait till August to correct any mistake that might be made.

Hon. G. Fraser: You would not give it time to prepare the legislation.

Hon. J. CORNELL: I know the hon. member will, like a drowning man, clutch at a straw. He said the Government would not have time.

Hon. A. Thomson: The Government ought to get time!

Hon. J. CORNELL: It might. Members are asked by this Bill to sign a blank cheque.

Member: That is right.

Hon. J. CORNELL: We are asked by this Bill to commit a new Government. The present Government is, of course, already committed.

Hon. L. Craig: That is the strongest point.

Hon. J. CORNELL: I am glad I have made one point. The Bill asks us to commit a new Government, if there is a change.

Hon. G. Fraser: There will not be.

Hon. J. CORNELL: The Bill is unfair to the two political parties who form the Opposition, and who will be put in a false position. I hope this Chamber will stand up to its responsibilities and reject the Bill. My vote will be given accordingly.

HON. C. F. BAXTER (East) [7.41]: For many years there has been a strong agitation for the removal of the Financial Emergency Tax Act from the statute-book. A Bill is now before the House which merges the financial emergency tax into the ordinary income tax. As a result, the taxation will be thrown on the same body of taxpayers that has always carried the burden in this

State. The financial emergency legislation was placed on the statute-book in 1932. It was forced on the then Government, who were compelled to meet an emergency. The Government was forced to tax people who were fortunate enough to be in employment and earning full wages to contribute towards the upkeep of the vast number of workers thrown out of employment.

Hon. G. Fraser: More than those earning full wages were forced to pay the tax.

Hon. C. F. BAXTER: Taxation is a fetish of the hon. member. Surely the people of the State should be prepared to contribute towards the services rendered to them by the State.

Hon. G. Fraser: Out of 12s. 6d a week?

The PRESIDENT: Order!

Hon. C. F. BAXTER: They enjoy police protection and the advantages of education and hospital benefits in addition to other free services. Surely they should contribute some amount, however small. Members know that for years I have fought strenuously to tax all sections of the community. I was not in favour of the minimum rate of 4d. in the pound. I considered that tax too high for persons on low wages. Members will recall that I and other members strove hard to get that sum reduced to 2d. in the pound as a minimum.

Hon. G. Fraser: Sustenance workers were called upon to pay the tax.

Hon. C. F. BAXTER: The only tax the sustenance workers paid was a tax of 25s. a year imposed by the Trades Hall.

Several members interjected.

The PRESIDENT: Order!

Hon. C. F. BAXTER: That was a tax that no government of any other country would dare to impose. The Government would not allow the sustenance workers to earn their bread and butter unless they paid the union fees.

Hon. G. Fraser interjected.

Hon. C. F. BAXTER: The hon. member is bringing it on himself.

Hon. G. Fraser: No, I am putting you right.

Hon. C. F. BAXTER: This measure will not come into force until the 1st July next at the earliest, and probably not then. The Bill even proposes to go further afield than in the past by exempting a person on £6 10s. a week from contributing to the taxation of the country, and yet he will enjoy the free services of the State provided by

the taxpayers. I say advisedly to Mr. Fraser, who apparently cannot keep his tongue quiet, that this tax may not be the only one we shall have to bear in the not distant future. The report of the Commonwealth Grants Commission did not make pleasant reading in its reference to the possibility of our finances having to be trimmed, and of our receiving less money.

What is the outlook at present? The State is about 2¾ millions down in value on account of the wheat crop; much less money will be received for wool, and our railways and public utilities will be earning less. The railways this year will be very hard pressed indeed, because the greater portion of the wheat is carried a short distance only, and we know it is the long-distance haulage that yields a profit to the department. The Railway Department must show a heavy loss during the current financial year. There are other occurrences that the Government will be unable to avoid. Not only will our services suffer generally, but receipts from taxation will be smaller. Even at the present time the Government is faced with trouble. True, a sum of £100,000 is to be provided out of the flour tax to relieve the farmers in the marginal areas who have suffered through the drought. In this respect the Government is going one better by providing £150,000 for the same purpose. For that I commend the Government, though I believe more than that sum may be required. I sympathise with the Government in the difficulties that confront it, but the passing of this Bill will not help.

One member stated that the measure will have the effect of exempting 14,000 people from payment of taxation. I think the number will be greater than 14,000. My opinion is that instead of releasing people from payment of taxation, we shall have to bring more of them in as taxpayers in order to meet the oncoming tide. I do not feel at all disposed at the present juncture to give a blank cheque, as Mr. Cornell expressed it—and in that I agree with him—to this or to any other Government. Let us wait for six months and see what we have to face. We shall be in a better position to judge the future then. The matter could easily be brought before Parliament by opening the session earlier. I feel convinced that we shall have to go much further than this Bill suggests in the way of imposing taxation.

While I am prepared to do all I can to help the Government in giving effect to its financial policy, I maintain that the prospects point to our receiving lower returns from taxation, of having lower earnings from our public utilities, and of less money being in circulation amongst private people and so resulting in lower contributions to the coffers of the Treasury. The situation may demand not only an increase of taxation but a curtailment of Government services. What justification is there for passing the Bill at this stage? What reason is there for it, apart from making ready? In six months we shall be able to judge the position much better. Let us hold our hand for that period, and then we shall have an opportunity to gauge what has to be faced financially. When we know the true position, that will be the time to consider a measure of this kind; we shall be better qualified to determine the needs of the State and make financial arrangements accordingly.

I cannot lend any support to the Bill. I am always prepared to help a Government that shows a desire to finance along sound lines, but on this occasion I cannot support the Government. If this measure is not passed, I hope that a small rate of tax, if not 2d. then 1d. in the pound, will be imposed on people on the lower rungs of the ladder, so that they may be brought to realise their responsibilities. What would 2d. in the pound mean on a salary of £6 a week? Roughly, £3 a year. The worker, as an individual, would scarcely miss that amount, but collectively the tax would provide a substantial sum to aid the Government in financing the affairs of the State. I regret that I can do no other than oppose the second reading.

HON. A. THOMSON (South - East) [7.52]: We are a body of men charged with the duty of carefully considering the effect that proposed legislation will have upon the people of the State. In order to show that even the Government has not considered the effect this Bill will have upon the finances of the State, I intend to quote various statements that have been made. The Government is not in a position to tell us what the loss or gain to revenue will be by the passing of the Bill. We are told that the measure provides for an alteration in the basis of taxation, and that the whole ques-

tion is being investigated. Though we have been informed that the incidence of taxation will be altered, we have not been enlightened as to what the loss or gain to the revenue will be. We are simply told that no undue hardship will be inflicted upon anyone.

When the Financial Emergency Tax Bill was referred to a conference of representatives of the two Houses, I had the privilege of being one of the managers for this House, and we were seriously informed by the then Premier that he was not increasing taxation at all. He told us he was not asking for any more taxation. My reply was that he would have great difficulty in proving to those people who were to be taxed at a rate of 9d. instead of 4d. in the pound that taxation for them was not being doubled. Before the House passes a measure of this kind, we should certainly satisfy ourselves whether any undue hardship is likely to be imposed upon any section of the community. Recently the Chief Secretary did me the honour of saying that I had been consistent in my views on taxation. Before I entered Parliament, and ever since, I have maintained that everyone, irrespective of the amount of salary or wages he is earning, should pay his quota towards the revenue of the State.

Hon. G. Fraser: Irrespective of his responsibility?

Hon. A. THOMSON: Yes, irrespective of his responsibility. That phrase sounds quite attractive, but I suggest that the hon. member should go to the trots on any Saturday night and take particular notice of the patrons. Let him go to any of the picture shows in the city or suburbs and see whether he can get a seat at a quarter or ten minutes to eight, unless he has taken the precaution to book. Yet the hon. member says "irrespective of his responsibility."

Hon. G. Fraser: You can see a lot of people waiting outside the picture shows at a quarter to seven in order to get in on a 1s. 2d. ticket.

Hon. A. THOMSON: I myself am not above taking a 1s. 2d. ticket. While we are complaining of the undue burdens being imposed upon industries and individuals, another section is out to exempt its own people and arrange that they shall pay no taxation. Mr. Fraser's party claims to be so democratic as to be actuated by the desire to relieve basic wage-earners from payment of any taxation. I say it stands to the lasting

disgrace of the Labour Party that those who claimed to represent the workers were the first to say to the sustenance men—men who had to leave their homes and accept work on the roads; men who had not been accustomed to such work—"You cannot have work unless you contribute to our funds." The Labour Party definitely refused to give those people the right to work, or even the right to live. I say that act stands to the lasting disgrace of the present Government. Those workers were forced, through no fault of their own, to accept work on the roads, and to pay half-a-crown a week until such time as they had contributed the full 25s. for union membership. The men were not permitted to start work until they complied with that condition. Yet the hon. member uses a phrase such as "irrespective of responsibility." The hon. member and his friends should be careful. People who live in glass houses should not throw stones.

Let the tax be low enough, but let every individual who is earning pay something. Everyone enjoys the free services in the form of education, police protection and charities. The Child Welfare Department performs very useful service in the community; it enables many mothers to remain at home and look after their children, which is as it should be. Police and other services have to be paid for, and surely those who are deriving benefit from those services cannot complain of hardship if they are required to pay a little towards the cost. This is the reason why I have always maintained that the tax should start at a low rate. But let everyone who is earning pay something to the revenue of the State.

As I said, we have not been informed whether any loss of revenue will result from the passing of this Bill. We have been told that the maximum rate of tax will not exceed 4s. 6d. in the pound. The Leader of the Opposition stated in another place that this measure would have the effect of exempting 14,000 people who at present are contributing to the revenue of the State. Before I could vote for such a Bill, I would have to be satisfied how the Premier proposes to recoup that loss. Where would he recover the amount that he would lose by foregoing payment of taxation by 14,000 people? I assume that the statement is correct; at any rate, the Premier did not challenge it. If the Government is going to exempt that number, we are at least en-

titled to know how the burden is to be placed.

Hon. J. J. Holmes: The Government will not get it from the wheatgrowers or the woolgrowers.

Hon. A. THOMSON: Not this year, at any rate. The Bill should be referred back to the Government for further consideration. In another place a member stated that, in all probability, upwards of £500,000 would be lost to the State in consequence of the alteration proposed in the incidence of taxation. The Premier replied that the statement was absurd, but he did not disprove it. As the member concerned had occupied a position in the Taxation Department for many years, his prediction is worthy of consideration. The Government, we are told, hopes to collect upwards of £80,000 extra from what are termed "habitual tax dodgers." I was under the impression that the imposition of the financial emergency tax had closed up any such avenue of evasion. If the officials of the Taxation Department were aware that taxation was dodged annually to the extent indicated, they would appear to have suddenly become very lax in their administration. I have grave doubts as to the truth of the statement, although it may have been made in all good faith.

This House should require something more definite before voting for the Bill, seeing that we are so uninformed as to its probable effect. A statement made by the Premier in the Legislative Assembly is alone sufficient to warrant my voting against the Bill. In the course of his remarks the Premier is reported to have said—

It would be foolish for anyone to say that this measure embodies a fully digested scheme of taxation, which the Treasurer of the day will bring into force in 12 months' time.

The PRESIDENT: I hope the hon. member is not quoting anything that the Premier said in the Legislative Assembly. I trust I can rely upon him not to quote from "Hansard."

Hon. A. THOMSON: I am not quoting from "Hansard."

The PRESIDENT: Or from a report of any debate in the Legislative Assembly.

Hon. A. THOMSON: Possibly I may be out of order, but I regard this matter as of such vital importance that members should be entitled to take notice of Press reports of the Premier's remarks on the points at issue.

The PRESIDENT: An incidental reference to views expressed by the Premier may be in order, but to quote the Premier's exact words is a different matter. I would require an assurance that such words were not used in Parliament.

Hon. A. THOMSON: So far as I know, those were not the exact words uttered by the Premier.

The PRESIDENT: I think members should use a certain amount of discretion in quoting from speeches delivered by the Premier. There is a suspicion that the words were uttered in the Legislative Assembly. An assurance that they were not used in that Chamber would make the matter quite clear.

Hon. A. THOMSON: I accepted the statement that appeared in the Press, and I do not think such a question as that under consideration can be discussed adequately without references to assertions made by those in authority. The statements I have in mind wherever made, have been placed before the people generally. I am giving the House my reasons why I consider we should refer the Bill back to the Government for further consideration. On behalf of the Government, the statement has been made that this taxation matter has not been fully digested. The Government does not know how much taxation will be derived in consequence of the scheme it propounds, nor yet how many people will be relieved from taxation. All we are told is that no undue burden will be imposed upon the taxpayers. We are asked to support the measure, although the Government does not know how it will function.

This is a House of review, and members would stultify themselves if they passed the Bill in the circumstances I have indicated. I positively refuse to give any Government, Country Party or otherwise, a blank cheque to impose taxation in the manner proposed by the Bill. The Chief Secretary may reply that a taxation measure will be introduced later on, but the Bill before us is the only one we can deal with. We may increase exemptions, but we cannot reduce them. In view of the unsatisfactory information available to the House, I shall oppose the second reading in the hope that the Bill will be returned to the Government for further consideration. As Mr. Cornell pointed out, if the matter is deemed so urgent, there is nothing to prevent the Government calling a special session of Parliament to deal with

the matter. During the interval the officials of the Taxation Department will be able to supply the information that is lacking now.

HON. E. H. H. HALL (Central) [8.8]: We cannot too often recall that there are two forms of taxation—direct and indirect. The latter form—I refer to the enormous amount raised through the Customs—yields more than direct taxation. True, that is Commonwealth revenue, but it is raised indirectly. I have said before in this House that many people who do not pay direct taxation pay indirect taxation in respect of the articles they use to keep themselves and their families in food, clothing and other requirements. That phase should not be overlooked. I intended to cast a silent vote on the Bill, but I regard the debate as one of the few that has proved worth while. Both Mr. Seddon and Mr. Cornell furnished much enlightenment on this legislative proposal.

Members will recollect that a certain union secretary associated with the Trades Hall issued a brochure last year in which he severely criticised the Labour Government for continuing the imposition of the financial emergency tax. The writer showed to my satisfaction, and I feel sure to that of any impartial reader, that the tax operated most harshly upon the lower-paid sections of the workers. I made up my mind that, at the first opportunity, I would vote to end that form of taxation. I am fully sympathetic with the lower-paid workers. Mr. Fraser and I should not regard ourselves as the only members desirous of releasing the family man from the payment of the financial emergency tax. Most members of this Chamber are humane in their outlook, and realise that the man who has the responsibility of feeding and educating a family should receive more consideration. In case there should be any doubt on the point, I emphasise that the worker has my fullest sympathy and will receive from me the consideration to which he is entitled. On the other hand, when I am asked to agree to a Bill under which a man with two children is to be exempt if he is in receipt of £313 a year, I say without hesitation, the financial position of the State being what it is, such a measure will not receive my support.

A question that has been previously put, I ask again: What is the position of Wes-

tern Australia to-day? There is another question that has been asked, and we should require an answer. Mr. Thomson has repeatedly dealt with the point, so there is no need to go to another Chamber for information as to questions asked and answers given. Money was collected from the people and returned by the Federal Government for the purpose of assisting youth employment. I shall not use the word "brains," but will refer to "ordinary gumption" when I say that the Government has not shown itself possessed of the capacity to spend the money raised for that specific purpose.

Hon. L. B. Bolton: You are right.

Hon. E. H. H. HALL: Of course I am right. For all too long the people have asked: How much longer must we wait for the Government to realise its responsibilities to the youth of Western Australia? I defy contradiction when I say that other States of the Commonwealth have done far more for their young people than the Government of Western Australia has accomplished in the interests of the youth of this State. Yet the Government proposes to exempt people from the payment of taxation, people who are well able to pay, and, what is more, willing to pay in order that the young men especially—I do not forget our girls, of whom I have four—may be allowed a chance in this great, undeveloped State. We have men in charge of the affairs of the State whose time is becoming very short. If they realised their position, they would resign to-day.

Members: Hear, hear!

Hon. E. H. H. HALL: And yet the Government talks about exempting people from the payment of taxation.

The PRESIDENT: Order! I must ask the hon. member to confine his remarks to the Bill.

Hon. E. H. H. HALL: Certainly, Mr. President, I shall do so with the greatest pleasure, for it will not be very difficult. I am dealing with a Bill that proposes to exempt people from paying taxation. To ask Parliament to agree to such a suggestion at this stage is wrong. I may be heated but this is an occasion for heat, if ever there was one. I go home every week-end and not a week-end passes without half-a-dozen young fellows coming to my house asking for work.

Hon. H. V. Piesse: Every other member is in the same position.

Hon. E. H. H. HALL: I am glad to hear it. Of course every member that takes an interest in his duties must be in the same position.

Hon. G. Fraser: You are glad to hear that there are young men calling upon members to ask for work?

Hon. E. H. H. HALL: Those young men—21, 22 or 23 years of age—are accomplished individuals who have grown to manhood; they are not scallywags. Even if they were, that would be all the more reason for our doing something for them. We are fast tending to make scallywags of them. Nothing has been done for a lot of those young men, because money is not available, and yet we propose to exempt people from taxation. Mr. Cornell has spoken in this strain. He has been in the House for years. Nobody can speak with more experience than he, and nobody could charge him with lack of sympathy for the bottom dog. At the last minute of the last session in which the present Government is in power—and some years will elapse before it returns to office—it seeks to put over a measure of this kind. What is democracy coming to when the Government expects members to accept legislation of this sort? The Bill will not be passed if my vote can prevent it. I shall oppose the second reading, as I feel the majority of members will, and I shall be able to justify myself to the people of my electorate.

HON. C. H. WITTENOOM (South-East) [8.17]: I approve of the principle of the Bill, though I shall have to hear better arguments in its favour than have so far been submitted before I shall vote for the second reading. This is the Bill that was hinted at in the Lient-Governor's speech some months ago. I had hoped that a measure would be introduced that members could welcome and support. Unfortunately, the first thing we are told is that increased exemptions are proposed. Such exemptions should not be made at a time like this when every penny that we can possibly obtain will be required to carry on the business of the State. I do not want to be pessimistic, but I believe there is a serious depression ahead of us, and we shall need all the money we can find. Why should exemption be granted to some at least of the 14,000 people the Bill is likely to exempt? I cannot understand why the exemptions are so high. Every year

Bills of this kind are introduced into the Chamber late in the session. Only about ten days of the session remain, and to ask us to deal with such legislation is out of the question. If we had had some information from the Chief Secretary about four weeks ago, we would have had reasonable time to consider it.

Hon. G. Fraser: You would have been able to sleep on it and have a few bad dreams about it.

Hon. C. H. WITTENOOM: I intend to oppose the second reading.

HON. E. H. ANGELO (North) [8.19]: I am one of those who, three years ago, suggested that some of these taxation measures ought to be amalgamated because it seemed ridiculous to have two or three different measures with the same object, namely, gathering money from the taxpayers. That did not appear to me to be good business, and it caused irritation amongst taxpayers. Quite a number of members suggested that something of the sort should be done at that time. Why was it not done when the State was in a much better condition than to-day?

Hon. G. W. Miles: We thought we had turned the corner.

Hon. E. H. ANGELO: Yes; but I think that the State to-day is in a worse condition than when the emergency tax was first introduced. As has already been said, a very small quantity of wool will be despatched from some of our depressed northern areas; and we know that the price of wheat is low.

Hon. A. Thomson: There are over a million sheep fewer in your district.

Hon. E. H. ANGELO: There are 2,000,000 fewer in my province alone. We also know the condition of the wheat farmers. Only the mining industry is holding its own.

Hon. V. Hamersley: Is it holding its own?

Hon. E. H. ANGELO: According to the production figures it should be.

Hon. G. B. Wood: What about the fat lamb industry?

Hon. E. H. ANGELO: The fat lamb industry, although promising, is a small one.

Hon. A. Thomson: But for the gold mining industry, where would we be?

Hon. E. H. ANGELO: That is so. This is the wrong time to make an alteration in the taxation laws.

Hon. G. Fraser: It is always the wrong time in the opinion of some members.

Hon. E. H. ANGELO: Why was the proposal not made when the State could afford to exempt people? If the Bill is passed I shall not be surprised if the Government subsequently has to introduce another financial emergency measure, because I think it will be warranted. For that reason I intend to vote against the second reading. I suggest that the Government should leave well alone for the time being. Let us continue the income tax and the emergency tax until next year. The situation might then be totally different. The drought in the North may have broken, and—

Hon. J. M. Macfarlane: The properties in the North will not be restocked.

Hon. E. H. ANGELO: That is so, but the pastoralists will not be making heavy losses. When the rains come the pastoralists will be able to hold their own, and some of them will make a profit. Not many are doing so to-day. Again, next year the prices of fat lambs and of wheat might rise and a further improvement in the mining industry might occur. I suggest that the Government should mark time and let the measure rest until next session. The Bill could then be introduced and could operate from the 1st January, 1940. The period of the operation of the Bill—the principle of which I agree is a good one—would be lessened by only six months.

Hon. G. Fraser: The Bill could not be introduced half-way through the financial year.

Hon. E. H. ANGELO: Why not? Anything can be done if one sets one's mind to it. The present is the wrong time for the introduction of such a measure, because conditions are so bad.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.23]: I agree that the principle of the collection of taxation at the source is a good one from the Government's point of view, but there are drawbacks from the standpoint of the commercial community. There is not one business of any size that does not require to have one or two clerks constantly employed in making up returns and keeping a check on matters that are really the concern of the Government.

Hon. G. Fraser: This measure will do away with that.

Hon. J. M. MACFARLANE: No, it will not. I have opposed the imposition of an

emergency tax ever since exemptions were proposed and when the statement was made that the corner had been turned and there seemed no necessity for such a tax. I contend that when the corner was turned emergency taxation should have disappeared and direct taxation should have been imposed in order to provide the Government with the requisite money. We should not then have been sailing under false colours. The measure seeking to abolish the financial emergency tax as such is not designed to operate in a manner that I would regard as satisfactory. The Government does not propose that everybody enjoying the social services provided by the State should contribute to the extent of his ability towards the taxation revenue of the State, and because of the exemptions that are suggested, I cannot support the measure.

I was favourably disposed to the Bill, but am now opposed to it, and a reason for my opposition is that the Minister has said that some time must elapse before it can come into operation. The measure would not be likely to function until next session. That being so, I cannot see that any hardship will be imposed on this or any other Government if the existing system is allowed to continue for the present. The Bill is not framed on right lines. I do not like the possibility of exemptions being increased to the extent that has been mentioned here by capable men. If the Government, in its desire to place the State on a satisfactory financial basis, were prepared to call upon all who could to contribute something towards the needs of the country, I would support the proposal. People seemingly can afford to go to the pictures and to the trots, and I read to-day that the British Tobacco Co. is making a million pounds a year as a result of the smoking habits of the people. If people would only contribute to the funds of the State some of the money that is going up in smoke, the country would benefit, and taxation would be more equitably distributed.

On motion by the Chief Secretary, debate adjourned.

BILL—INCOME TAX (RATES FOR DEDUCTION).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.29] in moving the second reading said: Notwithstanding the

very adverse comment that the previous measure has received—

Hon. J. Cornell: The Leader of the House deserves the D.C.M.

THE CHIEF SECRETARY: —from a large number of members, I propose to introduce this Bill, which is complementary to the one we have been discussing. Its aim is to fix the rates of deductions from the salary and wages of employees under the scheme already outlined. The rates of income tax will continue to be declared annually by Parliament as in the past. The Bill simply provides for continuity of deductions to meet that tax.

The rates of deduction, namely 6d. in the pound when salary or wages does not exceed £8 per week, and 9d. in the pound when salary or wages exceeds that amount, have been adopted as representing reasonable rates having regard to the whole scheme. Obviously, if the rates were fixed too high, they would cause an excessive number of refunds and exemption certificates; if fixed too low, they would involve the payment of large lump sums on assessment, thus defeating the object of the scheme. This question of deduction is different from that referred to by many members when the last Bill was before the House. I shall have an opportunity tomorrow to say a few words upon that measure.

Hon. J. Cornell: Your funeral oration!

THE CHIEF SECRETARY: Yes, apparently, though I am not as pessimistic as are some members, and still hope to induce the majority of the House to see the light. I move—

That the Bill be now read a second time.

On motion by Hon. J. Cornell, debate adjourned.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.31] in moving the second reading said: I trust this measure will meet with the approval of the House. Its objective is to continue the operations of the Financial Emergency Act for a further period of 12 months. As originally enacted in 1931, this legislation provided for a general reduction of governmental

expenditure and mortgagors' interest. Since the amendment of the principal Act in 1935, this legislation has simply provided that there shall be a reduction of 22½ per cent. in the interest payable on all mortgages which were in operation before 1931, with the proviso that such interest shall not thereby be reduced below 5 per cent. per annum.

The mortgagee has the right to go before a commissioner appointed under the Act and make application that the mortgagor should pay the rate provided in the mortgage in lieu of the reduced rate under the Act. In such case the commissioner is empowered to declare what is a reasonable rate to be paid, having regard to the circumstances of the mortgagor and to the financial and economic condition prevailing in the State.

Some members suggested last session that this legislation should be allowed to lapse. While some of the mortgages in force at the time the original legislation was enacted have been converted to a lower rate of interest, it would not be advisable, in view of existing conditions, to allow the others to revert to the former high rates of interest. This is not the time to discontinue the Act, and I therefore trust that the House will agree to its re-enactment for a further 12 months.

Much could be said concerning the position confronting us. It is not as bright as we would like it to be. I have no desire to appear as pessimistic as some members have said they are, although we must face the facts. If we face them in the right way, we shall doubtless be able to discern ahead a little glimmer of light, a little blue sky. Things are not as black as some members would have us believe. The position, however, is serious enough to demand our attention, and I feel the House will agree that this is not the time when legislation of this kind should be defeated. I move—

That the Bill be now read a second time.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.35]: I oppose the Bill. So far the mortgagor has had everything. The Act has been repealed except with respect to interest. Salaries have been restored, superannuation and retiring allowances have been reinstated, grants have been made, and various contracts have been wiped out. For

some reason we are asked to renew the provisions for the reduction of interest by 22½ per cent.

The PRESIDENT: About what Bill is the hon. member talking?

HON. H. S. W. PARKER: The Financial Emergency Act Amendment Bill. The Mortgagees' Rights Restriction Act has been renewed for another term, although securities have diminished to such an extent that in many instances no margin has been left. It was thought that times were such that the legislation should be continued, and that the mortgagee should not yet have the right to call up his money.

When a person wants money on a poor security, he must pay interest accordingly, but if the mortgagor retains the right to have the money he has borrowed and is not obliged to repay it, the mortgagee should at least be entitled to receive the amount of interest at which he originally lent the money when the security was ample. Why should everything else be restored to normal except the rights of interest on mortgages? Why should the mortgagee be the only person who still has to suffer under this financial emergency legislation?

The House has decided that the mortgagor shall not be compelled to repay the money because there is no equity in the security. For that reason I submit he should pay a higher rate of interest, or the rate of interest he originally agreed to pay when the money was borrowed. I am opposed to the continuance of this legislation. If the interest is restored to the rate in the original contract, the mortgagor will make an effort to straighten out his business and either borrow the money elsewhere or realise on his security and repay the principal. I do not see why he should get it both ways.

HON. J. CORNELL (South) [8.38]: I oppose the Bill for reasons similar to those given by Mr. Parker. The people benefitting under this law and under the Mortgagees' Rights Restriction Act are gaining the advantage both ways, and are the only ones to receive consideration under the financial emergency legislation. That is grossly unfair. Upon receiving concessions under the Mortgagees' Rights Restriction Act, they should not also have their rates of interest kept at the present low level. If the Mortgagees' Rights Restriction Act were repealed and the interest rate made more or less per-

manent, some justice would be meted out to those concerned. As it is they are suffering a dual injustice.

The position is anomalous. The man who invested £1,000 in a house on mortgage before the passing of this legislation possesses practically no rights at all, none under the Mortgagees' Rights Restriction Act, and under this legislation he has his interest income cut down by 22½ per cent. The man who invested £1,000 in a similar house a year ago receives 6 or 6½ per cent. on his money. I do not know how long this injustice will be permitted to continue, but hope that next session we shall clean up the position so that a deserving section of the community may be relieved of this double injustice.

HON. E. H. ANGELO (North) [8.40]: The Chief Secretary suggested that I would be sure to vote for the continuation of this legislation because I had stated that the financial emergency tax should be continued for another year. The two measures are not on all fours. On the one hand, the intention was to exempt about 14,000 taxpayers from the payment of tax at a time when money is urgently needed. As I said on the Mortgagees' Rights Restriction Act Continuance Bill, the original measure was introduced at the height of the depression to help some people who were hard hit, although the method was entirely opposed to all business morality. We were told that the legislation would not be kept on the statute-book for more than a year or two. If we pass this Bill, the mortgagee will "get it in the neck" both ways. He will not be allowed to collect his money nor his full rate of interest. I shall vote against the Bill.

HON. E. M. HEENAN (North-East) [8.43]: I support the Bill, and believe the majority of members will be of the same mind. Anyone who voted for the continuation of the Mortgagees' Rights Restriction Act could not refrain, if he reasoned on similar premises, from supporting this measure. The Chief Secretary has postulated an unanswerable argument when he says that the speeches made on the last Bill provide the very argument for the continuation of this Act. I am sure most members concede that the mortgagees have had their share of hardships. They have had their money out all these years—those who

entered into the business of mortgages prior to 1931—and they have had their income from interest reduced by 22½ per cent. At the same time we must remember that rates of interest in those days were much higher than they are at present. Mortgagees have a right under this Act to apply to the Commissioner for relief.

Hon. J. Nicholson: Not under this Act.

Hon. E. M. HEENAN: Yes, they have. The Chief Secretary in his remarks stated that a mortgagee could apply if the reduction of interest was causing hardship. I do not know why applications are not made if there are instances of great hardship to individuals. As I said when I spoke on the Mortgagees' Rights Restriction Act Continuance Bill, I hope the time will soon come when I shall be able to vote against such measures. I appreciate the merits of some of the arguments used against this class of legislation, but we must be consistent. Several members in the course of their speeches on various Bills have indicated that very hard times are in store for us during the coming 12 months, and that this is not the period when we should exempt anybody from paying a share of taxation. We have been told also that conditions are bad in the agricultural districts. Those are arguments that evidently the Government has taken into consideration in submitting this measure to the House. To be consistent we must support the Bill.

HON. H. V. PIESSE (South-East) [8.47]: I was astounded to hear Mr. Heenan say that we should take into consideration the Government's contentions when dealing with this matter. I am opposed to anything that will tend to increase the rate of interest, but if the general interest rate in this State is 6 per cent., we should be prepared to pay it. Provided the bank rate bears a reasonable ratio to the rate ruling when the Act was passed, we should be prepared to pay it. To-day we are accepting concessions under the Mortgagees' Rights Restriction Act, but I do not think we should claim concessions in the matter of interest rates. In making that statement, I have in mind that many mortgagors are quite prepared to pay a higher rate of interest if the Government considers they should do so. If by the payment of an additional half per cent. or one per cent. we shall be enabled to

keep men on their farms, I would prefer that the higher rate were paid than that men should be thrown off their holdings under the Mortgagees' Rights Restriction Act. I think members will appreciate that we ought not to endeavour to fix a rate of interest over and above the rate recognised throughout the State.

HON. G. FRASER (West) [8.50]: To listen to some members, one would be inclined to form the opinion that this Bill definitely fixed the rate of interest at 5 per cent.

Hon. H. V. Piesse: Not at all.

Hon. G. FRASER: Anyhow, one could be excused for thinking so. Even with this Act in operation, a mortgagor might pay far more than 5 per cent.

Hon. E. H. Angelo: Why not let him shift the mortgage to somebody else?

Hon. G. FRASER: That is easier said than done.

Hon. J. Cornell: Do not you think that a mortgagee should receive the rate of interest that other money is earning under similar conditions?

Hon. G. FRASER: I do not think the rate of interest should exceed what is permitted under this Act, which provides for a reduction of $22\frac{1}{2}$ per cent. on the rate stipulated, with a minimum of 5 per cent. That represents a fair return to the lender and should be entirely satisfactory.

Hon. J. Cornell: Why does the Workers' Homes Board charge 6 per cent?

Hon. G. FRASER: All clients of the board are not charged 6 per cent.; some pay $5\frac{1}{2}$ per cent. The rate depends upon the interest being paid by the board on the money advanced to the worker. I wish to emphasise that 5 per cent. is a reasonable rate of interest, and is the minimum, not the maximum. Some members have told us that this is not the time to make alterations as a bad period lies ahead. Yet they would deprive of protection those people whom we, some years ago, deemed to be entitled to protection. Such arguments are quite illogical. The Bill is reasonable and allows a fair return on investments, and the House should therefore approve of the second reading.

HON. L. CRAIG (South-West) [8.52]: The Financial Emergency Act is worse than the Mortgagees' Rights Restriction

Act, bad and all as that measure is. May I refer to the contents of a letter I received yesterday. A mortgagee, an oldish man, who had lent out the only money he possessed, came under the Mortgagees' Rights Restriction Act, and thus was not able to foreclose under the mortgage. He became ill, and had to undergo an operation. Hospital and doctors' expenses amounted to £100. To meet those expenses the man had to secure an overdraft, and he is paying a higher rate of interest on the overdraft than he is obtaining on his mortgage. That is unjust. The Act reduces the return to the mortgagee to a rate lower than that which he has to pay on a loan to meet his debts. Surely to goodness we should not continue legislation that imposes a rate lower than the overdraft rate at the banks.

I have voted against similar Bills on many occasions and I hope the measure will be thrown out this time. If ever we have had sectional legislation, this is a fair sample of it. Members of Parliament have had their salaries restored. If mortgagees are not permitted to get more than 5 per cent. on their money—in some instances they are not—what right had members to have their salaries restored to the former level? Officers in Government departments are receiving up to £1,500 a year and are subject to no cuts whatever. For a period of seven years mortgagees have had the income on their investments restricted.

Several members interjected.

The PRESIDENT: Order! I hope members will allow Mr. Craig to proceed.

Hon. L. CRAIG: Mr. Piesse dearly loves to have a go at me, presumably on account of my being a farmer.

The PRESIDENT: Order! I wish the hon. member would proceed with his speech.

Hon. L. CRAIG: I sincerely hope that this sectional legislation will be abolished. Some of us endeavoured to defeat the Bill to continue the Mortgagees' Rights Restriction Act, but we failed. Now we are trying to help the same sufferers by permitting them to get an income on their investments at least equal to the bank overdraft rate, which is a low one. I oppose the second reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [8.55]: I rise only to emphasise the necessity for con-

tinuing this legislation. I was rather surprised to hear Mr. Nicholson interject that a mortgagee did not have the right to appeal to a commissioner.

Hon. J. Nicholson: He has that right.

Hon. H. Seddon: It was my mistake.

The CHIEF SECRETARY: Well, now we understand the position. A mortgagee has a right to appeal to the commissioner if he feels that the position justifies the payment of a higher rate than that allowed under the Act. I regret having to ask the House to renew this legislation for a further 12 months. I would not be making the request if circumstances were not such that many people will suffer great hardship unless the Act is continued for another period.

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

Ayes	..	..	..	..	15
Noes	..	..	..	..	10
Majority for					5

AYES.	
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. A. Thomson
Hon. G. Fraser	Hon. H. Tuckey
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. T. Moore
Hon. E. M. Heenan	

(Teller.)

NOES.	
Hon. E. H. Angelo	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. L. Craig	Hon. H. S. W. Parker
Hon. J. J. Holmes	Hon. H. Seddon
Hon. J. M. Macfarlane	Hon. W. J. Mann

(Teller.)

AYE.	PAIR.	NO.
Hon. C. B. Williams		Hon. L. B. Bolton

Question thus passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuation of Act:

Hon. H. S. W. PARKER: I move an amendment—

That after the word "amended," in line 3, the following words be inserted: "by deleting the word 'December' in line 2 and substituting the word 'June' in lieu thereof and."

The effect of the amendment would be to leave the Act in force until the end of June next year. Giving people seven months

within which to make some adjustment is perfectly reasonable.

The CHIEF SECRETARY: I oppose the amendment. Mr. Parker says it is fair; I regard it as unfair.

Amendment put and a division called for.

The CHAIRMAN: Before tellers are appointed, I give my vote with the Ayes.

Division resulted as follows:—

Ayes	..	..	..	..	10
Noes	..	..	..	..	15

Majority for 5

AYES.	
Hon. E. H. Angelo	Hon. G. W. Miles
Hon. J. Cornell	Hon. J. Nicholson
Hon. L. Craig	Hon. H. S. W. Parker
Hon. J. J. Holmes	Hon. H. Seddon
Hon. J. M. Macfarlane	Hon. W. J. Mann

(Teller.)

NOES.	
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. A. Thomson
Hon. G. Fraser	Hon. H. Tuckey
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. T. Moore
Hon. E. M. Heenan	

(Teller.)

AYE.	PAIR.	NO.
Hon. L. B. Bolton		Hon. C. B. Williams

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—MARKETING OF ONIONS.

Second Reading.

Debate resumed from the 17th November.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [9.11]: I have to congratulate the sponsor of the Bill in this Chamber on the democratic principles introduced into the measure, namely the referendum of producers prior to the appointment of a board and the formation of a board that recognises the mercantile or selling interests of the community. However, while doing so I can only express surprise at Parliament being called upon to enact a Bill of this description in view of the knowledge available of the position of onion growers in Western Australia. I have had placed in my hands information which when given to members will, I feel sure, result in their telling the sponsor of the Bill that he cannot have

the measure. To support that assertion I will quote details of the position of onion growers here for the last ten years.

Western Australian onion growers are responsible for the production of only one-third of the quantity of onions consumed by the State. This community is at all times importing two-thirds of its requirements in the shape of onions. To deal with a position of that kind by the appointment of a board appears to me extraordinary. I now quote figures of local production of onions covering the last 11 years, furnished by the Government Statistician—

Year.	Acre- age.	Yield.	Average Yield.	Value.	Average Price per ton.
	acres.	tons.	acres.	£ s d.	£ s d.
1928	60	376	6.3	5,334	7 6 14 4 6
1929	62	552	8.9	4,717	0 0 8 10 11
1930	56	409	7.3	3,016	0 0 7 7 6
1931	119	902	7.6	6,803	0 0 7 10 10
1932	90	591	6.5	10,719	0 0 18 2 9
1933	154	1,068	6.9	6,706	0 0 6 5 7
1934	110	812	7.4	7,596	0 0 9 7 1
1935	92	870	9.4	10,069	0 0 11 12 2
1936	108	742	6.9	11,974	0 0 16 2 9
1937	94	777	8.2	10,010	0 0 12 17 8
1938	121½	1,093	9 0	....	....

It will be seen that the average price for the period is £11 4s. 2d. per ton. Yet the growers are asking for a board to better their position.

Now I turn to Victoria, which supplies this State annually with 2,000 tons of onions, to make up the shortage of Western Australia's production. Conditions in Victoria are altogether different. I will not quote many figures, but merely mention that in 1935 there were imported 2,118 tons of onions. The prices have ranged from £7 10s. up to £11 9s. In some years there is an excellent local market for onions grown out of the State. I point out that not only have local growers the advantage of price over the Victorian growers, but also a tonnage advantage. Victoria produces more onions to the acre than does any other State of the Commonwealth except Western Australia.

Hon. G. Fraser: Where were those prices obtained?

Hon. J. M. MACFARLANE: I have given the prices for the last ten years in Western Australia.

Hon. G. Fraser: Were those prices obtained in the market or were they paid by the merchants?

Hon. J. M. MACFARLANE: They are market prices. I have quoted statistical figures. We are asked to legislate for about 100 acres in a State comprising 1,000,000 square miles. On the figures I have quoted I fail to see the necessity for the establishment of a board such as that contemplated by the Bill, especially when one takes into consideration the fact that locally grown onions come on the market at a time when they are not in competition with the onions imported from Victoria. The onion growers are obtaining satisfactory prices. Onions are mostly produced in the Spearwood district; some are grown in the South-West and some at Osborne Park. Again, onion growers do not raise onions alone; they are producers of garden truck. They are an industrious people and are to be commended for their work. They have been receiving during the past three years over £100 an acre for onions, and we should be losing our sense of proportion if we introduced legislation to protect such an industry.

I have received correspondence from the secretary of the Victorian Onion Marketing Board. He acknowledges that Western Australian growers are getting a much better return per acre than are Victorian growers, although the Victorian onions have much better keeping qualities than have ours. Our onions are of poorer quality, because they are watered by sprinklers, whereas the Victorian onions are watered naturally. The keeping qualities of the Victorian onion are at least 50 per cent. better than ours. The disastrous experience of the Victorian Board should be a lesson to our growers. I was recently speaking to a person who is an authority on onion growing. He said to me, "If your desire is to condemn boards for all time, give these growers a board; you will find what a bungle they will make of it." That advice, of course, is not sound, and I feel sure members will not accept it.

Hon. G. Fraser: Who is the expert? You quote the opinion of an expert but do not mention his name.

The PRESIDENT: Order!

Hon. J. M. MACFARLANE: I do not wish to mention his name. The correspondence I have received from Victoria says that an onion board was formed there in 1935. The board dealt not with all varieties of onions, but with the Spanish brown onion only. The board did not deal with white

onions, silver skins or pickling onions; except in the first year, when an attempt was made to deal with pickling onions, but the result was disastrous.

Hon. G. B. Wood: Is the Victorian Onion Board still in existence?

Hon. J. M. MACFARLANE: I will give the hon. member that information in a moment. A poll was recently held to decide whether or not the board should be dissolved. The following information was supplied to me by the secretary of the Victorian Onion Marketing Board:—

Under the Marketing of Primary Products Act No. 4,337, onions were declared a commodity for the purpose of the Act on the 9th December, 1935, and a poll of producers was held on the question of whether a board should be constituted. At the poll the requisite majority in favour of the establishment of a board was obtained and the board was appointed on the 27th March, 1936.

The board took over the assets of a voluntary board that had been in existence for a couple of years to better the conditions of the onion growers. The board created a great deal of trouble, because it came into conflict with other growers, such as vegetable growers who were producing green onions. The board attempted to tax those growers and for some time the relationships between them and the board were very bad. Then for a long time representations were made for a poll to be taken to dissolve the board, because it had not been successful in its operations and had been unable to clear the stocks. Further, the board ran up a very heavy debt. The only escape for the onion growers was to dissolve the board, their intention being to revert to a voluntary board. In 1936 the board paid £7 6s. 8d. a ton to the growers. Under date the 5th November, 1938, the "Fruit World and Market Grower" published the following:—

Concern has been expressed by some onion growers on receiving a demand from the Onion Marketing Board for the refund of amounts overpaid by the board on the 1936-37 crop. In some cases the demand is for substantial amounts. On behalf of the board it was pointed out on Thursday (says the "Age") that the demand had been made to growers who had not marketed their supplies through the board during the 1937-38 season. Growers who had marketed their produce through the board in the current season had been obliged to agree to a reduction of one-fifth of the overpayment. The balance of the repayment would be spread over the next four seasons. The

board claimed that it was legally entitled to claim the refund of the over-payment, and cited a case that had been decided before the High Court, where a fruitgrower in South Australia had been compelled to refund to the Dried Fruits Board an amount that had been overpaid by the board. Onion growers who had been requested to make the refund, it was explained, could have the amount deducted over a period of five years, provided they marketed their produce through the board. A refusal to meet the demand, it was explained, would compel the board to take legal proceedings for recovery.

I quote that extract to show that, despite the formation of a board, members are not always loyal. They create trouble. Mr. Wood inquired about the dissolution poll. I will give the House some particulars concerning the figures of the Victorian Pool—

Replying to a question in the Legislative Council, Sir John Harris told Mr. Chandler that, up to the end of September, 37,369 tons of onions had been received into the present pool by the Onion Marketing Board. Sales from the pool totalled 20,785 tons for local consumption, and 2,491 tons for export from the 1936-37 crop, and 23,084 tons for local consumption and 3,653 tons for export from the 1937-38 crop. No onions remained unsold from the 1936-37 crop, and 3,151 tons remained from the 1937-38 crop, of which one-fifth was merchantable. Of the 1936-37 crop, the quantity of rejections, natural wastage and shrinkage was 20,873 tons—

out of a yield of 43,000 tons—

—all of which were discarded. Of the 1937-38 crop, the quantity discarded to date totalled 7,481 tons.

The failure was due to the fact that the members of the board were unable to deal properly with the business, because of their lack of knowledge of market conditions. I now quote from the "Fruit World and Market Grower" of the 5th November, 1938—

The petition requesting that a poll be taken to determine as to whether the Onion Board shall carry on its functions or be wound up, has been in the hands of the Minister for Agriculture for many weeks, and at last the request for a poll is to be granted, and December 2, 1938, is the day which has been fixed for the poll to be taken. Now it is up to the growers to record their votes, either for or against the continuance of this board. Many vegetable growers feel there is too much interference by the board in the handling of their soft sorts of onions.

Since the inception of the board, vegetable growers have had to fight strenuously for conditions which are in any way suitable to the industry, for the sort of onions which are grown for the early crop, and which are only produced by vegetable growers, are quite a

different proposition to the Spanish onion, which naturally keeps for many months.

The silverskin and early globe varieties, which vegetable growers specialise in, are almost as perishable as green vegetables and are grown in a similar manner.

It is quite impossible to produce this class of onion and sell under the same set of conditions which govern the Spanish onion, and it has taken the board two years to realise this, but at last they have been induced by the strong representations put forward by the Vegetable Growers' Association, to see that there are separate regulations needed for these two crops.

The board had to give way on that point.

Green onions are now exempt from the board's control, whether bunched or cased, and there is not to be any levy paid by growers for the right to sell their own produce. For the past two years they have been charged 30s. per grower, of half-an-acre or more, for this right of sale, which growers have always resented as being an unjust charge.

I quote again from the "Fruit World and Market Grower" of the 5th January, 1938—

Onion Board's Problems. Heavy Overhead Expenses. Hugo Loss by Decay. According to figures quoted in the Legislative Council by Mr. Chandler, in reply to questions, the Onion Board has been a costly business for growers. Included in the expenses incurred from the 26th March, 1936, to the 3rd December, 1937, are seen: Staff salaries (secretary, accountant and manager), £2,001; office expenses, £883; board members' fees and expenses, £2,749; printing and stationery, £1,028; miscellaneous, £355, and interest to bank, £2,397.

Hon. G. B. Wood: That does not necessarily imply that a similar position will occur here.

Hon. J. M. MACFARLANE: The hon. member should not anticipate. The statement continues—

It was said that during the 1936-37 season the board handled 44,855 tons of onions, advanced payments amounting to £222,305, sold 23,939 tons of onions, realising £174,718 plus £1,145 owing for sales effected.

Picking over cost £7,895 and approximately 11,000 tons had to be discarded owing to deterioration and natural decay; 10,000 tons remaining unsold, of which 2,000 tons were in good condition at the time of the report. No levy was collected during the season under report, and the board owed £63,322 to the lending authority.

According to the Statistical Department, this industry has had a very successful run in Western Australia during the last 10 years, and I contend that the board proposed to be appointed would not help at all. I have quoted figures to show what a

perishable product the onion is, and how dangerous it would be to give unskilled men control. Instead of being beneficial or helpful to the industry, it could prove the contrary and loss would result. With that information before us, I think members will hesitate to disturb the conditions that have prevailed during the last 10 years. My feeling is that the second reading of the Bill should not be passed.

HON. W. J. MANN (South-West) [9.32]: I have been approached on behalf of a small section of onion growers resident in the South-West who are apprehensive of this measure.

Hon. L. Craig: And for a very good reason, too.

Hon. W. J. MANN: After hearing the remarks of Mr. Macfarlane, I can quite understand the reason. Those growers contend that the industry is not nearly sufficiently far advanced in this State to warrant the appointment of such a board, and that would appear to be so from the fact that the locally-grown crop is sufficient for only one-third of our needs. The fear of the South-West growers is that there will be too much interference. They realise the possibility of obtaining exemptions for local sales and for their own consumption, but they are fearful that they will be worried and that the little business they do in that direction will be impeded.

One thing they particularly object to is that 50 growers resident around the metropolis shall have the right to take a poll, and that three-fifths of the 50, namely 30 growers, shall determine the policy for the whole of the State. The growers in my district also object to the area being restricted to a quarter of an acre. I do not know much about onion growing, but I have been informed that quite a number of people grow a quarter of an acre of onions. They grow largely the silver skin for the spring market and can sell them, some around the mills, some in the smaller towns, and then grow golden globe and brown Spanish for the later market. By aggregating the three varieties, their production exceeds a quarter of an acre.

I was asked to oppose the Bill, but was urged that, if it were carried, I should move that the area stipulated should be at least half-an-acre. I gather from Mr. Macfarlane's remarks that half-an-acre is

the area recognised in the Eastern States. Apparently the South-West growers knew of that before they spoke to me. In the Bill originally I understand that an area of two acres was specified, which apparently is rather more than a fair thing. I shall oppose the second reading, and if the Bill reaches Committee, I shall move to increase the area to half-an-acre.

HON. H. V. PIESSE (South-East) [9.37]: Primary producers are endeavouring to secure the appointment of boards to regulate the marketing of their products, and to-night we have before us a proposal to appoint a board for the onion industry. These growers require a board to enable them to market their produce to advantage. When speaking on the second reading, I said that I would support the Bill—

Member: Have you spoken on the second reading?

Hon. H. V. PIESSE: I was astounded to hear the remarks of Mr. Mann.

The **PRESIDENT**: Order! I understand that the hon. member has already spoken on the second reading. He cannot speak again.

HON. G. FRASER (West—in reply) [9.38]: I wish to reply to the remarks of Mr. Macfarlane, in the hope of allaying some of the opposition he has raised to this measure. The hon. member certainly gave us information about Victoria. But there is no comparison between the conditions prevailing there and here. Victoria has an onion board, and I do not conceal the fact that the board has proved a failure. Members, however, should bear in mind that the position here is entirely different. Victoria produces a surplus of onions, and has done so for many years. In this State there is invariably a shortage for local consumption.

Let me show the need for the appointment of a board. The consumption of onions in this State is between 2,600 and 3,000 tons a year, and the quantity grown locally is about 1,100 tons, a little more than one-third of the quantity required.

Hon. J. Nicholson: That does not tally with the figures of the Statistical Department.

Hon. G. FRASER: I do not know where the department obtained those figures. Perhaps they were supplied by the markets, whereas quite a number of growers sell direct to merchants. Of those sales the de-

partment would hardly be likely to obtain a record. The contention might be raised that with insufficient locally-grown onions to supply our own market, the growers should not desire a board. Most of the local crop—75 per cent. of it is grown at Spearwood—is harvested at about this time of the year.

Hon. H. Tuckey: That is the important point.

Hon. G. FRASER: Onion growers are not men of means. They have to battle hard for a crust. As they receive only a small return for their produce, as is the case with market gardeners generally, they have no ready cash, and immediately they harvest their crop they have to put it on the market. Right through the year they are afraid of the merchants. The merchants or the middle men are the ones that get the profit. Mr. Macfarlane quoted £11 per ton as the price of onions. If Mr. Macfarlane offered the growers £9 a ton to-morrow, he would be rushed, and that has been the position during the last two or three years. After hearing Mr. Macfarlane's speech, I am quite satisfied that figures can be made to prove anything.

Hon. H. V. Piesse: Do you know that onions are £9 a ton at the Fremantle siding?

Hon. G. FRASER: At that price growers would rush in to dispose of their crop.

Hon. L. Craig: The board could compel the growers to store their onions.

Hon. G. FRASER: The local consumption would be about 50 tons per week, but the onions are not of good keeping quality. Growers have informed me that the price to them for a considerable time has been £4 10s. per ton, and that they would be well satisfied if they could get 1d. a lb.

Hon. L. Craig: That is due to importations more than to anything else.

Hon. G. FRASER: No, it is due to the fact that the crop is delivered to the merchants at the one time, because the growers are in need of cash.

Hon. L. Craig: Growers are afraid to store them.

Hon. G. FRASER: No, the locally-grown onions can be stored and kept until March. The great point is that the growers require money and have to place their onions on the market practically at the one time. Because of that they have to accept any price that is offered them. The object in asking for a board is to enable the crops to be handled and marketed according to the

weekly consumption, and the growers to receive progress payments. That is all the Bill provides for and that is all the growers desire. If anybody was prepared to offer £9 10s. a ton, he would get all the onions available at that price.

Hon. H. V. Piesse: What quality onions?

Hon. G. FRASER: The best.

Hon. H. V. Piesse: Brown or white?

Hon. G. FRASER: Both. The growers desire the appointment of a board. Members are aware of the low prices that market gardeners have been receiving for their produce for years, and the position of onion growers is such that they cannot carry on unless they are assisted in this way. They are asking for the protection of Parliament. They want the right to form a board which will entail no cost to the State or to anybody else. If a loss is sustained, as happened in Victoria, the growers themselves will be the losers.

Member interjected.

Hon. G. FRASER: They might as well get nothing at all as the price they are receiving to-day.

Hon. J. M. Macfarlane: That is not in accordance with the departmental figures.

Hon. G. FRASER: I do not know about the departmental figures, but circumstances have forced the growers to organise for their own protection. If they could receive 1d. a pound for their produce, they would be satisfied.

Hon. H. Tuckey: Are you speaking for the majority of the onion-growers of the State?

Hon. G. FRASER: Yes, 75 per cent. of them are in my province. As to the point raised by Mr. Mann, provision is made in the Bill, and people can sell their onions in the South-West. As a matter of fact, the more onions sold in the South-West, the better it will be for the growers who supply the metropolitan market. Years ago the onion-growers inaugurated a voluntary pool that worked satisfactorily, and reasonable prices were obtained. In consequence of growers in other districts, where the industry was not organised, swamping the market, the voluntary pool collapsed. Past experience has demonstrated that without the authority that the Bill will provide, it is useless for growers to carry on with any hope of financial success. The consumers will not be penalised because importations from Victoria will always act as a check upon undue

prices. What the growers request is a small matter, the cost of which will involve the State in no expenditure, and if it proves unsuccessful, the only losers will be the growers themselves. I hope members will agree to the second reading.

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

Ayes	..	..	..	..	15
Noes	..	..	..	..	9

Majority for 6

AYES.

Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. A. Thomson
Hon. G. Fraser	Hon. H. Tuckey
Hon. E. H. Gray	Hon. O. H. Wittenoom
Hon. V. Hamersley	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. E. H. Hall
Hon. W. H. Kilsen	(Teller.)

NOES.

Hon. J. Cornell	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. M. S. W. Parker
Hon. J. M. Macfarlane	Hon. H. Seddon
Hon. W. J. Mann	Hon. E. H. Angelo
Hon. G. W. Miles	(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; Hon. G. Fraser in charge of the Bill.

Clause 1—agreed to.

Clause 2—Definitions:

Hon. J. NICHOLSON: The definition of "grower" does not indicate the area that a man must have under onions before becoming entitled to the benefits of the legislation. The measure should not apply to everyone who grows a few onions. I suggest we should indicate that the minimum area should be an acre.

Hon. L. Craig: An area of half an acre would be better.

The CHAIRMAN: Half an acre is an extensive area to have under onions.

Hon. J. NICHOLSON: I move an amendment—

That after the word "sale" in line 3 of the definition of "grower," the words "but in an area not less than one-half acre" be inserted.

Hon. G. FRASER: I prefer the definition as it appears in the Bill, but if any specified area is to be mentioned, I think it should be a quarter of an acre, as mentioned in Clause 3. If we provide for an area of half an acre, I am afraid a great number of onion-growers will be excluded from the operations

of the Bill, in which event those growers could easily undermine the whole situation and make the industry unpayable.

Hon. J. Nicholson: I do not think so.

Hon. G. FRASER: That could easily be the position. The producers do not grow onions only; they engage in other forms of vegetable production. No growers specialise in onions alone.

Hon. W. J. Mann: But you could hardly call half an acre a commercial proposition.

Hon. G. FRASER: Such an area is a commercial proposition.

The CHAIRMAN: There is no doubt that if the Committee prescribes an area of half an acre, those growers who cultivate less than that area will be excluded from the requirements of the Bill.

Hon. W. J. MANN: The amendment should be agreed to. The area prescribed in Victoria is half an acre, and when the legislation was first introduced, the area specified was two acres. I presume the people who desired the legislation knew something about it when they specified two acres. I know that the member responsible for the amendment hardly realised the position. Half an acre is little enough.

Hon. G. B. WOOD: I do not think that what happens in another place concerns us, but to alter the definition to provide for half an acre would be dangerous. Members may not realise how many onions can be grown on a quarter of an acre. Mr. Fraser raised an important point when he said that a number of growers with half an acre of onions could make prices fluctuate. I go further and say they could control the whole business. Thirty or forty individuals growing half an acre of onions in conjunction with something else could make their influence felt.

Hon. W. J. Mann: Why should it not be felt?

The HONORARY MINISTER: Mr. Nicholson does not realise the extent of the onion growing industry and the number of people engaged in it in the Spearwood district. If "half an acre" were inserted, the effect of the Bill would be destroyed; the large growers would absolutely swamp the others.

Hon. J. M. MACFARLANE: I am in favour of the area being a quarter of an acre. A good deal of labour is required in the growing of onions on an area that size.

The Committee will be wise to agree to the clause.

The CHAIRMAN: There is no amendment providing for the area to be a quarter of an acre. I will accept an amendment on the amendment to that effect.

The HONORARY MINISTER: I move—

That the amendment be amended by striking out the word "one-half" and inserting the words "a quarter of an" in lieu.

The CHAIRMAN: I suggest that members accept the Honorary Minister's amendment and then, if they desire, they can vote against the amendment as amended. Otherwise the quarter of an acre can be left in if members desire to stipulate an area.

Hon. G. FRASER: I hope members will vote for the amendment on the amendment; with a view to voting against the amended amendment afterwards if they so desire. I do not think there is need to add anything to the present definition of "grower."

Hon. W. J. Mann: I was speaking just now for a number of British growers and not a handful of Italians.

Hon. G. FRASER: The hon. member does not know what he is talking about.

The CHAIRMAN: Order!

Amendment on amendment put and passed.

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

Clauses 3 to 20—agreed to.

Title—agreed to.

Bill reported with an amendment.

BILL—MARKETING OF EGGS.

Second Reading.

Debate resumed from the 3rd November.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [10.10]: The sponsor of the Bill, Mr. Wood, in moving the second reading, is reported to have said that he regretted the necessity for a private member having to introduce the measure. He said that he had sponsored the Bill only because the Minister for Agriculture had not done so, although requested so to do on many occasions. The hon. member stated that a policy of collective selling was the only one to save some of our industries from ruin. He pointed out that the Bill provided that people who kept 50 head or more of poultry would be regis-

tered, but that a producer must own 150 head of poultry before he would be entitled to vote for the constitution of the board.

I have no brief for the selling agents, but as they are not represented by anybody else in this House I felt that I should have a word to say in their defence. They have given me the following statement in reply to remarks by Mr. Wood:—

We understand it was stated in the House by the Honourable G. B. Wood, when introducing the Egg Marketing Bill that agents were getting too big a cut out of the industry and that their commission rates worked out at 11 per cent. and that an account sale was produced for support of this statement. We would point out that our commission rate for the sale of eggs is definitely 5 per cent. plus the account sale fee of 6d. for each consignment sent in for sale.

Members will recognise that it is imperative that there should be a minimum charge, because many consignments are for small quantities, and there is just as much work and stationery, etc., required on a small consignment as on a much larger one. For instance, every week there are a considerable number of consignments the value of which are under £1, and where cheques have to be posted in payment of these the postage and stamp duty on cheques involves us in a cost of 1d. If there were no minimum charge these transactions would involve us in a loss, and it is to cover transactions of this nature that a minimum had to be established.

Agents have at all times given the egg producers every facility to export and cool store their production, and so obtain the highest price that can be got for their produce by giving them liberal advances on eggs received for export or for cool store. For instance, this season an advance of 10d. per dozen net has been offered to those who wish to export on consignment—the agent only getting commission on the sale of the eggs. This advance will probably work out at 80 per cent. of the total realisation. The same offer is being made in regard to cool store pool, and if poultry farmers generally would take advantage of these offers, the speculative element which is so much talked about could be almost eliminated.

The point we wish to emphasise is that agents have no desire for speculation, and are quite content to work on a commission basis and, so far as export is concerned, we are forced to offer a purchase price, because so many poultry farmers receive from competitors an offer to purchase, and although this offer is usually very little above the advance we offer, they seem to prefer to sell outright; therefore to hold our trade we have to be prepared to purchase.

That, in brief, is the story they tell of their experience; but there is much more to

it than that and I will endeavour to give members such information as I have. It is true that the commission is only five per cent. Much comment has been made about the account sale charge. Before the Government purchased the area on which the markets were constructed, the people about whom I am speaking found their own homes and made their own rental arrangements. I was told by the proprietors of one firm that before they went to these markets some 15 years ago they were paying £10 a week rent, whereas to-day they are paying £54.

The Government resumed the area and erected the necessary buildings according to its own requirements without consulting the tenants. The authorities said, "You must either occupy these places or go out of business." The tenants, therefore, had to meet all this extra expense, together with having to return empty cases and perform other services of the kind. They felt that 5 per cent. commission would not be adequate to meet these conditions. Their desire was to increase the charge, but when they had a conference they failed to agree. They did, however, agree that a minimum charge should be imposed and used as an account sale. Mr. Wood referred to a man who had sent 11 dozen eggs to market and he contended he had been charged an excessive fee for the disposal of them.

The practice now is to send out one account sale; and no further account sales are sent for marketing also poultry or vegetables. One account sale suffices. In all the circumstances the charges are reasonable. If a person markets three or four cases of eggs, the account sale would remain the same. I am speaking on behalf of these people because it is only fair that somebody should take up their case. The House is asked to agree to a Bill for the formation of a board. Mr. Wood did not put up a particularly good case. He cited only two instances. One was that of the man who sent in 11 dozen eggs, and the other of a man who sent in three cases, and was charged an account sale on each case because they were not all sold on the one day. I looked at the colour of the account sale the hon. member held in his hand, and was afterwards able to locate the room to which the consignment was sent. I made inquiries

and found that the 11 dozen eggs consisted of small pullet eggs, the most difficult line to sell. This represented only the residue of the poultry farm, for the bulk of this man's eggs went either to private consumers or was sent away for export. This room received only the residue of the poultry farm; yet the individual concerned complained that he had been cut down and that excessive charges had been made. These were eggs of the lowest grade. Eggs are not always eggs. They are sold as specials, as standards, as large pullets', as small pullets', as country new-laid, and country storekeepers' eggs. Each is distinct from the other, and this has a bearing upon what is required to be done by a board controlling the industry.

Hon. H. V. Piesse: In your opinion the eggs referred to by Mr. Wood were of a low grade?

Hon. J. M. MACFARLANE: The smallest grade of all. Only 11 dozen small pullets' eggs were located as coming from that particular source.

Hon. G. B. Wood: The facts are not in dispute. There is no complaint about the price.

Hon. J. M. MACFARLANE: The hon. member showed that a poor return had been received for these eggs, and indicated that too high a charge had been made.

Hon. G. B. Wood: Nothing of the sort.

Hon. J. M. MACFARLANE: That was my impression. He also said the producers were asking for the appointment of a board. In saying that he made a misstatement. He should have said "some producers" were asking for it. I asked the Statistical Department how many poultry farmers there were in the State having 300 birds or more. The number given to me was 1,070. The birds were not all laying. Some were going out, some were coming in, and some were actually laying, but this represented the number of producers having 300 effective birds.

Most of the poultry raisers owning 50 birds or more are found to be largely in the hon. member's province. They number between 19,000 and 20,000, all of whom would have to be registered under this Bill. Members can see it is not correct to say that the producers as a body are asking for this Bill, notwithstanding what transpired at the Town Hall. The information given by Mr. Wood is misleading, and the

enthusiastic gentleman who gave it to him caused him to take a wrong view of the position.

Parliament is asked to decide this question. Members will have to say whether they are going to grant this request without first referring the matter to the 1,070 people owning 300 birds or more, and to the 19,000 or 20,000 people owning 50 birds or more. I do not think the House will be prepared to do that. Upon the notice paper I have placed certain amendments. If the Bill passes the second reading stage, I hope these amendments will be carried so that the producers will be given a voice before a board is formed.

I am in receipt of a great deal of correspondence, and have seen many letters published in the newspaper. In the "West Australian" of the 17th November last appeared a letter signed by Mr. J. R. Knight, protesting against the proposal to appoint the proposed board and to create that organisation immediately. He is asking that a referendum should first be held. I have also a clipping of a letter that appeared in the "West Australian" on the 23rd November last from a poultry farmer at South Chittering.

Hon. G. B. Wood: What is his name?

Hon. J. M. MACFARLANE: He does not appear to have one.

Hon. G. B. Wood: Read some of the other letters.

Hon. J. M. MACFARLANE: I have here a letter signed by G. Rackham of South Chittering. This appeared in the "West Australian" on the 3rd December last and is as follows:—

As the Town Hall meeting on Friday last was for the purpose of discussing controlled egg marketing, it would be interesting to know why Mr. Davies did not say what was the cost of marketing eggs in other States, as he had three marketing boards to choose from, instead of stating what it cost for dried fruits, etc., which had nothing to do with the case. As there are fewer poultry farmers in this State than in Victoria, where the cost is nearly 1d. a dozen, it will no doubt cost us 1d. a dozen, which means that a farmer with 1,000 birds with an average production of 15 dozen eggs will have to pay £62 10s. towards the cost of the board. Mr. Davies no doubt also knows that there is considerable discontent in Victoria with the board and efforts are being made to obtain sufficient signatures for the purpose of holding a ballot with the object of abolishing the board.

Mr. Stoecker was present at the meeting in the Town Hall and has also written a letter.

He is attached to the department as an inspector during the period of export, and is also a grower.

Hon. G. B. Wood: He gets a cut out of the industry.

Hon. J. M. MACFARLANE: He has written as follows:—

In the report of the meeting of poultry farmers held in the Town Hall on November 25, it is stated that Mr. Wood answered various points raised by me. With regard to the approximate cost of the board and the method of policing over two-thirds of the poultry industry who live in the country, Mr. Wood had no answer. Any member of Parliament who sponsors such a drastic Bill as this should know, and be able to tell us the approximate cost, what improvements and extra profits, if any, we are going to get, also what levy will be required to run the big staff, stabilise prices and so on, and how he intends to hold the Kalgoolie market; it has taken some years of hard work to get about half the trade, and now—that is, if the Bill is passed—we are likely to lose it in one night.

Hon. G. B. Wood: Why?

Hon. J. M. MACFARLANE: The hon. member had better ask the writer, not me.

In my opinion if the Bill, as it stands now, passes Parliament, it will mean the ruin of the industry, as by making fictitious prices we are going to get over-production, and the importation of South Australian eggs. I appeal to all poultry farmers to hand together, thrash this Bill out, and see what can be done without putting a halter round our necks, to improve our lot, without extra costs, and so make our 12-hour day worth living.

Yesterday a letter appeared in the "West Australian" over the name of Mr. F. F. Beurteaux, of Byford, as follows:—

A word to those poultry farmers outside of the coterie that are attempting to rush matters relative to the Egg Marketing Board. At a meeting in Perth on November 25 an amendment was put advocating that a poll should be taken before the Bill was put before Parliament and the "West Australian" report of this meeting stated this amendment was met with derision. This speaks volumes, and it would appear that matters are being rushed and those who attended the meeting are apprehensive regarding a poll and so get a true reflex of opinion regarding the Bill.

I feel satisfied members of the Legislative Council outside of the member introducing the Bill will realise that the 160 or thereabouts who attended the meeting do not represent the opinion of the majority of poultry farmers. Some features of the Bill are unpalatable, as it provides for a poll after two years and the Bill cannot then be annulled except a 75 per cent. poll is registered. To provide for the poll after two years and not before savours of

rush tactics not appreciated by the majority of egg producers and certainly shows an unhealthy desire to rush the Bill through.

To police the Bill and secure the brains for effective administration is a huge task but I daresay some of those who treated the amendment with derision will be waiting on the doorstep for an appointment should it become law.

Hon. H. V. Piesse: Mr. Wood was conscientious in putting up the case.

Hon. J. M. MACFARLANE: I am not questioning that, but I think his advisers were too zealous and that in some respects he has been misled. I have a letter from a gentleman who was a member of this Chamber for a long time. He informs me that he was present at the meeting and that he received very scant treatment from the chairman and from the secretary (Mr. Davies).

Hon. J. Cornell: That is nothing new to get from Mr. Davies.

Hon. J. M. MACFARLANE: The writer said he was quite satisfied that if the matter were calmly dealt with by poultry raisers in his district, the majority would not want a board. He would be quite agreeable to leave the matter to the growers if a referendum were taken and they gave an affirmative vote. I have a letter from Mr. Knight who states that he has over 3,000 fowls and objects to the appointment of a board. He is satisfied that he could not agree with the views expressed unless the matter was submitted to a referendum of the growers. He adds that he is a big grower and has taken an active interest in the work of organising the poultry farmers, but he does not want a board unless the producers as a whole desire one.

Hon. H. V. Piesse: Do not you think that every producer should have the right to vote on the formation of a board?

Hon. J. M. MACFARLANE: That would be just. New South Wales has a general marketing Act and this matter has been placed under the control of the Director of Marketing. The Act lays down clearly that a poll shall be taken of producers resident or carrying on the business of production within the area on the question of whether a board should be constituted in relation to this commodity. Voting is compulsory, and there is a penalty of £2 for those who fail to vote. In Victoria similar conditions prevail.

Hon. H. V. Piesse: Do you consider that the compulsory clause should be adopted here?

Hon. J. M. MACFARLANE: We are being asked to constitute a board without giving the people concerned an opportunity to express an opinion. I have endeavoured to explain that marketing is a service rendered to the industry. This is not by any means recognised as being equitable, but if a board were established, it would be a burden on the producer that he does not have to bear to-day. Then there is the question of empty returns—the container in which the eggs are conveyed to market. I am told that the cost of the 13 dozen cases works out at about 3s. 3d. a piece, and this service is rendered to the producer for a charge of 2d. per case. Egg fillers are fragile; the receptacles are easily broken and the cost of maintaining them is heavy. The charge made is so low as to involve the markets in a loss to maintain the containers. Further, heavy rental is involved for premises in which to store and repair the empty cases, and from which to despatch them on each market day. This is an essential point, namely, that the markets give a service for which they are not adequately paid. This service the producers will lose if a board is established. To emphasise the point let me quote a Sydney publication "Poultry," dated the 3rd December, as follows:—

The New South Wales Egg Marketing Board's decision to increase its deposit on standard egg cases, announced in issue 15/10/38, will be put into effect this month. Following a conference on the subject with Sydney wholesale distributing houses, it has been decided that as from December 5th all cases issued in Sydney to the retail trade and to producers shall be charged at the following rates: 30-dozen cases, 5s. each; 15-dozen, 2s. 6d.; 6-dozen, 2s. 6d. These rates will apply to all cases issued from the board floor. The charge is a hire charge and will be refunded upon the return of cases in good order and condition.

Cases outstanding with producers and with the trade as at Saturday, December 3rd, can be returned to the board and the hire charge made upon them, namely, 2s. 6d. for 30-dozen cases and 1s. 3d. for 15 or 6 dozen cases, will be refunded. To enable the board to make the necessary safeguards this alteration in hire rate for cases will take effect in the Newcastle district as from Monday, December 19th.

It is understood that the board will make some distinguishing mark on cases in order to differentiate between cases issued at 5s. and those issued at 2s. 6d. in the case of 30-dozen cases, with similar precautions with 15 and 6 dozen cases, so that the correct amount of hire charge may be returned either to the customer or the producer.

The board states that while the increased rates will not obviate altogether the cost of the standard case system, the depreciation of cases and material which at present is heavy in the selling section of the boards' business will be reduced, thus lessening the drain upon pool funds.

Hon. H. V. Piesse: I should like to ask you as a man dealing in eggs—

Hon. J. M. MACFARLANE: I cannot follow out the line of argument I wish to adopt if I have to stop to answer questions. I shall be glad to answer any questions when I have concluded my remarks. Instead of this board saving the industry from ruin, as has been represented, I am strongly of opinion that it will result in the industry missing the advantage of a very profitable year that lies ahead. To institute a board at this stage would not be in the best interests of the industry. The last three or four years have been very profitable for the poultry raisers, due partly to the fact that the price of wheat has been low and partly to the better organising and the work of the department. Therefore, instead of the industry facing ruin if the Bill is not passed, I say definitely that the measure will place a check upon the industry.

There is little doubt that if the marketing of eggs is continued as at present, another profitable year will be experienced. Under the provisions of the Agricultural Products Act, inspectors are supervising the marketing of eggs in Kalgoorlie. There the market has been held for a long time by South Australian growers, but it is now being captured for Western Australian poultry farmers to such an extent as to have the effect of stabilising the price in the metropolitan area. Local eggs are now being shipped regularly to Kalgoorlie that previously did not go there, and that fact is materially helping the industry. Interstate freedom of trade made it impossible to stop South Australian shipments, unless there was some other method of keeping them off the market. The department has instituted a grading system and a quality system, and sent an inspector to supervise the sale of eggs on the Kalgoorlie market. Fairly large quantities of our eggs go to that market, thus stabilising egg prices. South Australian growers have become shy of sending goods to compete with Western Australian eggs in Kalgoorlie.

For his attempt some time ago to rescue the Kalgoorlie market from South Australian growers, Mr. Baxter deserves a pat on

the back. In conjunction with the present Poultry Adviser, Mr. Baxter undertook export work and also handling and grading here. Owing to lack of sufficient inspection at Kalgoorlie results there were disastrous, and in time Mr. Baxter faded out. However, the department reaped the benefit eventually by sending up an inspector. For some time Kalgoorlie buyers treated the inspector with derision; but he persisted in trying to assist them, and finally the regulations were put into full effect. The Kalgoorlie market is now being slowly won for Western Australia, though there is still a long way to go. Given an opportunity, Western Australian growers will have still better success in Kalgoorlie, eliminating South Australian eggs from that market. Mr. Hamersley in his speech stated that he saw thousands of cases of eggs between Kalgoorlie and Adelaide. Now, each case contains 30 dozen, and therefore 1,000 cases would represent 30,000 dozen eggs—a good deal more than Kalgoorlie could consume between trains. Nevertheless, I have here figures from the Poultry Adviser showing that 1,100 cases of imported eggs got into Kalgoorlie in July of 1936, and that was not the bi-weekly supply from Western Australian producers. In July, 1937, 1,300 cases of imported eggs went to Kalgoorlie, and in July, 1938, 600 cases; in August, 1936, 520 cases; in August, 1937, 440 cases, and in August, 1938, 300 cases; in September, 1936, 400 cases, in September, 1937, 83 cases, and in September, 1938, 100 cases.

These figures prove that the action of the Agricultural Department, resulting from the Minister's support of the Poultry Adviser, has produced excellent results—results better than the efforts of a board could bring about. There is still a large consumption of imported eggs in Kalgoorlie, which, if supplied from local production, would help to stabilise Perth egg prices to an extent that our growers would highly appreciate. In support of my contention I would like to quote from the Sydney weekly "Poultry," of the 3rd of this month of December, which states—

In the course of his report to members at the monthly meeting of the Red Comb Egg Association Inc. (Adelaide) on November 3, Mr. A. A. Osborn, of the South Australian Farmers' Union, which acts as agents for the disposal of the association's eggs, stated:

"The South Australian Egg Equalisation Committee is doing very good work, and although buyers of egg pulp in Australia have for some time been and are still holding off, it will be necessary for them to operate very shortly, as otherwise the price of egg pulp will advance on account of the fact that such substantial quantities have been shipped overseas from South Australia this season, and it is the intention of the local committee to clean up all stocks of egg pulp so that when next season comes around the market for pulp will open up much stronger than it did last year, because it is estimated that stocks of pulp held by manufacturers and pastrycooks must have been in the vicinity of 40,000/50,000 tins, and with this equivalent being shipped out of the country the position in the future will be vastly different."

Each tin holds about 33 or 34 dozen eggs of which the pulp has been broken from the shell and tinned.

"The real worth of the equalisation scheme will be tested during the next few months, but when local prices are compared with those in the Eastern States the prices being offered at the present time, even though the surplus egg pulp is being sent to England, are much better than could be obtained for the eggs by sending them interstate. It would appear at the moment that South Australia is stabilising the egg market for the rest of Australia, as no assistance whatever is being received from the other States to remove our surplus overseas, but there seems little doubt that the Eastern States will adopt the same policy as has been done in South Australia, and will ship their surplus egg pulp and eggs in shell overseas and in that way stabilise their egg markets.

"So far as local sales are concerned, they are very small, as is usual at this time of the year, but there are now very definite signs that production is rapidly declining, and no doubt sales in the near future will improve, especially when the weather gets warmer, as the demand will definitely improve then for the Red Comb quality.

"The future of the egg market appears to be sound, and with the lower prices of wheat poultry farmers generally are having a fairly good time, although if an all-Australian scheme had been adopted the price of eggs to-day would have been very much better, especially in South Australia, because the levy necessary to remove the surplus would have been very small if it had been contributed by poultry farmers throughout Australia, instead of as it is now, resting on the shoulders of South Australia only."

Now, here is where Mr. Wood, I take it, was not properly advised. The secretary of the Poultry Farmers' Organisation called all the principal metropolitan sellers to a meeting to decide whether we could link up with an Australian body in order to stabilise

egg prices through pulping. For last season, Melbourne had a carry-over of 17,000 tins, each containing 30 to 40 dozen eggs. South Australia had its quantity, as also had New South Wales and Queensland. One can recognise, therefore, what the carry-over might be to the present season. At the meeting I represented the merchants who sell to shops for re-sale, Mr. Baird represented the big stores, including Boan's, Foy's, Wills's and Charlie Carter's. Mr. Giles and Mr. Newby represented the growers. That was a voluntary board of which Mr. Davies was secretary. It functioned up to a point. Then Mr. Davies put up a request that there should be deducted from the levy made on egg suppliers a certain proportion that would be devoted to the organisation of the poultry section of this association. He did the same thing in connection with the milk business. He had also suggested that a similar procedure should be followed in the cream supplies to factories.

Hon. G. B. Wood: What has that to do with the Bill?

Hon. J. M. MACFARLANE: I shall explain to the hon. member in a moment. The board wanted someone to attend a meeting in Melbourne and Mr. Davies was elected to go. His fare was paid for him. He proceeded to Melbourne and on his return attended one meeting of the board, at which he reported the result of his visit. He then fell sick. We then found that the local price for egg pulp arranged here was not effective.

Hon. G. B. Wood: That was not because Mr. Davies was sick.

Hon. J. M. MACFARLANE: No. I am making an explanation.

Hon. G. B. Wood: You have no right to talk about Mr. Davies like that.

Hon. J. M. MACFARLANE: I have every right to state a case that I know to be correct. At the request of other members of the board, I took it upon myself to write to Mr. Osborn in Adelaide informing him that Mr. Davies was sick and could not give the matter his attention. I pointed out our position was being threatened and requested immediate action to prevent our being robbed of our market by exporters of egg pulp from South Australia. Mr. Osborn was quite surprised to hear this. He asked us to continue with our work because he felt satisfied everything would turn out right. It

did not. I then got into touch with Mr. Davies's office and found he was absent in the country. I wrote again to Mr. Osborn and he advised me to get in touch with the Sydney secretary. I nearly got a rap over the knuckles because I had written to him instead of the secretary doing so. As the secretary was not available, however, I felt I was acting in the interests of the voluntary board. Mr. Osborn was quite surprised to learn that we had not had a report from Mr. Davies on any of the other board meetings in Melbourne.

The PRESIDENT: Order! I must ask the hon. member to connect his remarks up with the Bill. What has this past history to do with the Bill?

Hon. J. M. MACFARLANE: I am leading up to that. I shall presently deal with the clause of the Bill relating to egg pulp. Mr. Davies had not reported to the board that discussions had taken place and decisions had been arrived at. The members of the board have not been called together since; it has not been dissolved. We next found that because Mr. Davies had ascertained that a favourable deduction could not be made from the funds of the voluntary board, he had decided to drop out of the matter altogether and proceed with this Bill. That is the explanation I desired to make to Mr. Wood. Mr. Davies was a wrong secretary for such a voluntary board, on which so many different interests were associated. He was biased.

I have received from the Marketing Board of New South Wales a list of various boards that have been established in that State since 1928. The list shows that 14 ballots were held, of which nine were negative and five affirmative. Two boards were dissolved, and three are in existence at present.

Hon. G. B. Wood: Those boards are altogether different from this proposed board, which will be a State-wide board.

Hon. J. M. MACFARLANE: I am quoting from the particulars I have received. My desire is to point out the trouble that will ensue if this proposed board is established. The business with which it will deal is extremely intricate, so intricate that I could not explain it to members were I to talk until the present session closes.

The Egg Board in New South Wales was constituted by a poll taken in 1928, and operated over an area comprising the Counties of Cumberland and Northumberland

and the shires of Nattai and Wollondilly. That is a place about 20 or 25 miles from Sydney. The percentage of votes in favour of the board was 74.8, the negative votes being 25.2 per cent. At the last poll, that board lost at least 5 per cent. of the effective growers. An effort was made to reconstitute the board and to increase the area over which it could operate, with a view to bringing country growers into the scheme. The attempt was unsuccessful. The board has lost £55,000, which amount is at present due to the Commonwealth Bank and the Government of New South Wales.

The members of the board showed such incapacity that they reduced home consumption and increased export. As a result, they lost money on the exports to such an extent that they now find themselves in the hands of the bank. The bank has the matter in hand and has told the members of the board to reduce the home selling price to 1s. 1d. The bank has given the board nine years in which to pay the overdraft. I do not think that is possible on this year's responsibilities, because exporting this season will prove to be rather disastrous, so that the growers will be called upon to make good the loss. In New South Wales the production, instead of increasing, has decreased. "Organised Marketing" of the 12th November contains this information—

Receipts showed a decrease of approximately 5 per cent. while the sales remained firm, on the previous week's improved demand. Cases packed for export totalled 4,401, the season's total now being 99,192 cases, a decrease of 32,577 cases on last year's total.

Member: What about Queensland?

Hon. J. M. MACFARLANE: I will accept the invitation and refer to Queensland. Queensland is perhaps one of the best examples of all the States. It is in the unique position that by Order-in-Council the Government is able to do things that would require a much longer time for us to do in this State. There is no orderly marketing board as in New South Wales and Victoria, and the salesmen or merchants have not been excluded from marketing. That applies also to Victoria. The selling arrangements have not been interfered with. Queensland has been able to ship its surplus to New South Wales at an improved price because in New South Wales the price was raised as soon as the board was established. I would cite South Australia as the best

example because there producers are working on a voluntary basis and are obtaining more solid results than are producers elsewhere.

A writer called "Austral" was responsible for some comments in the "West Australian" on the same day as the report of the meeting at the Town Hall appeared. I shall not, however, quote the article, which deals with the points I have mentioned. Members should bear in mind that an embryo chicken in an egg laid to-day will in six months' time be a producer. It will readily be understood therefore that with birds increasing at such a rapid rate, however happy the conditions of producers may be made by the passage of this Bill, they will find themselves back in the old position within a year or two years, because over-production will occur as a result of others entering the industry on account of the stabilised prices.

I have been informed that since Mr. Wood's Bill was introduced the secretary and a representative of the Zone Council have been amongst the farmers telling them that they should link up with the association because they would get 1s. 6d. a dozen for their eggs. "Poultry" published a report of the meeting in the Town Hall. I understand that Mr. Wood consulted committeemen of the Zone Council and asked them whether they desired that he should support the introduction of a provision for a referendum, and said that he considered they would be more successful in securing their objective if a referendum were taken. They declined to accept the suggestion and told him to go on with the Bill as it was, and there the position remains.

Hon. G. B. Wood: I never said that in the Town Hall.

Hon. J. M. MACFARLANE: I stated you said it to the Zone Council. I am sure Mr. Wood feels that he is doing some good for the industry, but when he states that this Bill is required in order to stabilise the industry and save it from ruin, I consider he has been misinformed. Many growers have told me that in the last two years they have had a good time. That is indicated by the improvements made to their yards and the additions to their flocks. Mr. John R. Knight has written to me as follows:—

For your use in the case of any member interjecting, I may say that I have 3,000 birds and get no other income. I have represented the Western Australian poultry farmers at two

conferences in Melbourne and am convinced that only an open poll would give satisfaction.

I have placed amendments on the notice paper that I feel are in the best interests of the industry. I shall ask members to decide that the Bill be passed with a provision for a referendum. If my amendment were carried I am sure that the disturbing element in the industry would loyally abide by the board in the event of its appointment.

The policing of the Act would be an important matter and the industry would be charged with the cost of such supervision. In New South Wales £7,000 per annum is required to police an area of 25 square miles. What would happen in this vast State, which has such a small population? An objectionable feature of the Bill is that referring to producer agents. They are growers who obtain a license to market their own goods. In theory, they have to send in their usual contributions to the board, together with 5 per cent. extra, but they are not doing it, and the board is obliged to do the policing of the particular area in New South Wales to which I have referred. If a tax had to be levied on the producers in Western Australia for this purpose it would ruin the industry. No doubt Mr. Wood will be pleased that I am not going to quote any more of Mr. Knight's letters.

Hon. G. Fraser: Mr. Wood is not the only one to be pleased.

Hon. J. M. MACFARLANE: I am not offering opposition to the Bill. At first I felt that I should say "take the measure, and gain your own experience from it." Because of my knowledge of the industry, however, I felt that would be the coward's way, and that, as I had a great deal of experience of this matter and was possessed of information of some value, it was my duty to make the remarks I have. At all events, members will now be able to come to an impartial decision. That is all I want.

Should the Bill pass the second reading I trust members will agree to the proposal for a referendum, and to a reduction to 60 per cent. in the number required to furnish an effective poll for the dissolution of the board. In New South Wales the majority required was two-thirds, but that was reduced to three-fifths. As great a majority should be required to put the growers into this

organisation as to enable them to get out of it.

I now leave members to make up their own minds. In the best interests of the industry I feel it would be wise that matters should be allowed to rest for a while. Should the Bill not be passed I guarantee that if Mr. Wood will link up with me and others better results will be obtained for the industry than by putting through this measure. I have not touched upon the pulping of eggs or the export side. Both are costly and an equalisation charge would have to be put upon all eggs. This would make the work of the board both difficult and expensive.

On the notice paper I have an amendment to alter the constitution of the board. I want at least one member to be a mercantile expert. To ask three producers, who may be good poultry farmers, a Government servant, and a chartered accountant to handle this business, is to ask too much of them.

Hon. G. B. Wood: What about the constitution of the Dried Fruits Board?

Hon. J. M. MACFARLANE: I feel I would best be serving the interests of the industry by moving such an amendment at a later stage. The Butter Board is functioning because it is acting on a voluntary basis.

Hon. G. B. Wood: What have you to say about the Dairy Products Board?

Hon. J. M. MACFARLANE: The Butter Board owes its creation to this Parliament. One firm failed to pay the levy due, and after investigation the board threatened to sue it for the recovery of the money. On application to the Crown Solicitor and other legal gentlemen the board found that such action would be ultra vires.

All appearances were in the direction of the board's going out of existence. The manufacturers were then called together to consider the position. It was agreed that the board should not take advantage of its constitutional position, and the manufacturers carried a vote of confidence in it and agreed it was in the best interests of the industry that it should carry on. So it is that the board is performing its functions in a voluntary way. I feel sure that the egg industry can be conducted on similar lines if those interested in it come together and meet the merchants and others. If they have the desire to do so they will make a success of the business. In view of my remarks I shall vote against the second reading.

HON. J. CORNELL (South) [11.20]: It may be said that the measure we have just passed was a good Onion Bill, but that portions of this one will make a bad egg Bill. The measure contains several pernicious features. It is immaterial to me whether we pass it or not, for I still intend to keep a few fowls. The first feature to which I take exception is found in the definition of producer, a man who keeps more than 50 head of poultry with a view to making a profit on the sale of eggs. The Bill goes on to say that the only producer who shall vote for the election of members of the board is he who has at least 150 head of poultry.

Further on it is provided that the board shall be elected by the producers owning 150 head of poultry, who can then force the man owning 50 head into the whole concern and levy charges upon him for the administrative costs of the board. That is opposed to all the cardinal principles of "no taxation without representation." It is proposed to tax the small growers and give them no representation. If Mr. Wood wants us to frame a just and reasonable measure, and does not want to force people into this organisation without giving them some voice in its conduct, he is going the wrong way about it.

These things require to be straightened out. Should the second reading of the Bill be passed, I hope members will follow the procedure laid down in the Onion Bill, namely, place all growers of a given quantity of produce upon an equal footing. It is absurd to say that a man who owns three times as much poultry as another should be able to force that other to join the organisation without giving him any representation. I will support the second reading, but am strongly opposed to these provisions.

HON. G. B. WOOD (East—in reply) [11.25]: I am sorry the hour is so late, but I shall reply as briefly as I can. First I shall deal with Mr. Cornell's objections. The Bill certainly does state that the possession of 50 head of poultry shall make a man a producer, and that the possession of 150 head shall give a producer a vote. However, that is not quite so bad as it looks. If all producers having 50 head of poultry were given a vote—say, wheatgrowers running a few fowls—it would mean that they could out-vote all the poultry farmers.

The **PRESIDENT**: Order! That is a detail which can be dealt with in Committee. A second reading speech should deal with the general principles of the Bill.

Hon. G. B. WOOD: I take exception to Mr. Macfarlane's saying that I tried to mislead the House by stating that producers were paying 11 per cent. to agents. Definitely, I did not say that at all. What I did say was that on one particular consignment a friend of mine paid 11 per cent., made up of account sale fees plus 5 per cent. I was quite fair, and added that the percentage would not work out so high on a large consignment. I did say the agents were getting too big a cut. That is the opinion of the producers. Mr. Macfarlane to-night has championed the marketing people, and I intend to read a circular which Mr. Macfarlane's firm sent out to all egg producers last year. It shows what a great friend he was at that time to all other people dealing with the commodity. The circular is written on letter-paper headed "Macfarlane & Co. Ltd." and is signed "James Macfarlane." It was sent to very many egg producers in Western Australia, and reads—

48 Murray Street, Perth, 28th April, 1937.
Dear Sir,—As you are an egg producer, we are writing to bring under your notice some of the possible advantages that our firm has to offer you over your present method of marketing, and in the hope that if we are unable to secure your whole output, you will afford us an opportunity to demonstrate to you the truth of our statement on a portion of your supplies.

In that circular Mr. Macfarlane admits that the present method of marketing is not all it should be. To-night he said a good deal about account sales, taking me to task. The circular proceeds—

As egg merchants we have an extensive clientele on the buying side, both in the metropolitan area and also in the country. As such we can offer you a distinct advantage by trading with us direct, for we do not charge commission or make a charge for invoicing—

Yet to-night the hon. member justified that charge.

—and these two items represent a considerable saving to you, which you can satisfy yourself on by looking these items up on your account sale sheet.

What a change of feeling! What a change of front! To suit his own purposes he gets up here and says such things as he has said to-night.

Point of Order.

Hon. J. Cornell: On a point of order, I think Mr. Wood is unfair. He said that Mr. Macfarlane, to suit his own purposes, got up and—

The President: I did not think Mr. Wood implied anything personal. I think the purpose of Mr. Macfarlane was to get the House to take his view in regard to the Bill before the House. I am quite sure that Mr. Wood did not mean any personal reflection whatsoever upon Mr. Macfarlane. If I were not sure of that, I would ask him to withdraw.

Personal Explanation.

Hon. J. M. Macfarlane: May I say a word in explanation, Sir?

The President: Certainly.

Hon. J. M. Macfarlane: I thank Mr. Cornell for having taken my part. If Mr. Wood had gone further, I was going to appeal to you, Mr. President, to deal with the matter. I did not have a word to say on my own behalf at all. I felt that the markets people, who were not represented in any way and therefore could not put their case before members, deserved a word or two from me, as I do know how their trade is conducted, to show that they were not getting too big a cut out of the industry.

Debate Resumed.

Hon. G. B. WOOD: In explanation I would like to state that I had no intention of saying anything at all personal about Mr. Macfarlane, any more than I thought he was personal when attacking me. He has the case of the merchants. I have the case of the producers, whom I represent. Personally I have absolutely no interest whatsoever in eggs, either as a producer or as a seller of eggs. I advocate the measure to the House on behalf of organised poultry producers who represent a large body of opinion in the province I have the honour to represent. Mr. Macfarlane did put up a case for the agents in the markets, and I think he expressed it as his own view that they were not getting too much. Personally I think they are. Other agents do not charge account sale fees. Mr. Macfarlane said this was a point I put up in order to support the Bill. I put up many other points in moving the second reading. I did not hang my hat on just that one peg of what it was costing the egg producers.

The 14,000 poultry farmers Mr. Macfarlane claimed should have a vote. I say they should not have a vote, because they are not at all interested in poultry except in a very minor way. The man in the bush who has 50 head of poultry is not interested, and does not want a vote. I think there are 40 or 50 head of poultry at my place, but I do not want a vote on that account. To give the 14,000 a vote would make the board absolutely impotent. In that case this Bill is similar to another measure which we discussed to-night.

Quite a number of letters have been quoted by Mr. Macfarlane. The principal letter-writer, Mr. Knight, he quoted two or three times. I also have many letters, but I do not wish to weary the House by quoting them all. I shall quote only one. It is written by Mr. F. B. Vickers, and is published under the heading, "Small Eggs—High Prices." It reads as follows:—

Sir,—On my arrival at a Murchison station in charge of a shearing team, the owner informed me that he had ordered a case of eggs from Perth as he was unable to supply them from his own fowls as had been the case previously. In due course a case arrived containing 20 dozen eggs on which were labels of a Perth packer. On opening the case my cook drew my attention to the contents. They were packed in chaff, which is rarely used by producers, and at least 40 per cent. of the eggs were pullet eggs weighing in many cases as low as 1½ oz. The invoice showed the price to be 1s. 2d. per dozen. Having an interest in a poultry farm near Perth, I was amazed at the standard of pack I received and the pack demanded from me as a producer. During the last week in October the prices I obtained at auction in Perth Markets ranged from 10d. to 11d. for a 2 oz. pack and 9d. for a pullet pack, which consisted of all 1½ oz. and 1¼ oz. eggs. The date on the invoice received was November 1, therefore the eggs were bought near the time the prices quoted ruled. Were producers to place eggs on the auction floors graded in the manner of the eggs purchased (unless marked "mixed") they would quickly get brought to book and fined, and rightly so.

There we have the opinion of an unfortunate man who happens to be a producer, but who, when he got to the Murchison, discovered himself to be a buyer. The letter shows what is going on to-day.

The statement was made by Mr. Macfarlane that the egg producers did not desire this legislation. I say definitely that they do want it. Surely we must deal with the organised poultry farmers! When such legislation is proposed, members always receive letters

from interested parties. I attended a zone council meeting of the only properly organised section of the egg producers of Western Australia, and at that meeting it was decided that we should lay our cards on the table, and allow all the egg producers of the State to have their say, if they desired to do so. We even decided to ask members of Parliament to attend, so that if any producers at, say, Albany or Geraldton, could not attend the meeting, they could be represented through their members of Parliament. What could be fairer than that? The meeting was duly held and the following motion was carried by 155 votes to five:—

This mass meeting of poultry farmers strongly supports the zone council of the poultry farmers' section of the Primary Producers' Association in its endeavour to bring about a system of organised marketing of eggs, and expresses its endorsement of the clauses and provisions of Mr. Wood's Bill.

An amendment was defeated that would have made provision for a poll. Mr. Macfarlane made reference to the cries of derision that met the amendment. That derision arose because, after Mr. Aitken had moved the amendment, the chairman said that a similar amendment would be moved by Mr. Macfarlane in the Council. That was the reason for the derision, which was not occasioned by the amendment itself. The producers reckoned that there must have been some collusion between Mr. Aitken and Mr. Macfarlane.

Hon. J. M. Macfarlane: Mr. President, may I protest against that statement?

The PRESIDENT: The hon. member may make an explanation.

Hon. J. M. Macfarlane: I do know Mr. Aitken, but I have certainly never entered into collusion with him regarding the amendment as suggested.

Hon. G. B. WOOD: I am prepared to accept Mr. Macfarlane's statement, and am not responsible for the impression gained by the egg producers. When the reference was made at the meeting to the amendment, the producers naturally presumed there had been collusion. That amendment was defeated, 11 producers only voting for it. The following motion was also carried unanimously:—

This meeting, representing large and small poultry farmers, urges Parliament to pass the Bill now before it to make provision for the marketing, sale and disposal of eggs and

thereby rid the industry of the present system of marketing, which encourages speculation and profiteering to the detriment of producers.

Hon. J. Cornell: A big meeting in Perth carried a resolution regarding my starting-price betting Bill, and I cannot get an opportunity to have it discussed.

Hon. G. B. WOOD: Starting-price betting has nothing to do with this Bill.

Hon. J. Cornell: That shows what good such resolutions do.

Hon. G. B. WOOD: So much for Mr. Macfarlane's statement that the poultry men do not want this legislation. I know that hon. member read only the letters that suited him; he must have received others. I do not propose to read all the letters that have been published, but I have replied to most of them in the "West Australian" and I think my letter will appear to-morrow. I regard the letter from Mr. Vickers as of great importance.

The opinion of an ex-member of Parliament was quoted by Mr. Macfarlane. I have great sympathy for ex-members of Parliament, but the man referred to made rather a goat of himself at the meeting when he said that 17 growers in his little circle did not want this legislation. When pressed to name them, he could not supply the information. I take exception to Mr. Macfarlane's remarks that the individual concerned did not enjoy fair treatment at the hands of the chairman of that meeting. The chairman is a highly respected man and would ensure everyone fair treatment. The prominent egg producers do not desire a poll because they realise an organised effort to defeat it would emanate from the merchants. I do not blame the merchants for their attitude, because they imagine this move is not in their interests. Mr. Macfarlane quoted the position in Queensland, where the agents helped in the working of a board. I honestly think that most of the agents will be retained here.

Hon. J. M. Macfarlane: The Bill does not say so.

Hon. G. B. WOOD: The Bill says that the board will have power to appoint agents.

Hon. J. M. Macfarlane: That means producers' agents.

Hon. G. B. WOOD: The Bill does not indicate that. I cannot fathom the mind

of the hon. member. He is reading into the Bill something it does not contain. As to the levy of 2d. per week, Mr. Macfarlane says it is too low, whereas the producers say it is too high.

Hon. J. M. Macfarlane: If they get the board, they will find out.

Hon. G. B. WOOD: Then let them have their board, and find out for themselves. They say the agents are getting too much out of the industry, but I do not suppose there is really much in it. Then there was the statement that this move will ruin the industry. That has not been the experience in Queensland, where the producers are quite satisfied with their position. In my second reading speech, I said that legislation of this description had been introduced in Tasmania but had not been passed by both branches of the Legislature. Since then, it has been passed so that the statute-book of each State contains egg marketing legislation, with the exception of South Australia where there is a voluntary pool but where the producers are desirous of securing a statutory board.

I take the greatest exception to the remarks about Mr. Davies who is not here to defend himself and I regard it as my duty to speak on his behalf. Mr. Macfarlane made much of the position regarding the egg pulp from the Eastern States and I was glad, Mr. President, that you called him to order, because his references had nothing whatever to do with the Bill. The assertion was made that when the introduction of the measure was mooted, Mr. Davies travelled through the country districts and promised the producers all sorts of prices, even as much as 1s. 6d. a dozen. Legislation of this type has been contemplated for many years; there is nothing new about the proposal. Quite eight years ago action was attempted along these lines, and the producers have again been making representations with that object in view for the past few years. I take strong exception to Mr. Macfarlane's remarks on this point. I know he has been misinformed, and I certainly do not think that a dozen people have spoken to him about Mr. Davies.

I have many things I would like to say in reply to the debate, and as the hour is late I desire to hurry through as quickly as possible. References were made to the difficulty of policing the legislation throughout

this huge State. There will be no need to police it in the Kimberleys. Whoever would dream of attempting to do so? That was a ridiculous suggestion. Eggs are not sent to the metropolitan area from the Kimberleys, Carnarvon or such distant places, but are consumed in those districts. Eggs from centres within 200 miles or so of the city will be sent to the metropolitan market and not from the distant parts as suggested. That was an amazing statement to make.

Hon. J. M. Macfarlane: Why bring them in?

Hon. G. B. WOOD: No levy is suggested for payment by people in those outer areas.

Hon. J. M. Macfarlane: How will you finance the scheme?

Hon. G. B. WOOD: The producers within about 200 miles of Perth will finance it. No person in his right senses would think of levying people in the Kimberleys in respect of a move in which they were not in the least interested.

Hon. J. M. Macfarlane: The Kimberleys are not the only sections affected.

Hon. G. B. WOOD: The hon. member knows full well that the board will control the export of eggs and other activities mentioned in the Bill. He referred to the majority of the producers on the board mentioned in the measure, but I shall leave that phase until we reach the Committee stage. The producers have received encouragement from members of Parliament to think that this legislation will be passed. Mr. Nicholson addressed one meeting of organised poultry growers at which he said—

I hold it to be the duty of members of Parliament to become acquainted with the phases of all industries affecting the welfare of the community. If there be any reasons of a substantial nature why people who are seeking to help themselves and also to build up a valuable export industry for the State should have aid from Parliament in marketing reform or other relief, then we as members of Parliament should do our best to grant it. That is the view I take. I believe in seeing men make progress in rural, as well as industrial, walks of life. Every man who helps in building up an industry is a most helpful and valuable person to the State. He should, and I hope will, attain that degree of success to which his energy is entitled. The little I have learned here to-night impresses me with the need for such help.

The member of another party, Mr. Needham, was reported to have said—

In common with the previous speaker, he was grateful for the invitation to be present.

He need not tell them that his vote was cast in favour of Mr. Johnson's Bill and that poultry men could be assured that he would support any further effort made to secure their objective. A marketing Bill should not be a party measure, but should receive the support of all parties.

I shall not read what Mr. Hughes said on that occasion. While his support was not so pronounced, he did support the proposal in a qualified way. I shall now quote—

Hon. A. Thomson: You are stone-walling your own Bill.

Hon. G. B. WOOD: No objection was raised to Mr. Macfarlane speaking for an hour and a half. I do not intend to take more than 20 minutes, which I think is only fair. I am an advocate for the people interested in the industry; I am not seeking the passage of this measure for my own benefit. I desire to impress that fact upon hon. members. Mr. Thomson takes up quite a lot of the time of the House.

The PRESIDENT: Order! The hon. member must not be personal.

Hon. G. B. WOOD: No one can accuse me of wasting the time of the House. Since I have been a member, I have made the briefest speeches possible. Mr. Craig, in speaking to another Bill, said, on the 9th December, 1936—

Those of us who were privileged this afternoon to listen to Sir Basil Brooke, the Minister for Agriculture in Northern Ireland, will appreciate how necessary it is in these modern days to have marketing powers in certain cases to control certain commodities. Those who heard Sir Basil will remember that he told us that in three years the production of pig carcasses in Northern Ireland had increased from 250,000 to 700,000, while the quality had risen from that of a definitely inferior pig to a pig greatly sought after in the markets. The same thing applies in Northern Ireland to the production of eggs. In that country people were producing inferior eggs. As a result of marketing controlled by a board, the quantity as well as the quality was greatly increased. These eggs are now much sought after on the London market. Members may imagine that marketing boards have been created by producers in order to boost their own products, to raise prices irrespective of anything else. That is not so. These boards are appointed to regulate the price to producers, to ensure the consumers getting the product at a reasonable price, that no undue costs are incurred in marketing, and one of the principal uses of these boards is to improve the quality and thus improve the sales of these products.

I could read a great deal more in a similar strain, but I do not wish to weary the House.

I think I have said enough to induce members to approve of the principle of the Bill. When introducing it, I said I was prepared to accept any reasonable amendment. I told the meeting at the Town Hall that I did not consider the Bill a perfect one. It is impossible to please everyone, but we must have a starting-off point. The producers considered it was the best marketing Bill that had come under their notice. That was a compliment to the draftsman; I am not referring to myself. I am sorry the hour is so late and that I have trespassed on the patience of members.

Question put and a division called for.

Hon. J. M. MACFARLANE: Owing to the state of the House, I desire that the division be called off.

The PRESIDENT: There being no dissenting voice, the division is by leave called off, and I declare the question passed.

Question thus passed.

Bill read a second time.

BILL—MCNESS HOUSING TRUST ACT AMENDMENT.

Received from the Assembly and read a first time.

House adjourned at 11.53 p.m.