

The COLONIAL SECRETARY: I move—

That the consideration of this message be made an Order of the Day for the next sitting of the House.

Hon. A. LOVEKIN (Metropolitan) [11.10]: The Government Printer, in the ordinary course, does not work on Saturday morning; and I will ask the Minister whether he will pay a little overtime in order to get the printing staff to work to-morrow, so that these amendments may be available on the Notice Paper early on Monday morning. We can hardly consider the amendments until we see them in print.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central—in reply [11.11]: The staff of the Government Printing Office have been working overtime for weeks past, and will be working overtime to-morrow. Arrangements will be made to have the printing of the Notice Paper completed as desired.

Question put and passed.

ADJOURNMENT—CLOSE OF SESSION.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [11.12]: I move—

That the House at its rising adjourn until Monday next at 11 a.m.

On the assurance of the Premier I desire to state that every effort will be made to close down by Tuesday. The Government cannot definitely undertake that such will be the case, but the present intention is that the session shall finish on Tuesday. My object in asking hon. members to meet on Monday at eleven o'clock is that we may be able to get through our work without undue haste and still be able to complete it on Tuesday at an earlier hour than usual at the close of a session. At all events, by meeting as proposed we shall be able to make considerable progress by ten o'clock at night.

Question put and passed.

PRESIDENT—LEAVE OF ABSENCE.

The PRESIDENT [11.13]: Before the adjournment is moved, I wish to ask hon. members for leave of absence on next Monday, Tuesday, and Wednesday on the ground of urgent private business.

Members: Hear, hear!

The PRESIDENT: I am compelled to do this because I hardly thought that the House, having sat on Friday, would adjourn to the following Monday. In the circumstances I made, for Monday next, arrange-

ments which it is impossible to cancel. Therefore I formally move—

That leave of absence for three consecutive sittings be granted to the President on the ground of urgent private business.

Question put and passed.

House adjourned at 11.14 p.m.

Legislative Assembly,

Friday, 19th December, 1924.

	PAGE
Questions: Gambling, White City	2523
"Lambra," fire in bunkers	2524
Radioloudst, consideration	2524
Railway extensions	2524
Bills: Traffic Act Amendment, 3B.	2524
Land Tax and Income Tax, Council's requested amendments	2524
Industrial Arbitration Act Amendment, Council's Amendments	2541
Closer Settlement, Council's Message	2549
Inspection of Scaffolding, Council's Message	2549
Land Tax and Income Tax, Council's Message	2549
Workers' Compensation Act Amendment, Council's Amendments	2549
Adjournment: Close of Session	2552

The SPEAKER took the Chair at 3.0 p.m., and read prayers.

QUESTION—WHITE CITY, GAMBLING.

Mr. RICHARDSON (for Mr. Barnard) asked the Minister for Justice: 1, Is he aware that gambling is being carried on at the "White City"? 2, If so, will he inform the House by whose authority or permission this is being done? 3, Will he instruct the Commissioner of Police to enforce the law for the prohibition of gambling at "White City"?

The MINISTER FOR JUSTICE replied: 1, Certain methods have been adopted at "White City" for the purpose of obtaining funds for commendable purposes. 2, No objections have been raised by various successive Governments. 3, As the institution known as "White City" has been carried on with public approval and patronage, it is not intended to alter the existing conditions for the present.

QUESTION—STATE SHIPPING SERVICE.

Fire on "Bambra."

Mr. WILSON asked the Premier: 1, Has his attention been drawn to a fire occurrence in the coal bunkers of the s.s. "Bambra"? 2, If so, is it true that the coal supplied was from the Eastern States or from some foreign country?

The PREMIER replied: 1, Yes. A small fire was located in the starboard side bunker. 2, The coal was from New South Wales.

QUESTION—RADIOGRAPHER, CONSIDERATION.

Mr. MARSHALL asked the Premier: 1, Has consideration been extended to Dr. Hancock as suggested by resolution of the Assembly? 2, If not, can the matter be finalised before the Christmas holidays?

The PREMIER replied: 1, Yes. 2, Finality depends upon a reply which is expected from the Prime Minister.

QUESTION—RAILWAY EXTENSIONS.

Mr. E. B. JOHNSTON asked the Premier: 1, Are the Government aware of the urgent necessity for the extension of railway facilities to the Walyurin, East Jilakin, and other districts east of the Yilliminning-Kondinin railway? 2, Will the Government have the matter referred to the Railway Advisory Board for inspection and report?

The PREMIER replied: 1 and 2, The matter will receive consideration.

BILL—TRAFFIC ACT AMENDMENT.

Read a third time, and transmitted to the Council.

BILL—LAND TAX AND INCOME TAX.

Council's Requested Amendments.

Schedule of three amendments requested by the Council now considered.

In Committee.

Mr. Lutey in the Chair; the Premier in charge of the Bill.

No. 1—Clause 2, Subclause 1, strike out "twopence" and insert "one penny."

The PREMIER: This is a request from another place to reduce the amount of the land tax from twopence to one penny; in other words, that the rate shall remain as it is in the existing Act. I do not propose to take up the time of the Committee by going over the same ground as was covered during the debate when the Bill passed

through this House. At this stage I shall content myself with moving—

That the amendment be not made.

Hon. Sir JAMES MITCHELL: The Premier will recollect that when we were dealing with this Bill we believed that the Main Roads Bill would become law. The latter measure had then passed this House and been sent to another place for consideration. We now know, of course, that another place has not dealt with the Bill, which therefore will not become law this session. The additional taxation was agreed to here because the House had already passed the Main Roads Bill, thus making it an obligation on the Government to impose taxation for the construction of main roads. The Minister for Works had intimated that the tax he required was a half-penny in the pound on the unimproved value of all land in the State. As the tax on unimproved land is one penny, and as there was an exemption of one-third to the owners of improved land, it follows that in imposing additional taxation the Government had to increase the tax. Out of the second penny the Premier proposed to give the Minister for Works his half-penny. The House agreed to the increased taxation on the understanding that the additional revenue would be for main road purposes, except in so far as the tax was in respect of unimproved land; and in that connection the Premier said he would give the money back in reduced railway rates. Having regard to those circumstances, the Premier is hardly justified in insisting upon the higher rate of tax. I doubt that the House would have agreed to the special tax imposed, except for a special purpose. Now that that purpose no longer exists, I think the Premier should give way and agree to a tax of one penny in the pound.

The PREMIER: I dissent altogether from the contention that the House agreed to the higher rate of land tax simply because it was proposed to devote a portion of the receipts to the purposes of the Main Roads Bill.

Hon. Sir James Mitchell: We passed that Bill here, you know.

The PREMIER: Yes; but the tax, I declared later, was justified and warranted quite irrespective of any payments which might be made under the Main Roads Bill. I explained later that if the Main Roads Bill should pass and if a half-penny of the additional tax were devoted to that purpose, there would be only a very small amount left to give effect to the policy and intention of the Government with regard to reduction of railway rates and charges. Even now, apart altogether from the Main Roads Bill, if the higher rate of tax should stand, there would not then be as much money available, over and above receipts from the ordinary tax, as I should like to have for

reduction of railway rates and charges. I say the tax was not granted conditionally at all, and I repeat that the higher rate here proposed is the lowest land tax in Australia. That is an incontrovertible fact. While in Victoria the rate is less, being only a half-penny, the values there are three and four, and even six and eight times as much as the values in Western Australia. The revaluation now in progress will not be completed for three or four years, and the unimproved values on which most of our landowners have for years past been paying are ridiculously low. The member for Toodyay (Mr. Lindsay) himself admitted in this House that the unimproved values in his district for taxation purposes were very low indeed. Land that has been revalued at £1 per acre has for years past been valued at only 7s. 6d.

Hon. Sir James Mitchell: The owners are very lucky.

The PREMIER: Lucky in that they have been escaping legitimate taxation. Unimproved values to-day are not what they were 10 or 15 years ago. Of late years those values have been increasing very rapidly. Instead of paying a tax of a half-penny in the pound on unimproved values, landowners have in effect been paying only about a third of a half-penny in the pound, because values have been only about one-third of the actual.

Hon. Sir James Mitchell: Not in many cases.

The PREMIER: There is no allegation that the new valuations are unfair. They represent considerable increases on the old valuations, but nobody will contend that in the revaluations there is anything unfair. Indeed, Parliament would be justified in making the tax on new valuations retrospective for years. I do not propose it. But I say there are no grounds for complaint because I ask that a little increase shall be paid on the ridiculously low tax that has been collected for years past. Wheat lands to-day are valued at £1 per acre, whereas in Victoria and South Australia similar lands, producing no greater yields, are paying taxation on unimproved values of £6 and £8 per acre. Yet the grower in Western Australia gets the same price for his wheat as is got by the grower in South Australia and Victoria, and he gets an equally good yield.

Mr. Thomson: No. Our yield is very much below that of the Eastern States.

The PREMIER: We are getting up to 30 bushels an acre. There has been an undeniable demand on the part of the general public that something like a reasonable land tax should be imposed.

Mr. George: Principally from those who have no land.

The PREMIER: Nothing of the sort. But even those who have no land contribute just as much to the enhanced unimproved value of land as do the owners of the land. As for the man who goes out and pioneers

the country, making wealth production possible, he contributes far more to the unimproved value of land in the city than does the man who owns a block and resides somewhere else. Were it not for the pioneers, the unimproved values of land in the city and towns would have remained where they were 20 years ago. He who talks about the owner of the land being responsible for the unimproved value of the land does not understand the A.B.C. of the economics of land values taxation.

Hon. Sir James Mitchell: It is possible that the man who says that population gives the land its unimproved value may be just as much at sea.

The PREMIER: What has added to the unimproved value of the land is the general activity of the whole community. The man who does not own a foot of land contributes just as much to the unimproved value of other men's land as does the biggest landholder in the city, and is just as much entitled to ask for an increase in land taxation as is anybody else.

Mr. Thomson: That is a debatable point.

The PREMIER: It is not a debatable point at all. Take Perry who, since the early days, owned the land out beyond Leederville. He had not spent a pound on improvements, excepting perhaps for the provision of a ring fence. He got the land for little or nothing in the early days, he contributed nothing at all to its unimproved value, yet it was sold for £16,000 or £17,000 to the City Council two or three years ago. Who added to the value of that land; Perry, the owner, or the men and women who opened up the country?

Mr. Thomson: But I was referring to agricultural land.

The PREMIER: The same principle applies to that. What does the absentee owner do for the unimproved value of the land? Will anybody say he has contributed anything to the increasing values, or is it not the men who are opening and developing the State who have done it? Yet now, when we ask for an infinitesimal amount towards the carrying on of the affairs of the State, all kinds of objections are raised to it. There never was a more legitimate taxation proposal brought before the House than this increase of land tax. In the Legislative Council itself, only three years ago, a motion moved by Mr. Dodd in support of a land tax that would pay the interest upon our railways was carried by a majority of three votes. It was then calculated that the taxation would be not less than $4\frac{1}{4}$ d. in the pound.

Hon. Sir James Mitchell: I hope the House will not agree to a land tax to cover interest on our railways.

The PREMIER: I am not asking that. If I were to bring down such a proposal it would be described as confiscation. But such a motion was actually carried in another place. Moreover, it was supported by a com-

mittee appointed by the Primary Producers' Association, by a majority of the committee.

Mr. E. B. Johnston: No, there was no majority; it was half and half.

Mr. Thomson: No decision was arrived at.

The PREMIER: A decision was arrived at by those in support of the tax, and I suppose they are not less concerned about the interests of the land owner than are those who opposed it. Probably also they are just as well informed on the principle of taxation as are those who opposed it. Judging by the statement the affirmative side issued, I should say they are very well informed indeed.

Mr. E. B. Johnston: The taxers appointed five, the non-taxers appointed five, and no converts were made.

The PREMIER: The taxers put forward their reasons in support of their view. I am inclined to read the whole thing right through.

Hon. Sir James Mitchell: Do so; there is plenty of time.

The PREMIER: It is such a valuable contribution to the study of land taxation that it is worth having it recorded in "Hansard."

Hon. Sir James Mitchell: But those people do not speak for the farmers of this State.

The PREMIER: Yes, they do.

Hon. Sir James Mitchell: Walsh does not speak for the people of this country.

Mr. Hughes: Neither do you.

The PREMIER: This has been reprinted from "The Farmer" newspaper, issued by the member for Swan (Mr. Sampson). Here it is—

Land Values Taxation. Primary Producers' Association Committee of Inquiry. Statement submitted by the affirmative side. We understand that the intention of conference in appointing this committee was that we should inquire into the question of a tax upon the unimproved value of land, and submit a report upon the following points:—1, Whether the principle of taxing land values should be adopted by the Primary Producers' Association. 2, If the principle be endorsed, what amount of taxation should be levied upon land values. 3, What other taxes, if any, should be remitted when a tax upon land values is imposed. We recommend the taxation of land values for the following reasons:—A tax upon the value of all land, irrespective of improvements, is ethically sound, appropriating for social use a value which society has created by provision of public utilities. The tendency of such a tax is to stimulate the use of land and to discourage monopoly. Unlike almost all other taxes this tax is always paid by the owner of the land; there are no means by which it can be passed on. Political economists

without exception, have always agreed upon this point; we attach a statement on that question from Professor Shann, of the Perth University, confidently asserting that there is no possibility of the owner of land transferring the tax to anyone else. Since, however, there may still be farmers who fear that a land values tax upon the property of a city merchant may be collected by him from country customers through the medium of enhanced prices, it may be necessary to elucidate the point a little. The landlord gets as much rent as possible now. This taxation would induce increased competition between landowners for tenants. Whether merchants own their own premises or not, the price of goods is regulated by competition. The economic effects of a tax upon land values are such as to make it eminently advantageous for this State offering an adequate remedy for the problems confronting it. The expenditure of large sums of borrowed money upon railways and other public services has built up an enormous public debt, involving us in heavy payments of interest. These public works are far in advance of the requirements of our scanty population; they have grown considerably faster than our population and production. As the railways are our biggest public service, and since they are largely responsible for our accumulated deficit, we will submit some figures selected from the last annual report of the Commissioner of Railways.

Then they produce a table showing the mileage of railway, spread of population and capital expenditure. The report continues—

This table demonstrates the deplorable facts that in 10 years we have enormously increased the mileage, the capital cost, and the charges of our railways. Yet in the same period there has been a distinct decrease in the volume of traffic of goods and livestock. The per capita cost of the railways has also increased while the per capita tonnage hauled has decreased. Quite evidently population and production have not increased proportionately with the extension of public services and public indebtedness. On the contrary, the increase in population has been very much slower than the increase in mileage opened, and production has actually decreased. It should be explained that the year 1913 was in no way abnormal. The explanation of this deplorable position is to be found in the fact that the land served by our railway system is not being adequately employed, with the consequence that these genuine settlers who provide the traffic for the railways are penalised by excessive charges.

I hope hon. members on the Opposition cross benches will listen to that. That is the reason for this tax, namely, that the genuine settlers who cultivate their lands are being

penalised by the settlers who are not doing so.

Mr. George: By how much could you have reduced railway freights had you got the money?

The PREMIER: I could have reduced them by something, which is better than nothing. If the amount asked for is so insignificant as to have no effect on the railway rates, why oppose it? Hon. members are only begging the question. They were surprised when they found the tax set out in the Bill was as low as it is. But they hid their astonishment and are still pretending to be indignant that any increase at all should be suggested. The poverty of the arguments advanced shows it.

Hon. Sir James Mitchell: Nothing of the sort

The PREMIER: The people of this country will not sit down forever and see the values created by the energies of the people appropriated for the benefit of a few individuals.

Hon. Sir James Mitchell: No, you ought to strangle everybody.

The PREMIER: That is nonsense! Conservative Governments in the East have imposed taxes three times as high as our proposed tax and yet the Leader of the Opposition talks about strangling everybody. The report goes on to say—

We have a far greater mileage per head of population, and each mile of it is a very much heavier burden upon those who use it. It would appear then that the root of our financial problem lies in the fact that we have continued to extend railway services without obtaining a relative increase in production. Our problems would be solved if we could devise a method whereby production could be materially stimulated without relative increase in capital cost and working expenses. We submit that land values taxation will achieve that purpose.

Mr. Thomson: That is only a matter of opinion.

The PREMIER: Yes, but I take it the opinions of these gentlemen are worthy of consideration, just as are the opinions of those who oppose the tax. I do not know the names of these gentlemen.

Hon. Sir James Mitchell: Are they not published?

Mr. E. B. Johnston: It was a minority report signed by four out of ten.

The PREMIER: Who were the four?

Mr. E. B. Johnston: I do not know, but the heading tells you that.

The PREMIER: The heading does not say who they were.

Mr. E. B. Johnston: It says it is the report of four out of ten.

The PREMIER: It refers to the "affirmative"; it does not say a minority. Still, I do not care whether it was signed by four or only two members of the association. Is the hon. member trying to discredit

them? I should say they are the intellectual members of the association.

Mr. Marshall: No doubt about that.

The PREMIER: The report continues—

We submit that land values taxation will achieve that purpose. We base this conclusion upon the fact that a very big percentage of the arable lands through which the rails run is being withheld from use, and thus provides no traffic for the system and on wealth for the State. We claim that an effective tax upon land values will automatically ensure the full use of these idle lands. Fortunately, we have precise official information as to the extent to which land adjacent to railways is now useless to them. In 1918, the Lefroy Government instituted an inquiry into this matter. A staff of surveyors was employed for many months in thoroughly classifying idle lands on the wheat belt. The intention was to ascertain what area of land within seven miles of all agricultural railways was withheld from use. With the advent of the Mitchell Government, this work was suspended and has not since been resumed.

The Mitchell Government did not want any information as to the extent of idle lands along the railways.

Mr. George: We wanted all the information we could get.

The PREMIER: Not only was the classification suspended, but the officer who made the classification was compelled to take a somewhat back seat. The classification was suspended as soon as the Mitchell Government came into office.

Hon. Sir James Mitchell: Have you restarted it?

The PREMIER: We have not turned the world upside down in the month or two we have been in office, but I venture to say we shall not be four years in office, as was the previous Government, before we do something in this direction.

Hon. Sir James Mitchell: You will do a great deal.

The PREMIER: We shall. It is essential that there should be correct information in the department as to the area of lands adjacent to railways that is being unused. We should know where we are. For a department to be in the dark as to the area of land suitable for cultivation, within a reasonable distance of railway and yet lying unused, is absurd. The previous Government seemed to be afraid of having this information made known.

Hon. Sir James Mitchell: That is wrong.

The PREMIER: Well, the work was suspended.

Hon. Sir James Mitchell: It was a waste of money.

The PREMIER: Not only was the work suspended, but infinite pains were taken to discredit the actual work done by Surveyor Lefroy.

Hon. Sir James Mitchell: It is not so. He did not do the work; it was done under him.

The PREMIER: He was responsible for it. He wrote the report upon the work of the surveyors under him.

Hon. Sir James Mitchell: I do not know where the two million acres of land are.

The PREMIER: Though the Leader of the Opposition has considerable knowledge of land, I do not think his knowledge as to the used and unused areas is greater than that of a qualified surveyor who actually examined and classified the land. The hon. member has attempted to discredit the findings of Surveyor Lefroy.

Hon. Sir James Mitchell: No.

The PREMIER: But you have.

Hon. Sir James Mitchell: I would not come down to that if I were you. The House might have had the classification at any time had it so desired.

The PREMIER: The House did have it.

Hon. Sir James Mitchell: Millions of acres!

The PREMIER: I do not see any ground for discrediting the work of Surveyor Lefroy.

Hon. Sir James Mitchell: He did not do the work; it was merely done under him.

The PREMIER: That is begging the question. There are hundreds of things that I am responsible for and do not do. There are many things the ex-Premier was responsible for and did not do. If he directed officers to do those things, he accepts the responsibility. This work was done by officers under the control of Surveyor Lefroy and he is responsible for the findings.

Hon. Sir James Mitchell: He says the land is there to be settled. I do not know where it is.

The PREMIER: That is why I am justified in asserting that the Leader of the Opposition is attempting to discredit the report.

Hon. Sir James Mitchell: Although I live in the district.

The PREMIER: Although the Leader of the Opposition lives in the district, is his knowledge greater than that of a surveyor who spent many months on this work?

Hon. Sir James Mitchell: I examined the classification sheets.

The PREMIER: Were they incorrect?

Hon. Sir James Mitchell: I know the land is not there.

The PREMIER: Then it is a nice state of affairs if responsible surveyors cannot make a classification.

Hon. Sir James Mitchell: They made a classification.

The PREMIER: And according to the hon. member the report is not reliable.

Hon. Sir James Mitchell: Yes, it is, as regards the classification sheets. The report is another matter. You have the area cleared and uncleared, and I say there is

mighty little uncleared land in the greater part of that area.

The PREMIER: The report would be based on the classification sheets. The Leader of the Opposition now infers that the classification sheets did not justify the report made by Surveyor Lefroy.

Hon. Sir James Mitchell: I do not wish to say anything about that. I do not know that you need drag him in. As a rule we do not discuss civil servants.

The PREMIER: I am only mentioning him because he is mentioned in the report from which I am quoting.

Hon. Sir James Mitchell: Let the Minister for Lands get the land. He is in charge now.

The PREMIER: He cannot, because he has not the authority to get it.

Hon. Sir James Mitchell: The land is not there, that is, uncleared land.

Hon. S. W. Munsie: What if it is cleared and not being used?

Hon. Sir James Mitchell: Idle men and idle lands are bad for any country.

The PREMIER: The report dealt with improved lands, partially improved lands, and unimproved lands in the area.

Hon. Sir James Mitchell: Of course it did.

The PREMIER: It set out in acres the area under each heading.

Hon. Sir James Mitchell: From memory there was 1,100,000 acres of first-class land and 1,000,000 acres of it was cleared.

The PREMIER: The report goes on to say—

Under the supervision of the district surveyor (Mr. H. J. M. Lefroy) a considerable portion of the work had been accomplished, and his report is a startling document. The area embraced in Mr. Lefroy's report is situated in the Avon Valley, and comprises 2,328,410 acres, all within seven miles of railways and including the oldest agricultural settlement in the State. No less than 36 per cent. of the first-class land in this area was "undeveloped in an agricultural sense." Mr. Lefroy expressed the opinion that if the work had continued along the whole 1,400 miles of rails in the wheat belt, it would have been discovered that 75 per cent. or 7,210,140 acres were still uncleared and unproductive.

Hon. Sir James Mitchell: There always will be sandplain.

The PREMIER: It is not all sandplain.

Mr. George: There is a tremendous lot of sandplain; that cannot be denied.

The PREMIER: When it suits their purpose, the Opposition are prepared to discredit even the quality of the land in this State. "All sandplain." I give the area of uncleared land, and the interjection comes "sandplain."

Hon. Sir James Mitchell: I do not think that is fair. I said the uncleared land in

many instances is sandplain. What is the use of denying that there is sandplain?

The PREMIER: The interjection was that all this uncleared land is sandplain.

Hon. Sir James Mitchell: I did not say that at all.

The PREMIER: Quoting Surveyor Le-froy again, the report says—

His conclusion is as follows:—"Only a land policy of energetic development can restore our railway revenue and that general prosperity which we all desire, and it is quite possible, when such a policy is carried into effect, to absorb another 30,000 settlers along our existing railway system."

Mr. George: That is a matter of opinion, of course. It might be right or wrong.

The PREMIER: I do not suppose it is put forward as being supernatural knowledge. Anything a man writes is a matter of opinion, except when it is based on facts. This is not a matter of opinion, because it is based on facts after classification and survey, so it is out of the region of opinion altogether. The area of uncleared land is a question of fact. If a survey and classification be made, it is a fact, just as much as it is a fact that Parliament House is standing on this hill.

Mr. George: It might be sitting on the hill.

The PREMIER: The work was going on when the Mitchell Government took office in 1919. The report goes on to say—

We find then that the factors in our problems are that the capital invested in railways is only used to a fraction of its capacity; that the whole of the costs of the services are collected from users of the railways, and constitute an excessive burden upon them; and that an immediate and most welcome relief for settlers, and financial stability for the State could be achieved if adequate use were made of all land traversed by rails. An effective tax upon the unimproved value of all land will assuredly accomplish that purpose. The next problem to be tackled is, what extent of taxation should be imposed upon land values, and for what other form of taxation should it be substituted. For practical purposes there are but two directions in which important relief from other taxes may be attained by imposing a considerable measure of land values taxation. These two alternatives are what is known as the "Railway Policy" and the abolition of the Income Tax. We will consider the last-named first. The State income tax yields a revenue of approximately £300,000. That amount could be raised by a tax of about twopence in the pound upon the value of all land in the State.

Mr. Thomson: The figures are out.

Hon. Sir James Mitchell: A gang of fanatics.

The PREMIER: The report continues—

Little can be said in favour of the taxation of incomes. The tax falls more heavily upon the energetic than the indolent, on the honest than upon the rogues. Its tendency is to discourage enterprise. From an ethical and an economic viewpoint a tax upon land value of like amount would be in every way preferable.

Hon. Sir James Mitchell: That is a body pretending to represent the farmers.

The PREMIER: I do not know if they pretend to do so.

Hon. Sir James Mitchell: They certainly do not represent them.

Mr. E. B. Johnston: Let us have the next paragraph.

The PREMIER: The next paragraph reads—

There are, however, serious political obstacles to such a course. In Parliament, both the Nationalists and Labour Parties are definitely pledged to the taxation of incomes. The Labour Party would probably vigorously oppose any important reduction in this tax, chiefly because very few trade unionists pay income tax. Little relief will be given to those most in need of relief, since such pay little or nothing in income tax.

Mr. E. B. Johnston: What about the super tax?

The PREMIER: I would remit the super tax if you would give me a decent land tax. They say also—

The amount of tax requisite to raise the interest on railways is 4½d. in the pound. As we have remarked, every genuine farmer who is working his holding to its full capacity would substantially benefit by the innovation.

I take it these are genuine farmers—

Those furthest from ports would gain most, as they ought. Theirs is the less valuable land, and theirs the heaviest freights. While a tax of that magnitude, when accompanied by a proportionate reduction in railway charges, would be a direct advantage to the farmer who is a farmer it would prove a heavy burden to those who hold valuable land idle.

Mr. Thomson: That is a matter of opinion.

The PREMIER: Is a thing worthless because it is a matter of opinion?

Mr. Thomson: It does not prove a case.

The PREMIER: Of course not. They go on to say—

They would very promptly feel the necessity to make that land earn its tax. Either they would cultivate it themselves or arrange for someone else to do so, or find a buyer who wished to farm it, in any event the scandal and menace of huge area of arable land, in our best districts lying idle in sight of expensive

railways, and providing no traffic for them, would disappear. The land hunger of the people would be satisfied for suitable land would be available to all who would farm it. Farmers' sons instead of being driven out to the remoter districts would find opportunities in their own vicinity. In conditions such as these with agricultural settlement and production more than doubled, the financial difficulties confronting the State would easily and quickly be overcome. Given this increased settlement a better and more comprehensive system of education than that enjoyed by our children to-day would be introduced at a much lower per capita rate than at present. The disgrace and dangers of accumulated deficits would be a nightmare of the past. Further, large and legitimate decreases in railway charges could be confidently anticipated, when the plant is being used to its full capacity. So much for the farmer, but it is not the farmer alone who would benefit. It would mean a fresh lease of life to our languishing goldfields, when their railway charges are reduced by more than 25 per cent. The land tax upon the goldfields would be almost negligible, so it would be a net gain of a very large amount to the industry, reducing costs of production very considerably. The metropolis would soon reflect the prosperity of country industries; every manufacturing and distributing agency would be stimulated by the increased rural demand. Reductions in railway fares would be a welcome relief to suburban travellers, and would go far towards alleviating the housing problem in the city.

Hon. Sir James Mitchell: It must have been before the elections they put that out.

The PREMIER: A few moments ago the hon. member stated that these views did not represent the opinion of the farmers.

Hon. Sir James Mitchell: They do not.

The PREMIER: It would be a foolish thing to put out amongst the farmers for electioneering purposes something like this if it were a fact that the majority of the farmers dissented from these views. The member for Swan supported a land tax at the last elections.

Mr. Sampson: I did, but not on land that is being utilised.

The PREMIER: There is sure to be a "but." I went out amongst the farmers and talked land tax to them, and we won seats where the predominant votes were those of farmers and agriculturists.

Mr. Sampson: In spite of your arguments you did that.

The PREMIER: Let me give the Committee the opinion of Prof. Shann. This report contains a copy of a letter from

Prof. Shann as follows:—

Dear Sirs, I beg to acknowledge your letter of the 26th August, asking for an explanation to the question, "Can a tax on the unimproved value of land be passed on by the landowner?" My reply is briefly as follows:—A tax on the unimproved value of land, if strictly assessed, is in effect a confiscation, partial or otherwise, of the economic rent of the land, i.e., of the payment for the use of the land (apart from any improvements) which the owner of such land might exact from a lessee under competitive conditions. As such rents represent the differential advantages only of the land in question, i.e., the degree of its superiority to land on the margin of profitable use, it does not enter into the price of the products of the land, and for that reason a tax taking such rent from the landowner, and strictly assessed on unimproved values alone, cannot be passed on by the landowner.

The majority of the electors of the State endorsed the imposition of a land tax.

Hon. Sir James Mitchell: I will bet you you did not say anything about a tax of $4\frac{1}{2}$ d. in the pound.

The PREMIER: I have not asked for that. If I ask for an increase in the tax at all it is not worth while asking for less than I am doing. What I ask for is the absolute minimum that is required. A substantial majority of the members of this House supported an increase in the land tax and an overwhelming majority of the electors of the State supported it. Despite that fact we find that the Upper House, representing not one-fourth of the electors of the State, are endeavouring to set aside the wishes of three-fourths of the people of the State. That is the stage of democratic Government we have reached in Western Australia. There was never a taxation proposal brought forward that was more justified than the one under discussion. It is moderate to a degree. The 15 per cent. super tax is not included and the tax proposed is fair and will represent the lowest in any State of Australia. I hope the House will not agree to the proposal of the Upper House.

Mr. GEORGE: I do not know that the Legislative Council have any justification for their action. It has been stated by the Premier and other Ministers, that money will be required in connection with main roads. Apparently the Main Roads Bill is practically defunct and if that be so the necessity for the money is no longer evident for the time being. In those circumstances I realise that there is reasonable ground for the action of the Upper House seeing that there will be no use for the extra taxation for the purpose indicated, and therefore they suggest postponing it for the time being. If the Pre-

mier had stated that the money derived from the tax would not go into Consolidated Revenue, but would be held in trust until next session, when perhaps the Main Roads Bill will be before us again, it would be different.

The Premier: I have said distinctly that the money will not go into Consolidated Revenue.

Mr. GEORGE: I accept the statement by the Premier and do not question his bona fides. He has also told us that portion of the tax to be raised will be devoted to the reduction of railway freights. Everyone will agree as to the necessity for such a reduction. To convey a cwt. of nails for a distance of three miles cost me 7s. 6d. The charges levied upon the producers to-day in respect of railway transport especially are more than the industry can carry. As to the money to be raised, I have already pointed out that there will be an inclination on the part of the men to ask for more wages.

Mr. Taylor: That is happening now. I think you suggested it to them.

Mr. GEORGE: The Premier did not indicate to what extent he intended to reduce railway fares and freights. It is necessary that something substantial should be done otherwise the competition with motor transport will be such as to increase the deficit on the railways. At the present time one can travel by motor to centres along the South-Western and Great Southern lines for 50 per cent. less than is charged by the railways. Moreover, the journey can be undertaken in less time and in more pleasant surroundings.

Mr. Pantou: Have these increases and extra inconveniences been caused during the last six months?

Mr. GEORGE: The hon. member seems to think that my object is to embarrass the Government. My every effort this session has been to assist the Government.

The Premier: I want to be in a position to reduce railway charges.

Mr. GEORGE: I can understand that the venerable gentlemen in the Council may have been influenced by the view I have indicated, and seeing that the Main Roads Bill is down and out for the present, they want to know why they should agree to the Government securing the cash that will not be required under that measure. I am prepared to take the Premier's word that any money raised will not go into general revenue, but will be earmarked for this purpose. What does he propose to do with the money that would otherwise have gone to the main roads fund?

The Premier: I said I proposed to use it to assist in the reduction of fares and freights. I have said that a thousand times.

Mr. GEORGE: Then every penny you get will go towards the reduction of fares and freights. If that be so I am satisfied.

Hon. Sir James Mitchell: How about the main roads fund next year.

Mr. GEORGE: I would let next year carry its own troubles. If the money is to be used in the way the Premier has indicated then I shall not oppose his proposal.

Mr. THOMSON: I regret that the Premier cannot see his way to meet the other Chamber and discuss the position in the hope of arriving at a satisfactory arrangement. I cannot see why it should be necessary to impose a land tax in order to reduce railway freights. Where services are rendered the people should pay, and I confess my surprise at the previous speaker, as an ex-Commissioner of Railways, admitting that the Railway Department could not successfully compete against the motor traffic without taking from the people of Western Australia a certain amount of revenue by means of a land tax. With his experience as Commissioner of Railways, I should have thought that he would have been able to offer some suggestions for meeting the extra competition. The Premier quoted extensively from a leaflet printed by a minority of the committee of the Primary Producers' Association. I, too, may be permitted to read a part that the Premier did not touch upon. It is this:—

The committee of inquiry to whom the investigation of the all-important subject of land values taxation was entrusted by delegates to the last Primary Producers' Conference met under the chairmanship of Mr. E. A. Mann, M.H.R., during October, but without advancing the position much. The discussion of the case for the affirmative side which was presented as a memorial, was not completed when the conference adjourned sine die. Subsequently four of the five members of the affirmative side submitted their resignations to the executive of the Primary Producers' Association. A copy of their report was handed to us with a request that it be published, a request to which we have pleasure in acceding.

As one who was a member of that committee, I assure the House that absolutely no decision was arrived at.

The Premier: I did not say there was. I said it was only the opinion of the affirmative side.

Mr. THOMSON: I am aware of that. I have no intention of misrepresenting the Premier. No decision was arrived at, because we recognised the fact that upon the committee of ten a great responsibility was placed. It was a friendly discussion right through and I think it finished up by each one leaving the conference holding precisely the same views that he entertained when he went to it. While the Premier was entitled to read what he did, it was not correct to say that that was the opinion of the conference.

The Premier: I did not say so.

Mr. THOMSON: I know, but it can be so construed outside. The Premier was quite clear and fair, but from the portion of the discussion read, the people of the State may be led to believe that that was the opinion of the majority. I am not a farmer, but I regret the Premier did not accept the suggestion I put before him to exempt that land from which a man is deriving his income. If that course had been adopted, it might have overcome some of the objections of the people in the country. The Premier also read this—

Little can be said in favour of the tax on incomes. The tax falls more heavily upon the energetic than the indolent, on the honest than upon the rogues.

I am aware that my friends opposite do not agree with everything that is in this pamphlet. From an economic point of view a tax upon land values is to them in every way preferable. The pamphlet goes on to say—

There are serious political obstacles to such a course. In Parliament, both the Nationalist and Labour Parties are definitely pledged to the taxation of income. The Labour Party would probably vigorously oppose any important reduction in this tax, chiefly because very few trade unionists pay income tax.

There is an exemption for those who are earning a small income, but when a land tax is imposed, and there are no exemptions, you compel payment from the man who is earning no income, and we have plenty of instances in the South-West where men have been growing potatoes and their income has gone. My friends opposite, so far as income tax is concerned, have an exemption, but when it comes to the land tax, the exemption is wiped out, and we say to the man who is endeavouring to make his living upon the land, "If you do make an income sufficient to bring you within the purview of the Taxation Department, we will tax you and we will also tax your land; but if you do not make an income we will still tax your land."

Mr. Marshall: That applies to the worker, too.

Mr. THOMSON: The Premier quoted taxation in Victoria and stated that though it was a ½d. in the pound, values there were very much higher than the values in Western Australia, and that ours being less we could afford to pay more. Probably there is much to be said on both sides, but when we come to income taxation we are faced with the position that the income tax in Western Australia is much higher than it is in Victoria. I propose to make some comparisons so that members may know what the difference is. Start with the income of £500.

Hon. S. W. Munsie: Go lower.

Mr. THOMSON: I am dealing with what may be termed a reasonable income. These are the figures—

Income.	Victorian Rate.	Victorian Amount.	Western Australian Rate.	Western Australian Amount.
£ 500	pence. 4	£ 8 6 8	pence. 5½	£ 13 3 8
1,000	4½	18 15 0	9	45 10 5
2,000	5½	45 16 8	17	167 14 2
3,000	6	75 0 0	25	386 11 3
4,000	6	100 0 0	33	642 11 6
5,000	6½	135 8 0	42	1,006 5 0
8,000	6½	216 13 4	55	2,118 2 8
Maximum Tax 7d. in the £			Maximum Tax 4s. 7d. in the £	

The Western Australia figures include the super tax. We want capital to come to this State. In that connection I can give an illustration from my own district. A man there was proposing to put a considerable amount of money into a North-West station. He was coming to Perth to complete the deal, but when leaving his home he got his income tax assessment.

The CHAIRMAN: I think that would have come in better on the second request.

Mr. THOMSON: I am only drawing a comparison, by way of showing that we ought not to increase land taxation. When the man learnt what the Federal and State Taxation Department were taking from his income that year, he broke off the negotiations and invested his money in Commonwealth war bonds. One cannot blame him for that. The figures I have quoted show why men go from this State to invest their money in the East.

The CHAIRMAN: I ask the hon. member to direct his remarks more closely to the request before the Chair, rather than to the second request.

Mr. THOMSON: I am giving reasons why his Chamber should grant the request of another place, and refrain from increasing the land tax to 2d. in the pound. There is an illustration which I gave last year, and which I may repeat. In Melbourne I met a former resident of Western Australia—in fact, he was born here—who told the member for Williams-Narrogin and myself that the difference between the tax he paid in Victoria and the tax he would have to pay in Western Australia was sufficient to enable him to educate all his children and pay the whole of his household expenses.

Member: That refers to income tax.

Mr. THOMSON: I am dealing with the principle of taxation. The pamphlet from which the Premier quoted shows that the people advocating the land tax were also advocating the abolition of the income tax. To show the value of their figures, let me point out that they declare that the income tax could be abolished if a land tax of 2d. in the pound were imposed.

The Premier: No; 4½d.

Mr. THOMSON: It was Mr. Dodd who said 4½d.

The Premier: They said it too.

Mr. THOMSON: To show that I am correct, I will quote from the pamphlet—

The alternatives are what is known as the railway policy and the abolition of the income tax. We will consider the last-named tax. The State income tax yields a revenue of approximately £300,000. That amount could be raised by a tax of about 2d. in the pound upon the value of all the land in the State.

Hon. S. W. Munsie: That is true, too; but the writers do not say that the tax should be 2d.

Mr. THOMSON: That is all right. The rate for which the Government are asking to-day is 2d. in the pound, but there is no move to cut out other taxation.

The Minister for Agriculture: The statement in the pamphlet is only an estimate. The writers had no basis to work on.

Mr. THOMSON: Mr. Black, the Commissioner of Taxation, recently estimated the unimproved value of metropolitan lands at 15½ millions sterling, the unimproved value of agricultural lands at 19 millions, the unimproved value of country and goldfields town lands at three millions, and the unimproved value of Crown lands at £2,500,000; a total of about 40 millions sterling. This pamphlet contains a statement that a tax of 2d. in the pound on unimproved land values would enable us to abolish the income tax.

Mr. Hughes: But the 2d. is not uniform; there is a considerable rebate.

Mr. THOMSON: The pamphlet having been quoted, I must reply on the basis of the pamphlet. The publication further states that the land tax would meet the cost of interest on our railway system, leaving only working expenses to be paid by users. That argument is not sound. The report of the Commissioner of Railways for 1924 shows that the interest on capital then invested in our railway system represented £787,221 for the year. I hope the Premier will not press for a large increase in the land tax. Everyone in this House is entitled to his opinion, and I do not think that at the present stage, it is in the interests of Western Australia to increase the land tax, unless subject to some arrangement whereby the man who earns his living entirely from the land will be relieved of one of the taxes. Realising the amount of money that is handled by our Railway Department, one can hardly see what benefit the farming community would derive from a slight reduction in railway charges. Under the present system of land tax, a man pays £2 1s. 6d. on his thousand acres. Previously he was permitted to deduct that £2 1s. 6d. from his income tax if the latter tax was more. That concession is cut out, and the man I refer to will in future have to pay about £8 12s. I cannot

believe that the average man, such as I am describing, will derive from reduced railway rates a benefit of anything like £8 12s. per annum. The Railway Department could not possibly grant him so much rebate. I trust that the Premier in nominating managers for the Assembly will see that they exercise some give-and-take. The Treasurer must have money to carry on with, but it is to be borne in mind that by reason of increased values he would get a considerably increased return without any increase in the rate of land tax. Again, incomes will be much higher this year, especially in the wheat areas because of the good season and the good prices. I hope, therefore, that the managers for this House will be animated by a spirit of compromise when they meet the managers for another place.

Hon. Sir JAMES MITCHELL: Of the committee appointed by the Primary Producers' Association to look into this question, only four or five made the report read by the Premier. When that report was first published I worked out the position and found that the proposed tax would yield £760,000. The agricultural land values were about one-half the total values to be taxed. So the farmer would pay about £380,000. The railway freights on his bulk stuff, including fertiliser, would total just over £600,000. If he got one-fourth of the advantage of the £760,000 he would get back for his £380,000 only £159,000. So the farmer would do better to pay for the railway services rendered, and escape the increased land tax, under which he would pay twice as much as before. Land taxation for the reduction of railway freights would involve the taxation of all land. But the timber companies, who provide a considerable proportion of our railway freights, would not have to pay any land tax worth considering, and railway freights to the mining areas would have to be reduced, and there would be a whole list of things carried by the railways that have no connection with the man who pays land tax. Moreover, if it is sought to set up a new method of meeting railway costs, the House ought to be given ample time to consider it. It would not be right to introduce a new system in this way.

The Minister for Agriculture: But you raised railway freights without giving the House a chance to discuss it.

Hon. Sir JAMES MITCHELL: We raised railway freights in order to get money to pay increased wages. Members had full opportunity to discuss it.

The Minister for Agriculture: Nonsense! You increased the freights a week after the session closed.

Hon. Sir JAMES MITCHELL: A man cannot be sincere who talks reduced charges and at the same time says the money is not there. It is only through increased traffic that the railways are paying now. When we talk of giving the railway men their promised long service leave, and their promised 44-hour week, and further increases in wages,

where are we to get the money? I hope Parliament will not agree that it is to come from direct taxation, for that is wanted to meet the ordinary services of the Government. The Premier said the land had to be classified and that the classification costs a great deal but did mighty little good. The classification referred to was in the eastern districts, which I know pretty well. The plans have been before the House. I do not think that very much land suitable for settlement by men without money will be found within the area classified. The Minister for Lands says there are in the Avon Valley 2,000,000 acres still awaiting settlement. Of course we know there are not 2,000,000 in the Avon Valley altogether. When first I took office I had a look at the report on the classification, and the land suitable for subdivision was pointed out to me. It has since been subdivided by Mr. Hamersley amongst his very big family. Beyond that one I was not shown any estates unimproved. Up to the 24th June last the State had sold 28,000,000 acres. Of that area 9 millions were sold within the last five years. Of that total a considerable area is in grazing leases, probably unsuitable for cultivation. It is only in recent years that we have seriously faced the work of cultivating our lands, for during war time development was held up. Nevertheless within the last ten years we have done more in the way of land development than have all the other States combined. When it is proposed to reduce railway freights by means of increased land tax it is to be remembered that a large proportion of our railway mileage is on the goldfields, where traffic to-day is very light indeed. When the House agreed to increase the land tax the Premier explained that a proportion of it would be devoted to the purposes of the Main Roads Bill. Now it is understood that the Main Roads Bill will not be passed this session. The Premier says that whatever he gets from the increased tax beyond what will properly go to revenue purposes is to be devoted to the reduction of railway freights. So, when the Main Roads Bill is passed next session, he will have to impose an additional tax of 2d. on the land to get his money for the main roads. Again, he cannot say to the Commissioner of Railways, "Here is so much money; use it to reduce your freights." He will say, "I have paid so much into Consolidated Revenue, and if you can reduce your freights the money is there to make it up."

The Premier: There will be no trouble about adjusting it. I will say to the Commissioner, "You reduce your freights and show a loss of £60,000, for I have got that money from another source."

Hon. Sir JAMES MITCHELL: I did not suggest there would be any difficulty about the adjustment. It is possible that when the time comes the Premier will have in

addition a £60,000 surplus from the railways, from which, of course, the reduction in freights should come. However, if we are to alter our system of adjusting railway finance, the House should be given an opportunity to discuss it. Personally I think it better to charge for services rendered. The Premier has asked that we refuse to make the amendment suggested by another place. In all the circumstances we should agree to the Council's request to reduce the land tax. Then if the Treasurer wishes to get money from land tax in order to reduce railway freights, he can bring in a separate proposal. That would be fair to all concerned. The Premier naturally will fight for the retention of his tax, but unless the money is to be devoted to main road purposes, I hope he will not get it.

Mr. SAMPSON: I regret that it is proposed to put an added tax on land being utilised, though I favour a tax on land not being utilised. It is because of the land adjacent to railways is not being used that the railways are in a parlous condition. If we could force into use all the land within a reasonable distance of a railway, there would be no question of the railways paying. The proprietor of the Biddieup orchard at Boyanup pays on the average £2 10s. per acre per year for the land cultivated. If we had a greater area of land worked, the railways would have considerably more freight to carry. I favour a tax that would force idle lands into use, and to that extent I welcome this proposal; but unfortunately it goes further and adds a burden to the man who is already utilising his land. The amount is not great, but there is a principle involved. I had hoped that the Premier, instead of adding to the tax on utilised land, might have reduced it. Our producers have a very heavy burden of taxation as compared with those in the Eastern States, and because of that I opposed this proposal. Still I am prepared to support a measure of taxation on unutilised land greater than that proposed by the Premier. When the conference managers are appointed, a compromise might be effected, and if so I trust the rate of 2d. on unutilised land will not be reduced. If the rate of a half-penny on the utilised land were not increased, I think there would be no objection.

The MINISTER FOR AGRICULTURE: I have been struck with the arguments advanced in favour of the requests of the Upper House being agreed to. One of these was that people do not want taxes. As a matter of fact none of us want any kind of tax at all. When I get my road board notice, my city council notice and income tax assessment, I do not want to pay them. I do not want to pay stamp duty. We all resist taxation, and yet some members oppose this tax on the ground that some sections of the people do not want to pay tax. What has that to do with the principle?

The question is whether the principle is sound or unsound. Members have stated that the proximity of land to railways does not increase its value. The Leader of the Country Party implied doubt whether the railways added anything to the value of the land. Could anything be more ridiculous?

Mr. Thomson: Could anything be more ridiculous than the statement you have just made?

THE MINISTER FOR AGRICULTURE: If the hon. member admits that the land has increased in value as a result of the building of railways, is it not reasonable that the people should have some portion of the unearned increment returned to them through the medium of land tax? Is it not a fact that land is enhanced in value by the expenditure of public money to provide railways, harbour works, roads, schools, hospitals, and other facilities? Then why should not those who benefit give back some portion of the unearned increment to the community?

Mr. Sampson: There is an income tax.

THE MINISTER FOR AGRICULTURE: The income tax must pay for other services. It was instituted only because the country could not be carried on without it. This measure does not propose to add one cent to the revenue of the State. It is proposed that the whole of the additional amount shall be utilised for the reduction of railway freights. The tax has two purposes, firstly to compel an owner to utilise his land, and secondly to provide greater facilities for the utilisation of the land. We have been before the electors, and have been returned on a definite programme, part of which was that this measure should be introduced, because it was sound in principle. If we do not impose such a tax, how can we get back for the community some portion of the increased value they have given to the land. Suppose two persons are holding land, one on a railway and another 15 miles distant, granting that the land is of equal quality, whose land is the more valuable? Of course the man whose land is on the railway. The other man is at a distinct disadvantage by reason of the distance of his holding from the railway. The Leader of the Country Party argued that some persons were leaving Western Australia because they could live more cheaply in the Eastern States.

Hon. Sir James Mitchell: I do not think many are.

THE MINISTER FOR AGRICULTURE: There are more people coming to this State and investing money than are leaving this State to invest elsewhere. The reason is that this State is more attractive to the investor.

Hon. Sir James Mitchell: Far more.

THE MINISTER FOR AGRICULTURE: A man can do better with his money in Western Australia than in the Eastern States. There, he has to pay a higher value for his land. But even if people were going to the

Eastern States because of the heavy taxation imposed here, what has that to do with this question. Have they gone because we propose to increase the land tax from 1d. to 2d.? If they go to the Eastern States, they cannot take the land values with them. Someone retains the land values here.

Hon. Sir James Mitchell: They had better not die over East, or they will know all about it on account of the heavy probate duties.

THE MINISTER FOR AGRICULTURE: Whenever a new Government comes into office, we hear that some people are going to pack up and leave the country.

Mr. Sampson: The member for Kataning gave an instance.

THE MINISTER FOR AGRICULTURE: What has that to do with the principle? Must we agree to the Council's requests because someone is going to leave the State and live in one of the Eastern States?

Hon. Sir James Mitchell: If you cannot find any other reason, let us agree for that reason.

THE MINISTER FOR AGRICULTURE: As the money is to go back to the farmer in the form of reduced railway freights, there is nothing to complain about.

Mr. Thomson: Why take it from him and give it back to him?

THE MINISTER FOR AGRICULTURE: The tax will compel a man who is not getting the most out of his land to utilise it to the best advantage. It is not a matter of taking money out of one pocket and putting it into another. We want to reduce railway freights for the man who is working his property, and penalise the man who is not utilising his land. The essential requirement in this State is to get the land up to its fullest use. Prosperity depends upon getting all we can out of the land. There are dozens of men who could utilise their land for pastures, because that is an easy life, but they have ambition. They are determined to get as much out of the land as they can. That is the correct view to take. The Primary Producers' conference, on one occasion approved of this proposal.

Mr. Lindsay: That was a wheat growers' conference.

THE MINISTER FOR AGRICULTURE: But it was not put on the party's platform.

Mr. Thomson: It was not carried at a Primary Producers' conference.

THE MINISTER FOR AGRICULTURE: If it was approved at a wheat growers' conference, it is evident that there is a big body of public opinion in favour of this measure.

Hon. Sir James Mitchell: They did not know how it would work.

THE MINISTER FOR AGRICULTURE: They are not all so ignorant as that. If the question were put to a referendum to-morrow, a majority would favour it.

Mr. Thomson: Put it to a referendum.

THE MINISTER FOR AGRICULTURE: Regarding the minority committee's state-

ment, that the worker likes the land tax because he does not pay much, the sooner we get these silly ideas out of our heads, the better. No one earns an income without the help of workers who ought to pay income tax. There is no legislation for the worker alone. All the privileges he enjoys the farmer also enjoys.

Question passed; the Council's requested amendment not made.

No. 2. Clause 6.—Delete this clause:

The PREMIER: This deals with the super tax. I move—

That the requested amendment be not made.

Hon. Sir JAMES MITCHELL: Under similar conditions last year members opposite voted in favour of the action of the Council. I hope they will now agree to wipe out the super tax. When the deficit was £405,000, there was some justification for this additional tax.

The Premier: I am Treasurer this year, and you are not.

Hon. Sir JAMES MITCHELL: What the Premier was willing to deny me as Treasurer, he is not willing to deny himself as Treasurer. The supertax was imposed when the deficit was round about £700,000. To-day we are in a different position, and the Premier can afford to do without it. It would be unreasonable if the Council did not insist that the super tax be no longer imposed. It is a tax upon an already high rate of tax. It is the amount in the pound that people have to pay on their incomes that matters so much. Our deficit is now less than we are contributing to the sinking fund, cash for cash, and there is no longer any need for the super tax. I hope the Committee will agree to the request.

Mr. HUGHES: Last year I voted for the wiping out of the supertax. If the Leader of the Opposition will guarantee to adopt in their entirety the suggestions we then made, he will have my vote on this occasion. The Leader of the Opposition brought down a Bill to raise the rate of income tax from .006d. to .007d., on the ground that certain exemptions had been given on lower incomes. Whilst he prescribed that every person getting above £300 a year should pay this increased rate, he made an exception in favour of the big incomes, so that, when these incomes reached a certain amount, the increased rate no longer applied. The late Government were not prepared to make the wealthier people in the community pay the same increased rate of tax as the poorer people. In my view the rate of tax should be specified by Parliament, and there should be no such thing as a special tax superimposed upon that rate. When the tax is fixed another 7s. 7½d. should not be added to it. If 4s. 2d. is the tax, that should be all that the tax-

payer should have to pay. If it is to be 4s. 9d. in the pound, let it be set out definitely in the Act.

Mr. Thomson: The supertax was imposed merely as a temporary war measure.

Mr. HUGHES: That is so. If the Leader of the Opposition is prepared to strike out “£6,672,” and thus get back to the position we were in before the Act was amended, I will support him in any step he may take.

Mr. Thomson: Of course you could not do it at this stage.

Mr. HUGHES: I am sorry that I have been deprived of the opportunity of voting against the supertax. If we could get back to the original Act, the proportionate increases, would apply to all sections of the community. The mere fact that the Treasurer was able to exempt people in receipt of the higher rates of income—there were I think 113 in receipt of incomes of over £8,000—it showed that he did not require the extra taxation from the men receiving £400 a year, nor yet the supertax.

Mr. Thomson: The taxation returns show that there were not 113 taxpayers in that position but 79.

Mr. HUGHES: I was speaking from memory.

Mr. E. B. JOHNSTON: I support the amendment proposed by the Council. I believe the supertax is particularly objectionable. It represents a tax imposed upon taxation in a reckless manner. High taxation discourages industry. I have been told definitely by some farmers that owing to the high taxation they have decided to crop less and go in for sheep as their properties become established.

The Minister for Agriculture: They go in for grazing because it provides them with an easier life and less anxiety. They have been pulling your leg!

Mr. E. B. JOHNSTON: The member for Katanning pointed out the difference between the taxation levied in Western Australia and that imposed in Victoria. It was never intended under the Federal Constitution that such a position should arise. I regard this as one of the disadvantages the people here are suffering from and I trust that the question will be brought under the notice of the Federal Royal Commission appointed to inquire into our grievances. The Government will be wise if they accept the Council's amendment because it will have the effect of enabling the Premier to derive more taxation, for the people will be encouraged to increase their efforts and to invest their money in this State. There is no State in the Commonwealth where a man may secure a better return for the money he invests than in Western Australia.

The MINISTER FOR AGRICULTURE: The Leader of the Opposition has constantly stated, without advancing any proof

whatever, that the revenue will be increased this year. No proof has been advanced by other members who have spoken along the same lines. There is a huge expenditure in connection with the group settlement scheme. Is that proof of prosperity? Is the fact that our interest Bill has increased to a large extent because of this heavy expenditure that has brought no return yet, an indication that our financial position is improved? Is the fact that 90 per cent. of the money borrowed in the last few years has been expended without any return so far, evidence of prosperity? It may be that the borrowed money that is in circulation has given some indication of prosperity, but that has not been reflected by increased revenue returns to the Treasury. How are we to secure a bigger income this year? It is said that we are experiencing a good season and that as a result we shall secure larger returns. The largest proportion of income tax during the last two years has been paid by the squatters. What is their position this year? While there have been good prices offering for wool, the quantity available is considerably less than for many years past. In view of the existing circumstances the pastoralists will be able to deduct from their income large sums on account of heavy losses due to the drought. Those losses have reached proportions never before known in the history of the State, particularly during the past twelve months. The drought of 1914 affected for the most part the wheat belt, the Murchison, and part of the Gascoyne area. This year the drought has extended from the Kimberleys right down through the pastoral areas and the exact extent of the losses of stock is not yet known. There has never been such an appalling drought in the history of the country before. Although high prices have been received for the wool that has been available, large sums will be charged against income on account of those losses. There is not one-third of the sheep in the Murchison to-day that there was a year or two ago. During the past three or four months the mortality amongst stock entrained has been very big because of the poor condition they were in.

Mr. Teesdale: The extra value counterbalances a bit at the present time.

THE MINISTER FOR AGRICULTURE: The pastoralists will have to claim those deductions I have indicated and in addition to that they will have to stock up again. That will represent another big loss. Do hon. members appreciate that to-day they can sell old ewes for 35s. each.

Mr. Teesdale: And the price used to be 3s. 6d.!

THE MINISTER FOR AGRICULTURE: The estimate I have given is a conservative one. If the drought should break this summer, the pastoralists will have to stock up rapidly, and they will be able to make deductions from their income on that score as well. Seeing that the pastoralists contributed £108,000 out of the £363,000 re-

ceived for income tax last year, where is the Treasurer to get his increased revenue from this year? The Treasurer is justified in comparing the position of the country this year with the position last year. The increased tax received last year was greater than in the previous year. To-day, however, the Treasurer is justified in asking where he can get his income tax returns from. If wheat prices keep up, we will get a fair proportion of the tax from the farmers, but they paid only £32,000 last year.

Mr. Thomson: In the previous year they paid £53,000.

THE MINISTER FOR AGRICULTURE: For that year good prices were received and the season was a good one. Again I ask, where will the Treasurer get his money from? The Leader of the Opposition has not told us anything on that point.

Hon. Sir James Mitchell: The money will come from trade, of course.

THE MINISTER FOR AGRICULTURE: Where is it? It is provided that a primary producer may deduct his loss over a period of three years, and that is what the Treasurer has to face this year. The losses in stock have been appalling, and therefore those who say that there is a brilliant time ahead of the country, and that everything is bright, do not know anything about the condition of the country.

Hon. Sir JAMES MITCHELL: The hon. member has overlooked the fact that half the sheep are in the agricultural areas.

THE MINISTER FOR AGRICULTURE: I was referring to pastoralists.

Hon. Sir JAMES MITCHELL: The sheep in the agricultural areas, however, earn money just the same, and on that money taxation is paid. It is the value of the wool that the agriculturist or pastoralist gets that determines the amount of tax to be paid. Wool has brought a great deal more even though there may have been less to sell. The tax, however, will not be paid on this year's profit; the tax will be paid on last year's profit. Trade must increase tremendously this year, because the cash that will get into circulation as the result of our export of wheat and wool will probably be between ten and eleven millions sterling.

THE MINISTER FOR AGRICULTURE: That will come into next year's revenue.

Hon. Sir JAMES MITCHELL: That is where the Minister fails to grasp the situation. True, taxation will be paid on those figures next year, but trade generally will benefit this year. Not only will railway freights increase, but there will be more revenue from our harbours, increased fares and improvement all along the line. I can see already better returns from our public utilities than was the case last year. Even if there be no improvement this year we have no right to keep on the super tax, because our cash contribution to the sinking fund is greater

than our deficit. If the other States acted in the same way, their results would be different and their position would look better than ours. If we are going to set aside £230,000 as a cash contribution from the Treasury to the sinking fund, we are not losing the money so long as the deficit is within that amount. The Premier himself has admitted that the sinking fund of this State is a real thing whilst the sinking funds of the other States are not, because those States keep the money in their ordinary accounts instead of investing it as we do. The increased trade this year will make a great difference to the Treasurer's figures. The cash that will be circulated will set everything in motion and the Treasurer will be able to draw revenue in a hundred different ways. This will not have been done by increased taxation, though we have drawn more from taxation because people have been getting bigger incomes all round. I wish the Premier luck in his financial concerns for this year. I believe he will balance; I hope he will, and I hope that the result will be much better than he anticipates.

The PREMIER: The question of our contribution to the sinking fund has nothing whatever to do with the matter of balancing the ledger. The Leader of the Opposition argues that because our deficit, or our estimated deficit, this year will be less than the sum we shall contribute to the sinking fund, we shall therefore balance the ledger. Sinking fund payments are an obligation, and it is absolutely essential that we should endeavour to balance the ledger apart from the contribution to the sinking fund, because we are not contributing anything to the sinking fund at all, and we have not done so for years. We are borrowing money at 6 per cent. to contribute to the sinking fund. All the money that we have paid into that fund for years has come from loan, and it is a farce to say that we are contributing to it when we are not doing anything of the kind. We contribute to the sinking fund only when we do so out of revenue, but when we borrow at 6 per cent. to make our payments into the sinking fund, that is not a contribution at all.

Hon. Sir James Mitchell: You are not doing that.

The PREMIER: We are doing that so long as we borrow money with which to meet the deficit. There is no other way of paying our deficit than by borrowing.

Hon. Sir James Mitchell: You are not paying 6 per cent.

The PREMIER: Well, 5½ per cent. It is the worst possible business proposition that one could imagine to borrow money at a high rate of interest and lead ourselves to believe that we are contributing to the sinking fund. The Leader of the Opposition says we have contributed seven millions to the sinking fund. We have contributed

nothing like that sum, because for years past we have been borrowing money to pay into the sinking fund. We are piling up an interest charge against posterity for the next 25 years so as to meet our sinking fund payments. The Leader of the Opposition is most optimistic about balancing the ledger. I am convinced, and I will stake what little reputation I have on this, that, far from balancing the ledger this year, I shall not be able to reach my estimate. I have already pointed out that for the first five months of the year I am £56,000 to the bad.

Hon. Sir James Mitchell: You have your interest to come.

The PREMIER: I allowed for that in my estimate.

Hon. Sir James Mitchell: You have not transferred it yet.

The PREMIER: It has been taken into account every month and I am £56,000 to the bad. I shall require £154,000 more in revenue for the next seven months than was received in the corresponding seven months of last year, and in addition to that, my estimate of expenditure for the next seven months is £98,000 more than the expenditure for last year. I shall require to keep within my estimated expenditure in order to come out, as I forecasted, with a deficit of £188,000.

Hon. Sir James Mitchell: You are £16,000 down now.

The PREMIER: And I am £40,000 better off in respect of the deficit as compared with last year. My deficit this year will be £40,000 less than that of last year. Add to that the £16,000 that I am down for the five months that are past and it makes my total to date £56,000.

Hon. Sir James Mitchell: But you really have not taken interest into account.

The PREMIER: The Leader of the Opposition sees wonderful prosperity ahead. As a matter of fact, the improvement in our finances for the past two years has been due entirely to the expenditure of loan money.

Hon. Sir James Mitchell: No bigger than in your time before.

The PREMIER: Yes, bigger.

Hon. Sir James Mitchell: No.

The PREMIER: It is true. I am not complaining that it is large now. However, the loan expenditure for the past two or three years has been very high, and that is why the finances have improved; a proportion of the loan money that filters through all our commercial life comes back into the Treasury. But I shall not derive any benefit from this year's loan expenditure in this year's finances. All the talk about this year's commercial prosperity will be of no benefit to this year's finances.

Hon. Sir James Mitchell: But there is the trade contribution.

The PREMIER: That will be no greater, because this year's loan expenditure will be

no greater than last year's; in fact, not quite so great.

Hon. Sir James Mitchell: It might be a little less, but we have authorised more.

The PREMIER: No. We have authorised less. I have given the figures. On the Loan Estimates I have asked for an expenditure of £1,170,000 as against an actual expenditure last year of £4,200,000. I estimate this year's actual expenditure at £4,170,000, or practically the same as last year's. Moreover, last year a large sum came into the income tax receipts by way of carry-over from the previous year. Even at this stage the Commissioner of Taxation says he will not be able to realise the current year's estimate of £450,000.

Hon. Sir James Mitchell: There is a big carry-over this year, too.

The PREMIER: I have estimated to receive £100,000 more from the railways this year than was the case last year. Surely, even allowing for the good harvest, which of course should benefit the railway receipts, an increase of £100,000 is optimistic. On the railway receipts and expenditure I am to the bad for the five months which have expired. I am confident, therefore, that the position will not be any better than was set out in the Budget Speech. So one may say that the financial position this year is just about the same as it was last year, when the present Leader of the Opposition felt that he could not give up the super tax.

Hon. Sir James Mitchell: But you felt that I could.

The PREMIER: Then I say our degrees of inconsistency are fifty-fifty.

Mr. E. B. Johnston: You have great faith in one another as Treasurer.

The PREMIER: Yes. I was wrong last year, because we ended up with a substantial, though not a big deficit; and the member for Northam is wrong this year because we shall end up the current financial year with a substantial deficit, too. Whilst I regret as much as anyone regrets the high taxation of the past few years, I say Parliament's first obligation is to square the country's finances. No Treasurer is justified in remitting taxation until that stage has been reached. Next year, if we should balance, as the Opposition Leader anticipates, there will be no question at all about the abolition of the super tax. When a State's finances show a surplus it is the duty of that State's Parliament to reduce taxation to the extent of the surplus. But to go on living as we have been doing for the past 18 or 20 years, borrowing money to pay our way, is discreditable. One might say that we were borrowing to pay our washing bills.

Hon. Sir James Mitchell: I would not say that. It is all going ahead of you to London.

The PREMIER: I shall be in London to explain it away. At all events, if this

goes Home, London will say, "At last Western Australia has a Treasurer who is going to stop these annual deficits and balance the ledger."

Hon. Sir James Mitchell: It will be through no fault of yours when the ledger does balance.

The PREMIER: It would be acting like the prodigal son to begin relieving ourselves of taxation before we have paid our bills. We have an obligation, if we are honest to ourselves and to the people of this country, to pay our way before we relieve our pockets. It is beside the question to compare Western Australia with Victoria. Victoria has advantages which Western Australia does not possess. Taxation is levied for the purposes of government to the extent and in the way necessary for carrying on the services of government. If Victoria, because of its situation, development, and settlement, is in the fortunate position of being able to carry on with lower taxation than Western Australia, that is no reason why we should set off helter-skelter to imitate Victoria, saying, "Victoria has only 7d. in the pound income tax, and so Western Australia should have only 7d. in the pound income tax, in order that people with money to invest may be retained in our borders and not go to Victoria." Though one may have every possible regard for investors who go from this State to Victoria with their money, yet their interest and well-being as regards investment of their capital should stand aside, and should be altogether subordinate to the requirements of the State as a whole. Victoria is a small country with a large population, compared with Western Australia, and without anything like the expenditure necessary to carry on government services in this State. If the people of Western Australia pay higher taxation than the Victorians, they get a larger measure of services in return.

Hon. Sir James Mitchell: And more of the general public are exempt here.

The PREMIER: I do not know that. In Victoria hundreds of farmers have not set up with the Government behind them. Victoria has no Agricultural Bank to enable men to carry on what is practically State farming. Our Minister for Lands is the biggest agriculturist in the world. He controls a larger area of land and produces more wheat than any other farmer in the world. We are practically State farming in this country. Money is borrowed by the State, and is lent by the Agricultural Bank to settlers. Victoria has no Industries Assistance Board, no Mines Development vote, no free university, and no free secondary and technical schools. So, if our people do pay higher taxation, they get it back in the greater services rendered by the State to the people. For instance, the Western Australian Government carries on water and

sewerage services. Any loss on those services has to be made good out of revenue. That, again, is a cause of high taxation. But such expenditure would not show in the income tax in Victoria, because there those services are entirely independent. Any money required to carry on the water and sewerage services of Melbourne is obtained by rates levied by the board controlling the services. Those things have to be taken into consideration, and not merely the respective rates of income tax. To represent the tax rates as the sum total of the proposition, is entirely misleading. We are not in a position to give up the super tax this year. We have to continue to tax unless we are going to borrow money overseas to pay our way, which would be discreditable. In normal times—I do not speak of the years of war and the war's aftermath—a British community should pay its way from month to month and from year to year, and not borrow to pay its washing bills. That is what it means here as long as we have a deficit. I ask the Committee to adhere to this tax. The Leader of the Opposition said last year, "I hope it will not be necessary to impose this tax next year." Certainly it will not be necessary to impose the tax in 1925-26 if our finances continue to improve in anything like the ratio that the hon. gentleman anticipates. But we are not justified in remitting a tax because of an optimistic spirit of anticipation. We should not remit this tax until we have turned the financial corner. Then we shall be able to say with a clear conscience, "We can now do without that tax."

Sitting suspended from 6.15 to 7.30 p.m.

Hon. Sir JAMES MITCHELL: There is an aspect of the sinking fund that has been overlooked. In 1910-11-12 we paid into the fund £3,623,000. It is true we had deficits for all those years; but the sinking fund had earned £3,490,000 in interest. So the sinking fund has increased by £7,113,000. The difference between sinking fund and deficit is that the interest on the deficit is a charge on revenue, whereas the interest earned by the sinking fund is added to the sinking fund. So, even if we borrowed the money, about 50 per cent. of the total increase came from interest earned by the sinking fund. I hope the Premier realises that, while we have to pay interest as an obligation, it is not money wholly lost to the State.

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

Ayes	..	..	21
Noes	..	..	10
			—
Majority for	..	..	11
			—

AYES.

Mr. Angwin	Mr. Marshall
Mr. Chesson	Mr. McCallum
Mr. Clydesdale	Mr. Millington
Mr. Collier	Mr. Munslie
Mr. Corboy	Mr. Pantou
Mr. Coverley	Mr. Sleeman
Mr. Cunningham	Mr. A. Wan-brough
Mr. Heron	Mr. Willcock
Mr. Holman	Mr. Withers
Mr. Kennedy	Mr. Wilson
Mr. Lamond	

(Teller.)

NOES.

Mr. Davy	Mr. Sampson
Mr. Denton	Mr. Taylor
Mr. Griffiths	Mr. Teesdale
Mr. E. B. Johnston	Mr. Thomson
Sir James Mitchell	Mr. Richardson

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Angelo	Mr. Lambert
Mr. Latham	Mr. W. D. Johnson
Mr. Lindsay	Mr. Troy

Question thus passed; the Council's requested amendment not made.

No. 3. Clause 8—Delete this clause :

The PREMIER: I move—

That the requested amendment be not made.

Mr. DAVY: Clause 8 contains certain deductions. They have no right to be in a taxing measure, but ought to be in the Assessment Bill. Every one of them is in the Assessment Act now.

The Premier: No, not every one. They are all in the Assessment Bill, but not all in the Assessment Act.

Mr. DAVY: They are in the Act as it will be amended by the Bill. I am told that these deductions were put in this Bill last year because it had been forgotten to include them in the Assessment Act. They have no right in this Bill.

The Premier: I admit all that.

Mr. DAVY: Then where is the justification for retaining them in this Bill?

The PREMIER: The Bill is the same as the Bill of last year, except in point of the rate of tax. When these deductions were inserted in the Bill of last year, they were not in the Assessment Act. They are now in the Assessment Bill in another place, and if that Bill passes there will be no need to have the deductions in this Bill. But, in view of the uncertainty of taxation Bills in another place, I thought it as well to include the clause in this Bill, so that if the other Bill fails to pass the Council, we shall still have it in this Bill. If the provisions are finally passed in another place, then, before this Bill is disposed of we will delete this clause.

Mr. Davy: That is a promise?

The PREMIER: It can be taken as a promise. I think the members of another place know the position. As a matter of fact, these deductions ought not to be in this Bill at all, for the Constitution says there shall be in a taxing Bill nothing but the tax. However, the position will be rectified before we finally dispose of the two Bills. If we were to take out these deductions now we could not put them back again this session. I assume that this Bill will be returned to us again. If in the meantime the Council shall have passed the Assessment Bill, we can then agree to their request to strike out Clause 8. I am advised by the Solicitor-General that if the Assessment Bill pass another place and subsequently be found to be at variance with this clause, the assessment measure will prevail, because Clause 8 in this Bill is *ultra vires*. We have drifted into a rather foolish position in the last two or three years through putting deductions into the tax Bill when they should have gone into the assessment Bill. But that was due to the fact that no amendment of the assessment Act was before the House at the time.

Question passed; the Council's requested amendment not made.

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

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Council's amendments.

Consideration resumed from the previous day; Mr. Lutey in the Chair, the Minister for Works in charge of the Bill:

No. 27. Clause 37.—In line two of proposed new Section 93a, after the word "any" insert "police or resident," and strike out in next two lines the words "appointed by the Governor as an industrial magistrate for the purposes of this Act," and in the first and second lines of the proviso delete the words "before an industrial magistrate."

The MINISTER FOR WORKS: The Council's amendment proposes to permit all police magistrates to deal with breaches of awards. Our idea was to have industrial magistrates who would specialise in the work. If all magistrates were appointed they would not take the interest in the work that we desire. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 28. Clause 38.—After "otherwise," in line two, insert "after the word 'where.'"

No. 29. Clause 39.—In lines one and two strike out "thirty-nine" and "forty-nine,"

and insert "forty" and "fifty" respectively.

No. 30. Clause 41.—In last line of clause strike out "for any" and insert "without good."

No. 31. Clause 43.—After the word "pounds," in line four of paragraph (d), insert "or one year's imprisonment with hard labour," and after "office," in last line, insert "and shall not be eligible for re-appointment."

No. 32. Clause 51.—Delete the words "fifty-one" and "fifty-three" respectively, and insert "fifty-two" and "fifty-four."

On motion by the Minister for Works, the foregoing amendments were agreed to.

No. 33. Clause 52.—Delete "the Minister may," in line one, and insert "the Governor may on the recommendation of the Court."

The MINISTER FOR WORKS: We provided that the Minister may constitute districts. The Council, with an inherent distrust of Ministers or of this particular Minister proposes that the Governor on the recommendation of the court may constitute districts. I do not mind the Governor doing that; we know who will actually do it, but if it is done by him, it cannot be on the recommendation of the court.

Mr. Davy: It would not be legally right?

The Premier: It is improper to provide for the Governor to act on the recommendation of anyone. It implies a limitation of the Governor's powers.

The MINISTER FOR WORKS: I move—

That the amendment be amended by striking out the words "on the recommendation of the court."

Question passed; the Council's amendment, as amended, agreed to.

No. 34.—Clause 55.—Delete all words after "ninety-seven," in the first line down to end of clause, and insert the following: "of the principal Act is amended by omitting the words 'nor shall any application be made to the Court by any such union or association for the enforcement of any industrial agreement or award of the court,'" and in Subsection (i) by omitting the words "provided that if the resolution is for a reference of an industrial dispute it shall," and substituting the word "and." Insert the following new paragraph. "Insert after the word 'minutes' in the last line of Subsection (1) the following words:—and any such ballot shall be a secret ballot and no form of voting shall have any letter, number, or record thereon to show or indicate how such voters may have voted."

The MINISTER FOR WORKS: This is an attempt to restrict the facilities for unions to approach the court. We set out to make it as easy as possible for unions to get to the court, but the Council wish to provide for a secret ballot. I do not know how

long it would occupy the A.W.U. to take a secret ballot—easily the best part of 12 months to get into touch with all the shearing sheds, navy camps and railway construction men.

Mr. Davy: The A.W.U. cannot go to the court.

The MINISTER FOR WORKS: If this Bill is passed, they will be able to. There are other unions in the same position.

The Premier: If it takes 12 months to get to the court, it will be an inducement to strike.

The MINISTER FOR WORKS: Yes. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 35. Clause 56.—Delete the words "from time to time" in first line of subsection (1) of proposed new section 100, and insert "once in each year." After "State" in line five of same subsection, insert "and such determination shall have force and effect during the ensuing twelve months. The basic wage so determined shall operate and have force and effect from the first day of July in each year, and shall from time to time be substituted for the wage fixed by every industrial agreement or award made before or after the commencement of this Act, notwithstanding that any such industrial agreement or award may prescribe a lesser or a greater wage."

The MINISTER FOR WORKS: The Bill provides that the court may, of its own motion, from time to time fix a basic wage, and alter it if there is any material difference in the cost of living. This amendment sets out that the alteration shall be made only once in each year, and the month chosen is that of July. It so happens that this is the month when, according to Knibbs, the cost of living is lowest. This may, of course, be only a coincidence. It is not fair to set down a definite period in this way. I move—

That the Council's amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 36. Delete subsection (2) of proposed new section 100.

No. 37. Delete the word "and" in second line of subsection (1) of proposed new section 101, and insert "not later than the fourteenth day of June in each year and shall thereupon be."

On motion by the Minister for Works, the foregoing amendments were not agreed to.

No. 38. Delete the word "not" and the words "at a lower rate than" in third and fourth lines of subsection (2) of proposed new section 102. After the word "and" in fifth line insert "the wage fixed for every

grade of worker by," and insert after "shall" in sixth line the words "from the date of the declaration of the Court be adjusted accordingly and."

The MINISTER FOR WORKS: The amendment provides that the basic wage fixed by the court shall be the minimum rate paid under any agreement or award. That is an impossible proposition. It means that the parties must not agree amongst themselves to pay or receive anything above the minimum rate and that the pay of all tradesmen would be reduced to the basic rate. I move—

That the Council's amendment be not agreed to.

Mr. DAVY: It is reasonable that the minimum wage should be the basic wage, which means that no wage shall be lower than the basic wage. The Council have altered the wording of the clause, but have not altered its meaning.

The MINISTER FOR WORKS: Under the clause as amended, boilermakers, whose minimum is now 18s., would be reduced to 13s. 4d. All we want is that the minimum rate shall not be less than the basic rate.

Mr. DAVY: If the clause now means what the Minister says, we must, of course, oppose it, but I do not think it does mean that.

The MINISTER FOR WORKS: The intention is that the basic rate shall be altered in accordance with the declaration of the court, and that the other grades shall go up or down accordingly.

Mr. Davy: You have not given us your amendment yet.

The MINISTER FOR WORKS: I submitted it through the Colonial Secretary, but the Council inserted this amendment in place of it.

Question passed; the Council's amendment not agreed to.

No. 39. Delete all words after "sufficient" in line one of proposed new section 103, and insert "to enable the average worker to whom it applies to live in reasonable comfort having regard to any domestic obligations to which such average worker would be ordinarily subject."

The MINISTER FOR WORKS: This amendment leaves the position as it stands to-day. The clause as originally drafted is essential in the fixing of the basic wage. I move—

That the Council's amendment be not agreed to.

Hon. Sir JAMES MITCHELL: The Council's amendment leaves the matter to the court to decide upon the evidence submitted. That would be a fairer thing for the worker than the basis suggested by the Minister.

Mr. THOMSON: The Minister should agree to the Council's amendment. If we can trust the court to fix wages we should be able to trust the same tribunal to fix the basic wage on the evidence that will be submitted.

Question passed; the Council's amendment not agreed to.

No. 40. Clause 57.—Insert after "Board" in second line of proposed new section 115a, the words "to regulate or provide for apprentices to be employed in the building trade and the terms of their employment." After "which" in the same line, insert "Board." In paragraph (c) delete "and shall be a member of" and insert "by."

No. 41. Clause 57.—Insert the following proviso at end of subsection (3) of proposed new section 115a:—Provided that the members of the said Board shall not be personally liable under this Act or under any agreement or indenture of apprenticeship entered into with the said board, nor shall such member be liable to any action or proceeding at the instance of any apprentice or employer or other person joined in such agreement or indenture.

No. 41. After "may" in first line of subsection (4) of the proposed new section 115a, insert "on the recommendation of the court."

On motions by the Minister for Works the foregoing amendments were agreed to.

No. 43. Clause 58.—After "paid" in first line of subsection (2) of the proposed new section 115b, insert "to." After "or" in second line of subsection (4) insert "in the case of the building trade." Insert after "employers" in line four of subsection (5) the words "and the number of apprentices to be employed."

The MINISTER FOR WORKS: I move an amendment on the Council's amendment—

That all the words after "trade" in line 4 be struck out.

The portion of the Council's amendment which I accept relates to the building trade apprentices, but the balance refers to apprentices generally. Evidently the Council considered that the latter part applied to apprentices in the building trade as well.

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

No. 44. Clause 60.—Delete.

The MINISTER FOR WORKS: I move—

That the amendment be not agreed to.

This relates to the 44-hour week and there is no need to go over the ground that was

stressed at such great length during the earlier proceedings.

Mr. DAVY: I agree that there is no necessity to speak at length on this question. The Opposition are not against a 44-hour week, but we claim that the court should decide the issue.

Hon. Sir JAMES MITCHELL: That is the position. We should leave the matter to the Arbitration Court. I believe that in some industries a 44-hour week would be too long, and a shorter hour should apply. The court should have the right to do what was necessary.

Mr. SAMPSON: We know this will not be agreed to in the Upper House. It is said that the Minister has not agreed to the 44-hour week in connection with one of his own departments.

The Minister for Works: Which is that?

Mr. SAMPSON: I understand that it does not apply in connection with the State sawmills.

Mr. Holman: The difference between the 44 hours and the 48 hours in the timber industry is about 1s. 8d. a week.

Mr. SAMPSON: Still, there is a difference. I read a statement in which the Minister said he was convinced that if the hours were reduced, wages would have to be reduced as well.

The Minister for Works: I ask that that statement be withdrawn.

Mr. SAMPSON: Have I the assurance of the Minister that he did not make any such statement?

The Minister for Works: I have never made any such statement.

Mr. SAMPSON: Then I certainly withdraw it. I would not object if the Minister had made such a statement, because it would display sound common sense. Men working 44 hours a week cannot do as much as in a 48-hour week, and the same applies to industries. To endeavour to have the clause retained in the Bill is merely to invite disagreement on the part of the Council.

Mr. THOMSON: I always understood, when dealing with arbitration, that conciliation invariably played a prominent part. I am much afraid, judging from the attitude of the Government so far as this particular clause is concerned, that we shall not have any display of conciliation at all. The Government simply say "We insist." It is wrong for Parliament to put in a Bill the hours that it is proposed shall be worked. That is a matter that should be left to the court. If the court is not able to do this, it has no right to be there.

Mr. Chesson: Then you do not think that the Legislature should say what should constitute a day's work?

Mr. THOMSON: I maintain that the matter should be left to the court. If the court is competent to fix the rates of pay and the conditions, it also should be com-

petent to fix the hours. I regret that the Minister is so resolute. I suppose it is because he has been threatened by the cross benches and that therefore he does not dare to slip. If the principle of 44 hours is right, evidence can be brought before the court in support of it.

The Minister for Lands: Do we not guide the court in every law that we pass?

Mr. THOMSON: With regard to hours?

Mr. HOLMAN: Yes; What about the mining industry?

Mr. THOMSON: It is the evidence submitted to the court that governs the conditions of the award that is given. I am sorry a greater spirit of compromise has not been shown by the Minister.

Mr. HOLMAN: Anyone would think that the question of hours had never before been dealt with. So far back as 1870, the Mines Regulation Act in Victoria prohibited working underground for more than eight hours. All factory hours are regulated.

Mr. Sampson: Specified trades.

Mr. HOLMAN: Why not make it general? If the hon. member reads the "West Australian," he will have seen within the last week or so that in Austria-Hungary, one of the oldest and probably the worst governed countries in the world, passed an Act to increase the Customs duties on goods coming from countries that worked more than eight hours a day.

Mr. Lindsay: Does that mean they are working 44 hours?

Mr. HOLMAN: Yet we have all this piffle put before the Committee here when the Government advocate a certain reform. No one can point to an instance where as a result of the reduction of hours there has been an increase in the cost of living.

Mr. Sampson: Nonsense! Has this principle been adopted in this way anywhere else?

Mr. HOLMAN: We remember how Hughes prostituted his position as Prime Minister after his negotiations with the employers. The employers throughout the Commonwealth refused to allow the court to deal with the question of hours until they got the strong man Higgins. Then they soon came up to their milk. I had the pleasure of attending Federal Parliament House on one occasion and putting the case before members there.

Mr. Sampson: Would you not trust the Arbitration Court?

Mr. HOLMAN: No.

Mr. Thomson: You are in the position to appoint your own man now.

Mr. HOLMAN: Appointments have been made by the party opposite quite often enough, and it is time our turn came.

Hon. Sir James Mitchell: You want a fair court.

Mr. HOLMAN: That is all we require, and fair consideration as well. We also have

no desire that the industrial movement in Australia should help towards making bigger profits for the employers. With regard to hours, it has been proved beyond doubt in the sawmills that when they were increased for a period of 22 months from 44 to 48, the extra cost of production amounted to only 1s. 8d. per man per week.

Mr. Sampson: Do you think that with a 44-hour week the State Sawmills could compete with other mills in respect of imported timbers?

Mr. HOLMAN: Yes. Moreover, there are no timbers in the known world that can compete with our hardwoods. On the question of hours, in Austria-Hungary, which has adopted the eight-hour system, a penalty of 20 per cent. is imposed through the Customs on goods coming from countries where longer hours are worked. From my long experience of industry I am in a position to state that there is no industry in which 44 hours' work would not compensate the employer for any wages he pays.

Mr. SAMPSON: This is a question of not 48 hours or 44, but of a principle—who shall decide the number of working hours, Parliament or the court? It has been stated that in one of the departments controlled by the Minister for Works the 48-hour week still obtains, because the employees were told by the Minister that if the hours were reduced the wages would have to be reduced.

The Minister for Works: I never made any such statement.

Mr. SAMPSON: I accept the Minister's assurance.

Mr. TAYLOR: The arguments put up by members on the Government side would lead one to believe that we were discussing the question of 48 or 44 hours. But that is not so. What I am supporting is that the court should regulate the hours just as it regulates the wages. Parliament should not regulate either wages or hours.

Mr. PANTON: Any observer of the industrial position in this State must know that the unions have been hammering away for the last 10 or 12 years to get a reduction of hours. One president of the Arbitration Court granted 44 hours, and the next president reverted to 48 hours. The unions have spent thousands of pounds in obtaining evidence to submit to the Arbitration Court with regard to the 48 hours week. If that question were decided purely on evidence, every industry in this State would now be working 48 hours.

Mr. Davy: The losing litigant always says he ought to have won.

Mr. PANTON: The unions have had the same representative on the Arbitration Court bench for many years. Upon the reversion from 44 hours to 48, that representative said it was useless to come to the Arbitration Court for a reduction in hours, the matter being one for political action.

Mr. Davy: That is a good argument for abandoning arbitration.

Mr. Taylor: Parliament should fix wages too.

Mr. PANTON: Parliament tells the court to fix the wages on certain conditions. If that is not telling the court what wages should be granted, I do not know what would be. The legislature ought to declare what hours shall be worked. What is the use of having hours fixed at 44 by one president, and then altered back by another president?

Mr. HOLMAN: The remarks of the member for Mr. Margaret are mere camouflage. We heard no such arguments from him when the Factories and Shops Act fixed working hours. Mr. Justice Burnside, probably the best president our Arbitration Court ever had, has repeatedly said that reduction of hours is a question not for the Arbitration Court but for the legislature.

Mr. Taylor: Then the court is wholly a failure.

Mr. HOLMAN: No. The failure is in those who talk a lot of stuff that they fought hard against in years gone by. It is remarkable how high principles come to the front when a member sits among the old reactionaries.

Mr. Taylor: You have heard me say that the Arbitration Court was a failure because it assessed a man's capacity by what he could eat.

Mr. Teesdale: On a point of order, is there anything in this Bill about "old reactionaries"?

The CHAIRMAN: I would ask the member for Forrest not to indulge in personalities.

Mr. HOLMAN: Now that the opportunity presents itself, it is the duty of this legislature to curtail the hours. I may not agree that the best course is to reduce hours by this Bill, which covers only a small section of the workers. The publications of the Federal Medical Department show that one of the greatest dangers to workers is the working of long hours under insanitary conditions, to which factor more accidents and more cases of disease are due than to any other cause. If a costly machine were damaged by being worked for too many hours at a stretch, it would not be overworked, simply because it would cost money to replace. But the most delicate machine of all, the human being, is overworked until it is worn out, simply because another human machine is growing up to take its place.

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

Ayes	..	..	17
Noes	..	..	14

Majority for .. 3

AYES.

Mr. Angwin	Mr. Millington
Mr. Chesson	Mr. Munzie
Mr. Collier	Mr. Pantou
Mr. Coverley	Mr. Sleeman
Mr. Heron	Mr. Troy
Mr. Holman	Mr. A. Wan-brough
Mr. Kennedy	Mr. Withers
Mr. Lamond	Mr. Wilson
Mr. McCallum	

(Teller.)

NOES.

Mr. Davy	Mr. Sampson
Mr. Denton	Mr. J. H. Smith
Mr. Griffiths	Mr. Taylor
Mr. E. B. Johnston	Mr. Teesdale
Mr. Lindsay	Mr. Thomson
Mr. Maley	Mr. Richardson
Sir James Mitchell	
Mr. North	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Angelo	Mr. Lambert
Mr. Latham	Mr. W. D. Johnson

Question thus passed; the Council's amendment not agreed to.

No. 45. Clause 62, Subclause (10)—Delete all words after "the" in line 4 to the end of the subclause, and insert "court of their proceedings in the matters in dispute as to which agreement has not been reached, and the court shall have jurisdiction to hear and determine any matter so referred to it as an industrial dispute under this Act."

The MINISTER FOR WORKS: This is another demonstration of the Council's want of confidence in the Government, and particularly in me. The clause provides that the Commissioner after a conference shall report to the Minister, and the Minister can then refer the matter to the court. The Council's amendment provides that the Commissioner shall report to the court. However, it does seem to be the shorter way, and so I move—

That the amendment be agreed to.

Question passed; the Council's amendment agreed to.

No. 46. Clause 64—Delete:

The MINISTER FOR WORKS: This amendment excludes clubs from the operation of the Bill and directs that the employees of clubs shall not be classed as workers.

Mr. Davy: They are all paid union rates.

The MINISTER FOR WORKS: No, they are not. We have had endless trouble with the Commercial Travellers' Club.

Mr. Teesdale: It is all right now, for they have joined the union.

Mr. Pantou: They were in the union before.

The MINISTER FOR WORKS: I cannot for the life of me see why the employees

of clubs should not have the advantage of the Arbitration Court. The object of the clause was to clear up a doubt as to whether or not the employees of clubs are workers. I move—

That the amendment be not agreed to.

Mr. DAVY: I am with the Minister in this. I cannot see why employees of clubs should not be deemed to be workers. Cogent arguments that are used against domestics being deemed workers, do not apply to club employees at all. I will support the motion.

Question passed; the Council's amendment not agreed to.

No. 47. Clause 65.—Delete.

The MINISTER FOR WORKS: This is consequential. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 48. Clause 66—In paragraph (vi.), lines 1 and 2, strike out "industrial" and insert "police or resident."

The MINISTER FOR WORKS: This has to do with matters coming before an industrial magistrate. We have already dealt with it. I move—

That the Council's amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 49. Clause 67—Strike out all words after "amended" in line 2 and insert "by substituting for the words 'three months' the words 'twelve months.'"

The MINISTER FOR WORKS: The clause provides for the recovery of money under awards of the court. Under the Act proceedings must be taken within three months. The clause removed that time limit. The Council's amendment provides a time limit of 12 months. I cannot see any difference between a debt owed to a worker under arbitration and a debt owed under any other law. Why should the worker be singled out for this restriction? I move—

That the amendment be not agreed to.

Mr. DAVY: The Minister is not quite right. This is not in respect of a claim for wages under an award. It is only in respect of a claim for the difference between what a man has agreed to take and the rate under the award. It is quite right to say that a man who agrees to take certain wages can go back to his employer and demand the award rate; but if we are to give the employee that right, it is unjust that he should have the six years of the Statute of Limitations in which to make his claim. The great majority of enforcement cases involve interpretations of

awards. Therefore one can conclude that most of these cases have arisen from misinterpretations of awards. In view of that, it is not right that we should place an employer in the position of having to pay retrospectively hundreds of men for years back. Certainly the special right contained in the clause ought to be limited in point of time.

Mr. PANTON: While a large number of enforcement cases are to all intents and purposes interpretation cases, there are also many cases requiring no interpretation. It is a common occurrence in the metropolitan area to find girls being paid 10s. a week less than the amount prescribed in the award. When we had to take enforcement cases to the Arbitration Court, it took eight to 12 months to get them heard. When the court found employers guilty of paying less than the award rate, it had no jurisdiction to make the employer pay the amount of the shortage. It was necessary to sue for that subsequently in the Local Court. The offence would then be eight to 12 months old and there would be no chance of succeeding.

Mr. Davy: It would date from the issue of the process.

Mr. PANTON: I know of girls having been paid 7s. 6d. less than the award rate for periods of five and six months. Immediately a summons was issued, either the girl was discharged, or there was no chance of collecting the back pay owing to the delay in getting the enforcement order from the Arbitration Court.

Mr. Davy: Why not issue a summons right away?

Mr. PANTON: The question of interpretation comes in and few Local Court magistrates care to give a decision on an Arbitration Court award. Consequently we have had to prove our cases in the Arbitration Court, get a conviction there, and then go to the other court to recover the difference.

Mr. Davy: The Local Court magistrate has to do it whether he cares or not.

Mr. PANTON: We have lost nine out of 10 cases taken to the Local Court, but have secured convictions in the Arbitration Court. Young girls have been accepting 15s. a week without knowing they were entitled to more. Every employer, however, is furnished with a copy of the award or agreement, and there is no excuse for his paying less than the award or agreement rate.

Mr. Davy: The union officials are always inspecting the employers' books.

Mr. PANTON: There is a large number of shops in the metropolitan area, and it takes a long time to get around them all.

Hon. J. Mitchell: They pay union fees.

Mr. PANTON: They pay 1s. per month, and that does not go far. There is no excuse for an employer breaking an award.

Mr. Davy: Why not lengthen the period to six months?

Mr. PANTON: Another place suggests 12 months. There is no reason why workers should not have the same right to collect payment for the only commodity they have to sell—their labour—as the man who has goods to sell. We are after the employers who wish to take advantage of awards.

Hon. Sir JAMES MITCHELL: Where a union secretary is paid well to do his job, he should do it, and see that the employees know what they are entitled to and get it.

Mr. Panton: We want the law to help us to protect them.

Hon. Sir JAMES MITCHELL: There should be no lack of knowledge on the part of employees who pay someone to watch their interests. The Minister should be reasonable and accept the amendment.

The MINISTER FOR WORKS: The Leader of the Opposition does not rebuke the employer who refuses to pay the rates provided in the awards.

Hon. Sir James Mitchell: He should pay.

The MINISTER FOR WORKS: Why should there be any discrimination between a man who refuses to pay wages and a man who owes money for any other reason? A vast number of girls working in restaurants, run by foreigners, and in coffee palaces, have not the freedom of contract that the employers enjoy. When it is put to them that they can have a position for 2s. 6d. or 5s. a week less than the award rate, their economic conditions compel them to take it.

Mr. Davy: Do you mean the girls do it deliberately, knowing they should receive more?

The MINISTER FOR WORKS: Yes, I have had scores of cases.

Mr. Teesdale: What would the union secretary be doing in not looking through the books?

The MINISTER FOR WORKS: The trouble is they sign for the full amount, and do not receive it. It is very hard to protect people who do that.

Mr. Davy: People who are dishonest.

The MINISTER FOR WORKS: Yes.

Mr. Davy: Surely it is not much to ask a person who has been dishonest to make a claim within a year?

The MINISTER FOR WORKS: I have discovered short payments extending over two or three years, and though the employer admitted the shortage, only three months pay could be claimed.

Hon. Sir James Mitchell: I did not understand it was being done by definite arrangement—fraud.

The MINISTER FOR WORKS: Yes, on both sides.

Mr. Davy: Surely it is a fair proposition to say such people cannot recover for more than a year back.

The MINISTER FOR WORKS: This is a claim for short-paid wages, and the hon. member cannot understand the economic position that forces men, boys and girls to go out and contract in order to earn a living. Even if people are forced to accept these conditions, it is our duty to protect them.

Hon. Sir James Mitchell: Both sides should be punished.

The MINISTER FOR WORKS: We frequently proceed against both sides for breaches of awards. The worker is not as free an agent as is the employer. He is often compelled to contract for wages below the ruling rate. In some cases the full amount is paid over, and the difference is afterwards returned by the worker.

Hon. Sir James Mitchell: You cannot legislate to protect dishonest people.

The MINISTER FOR WORKS: We must do so in order to protect those who are honest. Tens of thousands of pounds in wages have been lost owing to men not being able to recover further back than three months.

Mr. DAVY: The real point in this matter is that in many cases both the person who draws wages and the person who pays the money are ignorant that the one is receiving too little and the other is paying too little. If there has been an agreement between two persons as to the wages, it would be unfair to the person paying the money that the other should be able to claim six years afterwards for a certain difference in the wages.

Mr. HOLMAN: Employers should be compelled to carry out their obligations. There have been thousands of cases where employers have used every power they possessed to avoid paying the proper wages. We had 110 summonses out against one employer for this sort of thing. Employees have been dismissed because they asked for the wages that were due to them. Millars' Timber & Trading Company have resorted to the most contemptible actions in an endeavour to beat the men for their wages, and they are doing so now. Some employers wait until such time as they can plead that the period of their responsibility has expired. I should prefer to see even the six-year limitation struck out.

Hon. Sir JAMES MITCHELL: Something should be done to prevent the sort of thing mentioned by the Minister. I have no desire to defend dishonest employers or encourage dishonest workers. Both sides ought to be punished. Claims for wages should be made within a reasonable time, because the worker should know every pay day whether or not he is getting the correct amount. If the wages are not correct, he should tell his employer, and the union can then see that the matter is put right.

Mr. HOLMAN: I do not say that a man should neglect to make a claim until after he has left his job. Men have slept on their rights for a certain period, and then come to me in order that I might recover certain moneys for them. I have always told them that they knew they had that right, and that they had better endeavour to get the money for themselves. We have been battling to get the wages the men are entitled to in the Minister's own department and we have not got satisfaction yet.

Hon. Sir James Mitchell: Why don't you give up the fight?

Mr. HOLMAN: There will be no necessity to continue it soon. For over 15 months the department has endeavoured to evade payment by applying for variations of awards as soon as demands were made upon them. This is a matter that should receive consideration. I do not believe in men sleeping on their rights and then coming to the unions and expecting the organisations to get satisfaction for them. I detest men of that type, just as much as I detest the employer who does not give the men their dues.

Question passed; the Council's amendment not agreed to.

No. 50. Clause 68.—Insert after the word "margin," in line six, the words "and the Short Title of the Act as so reprinted shall be "The Industrial Arbitration Act, 1912-1924."

No. 51. Insert a new clause to stand as Clause 9, as follows:—Sections forty-four and forty-five of the principal Act are repealed.

No. 52. Insert a new clause to stand as Clause 10, as follows:—Section forty-six of the principal Act is amended by striking out the words "Full Court has," and substituting the words "The President has," and by striking out the words "the names of the members," and substituting the words "such appointment."

No. 53. Insert a new clause to stand as Clause 12, as follows:—Section fifty-one of the principal Act is amended by omitting the words "any member of the Court," and substituting the words "the President."

No. 54. Insert a new clause to stand as Clause 13, as follows:—Section fifty-four of the principal Act is amended by omitting the word "also," in first line and "or any ordinary member" in second line.

On motions by the Minister for Works the foregoing amendments were not agreed to.

No. 55. Insert a new clause to stand as Clause 14, as follows:—Section sixty-one of the principal Act is amended by omitting the words "or any other Court."

The MINISTER FOR WORKS: This is a new proposal. The present Act provides that there shall be no appeal from the

Arbitration Court to the Supreme Court or any other court. If the Council's amendment be agreed to, there will be a right of appeal to other courts. We have fought for years to get away from the other courts, the Arbitration Court being made the final arbiter, and I have no intention of giving up that position. I move—

That the amendment be not agreed to.

Question passed; Council's amendment not agreed to.

No. 56. Insert a new clause to stand as Clause 29, as follows:—Section 79 of the principal Act is amended by striking out "may" in line three, and inserting after the word "award," "shall when required by any party to the award."

The MINISTER FOR WORKS: The court on some occasions have refused to declare the meaning of an award clearly. They have merely dealt with the case and declined to commit themselves to supposititious cases to disclose the full meaning of the award. If the court, as a guide, laid down a clear definition of their meanings regarding various points in awards, it would assist materially. I move—

That the amendment be agreed to.

Question passed; the Council's amendment agreed to.

No. 57. Insert a new clause, to stand as Clause 56, as follows:—A section is inserted in the principal Act as follows:—"98a. An application for the enforcement of any industrial agreement or award of the court may be referred to the court by an industrial union or association pursuant to a resolution of the governing body of the industrial union or association in such manner as is prescribed by the rules of the industrial union or association."

The MINISTER FOR WORKS: This amendment is not necessary as we have not agreed to the proposal regarding the ballots. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 58. Insert a new clause, to stand as Clause 57, as follows:—A section is inserted in the principal Act as follows:—"108a. (1) It shall be the duty of the Registrar whenever a total or partial cessation of work occurs in or in connection with any industry to make immediate inquiry into the cause thereof, and to take legal action to enforce against any person found on such inquiry to be committing any breach of this Act or of any industrial agreement or award of the court all or any of the remedies provided by this Act which he may deem applicable to the case. (2) In the carrying out and discharge of

his duties under this section, the Registrar shall be entitled to the assistance of all industrial inspectors and officers of the Court."

The MINISTER FOR WORKS: The Council propose that certain powers now vested in the court shall be handed over to the registrar. I move—

That the amendment be not agreed to.

Mr. DAVY: Is this not a step in the right direction? It has always seemed to me that one fault in our arbitration system was that the court that issued the awards and dealt with breaches of the law, also had the job of protecting the awards they made. There is no provision for policing awards. Would it not be advisable to give some outside authority the power to initiate proceedings for breaches? If we had some special industrial police system, there would be some chance of carrying out the arbitration laws in spirit and to the letter.

The Minister for Works: The factory inspectors act in that way.

Question passed; the Council's amendment not agreed to.

Resolutions reported and the report adopted.

A committee, consisting of the Minister for Works, Mr. North and Mr. Panton, drew up reasons for disagreeing to certain of the Council's amendments.

Reasons adopted and a message accordingly returned to the Council.

BILL—CLOSER SETTLEMENT.

Council's Message.

Message received from the Council notifying that it did not insist on its amendments 31 and 33 disagreed to by the Assembly, but insisted on its amendments 3, 9, 11, 12, 13, 14, 21, 23, 24, 29, and 32, and that with respect to amendment No. 20 the Council had substituted a further amendment in which it desired the concurrence of the Assembly.

BILL—INSPECTION OF SCAFFOLDING.

Council's Message.

Message received from the Council notifying that it did not insist on its amendment 9 but insisted on its amendments 1, 2, 3 and 5 disagreed to by the Assembly, and had agreed to the amendment made by the Assembly to amendment No. 20 of the Council.

BILL—LAND TAX AND INCOME TAX.

Council's Pressed Requests.

Message received from the Council notifying that it pressed the requests made in its previous message.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Council's Amendments.

Schedule of 23 amendments made by the Council now considered.

In Committee.

Mr. Panton in the Chair, the Minister for Works in charge of the Bill.

No. 1. Clause 1—Insert at the end the following: "and shall be read as one with the Workers' Compensation Act, 1912, hereinafter referred to as the principal Act."

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

Question passed; the Council's amendment agreed to.

No. 2. Clause 3—Delete.

The MINISTER FOR WORKS: We provided that the widow and children should be classed as dependants and that it should not be necessary for them to prove it. The Council struck that out. The second point is the definition of "worker." The Bill proposes to include as a worker anyone receiving up to £520. The other question involved in these amendments is that of industrial magistrates. These are the points in question in the two amendments. They have been debated very fully here. In respect of dependants the existing Act provides that if there are other dependants the widow, in the event of her having lived apart from her husband, would be allotted only an amount of money in accordance with the extent of her dependency. Regarding the definition of "worker," we raised the amount from £400 to £520. In Queensland it is £520, and in New South Wales £525. So at least two other States are equal to us, and one of them is better. The principle of industrial magistrates we have already adopted under the Industrial Arbitration Act Amendment Bill. I move—

That the amendment be not agreed to.

Mr. DAVY: On the question of dependants, if we are going to give people the right to receive compensation although they have not lost anything, we are treating the employer in whose employment someone has been killed, as having done something wicked. But this measure covers injury or death even where such injury or death is caused by the negligence of the worker. That a relative who was not in any way dependent should receive compensation seems

to me utterly wrong. Indeed, under this clause dependants who are not really dependants may rob the dependants who really are dependants.

The MINISTER FOR WORKS: The member for West Perth puts the whole question on a cold cash basis. He thinks that children who have lost their father have lost nothing if they have not been monetarily dependent upon him. Can one give little children enough money to compensate them for the loss of their father? The view of the member for West Perth is callous and cold-blooded, and I do not think it will be supported by many members of this community.

Mr. DAVY: It is the Minister's view that is callous. He asks this Chamber to reduce to the cold-blooded basis of pounds, shillings, and pence a loss which is spiritual, and not material at all. How can a spiritual loss be compensated? Why offer money in such a case? People who have not suffered any pecuniary loss would be too proud to accept pecuniary compensation.

Question passed; the Council's amendment not agreed to.

No. 3. Clause 4—Delete:

The MINISTER FOR WORKS: This amendment deals with the working contractor and the insurance canvasser. Both have been deleted by the Council. We have already had a full-dress debate on the question. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 4. Clause 5.—Delete Subclause 1:

The MINISTER FOR WORKS: This is the essence of the Bill. It deals with the conditions under which a claim for compensation can be made, and gets away from the technical difficulty occasioned by the phrase "arising out of or in connection with" the employment. I move—

That the amendment be not agreed to.

Hon. Sir JAMES MITCHELL: This Bill contains several provisions that ought to be come law, but the Minister is so unreasonable that he is risking the loss of the Bill.

The Minister for Works: Do you mean to tell me the Council have been reasonable?

Hon. Sir JAMES MITCHELL: They have been more reasonable than the Minister. The provision deleted by the Council is most unreasonable. That an employer should be called upon to accept responsibility for a worker on his journey to and from his place of employment, is ridiculous. The Minister should not sacrifice useful clauses for the sake of this provision. I do not think the workers of this country would thank him for doing so. Wrong clauses should be allowed to go.

Mr. SAMPSON: The Minister is not justified in persisting in the retention of a clause which does not stand up for fair consideration. Every section of the community has said that this clause is unreasonable. I do not think one per cent. of the employees would support the Minister in this matter. Insistence on this clause would seem to indicate that the Minister himself is anxious to wreck the Bill. No House untrammelled by party considerations would approve of such a clause.

The Minister for Works: If ever a House was dominated by party considerations, it is that House.

Mr. SAMPSON: The Minister is dominated by party considerations.

The Minister for Works: I admit it.

Mr. SAMPSON: The Minister should endeavour to bring sweet reasonableness to bear on this question. It is not proper to bring down an impossible clause and say, "On this clause shall the protection of the workers depend." The Minister knows that by insisting he runs a great risk of losing the whole measure.

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

Ayes	..	..	..	20
Noes	..	..	..	12
Majority for				8

AYES.

Mr. Angwin	Mr. Millington
Mr. Cheson	Mr. Munro
Mr. Clydesdale	Mr. Taylor
Mr. Collier	Mr. Troy
Mr. Coverley	Mr. A. Wansbrough
Mr. Heron	Mr. Willcock
Mr. Holman	Mr. Withers
Mr. Kennedy	Mr. Wilson
Mr. Lamond	Mr. Sleeman
Mr. Lutey	(Teller.)
Mr. McCallum	

NOES.

Mr. Davy	Mr. J. H. Smith
Mr. Denton	Mr. Stubbs
Mr. E. B. Johnston	Mr. Teesdale
Mr. Lindsay	Mr. Thomson
Sir James Mitchell	Mr. Richardson
Mr. North	(Teller.)
Mr. Sampson	

PAMS.

Ayes.	Noes.
Mr. Angelo	Mr. Lambert
Mr. Latham	Mr. W. D. Johnson

Question thus passed; the Council's amendment not agreed to.

No. 5. Clause 5, Subclause (ii).—Delete the first three lines and insert in lieu thereof the following:—"By the repeal of paragraph (a) of Subsection (ii.) and the sub-

stitution for paragraph (a) of a paragraph as follows"—

The MINISTER FOR WORKS: I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 6. Clause 5, Subclause (ii).—Delete paragraph (b):

The MINISTER FOR WORKS: At present an employee has to choose between the Workers' Compensation Act and the Employers' Liability Act. The paragraph proposed to be struck out liberalises the provision. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 7. Clause 5.—Delete Subclause (iii.):

The MINISTER FOR WORKS: I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 8. Clause 5, Subclause (iv).—After the word "thereof," in line 7 of paragraph (a), delete all the words down to the end of the paragraph and insert "Nothing in the said table shall limit the amount of compensation payable for any such injury during any period of total incapacity resulting from that injury, but any sum so paid shall be deducted from the compensation payable in accordance with the said table":

The MINISTER FOR WORKS: This deals with the question whether the amount paid as half wages during incapacity shall be deducted when it comes to a lump sum settlement. The worker actually suffers two injuries. Say he loses an arm. He suffers injury during the whole time of his incapacity. For that he is paid half wages. If he recovers, he faces the world with the disability of the loss of his limb. For that also he must be compensated. There are two distinct losses, and to say that the amount received in half pay must be deducted from the lump sum compensation is distinctly unfair. Only yesterday I settled a case in which a lad has been subjected to seven operations during the two years since he met with his accident. If the deductions were to be made as proposed, that lad would not have more than a £5 note left out of his compensation for his permanent injury. Throughout America, and in some parts of the old world, this principle of not deducting the half wages is established.

Hon. Sir James Mitchell: Then the total liability is £1,500, not £750?

The MINISTER FOR WORKS: No, the total liability is £750 plus £100 for medical

expenses and, in the case of death, plus £25 for funeral expenses.

Hon. Sir James Mitchell: But if he gets half wages during his incapacity?

The MINISTER FOR WORKS: The two together must not exceed £750. I move—

That the amendment be not agreed to.

Mr. DAVY: My regret is that we did not wipe out the Second Schedule altogether, for it gives rise to all these anomalies. The man who suffers a spectacular kind of injury is to be treated more favourably than the man who is just as severely injured but who does not qualify to come under the Second Schedule.

Question passed; the Council's amendment not agreed to.

No. 9. Clause 5.—Delete paragraphs (b) and (c):

The MINISTER FOR WORKS: I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 10. Clause 5.—Delete Subclause 5:

The MINISTER FOR WORKS: This merely joins two clauses together. I move—

That the amendment be agreed to.

Question passed; the Council's amendment agreed to.

No. 11. Clause 6, Subclause 1, paragraph (b).—Delete "and" in the third line. Delete "(c)" and insert at the beginning of line 4 the words "and":

The MINISTER FOR WORKS: This sets out that the worker must produce a medical certificate that the sickness from which he is suffering is one of the industrial diseases set out in the schedule. Of course that is how it will operate in actual practice: the certificate will be insisted upon. The Council's amendment was by no means necessary.

Mr. Sampson: I do not agree with that. It liberalises the provision.

The MINISTER FOR WORKS: I like the suggestion! The hon. member makes me very tired. It is bad enough to have to remain here hour after hour, without having that kind of tripe thrown across. I know where these amendments are coming from.

Mr. Sampson: What do you mean?

The MINISTER FOR WORKS: I mean to say you talk rot, and you must not expect me to stand it always.

Hon. Sir James Mitchell: The Minister ought to withdraw that.

Mr. Sampson: I am not going to have the Minister making wild statements about me.

The MINISTER FOR WORKS: I will make a few more if you don't behave yourself.

The CHAIRMAN: Order, Order!

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

Mr. SAMPSON: I do not appreciate the attitude the Minister adopts when I say the amendment liberalises the measure and makes it more effective for the protection of the workers. The benefit would accrue without bringing the two provisions together. I claim respectful consideration at the hands of the Minister. There was no need for his fireworks.

The CHAIRMAN: Deal with the amendment. The question is that amendment No. 11 be agreed to.

The Minister for Works: I thought we had finished No. 11.

Mr. Sampson: No, we have not. Perhaps you will apologise now.

The Minister for Works: I shall come across and give you something presently.

Question passed; the Council's amendment agreed to.

No. 12. Clause 6, Subclause (8).—After the word "and" in the third line, insert "produces a certificate from a duly qualified medical practitioner that."

On motion by the Minister for Works, the foregoing amendment was agreed to.

No. 13. Clause 6.—Insert a subclause to stand as Subclause (9), as follows:—"If an employer disputes the medical certificate as set out in Subsection (8), the matter shall in accordance with regulations under this Act be referred to a medical referee, whose decision shall be final."

The MINISTER FOR WORKS: This provides that a medical referee's decision shall be final, whereas the Bill provided for an appeal to the Arbitration Court. I move—

That the amendment be not agreed to.

Question passed; the Council's amendment not agreed to.

No. 14. Clause 6, Subclause (10).—Delete the words "section of this" in line two, and insert after the word "Act" in same line the words "and the dependants of such worker." After the word "section" in line three insert "in so far as it refers to pneumoconiosis and miners' phthisis." In line six after "tuberculosis" delete the words "and from the diseases mentioned in the Third Schedule to this Act," and insert in lieu thereof "pneumoconiosis and miners' phthisis."

The MINISTER FOR WORKS: I move—

That the amendment be amended by striking out the words "Delete the words 'section of this' in line two and," and by substituting "second" for "same."

It is almost a certainty that this section will not come into operation at the same time as the rest of the Act. If the words are not struck out of the amendment, the certificates would have to apply immediately. I have no objection to the balance of the amendment.

Question passed; the Council's amendment, as amended, agreed to.

No. 15. Clause 7, Subclause (2).—After "Act" in the third line insert "and which he has reason to believe was contracted by reason of the nature of his employment."

On motion by the Minister for Works, the foregoing amendment was agreed to.

No. 16. Clause 9.—Delete.

On motion by the Minister for Works, the foregoing amendment was consequentially not agreed to.

Progress reported.

ADJOURNMENT—CLOSE OF SESSION.

The PREMIER: I move—

That the House at its rising adjourn until 4.30 p.m. on Monday, 22nd December.

Mr. Thomson: Are you going to finish the business before Christmas.

The PREMIER: Yes.

Question put and passed.

House adjourned at 10.56 p.m.