

# Legislative Assembly.

Thursday, 19th October, 1939,

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

## QUESTION (3)—AGRICULTURE.

### *Crop Insurance, Statutory Liens.*

Mr. BOYLE asked the Minister for Lands: 1, Is he aware that a number of farmers requiring exemption from statutory liens over crops for effecting fire and hail insurance of crops have been refused releases for that purpose? 2, Will he take steps to ensure that all farmers requiring assistance to finance crop insurance by such means will obtain it in ample time for insuring this season's crops? 3, If not, why not?

The MINISTER FOR LANDS replied: 1, 2 and 3, Clients who were supplied with superphosphate by the Bank were given to a fixed date in which to effect crop insurance and when not effected by that date it was arranged by the Bank. In other cases applications for releases for crop insurances are dealt with on their merits.

### *Cornsacks, Supplies and Prices.*

Mr. BERRY asked the Minister for Agriculture: 1, If the Government agrees to the proposal now mooted that all wheat bags purchased before the war and at a much lower price than that prevailing at the moment are to be pooled so that the existing price may be reduced to farmers on an average basis, will the Government urge the Federal Government to average the price of

old season's wheat so that those who sold immediately prior to the outbreak of war may receive the average price computed on the lower price received before the outbreak of war and on the more favourable price now being paid, after the acquisition of wheat by the Federal Government? 2, What stocks of second-hand bags were held in the State prior to the outbreak of war? 3, What stocks of new bags were held in the State prior to the outbreak of war? 4, How many bags have been imported into this State, and at what price, since the outbreak of war? 5, Under the price-fixing order, what would the price of old stock new bags in the State prior to war be today? 6, Is he aware of the fact that since the beginning of September orders for bags have been taken from farmers without a stated price?

The MINISTER FOR AGRICULTURE replied: Great difficulty is experienced in obtaining information to enable replies to be furnished to some questions that are asked. Information regarding shipping, imports and general customs matters is being closely guarded. Some answers to questions could be obtained by inquiry at the Statistician's office. However, in reply to the hon. member's questions, I have to say: 1, The proposal mooted may not be reliable and information is not available. 2, Required data is unavailable. 3, It is believed that 49 bales were held by firms as at the 31st August. 4, This question will be the subject of a statement I shall make to the House later on. 5, 8s. 6d. per dozen and 8s. 8d. per dozen for credit. 6, No.

### *Wheat Acquisition.*

Mr. BERRY asked the Minister for Agriculture: Does the Government know if the Federal Government still intends to set up a wheat acquisition tribunal in respect of sales of wheat after the outbreak of war?

The MINISTER FOR AGRICULTURE replied: Reliable information is not available, but the proposal is considered doubtful.

## QUESTION.—TIMBER, PAPER BAG MANUFACTURE.

Mr. BERRY asked the Minister for Agriculture: Would it be possible for the Government to establish works for the

manufacture of paper bags for superphosphate packing or for other suitable purposes, from the by-products of the timber industry of this State?

The MINISTER FOR AGRICULTURE replied: The Government is investigating the possibilities that are involved in this question.

### QUESTION—AGRICULTURAL BANK, PROPERTIES RE-SOLD.

#### *Indebtedness to Government and State Institutions.*

Mr. STYANTS asked the Minister for Lands: Pursuant to the answers given by him to questions asked by the Leader of the Opposition, Hon. C. G. Latham, on the 17th October, 1939, regarding the number of abandoned Agricultural Bank properties disposed of by Goldsbrough, Mort & Co., Ltd., and the amount of commission paid, which answers showed that 611 properties were sold for an amount of £489,899 7s. 7d., what is the amount of money owing on these properties to (a) the Government; (b) the Industries Assistance Board; and (c) the Agricultural Bank?

The MINISTER FOR LANDS replied: I would like to supply the hon. member with this information but find it would involve lengthy and complicated returns being made out. Much of the information is not available at head office and would have to be obtained from branch offices because of the varying adjustments in different accounts and in the amounts written off. Regarding point (a), even if this were available it would not give the information the hon. member seeks, as in most cases sales would be effected subject to the amounts owing to the Government.

### QUESTION—BULK HANDLING FACILITIES.

#### *Kulja Eastward District.*

Mr. WARNER (without notice) asked the Minister for Lands: 1, Is the Minister aware of the many serious complaints from settlers along the Kulja Eastward line concerning bulk handling facilities for the coming season? 2, Whose is the responsibility to instal bulk handling facilities at these sidings? 3, What has the Government done in this matter?

The MINISTER FOR LANDS replied: 1, 2 and 3, I thank the hon. member for having given me notice half an hour ago of the question he intended to submit, thus allowing me time to consider this matter. My reply is: Yes, the Government is aware of serious complaints emanating from the settlers along the Kulja Eastward line. Numerous letters have been received regarding the matter in recent weeks and this morning two telephone conversations were held with representatives of road boards regarding the position. I shall quote a letter sent to Co-operative Bulk Handling Ltd., under date the 11th October last, in which I said—

I have had consideration given to your letter of the 9th October referring to requests for bulk handling facilities on the Kulja Eastward line. In view of the obligations placed upon the company by the Bulk Handling Act, I do not think there is any possibility of any variation of the responsibilities of the company to the settlers in that area. I know from past discussions and information received in connection with the erection of country bins that individual sidings could not be considered, but the scheme as a whole has to be viewed when considering installation costs and income from such installations. I know that this has been your own contention. In consideration of the very good return to the company from the volume of wheat from some sidings, this is only a reasonable attitude. I do not think, therefore, that there should be any suggestion of requesting that each centre be considered separately and that doubtful centres should have some guarantee from the Government. The matter must be left in the hands of your company to carry out the obligations imposed by the Bulk Handling Act.

For some time past communications have passed between Co-operative Bulk Handling, Ltd. and my department relative to this particular matter. The provision of the Bulk Handling Act to which I referred in my letter is Section 5, which reads as follows:—

Whenever required by the Minister, the company shall be obliged to instal, maintain, and operate a country bin or other facilities for the reception and handling of wheat in bulk at any railway station or siding which the Minister is satisfied has an average annual receipt of wheat exceeding 20,000 bushels over a period of five years preceding such request.

Through Agricultural Bank channels, I have had obtained for me figures showing the total deliveries available at sidings along the Kulja Eastward line, and I find that

in one year as much as 350,000 bushels have been received at one of the unequipped sidings during the past five or six years. The average for most of them has been in excess of 20,000 bushels. Co-operative Bulk Handling, Ltd., replied to-day to my letter of the 11th October and, after reviewing the situation, the company concluded with the following statement:—

We realise that, speaking generally, governing factors affecting the installation of bulk facilities are as set out in your letter, but we felt that, in view of the circumstances detailed above, the suggestion of the guarantee was permissible. However, the directors have noted your decision and we wish to advise you that the length of time before harvesting commences being insufficient to allow the organisation of the installation of facilities, the company has now no alternative but to abandon the idea of acceding to the requests.

The Government is considering the enforcement of the provisions of Section 5 of the Bulk Handling Act, since the installation of facilities is entirely the responsibility of Co-operative Bulk Handling, Ltd. I think that covers the questions asked by the hon. member.

Hon. P. Collier: That is quite a full answer to a question without notice!

### PERSONAL EXPLANATION.

*Minister for the North-West and Canberra Conference.*

**THE MINISTER FOR THE NORTH-WEST** (Hon. A. M. Coverley—Kimberley) [4.38]: I wish to make a personal explanation. When speaking last night on the motion for the disallowance of certain regulations promulgated by the Department of Native Affairs, in answer to an interjection by the member for Subiaco (Mrs. Cardell-Oliver) who asked if missions elsewhere in Australia were licensed, I find that I replied, "No, but missions in other States did agree at the Canberra Conference that missions should comply with instructions by the Government. The conference was attended by representatives of religious organisations throughout Australia." What I intended to say was that the conference was attended by departmental officers representing the various States throughout Australia. I did not deliberately intend to mislead the House. In answering the interjection, I confused religious organisations in my mind with de-

partmental officers who attended the Canberra Conference. It was a slip of the tongue and no fault of the mind. I had no intention whatever of misleading the House.

Mr. Lambert: You should not try to correct a good speech.

Mr. SPEAKER: Order!

### MINISTERIAL STATEMENT.

*Cornsack Supplies.*

**THE MINISTER FOR AGRICULTURE** (Hon. F. J. S. Wise—Gascoyne) [4.40]: I desire to make a statement referring to the very vexed question of cornsacks, about which members have asked several questions in the House during recent days. The question has worried the Government considerably because of the possibility of a large harvest. I therefore submit the following statement:—

Several questions have been asked in the House relative to the cornsacks position. Ever since the outbreak of war, the Government has endeavoured to keep the position in hand and to be up-to-date in knowledge of all that was transpiring. Several of the answers to questions have been difficult to frame because of insufficient information available at the time.

Some comment has been published in the Press suggesting that bags were offered at Calcutta on the 24th August at 6s. 1d.; on the 1st September at 6s. 3d.; on the 12th September at 7s. 6d.; and on the 1st October at 8s. 6d. It is obvious that Calcutta is increasing its prices, and in addition freight and landing charges have increased considerably. Prospects of a shipment en route are such that a steep rise in price is possible.

The Deputy Price Fixing Commissioner in this State has been very active in the matter; and whereas it was expected that the two shipments landing in September suggested a local f.o.r. price of 10s. a dozen, this has been reduced to 8s. 9d. a dozen by averaging certain shipments. The Deputy Commissioner is continuing on these lines in the hope that further averaging will be possible.

In reply to a letter from me this morning, the Deputy Commissioner has given the following information:—

In reply to your communication of the 19th inst., relative to the price of cornsacks, you are advised that ex "Masula," which reported on the 21st September, 1939, 505 bales of cornsacks were landed, while ex "Quiloa," which reported on 7th October, 1939, 2,025 bales came to hand.

Secondhand sacks are being sold at prices ranging from 5s. to 7s. 6d. per dozen with special sacks, such as sugar or once-used

wheat, being disposed of at 8s. 6d. per dozen. These prices were arrived at in accordance with the trade practice of recognising the ruling Calcutta rate for new sacks, less an agreed margin.

It might also be mentioned that the Commonwealth Prices Commissioner, Canberra, fixed the maximum price for once-used sacks throughout Australia at 9s. per dozen, so that on the local market secondhand cornsacks are probably being sold at prices below those being obtained in other States.

The reason for new sacks being sold ex "Quiloa" and "Masula" at 8s. 9d. per dozen, is that they were purchased many months ago, before the jute market rose.

In regard to the "Querimba" shipment, which is expected early in November, the selling price cannot yet be definitely determined, as merchants are not aware as to what sacks will be shipped on this vessel.

The last paragraph is very important—

Should you be in possession of information to the effect that secondhand sacks are at present being sold at prices above 8s. 6d. per dozen, I should be pleased to be informed of the source of supply, in order that the necessary action may be taken against the parties contravening the National Security (Prices) Regulations, 1939. Yours faithfully, W. A. White, Deputy Commissioner.

## BILL—FINANCIAL EMERGENCY TAX.

### *Second Reading.*

Debate resumed from the 3rd October.

**HON. C. G. LATHAM** (York) [4.45]: The first of the two Bills relating to financial emergency taxation differs very little from the other taxation Bill which was introduced recently. This Bill proposes to carry on the small increase over the basic wage, following the custom of past years. The only difference is that up to the end of the present year, the tax will be 4d., 5d., 6d. and 7d. up to 1s. in the pound, but thereafter it will be 3d. and 4d. for the two smaller amounts, the 5d. rate being omitted.

The Premier: To benefit poor people with dependants.

**HON. C. G. LATHAM**: This is the first measure introduced by the Government that proposes to reduce taxation. Despite the fact that the Premier has said the Government has previously introduced Bills reducing taxation, that is not so. We have had measures increasing taxation. I wish to know whether the supporters of the Government will back this measure. The Premier has told us on many occasions that he has received a mandate from the people to abolish the financial

emergency tax. We on this side of the House knew that it was impossible for him to abolish the tax and still obtain the large amount of revenue available from this source. Last year the amount was nearly £1,250,000. No previous Treasurer has had the benefit of such a large sum of money. Even the member for Boulder (Hon. P. Collier) could never have imagined that this tax would bring in such a large amount of revenue. This source of revenue was not available to him when he was Treasurer.

Hon. P. Collier: I was very modest.

**HON. C. G. LATHAM**: You were much more modest. I wish you were back on the Treasury bench.

The Premier: So do I.

Hon. P. Collier: Would you help to stage a come-back?

**HON. C. G. LATHAM**: I would, because the hon. member does know the taxable capacity of the people. I am afraid the present occupant of the position does not. I know what the Bill proposes. The remission of taxation under this Bill will be an off-set to the increased taxation imposed on persons with higher incomes by the Bill that has just been passed.

Mr. Thorn: I think the member for Boulder would be just as bad.

**HON. C. G. LATHAM**: No! He would be more amenable to reason. We on this side of the House ought to get the support of members on the cross-benches in our opposition to the measure.

Mr. Raphael: They might agree, but they could not vote against the Bill.

**HON. C. G. LATHAM**: As I say, the Premier states he has a mandate from the electors to abolish the financial emergency tax.

Mr. Styants: That is only part of the story.

**HON. C. G. LATHAM**: That is absolutely all the story which the public was told. Not on one occasion did the Premier say on the hustings that he promised to increase the income tax to produce an amount equal to that which would have been received had the financial emergency tax not been abolished. Of course, one would not expect him to say that.

The Premier: Everybody knew it.

Hon. P. Collier: It was obvious.

**HON. C. G. LATHAM**: It was not. I wish the public was not so gullible. They will be keenly disappointed to learn that this measure is to be continued for 12 months, unless Parliament otherwise decides.

The Premier: That is your fault.

Hon. C. G. LATHAM: Of course I shall be blamed. Members on the opposite side of the House will stick religiously to the Premier; there is no wavering on that side of the House at all. I daresay we could put the matter to the test by asking the House to decide whether it is in favour of this tax. If it is not, the Premier could bring down his proposal, but I doubt whether he could do so without creating much dissatisfaction. I have no opportunity of discovering what this reduction means. It is one of the facts that are very difficult to ascertain. I suppose the only person who could supply the information would be the Commissioner of Taxation.

Hon. P. Collier: The Treasury officers could do so.

Hon. C. G. LATHAM: I do not know that they could. I doubt whether the Commissioner of Taxation could accurately assess the amount. Consider, for instance, businesses like Boan's and Foy's, which do not set out the individual wages and salaries paid, but group them. Big firms such as those send in cheques weekly, and to ascertain the exact amount would be difficult. The Treasurer has told the House that he estimates it at about £35,000. I have never been able to get information of this kind when I have asked for it. I am told there is only one source from which I can obtain the information and that is this House; but we do not get very much information here. If the amount is £35,000, there will still be a profit made because I believe the other increase proposed will return £52,000. In this instance we have an opportunity of ascertaining what the amount will be because we have only to add 12½ per cent. to the sum collected last year. The gold-mining industry will provide an increased amount. I am not referring to the gold profits tax but to the tax on income earned in the industry. Every miner will pay. If a man is in receipt of over £200 and has no family, he will pay; and if he receives £270 and has one child, he will pay. The single men as well will all pay and I anticipate that a good deal more money will be received from that source than formerly.

The probability is that the national income for the year will be a little more than for the previous year. Next year I am afraid there will be a falling-off. For one thing, the timber industry has declined. Not so many men will be engaged

in that industry, and a slight alteration is to be expected in the amount received from that source. However, I think my figures will prove to be fairly accurate, and £52,000 will be the excess amount collected by way of income tax. I am prepared to accept the figure of £35,000 supplied by the Premier, because there is no opportunity to check it. I suppose the Treasurer will need this money, and, in fact, every shilling that he can obtain. When he relinquishes office I expect we shall have to give consideration to adjusting taxation. At present Western Australia is very heavily taxed, and this year we shall rank with Queensland, which is the highest-taxed State in Australia. However, there is no alternative but to agree to the measure though, in Committee, further remissions might be provided if the Premier will agree. We can include the tax of 5d. in the pound that has been omitted by reducing the rate of 6d. in the pound to 5d. I do not propose to offer any objection to the Bill because I know the Premier must have this money. Nevertheless, we ought to force the issue and make him carry out his promises.

MR. McDONALD (West Perth) [4.55]: I propose to support the Bill. I consider there has been an anomaly in the incidence of the financial emergency tax upon the particular classes this measure proposes to relieve to some extent. While there are valid arguments against a reduction of taxation, at the same time the duty of the House is to remove the discrimination that has existed against these people. When the scale of financial emergency taxation has been put on an equitable basis, any rise or fall in taxation can be based upon the new scale to provide for a more equitable bearing of the tax on the different classes of taxpayers. For some considerable time I have advocated an easement for those who, by reason of family responsibilities, find the tax pressing particularly heavily upon them. I was never able to follow the Premier's flights of imagination at the last election campaign, but I support the Bill because this is a relief that we can and should give.

MR. J. H. SMITH (Nelson) [4.56]: As in the past, I intend rigorously to oppose the Bill. I expected that the previous two speakers would be on their feet immediately to support the proposals of the Govern-

ment. But when I was wooing my electors I told them I was absolutely opposed to the financial emergency tax, and that if the measure were re-introduced, as I expected it would be, I would not be afraid to speak my mind on the subject in Parliament. I did expect that every member, and more especially members on the other side of the House, would oppose the measure. I knew, when I saw the different policies outlined by the political parties in appealing to the electors, exactly what would be the result. I knew from what was said at election time by the Leader of the Country Party and the Leader of the National Party—and they made similar remarks in the House before the elections—that they would not oppose the financial emergency tax. Those gentlemen told the Government last session that it had no right to commit the incoming Government. When I read that in "Hansard" I was in Bridgetown, and I thought, "There will be no change."

Hon. P. Collier: Why did you not advise your leader?

Mr. J. H. SMITH: If I had done so, I do not suppose any notice would have been taken of my remarks. The Premier went to his electors with certain promises, but those promises had been made before. When the member for Boulder (Hon. P. Collier) went to the electors in 1936 he said the same thing, but when Parliament assembled, he said, "I regret that though I received a mandate from the country to abolish the financial emergency tax the time is not quite ripe. However, it will be done next year."

Hon. P. Collier: Oh no, I never said that!

Mr. J. H. SMITH: Next year came and there was a change in the leadership of the Government.

Hon. P. Collier: That statement was not right. Be fair!

Mr. J. H. SMITH: And the new Premier carried on the financial emergency tax. So it continued in 1937 and 1938. At the beginning of this year, however, an election was looming, and Labour members promised the people that, if they were returned to office, taxation would be reduced to the extent of the one-and-a-quarter millions received from the financial emergency tax.

The Premier: You are drawing on your imagination.

Mr. J. H. SMITH: The Government claimed to have a mandate from the people

to abolish this tax. Yet, under this Bill—I hope it will not pass another place, though I am afraid it will—the Government proposes that a man in receipt of 30s. a week shall be taxed to the extent of 4d. in the pound. Those poor men who describe themselves as the lost legion and who are in receipt of only two days' work a week are again to be subjected to the financial emergency tax. If I can get only one member to support me in opposing the measure, I shall divide the House on the second reading.

I recall when this tax was introduced in 1932 the fights we had, not only in this House but in the party room. I remember that many of the members sitting here to-day fought this legislation on several afternoons. I remember the present Premier's moving as an amendment to the Bill that the money be utilised solely for the purpose of keeping men in work. What has been done with the money? The purpose for which the vast sum, collected by way of financial emergency tax, has been prostituted, and not one-tenth of the money has been devoted to providing employment for the people. When the Premier introduced this Bill, he did not say that the money would be used entirely for providing employment, but the impression conveyed to the people was that the money would be earmarked for that purpose.

Hon. P. Collier: Not quite, because the then Premier refused to accept an amendment to that effect, and Parliament decided that it should not be earmarked in that way.

Mr. J. H. SMITH: I remember the remarks of Mr. Scaddan when I submitted a proposition to have a graduated unemployment tax starting at 1d. in the pound. I suggested that the funds should be used entirely to keep people in employment. What was Mr. Scaddan's reply? He said, "This is an unemployment tax pure and simple, and the money we receive from it will be utilised for providing employment."

The Premier: He said nothing of the kind.

Mr. J. H. SMITH: He did. Later I shall get "Hansard" and point out the passage.

The Premier: Get it now.

Mr. J. H. SMITH: That statement was made, not only in the party room, but also in this House. It was a definite statement

that the financial emergency tax would be utilised to provide work for the people and keep them in work. This tax has been re-enacted year after year. There would be less objection to the tax if we knew that the proceeds would be used to keep people in work, and especially if we knew that workers on the lower rung of the ladder would not be required to contribute. The Premier claimed to have a mandate from the people, but he will say that, on account of the war, he is unable to abolish the tax. If ever the people gave a mandate to any Government, it was given to the present Government, and the mandate was that the financial emergency tax should be abolished. In the circumstances people cannot put their trust or faith in Governments. We have responsible men like the Premier, his Ministers and followers going on the hustings and with their utterances wooing the electors, telling them of the great burden of taxation resting upon them. The Leader of the Opposition told the people that if he was returned to office the financial emergency tax would be re-enacted. The Premier, however, said in effect, "If you return us again, although we let you down in the past, we will give you a definite assurance that the tax will be abolished." I read that in the Press and heard it in the Premier's address over the air.

But what do we find to-day? An entirely different proposal. The Bill might contain one or two concessions, but a man earning only £1 10s. a week is still to be taxed at the rate of 4d. in the pound. Such a proposal is scandalous. The basic wage and arbitration awards provide for the remuneration of workers on a scale that will enable them to live in reasonable comfort. The basic wage amounts to £4 or £5 a week. Yet a poor individual getting only 30s. a week is to be taxed 4d. in the pound. What is the Government doing? Does it stand for the principles of humanity? Is it endeavouring to do the best possible for the men on the lower rung of the ladder? The financial emergency tax starts at 4d. in the pound, and the maximum rate is only 1s. in the pound. If we started with a rate of 1d. in the pound and had a graduated tax, it would not be so bad, provided the whole of the proceeds was devoted to unemployment.

Unemployment is becoming worse, and while we are taxing the people so heavily,

we are giving them no guarantee that they will be kept in work. If there was a guarantee that the money would be used specifically for that purpose, everybody would pay with good grace. Even the man receiving two days' work or 30s. a week would not mind if there was a possibility of his position being improved. There is no such possibility. The position is becoming aggravated day by day. The Premier understands the position, and so does the Minister for Labour. They know it is growing worse every day. Unemployment can be described as rife, but a tax that will produce over a million of revenue will not be used to ease the position in any shape or form. I am entirely disgusted at the attitude of the Government. Its supporters should have insisted in the party room upon some alteration being made. Such a tax cannot be justified, and if I am the only member who opposes this Bill, I shall call "No" very strongly.

**MR. NORTH** (Claremont) [5.9]: In view of the possibility of the second reading going to a division, I wish to make my position clear before exercising my vote. I support the Bill because the National Party under the leadership of the member for West Perth (Mr. McDonald) announced during the elections that it would continue the financial emergency tax. The Government of the day, however, in order to meet a public demand for the abolition of the tax, has moved in that direction by making a slight reduction for the benefit of certain classes. I will explain directly why I have risen to make a few remarks on the second reading of this Bill. The member for Nelson (Mr. J. H. Smith) made a strong speech that was fully in keeping with the occasion. Part of the pageantry of Parliament is that the varying views of members should be advanced, albeit they may not greatly alter the position. It is essential that those members who intend to support this taxation measure should indicate why they are doing so. Under the system in vogue, according to which we are operating year by year, we must continue to increase taxation. We may reduce it in one year or make rebates in one direction or another at some other time, but as the years go by we find ourselves definitely increasing taxation. According to an article that appeared in the "West Australian" this morning, our Budget has not been balanced more than once or twice in a period of 20

years, and we have gone to the bad to the extent of millions of pounds. This Government, and the Opposition, if returned to power, are prepared to continue working under the existing system. It is the only one that, officially, we know of. If the people in the State continue, as they do more and more every year, to show their opposition to the system as it is operating, the day will come when the whole taxation system will have to be reviewed. In supporting this taxation measure, and any other that comes before us, we may in the future be charged with having approved of a system that we **knew** would not work. That is the position as I see it. We have inherited from past generations something that operated well enough under the old conditions, but does not operate well to-day and must become increasingly difficult to operate as time goes on. How can the Government of its own volition change the system? The Premier himself must depend upon his own experts at the Treasury for advice. As I see it, if any short nights or lack of sleep have to be endured on account of hard thinking, they will have to be endured by Treasury officials and experts who have to endeavour to alter their plans in order to meet the changing conditions as we go on. Against that, the people of Australia, and of this State in particular have never shown any desire for a change in the system. They are conservative in their political and economic views. They expect us to carry on as we are carrying on, and work out the system to its logical conclusion. We are a logical people. We have a free State education, and we must be ready to justify the situation in which we find ourselves. I justify it by the correct rules of logic. These rules indicate to us, right down from the time of the ancient Greeks, that there is a logical method which meets the case, namely, the *reductio ad absurdum*. When I am charged in the future with having in the year 1939 supported this taxation, I can show that it was because I joined with others in trying to work to a system that has been inherited by us, and work it to its logical conclusion. The only conclusion is, as I have said, *reductio ad absurdum*. When we have worked that system far enough, the public will say there is need for a change. If at this stage this taxation measure were defeated, and the Government attempted to change the system, before the experts behind the scenes were ready with something else to take its place, and before

the public came forward with a demand for a change through the ballot box, we might be in a worse position than we occupy to-day. Members will recall the picture we paint each year, showing how the State is sliding down the slippery slopes, and so forth. I am glad to leave to countries like New Zealand and Alberta the task of carrying on with their experimental system in their own way, so that perhaps they may give us some ideas and supply the requisite assistance to our officials when they have to prepare for expenditure in the years to come. For these reasons I support the measure, although I am aware that I am supporting a system the logic appertaining to which may be summed up in the words *reductio ad absurdum*.

**MR. SAMPSON** (Swan) [5.16]: I regret the Premier has not found it possible to carry out his promise. During the last election the people were clearly informed that, if the Government were returned to power, the Financial Emergency Act would cease to operate. At the time I could not understand how the Government could manage to do without such legislation, but the statement was made and undoubtedly had a great effect upon the people. In other circles, not the polite circles associated with Parliament, the criticism concerning such a statement would be expressed in terms more vigorous than polite. We know that the Financial Emergency Act and the tax were introduced with a view to caring for the unemployed. We also know that the payments made to the unemployed during the previous year amounted to something like £52,000, notwithstanding that the collections from the tax itself came to upwards of £1,100,000. I was convinced that the Treasurer could not do without the proceeds of this tax, but my complaint is that the statement was made to the people. When statements are made and are not honoured, the reputation of Parliament suffers and the people must be inclined to take with a grain of salt future statements that are made. Unfortunately, as has just been said by one speaker, many people are gullible with respect to taxation. I support the remarks of the member for Nelson (Mr. J. H. Smith) that there was no justification for the statement that the financial emergency tax would come to an end should the Government of the day



be returned to office. The Government has been returned, and the financial emergency tax continues.

**MR. THORN (Toodyay) [5.18]:** Each year when this measure comes before the Chamber we hear all sorts of arguments concerning how the tax should be imposed and whether or not it should be imposed. I am of opinion that this question has become a political stalking horse. The Premier and the party behind him are accused of having made promises during the last election that this tax would be abolished. I do not profess to know very much about the finances of the State, but cannot see how any Government could be willing to part with over £1,000,000 of revenue, or, if willing, could afford to do so. The money is urgently required. Having listened to the arguments that members have advanced, I have come to the conclusion that a sliding scale of taxation should be brought into force. Despite members opposite, I am still of that opinion, and I have yet to learn that the workers on the lowest rung of the ladder cannot contribute some mite towards taxation. When we are legislating in this direction we should ensure that every citizen throughout the State has the responsibility of a citizen, and this can be achieved by making him a taxpayer. That is my honest opinion. Further, even the person on £1 a week might be required to pay a halfpenny or a penny in the pound if only to cause him to assume his responsibility in affairs of State.

**Mr. Fox:** Would you give those people a vote for the Legislative Council?

**Mr. THORN:** I refuse to be sidetracked by one of the white mice of Fremantle.

**Mr. SPEAKER:** Order! The hon. member must not reflect upon another hon. member.

**Mr. THORN:** That is how I feel about the matter. We all remember the hue and cry of the former Opposition, the present Government party, when the 4d. flat rate basis was instituted. We then heard a tremendous lot about the poor man on the basic wage. I do not want to be hard on that man, but I still think that to-day, with his £4 2s. per week he can contribute some small sum to the revenue. Had we adopted that system of a sliding scale, we would not have these arguments cropping up, because we would not be saying on the

hustings and in this Chamber year after year what we do say regarding taxation measures. We are all inclined now to use them from a political standpoint. That is the danger. I do not oppose the Bill, because if I did so I would be merely critical. Although the Government is accused of having promised to abolish this tax, I feel sure that if such a course were adopted it would be done only by change of name. The Government cannot possibly afford to let that revenue go. I make those suggestions. If we adopted the policy of a sliding scale of taxation, this particular tax would not be used as a political stalking-horse.

**MRS. CARDELL-OLIVER (Subiaco) [5.22]:** I oppose the Bill because I was elected for Subiaco on the same principle upon which every member on the other side of the House was elected for his constituency—upon this question. I undertook to support the abolition of this tax. The member for Nelson (Mr. J. H. Smith) was not a member of the last Parliament, and I was. Therefore that hon. member has not the same information as I possess with regard to this question. I was certainly elected upon that basis of abolition of this tax, and every member opposite was elected on the same basis. As I wish to be quite honest to my electors, I oppose the Bill.

**MR. STYANTS (Kalgoorlie) [5.23]:** With great reluctance I support the continuance of the tax. I do so only because I realise the Treasurer's absolute need to have this money at his disposal. The great objection I now have, and always have had, to this measure is the injustice of its application or incidence, in that a married man with six children on a given wage has to pay the same amount of taxation as another man on that wage and with no children. That, I repeat, is my strong objection.

**Hon. C. G. Latham:** And that is the best objection.

**Mr. STYANTS:** I am indeed sorry that I have to support the Bill; but it must be realised that whatever Government is responsible for finding work for between 6,000 and 7,000 men the money is absolutely essential.

**Mr. Hughes:** Did not the present Premier move to have the yield of this tax placed

in a trust fund earmarked to provide work for unemployed?

Mr. STYANTS: That is the old balderdash put up by the member for East Perth. If he does not understand how the finances of the State are conducted, he should do so. I believe that he does understand, but that he endeavours, by misrepresentation, to camouflage the actual position. It is well known that most of our public works are financed from loan funds, which are obtained through the Loan Council. If the Treasurer loses the yield from the financial emergency tax to assist him in paying for works, our deficits will be so much greater, and the increase will have to be reimbursed from loan funds. If that occurs, it will affect our credit with the Loan Council, and we shall receive so much less by way of grant next year. The member for East Perth (Mr. Hughes) knows quite well. Even the member for Nelson (Mr. J. H. Smith), who has been hibernating for three or four years in the bush, understands it. As to promises the Premier may have made, the hon. gentleman will be able to answer for himself. I did not intend to speak on the Bill, and would not have done so except for the accusations made by the member for Subiaco and the member for Nelson that we have misrepresented the position to the electors—if we have not done something worse.

With regard to this Bill, I shall not be afraid to go back and face the electors of Kalgoorlie. At the general election I told them exactly what the position was. I detailed to them the nature of the legislation introduced last session and so strongly opposed by hon. members on the other side of the Chamber. Those members knew quite well that if the legislation in question was put into effect, it would mean the doing-away with the great objection which everyone now has to the tax—its unequal incidence—and that under the composite tax proposed by the legislation the married man with children would receive recognition of his family responsibilities and would pay a lesser amount of tax. Seeing that the Government would still need the same amount of money to carry on the affairs of State, and especially to provide employment for those who would otherwise be unemployed, it naturally followed that a higher rate of tax would be imposed on the salaries and wages of those on the higher ranges. I offer no objection to any

man who is in regular employment having to contribute a small amount of his regular wages or salary for the purpose of finding work for men who would otherwise be unemployed.

Mr. Hughes: There should be a special Bill for that purpose.

Mr. STYANTS: If the member for East Perth will only look up "Hansard," as he says he will do, then he will find himself owing a correction or an apology to the House. In the first place this legislation was introduced by the present Opposition. Members of what is now the Ministerial party moved an amendment providing that the money raised by this taxation should be segregated in a fund for the very purpose now advocated by the member for Nelson (Mr. J. H. Smith). But the Treasurer of that period, who was a member of the party to which the member for Nelson belongs, objected to the amendment, and his objection was sustained because the then Government had a majority in the House.

Hon. C. G. Latham: And when your party was in power, you did not alter the tax provision.

Mr. STYANTS: Your party established the precedent and set us a bad example. I shall not be afraid to go before the Kalgoorlie electors because of this Bill. At the general election I told them quite definitely what the position would be. And yet we are accused by the member for Subiaco and the member for Nelson of having misled the people about this matter. I feel sure that all members on this side of the Chamber explained the position clearly, lucidly and candidly on the hustings. I told the electors of Kalgoorlie that the contemplated legislation would not mean the abolition or reduction of the amount of taxation so far raised, but that married persons with children who now had to pay the same amount of tax as single persons and as married persons without the responsibility of, say, five or six children, or with no children at all, would pay less. I told my electors that the legislation would recognise the family responsibilities of married men with children, and would release them from this taxation in proportion to the extent of their family responsibilities.

The pleasing feature of this continuance measure is that the Treasurer has been able to see his way clear to make a reduction for those who are on the lower salaries and wages, a reduction by 20 to 25 per cent.

I am very pleased that that provision has been made a part of the legislation; but I would like to see the whole thing remedied, and I believe that had the Opposition supported the legislation which was brought down last session, we would have done away with that disagreeable feature of the financial emergency tax and there would have been a more equitable means of raising the taxation necessary to carry on the functions of the State, particularly in connection with the financing of work for those who are unemployed.

**MR. HUGHES** (East Perth) [5.31]: Just before the general elections, a promise was made to the people of the metropolitan area that the financial emergency tax would be stamped out. A leaflet was issued, and it represented a fourpenny financial emergency tax stamp, and that stamp bore the caption, "Stamp this out." The leaflet contained a promise that if the Government was returned to power, the 4d. tax would be definitely abolished.

**Mr. Withers**: How can you say that that promise has not been fulfilled?

**Mr. HUGHES**: The tax has not been stamped out.

**Member**: All in good time.

**Mr. HUGHES**: The leaflet did not say anything about its being stamped out over any period of time; it just contained the representation that the tax would be stamped out, the understanding being that that promise would be carried into effect if the Government was returned. If it had been intended to stamp it out over a period, I suppose it would have been stated that the abolition would be carried out by stages. If it was intended to carry out the abolition by stages, why did the leaflet carry the line, "Stamp this out" instead of setting out that it would be done gradually? It is of no use the member for Kalgoorlie (Mr. Styants) saying that this taxation is for unemployment, because we know it is not. The unemployed have never derived any benefit at all from it. At present the relief workers, or at any rate many of them, are in a worse position than when they were getting £1 over sustenance. I made calculations last week regarding those who have had no work for seven or eight or even ten weeks, and I found that over the period they were getting less than £1 a week over sustenance. Those who are on 7s. a week are still receiving 7s. a

week, notwithstanding the enormous increase in the financial emergency tax.

I consider I do understand something about the financial accounts of the State, though perhaps not quite so much as does the member for Kalgoorlie. I must admit, however, that it is not easy to understand the finances. Everything is put into about 40 or 50 pages of figures, and it is not a simple matter to learn just what the position is. If we look at one side of the accounts, we see a certain amount of revenue from the railways; if we look at the other side we see a certain amount of expenditure, and of course one will probably think that the railways are showing a handsome profit. But if we know more about it, we realise that a considerable amount of the expenditure goes towards the payment of interest. Therefore it is difficult for people like myself correctly to understand the public accounts, though it may be no trouble for the member for Kalgoorlie to sort out the figures. But coming back to the leaflet showing that it was proposed to stamp out the financial emergency tax, if it had been intended to carry out the stamping-out process by stages at some time in the future, it would have been decent, I consider, to state it.

**The Premier**: You are not an authority on decency.

**Mr. HUGHES**: The Premier is not; he does not know the meaning of the word.

**Mr. SPEAKER**: Order!

**Mr. HUGHES**: It was a clear misrepresentation to the people that something was going to be done which the Government had no intention of doing.

**Mr. J. Hegney**: We tried to reduce it.

**Mr. HUGHES**: Nothing of the sort, because when the 2d. in the pound reduction was given to the man on between £6 and £9 a week, I moved an amendment on three or four occasions to give the same reduction to the man on £4 a week, and the hon. member, if my memory serves me aright, voted against me on every occasion. I made two attempts to get some reduction, but members opposite voted against me. I do not know whether the member for Kalgoorlie voted for or against my proposal. The Bill that was brought down to consolidate the income taxation did not make any provision for the financial emergency tax. There was, however, a clause at the tail-end of the Bill which left it open to the Government to abolish or retain the finan-

cial emergency tax. There was nothing to show what amount of income tax was going to be collected.

The Premier: That was not a taxing Bill.

Mr. HUGHES: No, and the Premier would not tell the House what the proposed taxes were to be. There was nothing to show what the new tax was to be. Speaking from memory, I think there was a clause in the Bill that 9d. a week should be deducted from a man's wages and at the end of the year he had to go to the Taxation Department to recover anything that he might have overpaid. If the weekly deduction was insufficient to meet the tax, the Taxation Commissioner was empowered to increase it, and so a man paying 4d., when he got his emergency tax abolished he might be paying 6d.

The Premier: Some would.

Mr. HUGHES: Then he would have to go to the Taxation Commissioner to get it back.

The Premier: You are thinking of another Bill altogether.

Mr. SPEAKER: That Bill is not before the House.

Mr. HUGHES: I did not introduce the subject of that Bill. There is no doubt, however, that a definite promise was made that the financial emergency tax would be abolished.

The Bill that was previously rejected was not introduced to reduce taxation. We all know that the Government gave a most specific and definite promise with no qualification, no attempt to limit it, no suggestion of abolition by instalments. No word was mentioned other than the definite indication of withdrawal. It was a direct declaration of the Government's policy. We find now that the Government has not attempted to give effect to the policy. The tax is not to be abolished; it is to be slightly reduced. The member for Kalgoorlie (Mr. Styants) was right in one respect in the statement he made to the House. No one would object to paying the tax if he knew that it would be definitely applied for the purpose of obviating unemployment. To safeguard that position, the present Premier, when Deputy Leader of the Opposition, moved an amendment to provide that the financial emergency tax should be paid into a trust fund for the relief of unemployment.

The Premier: You have said that about six times already!

Mr. HUGHES: And it is a fact; the Premier does not deny it.

The Premier: Very well, say it a couple of times more.

Mr. HUGHES: Perhaps I will.

Mr. SPEAKER: Order!

Mr. HUGHES: The Premier had the cheek to say something about decency a little while ago. Was it decent on his part when as Deputy Leader of the Opposition he moved the amendment to which I have alluded, and then introduced legislative proposals exactly the opposite of his former contentions when he became Treasurer? In New South Wales recently what amounted to more or less of a crisis arose because some members wanted such a tax earmarked for unemployment purposes. I have heard that point of view expressed thousands of times by persons outside Parliament. They would not mind a tax, the object of which would be to provide full-time employment for everyone, but they always added the proviso that the money should be used for that purpose and for none other. I believe the Government could get the tax from the basic wage earners and certainly from thousands of men on the lower-wage rung, provided it could satisfy them regarding the specific use to which the money would be put. I believe the men in receipt of the lower incomes would be prepared to pay 4d. in the pound with that object in view.

The Premier: I have heard talk about persons willing to pay 1s. in the pound for that purpose.

Mr. HUGHES: I have heard many wages men say that they would not mind such a tax provided full-time employment were made available to others with the money so raised. Business men have said much the same. They, too, have said that they would not mind paying the financial emergency tax if it were earmarked for unemployment relief. Naturally I do not ascribe much virtue to such a statement from that source, because what business people would lose on the swing they would gain on the merry-go-round. If business people paid a little more in taxation and the people generally had more employment, the ebb and flow in the purchase of commodities would probably return to merchants more

than they would pay in extra taxation. From that standpoint, therefore, no particular virtue attaches to their attitude. I have heard wage earners say they would not mind paying 1s. in the pound if they were definitely assured that the money would be used for the relief of unemployment and not be availed of for other purposes.

In my opinion the financial emergency tax has not much relationship to loan indebtedness. We are supposed to raise sufficient money to meet the general requirements of the State. We are not supposed to go on, year in and year out, incurring deficits and curtailing loan expenditure. We are expected to raise sufficient money to meet our commitments. No one likes paying taxation, and very many people are simply struggling on hoping to get out of the clutches of the Commissioner of Taxation. They have to pay taxation by instalments. Thousands of people have to adopt that course, and then, with the new financial year, have to start the same old struggle again. I shall vote against the second reading of the Bill because of the definite promise made by the Government. I believe the man in receipt of the basic wage who has a family, as the member for Kalgoorlie (Mr. Styants) pointed out, cannot afford to pay taxation. This is not a basic wage if it is subject to taxation. If the wage is basic, the amount received is the absolute minimum and no tax can be deducted from it. Therefore no man is in receipt of the basic wage if the Government takes from him any amount by way of financial emergency tax.

**THE PREMIER** (Hon. J. C. Willcock—Geraldton—in reply) [5.45]: As only two speakers indicated their opposition to the Bill, I do not propose to take up much time in replying to the debate. Mention has been made of the Government's mandate and of what was said at the last general elections. I shall read the mandate, which members will find in the "West Australian" of that date. It was supplied to the paper officially, and members can look up the exact extract for themselves. They will find therein the following:—

Labour was therefore asking for a mandate from the people to abolish the financial emergency tax and to collect the money re-

quired at the source under the Income Tax Assessment Act.

There was no mention about reduction of taxation. No one ever made that promise. No one ever said that if the taxable resources of the community were available, taxation would not be collected. The Leader of the Opposition did not mention anything of the sort, nor did the Leader of the National Party. Neither did I promise that there would be any reduction in taxation. We all three knew that, in the circumstances attaching to the State's financial position, it would not be possible to carry on without the necessary volume of taxation being available. Not one of the political parties suggested during the election campaign that there would be a wholesale reduction of taxation.

Mr. Hughes: Did ever you see the picture of the 4d. stamp with the caption, "Stamp it out"?

The PREMIER: Yes, I saw it.

Mr. Hughes: Of course, you did.

The PREMIER: The member for East Perth (Mr. Hughes) may have an opportunity to give effect to that suggestion. That was not his policy, but our policy. He will have an opportunity to give effect to it by his vote—if he is so concerned about his principles regarding taxation.

Mr. Hughes: I moved twice in that direction.

The PREMIER: The hon. member will not have to wait too long either. He will have his opportunity within the next two or three weeks.

The Minister for Labour: I suppose he will not be here then.

Hon. C. G. Latham: Do not bring that proposal down too late in the session.

The PREMIER: No. There is plenty of business on the notice paper now.

Hon. C. G. Latham: That is what I had in mind.

The PREMIER: The Bill will be introduced in ample time to permit members to give proper consideration to it. That is when the hon. member will have an opportunity to deal with what has been referred to as Labour's mandate with regard to the abolition of the financial emergency tax. The Government will endeavour to give effect to the mandate from the public at the earliest opportunity in this, the first session of the new Parliament. If the member for East Perth is so anxious for the

Government to give effect to its election promises, he will have an opportunity to assist to that end. The member for Nelson (Mr. J. H. Smith), of course, provided much more noise than logic in his references to the Bill. He put me in mind of a story I heard regarding one of the natives controlled by the department that the Minister for the North-West had something to say about last evening. The native was going through timber country one night during a storm. There was a lot of thunder and some lightning. The native uttered the prayer, "Oh Lord give us a little less noise and a little more light." If the member for Nelson had provided a little less noise and a little more light upon what he was endeavouring to demonstrate during the course of his remarks, I would now be in a better position to understand what he meant.

Mr. J. H. Smith: Your mind must be very thick if you cannot understand that you broke your promise.

The PREMIER: No promise has been broken.

Mr. J. H. Smith: None by your supporters?

The PREMIER: To what promises does the hon. member refer?

Mr. J. H. Smith: That mandate; the abolition of the financial emergency tax.

The PREMIER: I read the mandate to the hon. member. The House has had an opportunity to hear it. It was prominent in our election platform. There could be nothing more plainly stated. I read the extract and gave the actual words that were taken from the policy speech delivered by me as Premier at Geraldton.

Mr. J. H. Smith: You used the first part, but did not mention the latter portion.

The PREMIER: The hon. member can go to the file of the "West Australian" and look up the report for himself. He will find that I gave the reference word for word with what was published in the paper.

Mr. J. H. Smith: And what about the speeches of other members elected to this Chamber?

The PREMIER: Everyone recognises that the policy of a particular party is to be found in the policy speech delivered by the leader of that party when he opens his campaign. That is the speech that counts.

Hon. C. G. Latham: Not the interpretation.

The PREMIER: Not the interpretation which ultra-enthusiastic supporters or opponents put on it, but the actual wording of the speech. The hon. member may peruse it.

Hon. C. G. Latham: The trouble is that your supporters make far too much noise.

Mr. Tonkin: It would be hard to be a supporter of yours.

The SPEAKER: Order!

The PREMIER: I thank the Leader of the National Party for his attitude towards the Bill. He, like myself, is consistent in what he advocated at the election; and he said he would give effect to it by a vote in the House. He also said he considered the time was ripe for some consideration to be extended to married men with domestic responsibilities. I have told the House that within three weeks a Bill will be introduced similar to that introduced last year; because it is more than probable—it is almost a certainty—that this Government will be in charge of the affairs of the State next year, we shall be able on this occasion to give a definite indication of the incidence of the taxation it is proposed to introduce, so that members will be prepared to deal with the measure when it comes before them. Mr. Speaker, I am aware that I am not confining my remarks to the Bill before the House; I should not be speaking about legislation which will be introduced later. Present indications are that 48 of the 50 members of this House will support the second reading of the Bill. I therefore do not feel justified in trying to convince two members who are not open to conviction, but are like the Scotsman who, convinced against his will, was of the same opinion still.

Hon. N. Keenan: It was not a Scotsman.

The PREMIER: I think it was. That is an attribute of the Scottish character. Anyone trying to convince a Scotsman would have an exceedingly difficult task.

Hon. P. Collier: Perhaps it was a Scottish woman.

The PREMIER: I have indicated the Government's position with regard to taxation. The member for East Perth (Mr. Hughes) has again brought forward his oft-repeated contention—he does so on every possible occasion—that this taxation was imposed to relieve unemployment. I have never denied that that when this legislation was first introduced I moved that the proceeds of the tax be devoted to the relief

of unemployment, but the Government of the day refused to adopt the suggestion. Since then the financial emergency tax has been altered almost completely.

Hon. P. Collier: At that time there was a flat-rate tax of 4d. in the pound.

The PREMIER: Yes.

Mr. Hughes: You were right in the first place.

The PREMIER: During the first session the Labour Government assumed office, that iniquitous flat-rate tax was altered. It was inequitable that a man receiving £3 a week should pay the same amount of tax as a man receiving £10,000 a year.

Mr. J. H. Smith: For what reason was it altered?

The PREMIER: Because we did not agree with the principle of a flat-rate tax. We considered it to be inequitable and unjust. I well recall the member for Boulder (Hon. P. Collier), when he was leader of the Government, giving expression to those views; and I was proud to support him.

Mr. Patrick: The member for Boulder said he would sweep it away altogether.

The PREMIER: He did.

Mr. Patrick: I mean the whole tax.

The PREMIER: No.

Mr. Patrick: He said so at Mingenew.

Hon. C. G. Latham: That is right.

Hon. P. Collier: They say anything at Mingenew!

The SPEAKER: Order!

Hon. P. Collier: What did I say at Doodlakine?

The SPEAKER: Order!

The PREMIER: The iniquitous flat rate has been abolished, and the Government now desires to give consideration to men with domestic responsibilities. That will be done if the House passes the legislation which will be brought forward in the near future. I thank members for the way in which they have received the Bill.

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

Ayes	..	..	..	40
Noes	..	..	..	4
				—
Majority for	..	..	..	36
				—

AYES.	
Mr. Berry	Mr. North
Mr. Boyle	Mr. Nulsen
Mr. Collier	Mr. Pantou
Mr. Coverley	Mr. Patrick
Mr. Doney	Mr. Rodoreda
Mr. Fox	Mr. Seward
Mr. Hawke	Mr. Shearn
Mr. J. Hegney	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Stubbs
Mr. Hill	Mr. Seward
Mr. Holman	Mr. Thorn
Mr. Johnson	Mr. Tonkin
Mr. Keenan	Mr. Triat
Mr. Lambert	Mr. Warner
Mr. Latham	Mr. Watts
Mr. Marshall	Mr. Willcock
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson
NOES.	
Mrs. Cardell-Oliver	Mr. J. H. Smith
Mr. Hughes	Mr. Sampson

(Teller.)

(Teller.)

Question thus passed.

Bill read a second time.

### *In Committee.*

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

### AUDITOR GENERAL'S REPORT.

Mr. SPEAKER: I have received from the Auditor General a communication which I think I should read to the House. It refers to the presentation to Parliament of his annual reports and is as follows:—

#### Annual Presentation.

Year ended 30th June.	Date Presented.
1929	.. 17th October, 1929.
1930	.. 4th November, 1930.
1931	.. 27th October, 1931.
1932	.. 2nd November, 1932.
1933	.. 24th October, 1933.
1934	.. 1st November, 1934.
1935	.. 31st October, 1935.
1936	.. 27th October, 1936.
1937	.. 12th October, 1937.
1938	.. 19th October, 1938.

Reports prior to 1936 contained little information relating to the Agricultural Bank, trading concerns and other activities subject to reports to the controlling authorities.

In my view, these concerns have an important bearing on the public accounts and the Auditor-General's report is not complete unless it contains the more important features of their transactions for the year. Balance-sheets and financial statements, however, cannot be prepared or the audit advanced to a satisfactory stage until some time after the close of the year. Delays through such causes have made it impracticable to present the report at a date much before the 31st October.

It would be possible to prepare the report in two parts, the first dealing with revenue

and Parliamentary appropriations, the second and later section including the accounts of undertakings and departments. Under such an arrangement the first section might be presented on or about the 30th September. I do not favour the change; extra cost would be involved which the slight delay under existing conditions does not justify.

Some part of the delay this year has been caused by staff shortage owing to officers being called up for military duty.

I am hopeful, nevertheless, that presentation will be made next week—Wednesday or Thursday (25th or 26th). (Sgd.) S. T. Taylor, Auditor General.

## **BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 3rd October.

**HON. C. G. LATHAM** (York) [6.4]: This measure is complementary to the one we have just passed. It provides for the raising of the exemptions and there is very little that can be said about it. I would have liked to take the opportunity to reply to some of the Premier's statements because he gave some new facts. However, I do not propose to do that now, since I will have the opportunity to do so at a later stage.

Question put and passed.

Bill read a second time.

*In Committee.*

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

## **BILL—NOXIOUS WEEDS ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 26th September.

**MR. THORN** (Toodyay [6.8]: I have no objection to offer to the amendments contained in the Bill. The desire is to tighten up several sections of the Act so that the Minister and his officials will have power to deal more effectively with noxious weeds, particularly the blackberry. I have seen the blackberry running riot in various country districts, particularly in the Eastern States. It becomes a serious pest, and once allowed to take charge costs thousands of pounds to

bring it under control. The Minister told us that in New South Wales steps taken to eradicate this pest have met with a great measure of success, and his department wishes to adopt similar methods to deal with the pest here.

As I travel through the country I often think that too much apathy is displayed in the eradication of noxious weeds. The star thistle has taken charge of many areas, and Cape tulip is gradually approaching Perth. On the Bayswater-road there are many acres of this weed in bloom, and the area is rapidly increasing. Another noxious weed is Paterson's curse, which is spread over acres in the Midland districts. Another objectionable plant—I do not know whether it is classed as a noxious weed—is "Stinking Roger," which has made an appearance in the Upper Swan district, and is creeping through the vineyards. Members can well support a measure of this kind, because noxious weeds, once they get a hold, become a positive curse to the man on the land. I feel sure that these amendments have not been introduced without receiving adequate consideration by the departmental officials. I have pleasure in supporting the second reading.

**MR. J. HEGNEY** (Middle Swan) [6.11]: I support the second reading. Primary producers have brought under my notice the trouble caused by Cape tulip in the Caversham district, and I have been informed that considerable loss has been sustained through cattle eating this weed.

Mr. Thorn: That is quite right.

Mr. J. HEGNEY: A breeder of stock in a large way has done his best to eradicate the pest. He informed me recently that over the years he had spent close on £1,000 in combating this weed, but that owing to neighbours' neglecting to take preventive measures, the effect of his efforts was nullified. Cattle that eat Cape tulip for the first time find the effect poisonous; some grow accustomed to it, and some will not touch it. Many head of cattle, however, have died after grazing on Cape tulip. After Paterson's curse made an appearance, it spread rapidly, and while it can be controlled by cultivation, many local authorities are lackadaisical in the direction of taking steps to eradicate this and other noxious weeds, which are a menace to stock and an eyesore to the district. Cape tulip is to be found at Guildford and along the road towards Bays-



water. In those districts there are dairymen running many head of stock, and if the cattle get loose or are driven along the roads, loss might occur, with serious results to the owner.

A grower of cattle in the Caversham district pointed out to me what a pest Cape tulip can become. He said the weed was spreading and that steps should be taken to keep it within bounds; when one producer adopted measures for the eradication of these pests, his neighbour should be required to make similar efforts. If we do not take action to stamp out noxious weeds, they will soon overrun the country. Some years ago many of us saw pictures of the destruction caused by a noxious plant in Queensland.

Mr. Thorn: That was the prickly pear.

Mr. J. HEGNEY: Yes. Large sums of money had to be expended to eradicate that pest. What happened in Queensland could easily happen here. The member for Tooday (Mr. Thorn) mentioned the blackberry. The problem presented by this pest in the South-West calls for immediate action. I congratulate the Minister and the department upon the Bill, which will be beneficial to primary producers and will necessitate local authorities, as well as private individuals, giving attention to this urgent matter.

Question put and passed.

Bill read a second time.

*Sitting suspended from 6.15 to 7.30 p.m.*

*In Committee.*

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

## **BILL—DAIRY INDUSTRY ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 17th October.

### **THE MINISTER FOR AGRICULTURE**

(Hon. F. J. S. Wise—Gascoyne—in reply) [7.32]: I suppose I should be very satisfied with the reception accorded to this Bill. When introducing it I endeavoured to make it clear that it was mainly based on the necessity for quality, the desire to improve the quality of dairy products within the State. Several points were raised by members, and I hope that I shall be able to clarify

them. The member for Sussex (Mr. Willmott) said he would like to see the term "special dairy instructor" altered to "check grader." In arriving at that particular definition we endeavoured to prevent conflict with the parent Act. In that Act terms are used specifically for officers employed under the Act and by the department. It seemed desirable to differentiate between the title given to officers who would be employed under the special fund, and those who were employed by the Government under the Dairy Industry Act. We looked at several different titles such as "officers for improving quality," and numerous others. We discarded all the suggestions other than the title "special dairy instructor." If it is necessary for those officers to trace back the source of undesirable cream, they may perhaps have to make contact with dairy farmers who have shown a very rapid change in the quality of the products they have submitted. It would not be wise to confine the activities of the officers to check grading. It is a question of a "rose by any other name," and I think the term "special dairy instructor" fills the bill.

The member for Nelson (Mr. J. H. Smith) referred to the question of farmers supplying two factories. The proposal is a reasonable one, in that the men who are in a big way should not find themselves forced to supply one factory only. I have drafted an amendment to cover the point, and that will enable those who are now supplying two factories to continue to send their consignments in that way if they so desire.

Mr. Doney: Will that privilege be restricted to those who are at present supplying two factories?

The MINISTER FOR AGRICULTURE: Generally speaking I think it will be found that the practice is not a desirable one, but in instances where it is felt that farmers will lose something, by what they may regard as intervention on the part of this legislation, it may be wise to go as far as has been suggested. The question of one contractor or carrier picking up cream for three or four factories on one road is within the scope of the Act as it stands at present. If members will examine the particular clause dealing with transport, they will find the matter referred to. Members may rest assured that every part of the Bill is designed to effect an improvement in the quality of dairy products. We have had some remarkable cases dealing with cream that has been subjected

to ill-treatment, and has spent days on the road before it reached the factory to which it was consigned. Yet it was expected that butter of first-grade would be made from it. The producer himself has to pay for that depreciation. The manufacturer is not affected, because he gets his manufacturing charges just the same. It is the firm belief of the Superintendent of Dairying that producers will benefit over and over again by improvements in the quality of their products to the extent of 1d. per lb. within a year or two of the passing of this legislation.

Question put and passed.

Bill read a second time.

## MOTION—INVESTMENT COMPANIES.

*To Inquire by Select Committee.*

Debate resumed from the previous day on the following motion by Hon. C. G. Latham (York):—

That a select committee be appointed—

- (a) To inquire into and report upon companies carrying on in Western Australia the business of issuing security or trust certificates in return for moneys invested which are stated to be backed by investments held by such companies in stocks and/or shares of other companies or corporations or other similar trust methods.
- (b) To inquire into and report upon the success or otherwise of the administration, control, and operations of such companies, both as far as the companies themselves are concerned, and their administrators and controllers, and also as far as the persons investing in and/or through them are concerned.
- (c) To inquire into and report upon any necessary amendments to the Companies Act, 1893, and its amendments, with a view to regulating the operations of such companies.

**THE MINISTER FOR JUSTICE** (Hon. E. Nulsen—Kanowna) [7.40]: I do not intend to oppose the appointment of a select committee to report upon companies of the type referred to in the motion. Already one select committee has dealt with a company having activities similar to that in question. No criminal proceedings could be instituted at that time against the company and others of the same kind because they were proceeding according to the conditions contained in the prospectus and articles of association.

Actually two companies were involved, and their interests were interwoven. I refer to the Investment Managers, Pty., Ltd., and the Investment and Security Company of Western Australia. Investors in companies cannot always be protected against their own actions. When they have erred in their judgment, or when the operations of a company are unsuccessful, shareholders are prone to complain and to call for an inquiry into the company's transactions. If one-fifth of the shareholders, as prescribed by Section 56 of the Companies Act, desire an examination to be made into a company's affairs, application can be made to the Governor; but security for costs of the examination has to be given. Requests for an examination into a company's affairs are often made on behalf of one individual, with the implication that an inquiry should be held at the State's expense. Where it can be proved that any company is acting fraudulently, action can be taken; but extensive inquiries in the Alcorn case showed that the company was acting within its powers; and any alteration of such powers would be a question for the shareholders to decide at a duly convened meeting.

Special legislation was introduced in both New South Wales and New Zealand following findings by Royal Commissions in each instance; and such legislation gives power to apply for the winding-up by a public officer, of companies specified by name in the schedules to the Acts. The names of companies deemed to be acting improperly have been added to by further legislation from time to time. The difficulty in legislation of this kind is to discriminate with regard to any particular company, and action should only be taken on representations made by the proper quota of shareholders in such company for an examination into the company's transactions. Where trust funds or securities are held as the assets or backing of debentures, the control of such funds might, if considered advisable, be vested in a public officer, or, alternatively, any company desiring to operate as a trust company might be required to lodge a stipulated amount as protection for the trust funds entrusted to its keeping. The appointment of a select committee would no doubt assist in acquainting members with matters affecting the provisions of the Companies Act.

In 1937 I was a member of a select committee which did inquire into the actions of a company. That company's ramifications were most extensive; and the result of the inquiry, although no special legislation has been brought down, was to help people to a better understanding of a shareholder's position. It is highly difficult, as I have said, to protect persons against the results of their own actions; and only a case such as that select committee inquired into awakens them to a personal sense of responsibility. Having listened most attentively to the Leader of the Opposition last night, I have come to the conclusion that it is only fair that the company Mr. Barker represents should have some means of redress if he is not guilty. On the other hand, if he has been practising what is not right, and what has not been helpful or fair to persons on the lower rungs who struggle hard for a living, he should suffer the consequences. After closely examining the position and viewing it from every angle, I consider it would be only fair if the House agreed to the appointment of a select committee to investigate the allegations made in this Chamber by the Leader of the Opposition. I feel that the hon. gentleman has justification for the course he adopted. I have been informed that he has documentary evidence to prove the whole of his statements. If that is so, Mr. Barker appears to be in rather a peculiar position. But, on the other hand, if Mr. Barker can prove conclusively that his actions have been fair, then I do not see that he should have any objection to such an inquiry. Either he should be pleased to have an opportunity to prove the statements of the Leader of the Opposition to be wrong. I have no objection whatever to the appointment of a select committee.

Question put and passed.

#### *Select Committee Appointed.*

Ballot taken and a select committee appointed consisting of Messrs. F. C. L. Smith, Tonkin, Watts, McLarty and Hon. C. G. Latham (mover).

#### *Powers of Committee.*

**HON. C. G. LATHAM** (York) [8.0]: I move—

That the Committee shall have power to call for persons and papers; during the taking

of evidence to admit representatives of the Press at the discretion of the Committee; to sit on days over which the House stands adjourned, and to report on the 9th November.

**MR. SPEAKER**: I think a special motion is required to deal with the admission of representatives of the Press.

**HON. C. G. LATHAM**: Very well; I will move the motion with the omission of the reference to Press representatives.

Question (as altered) put and passed.

**HON. C. G. LATHAM**: I wish now to move that during the taking of evidence representatives of the Press be admitted at the discretion of the Committee.

**HON. W. D. JOHNSON**: Where did this innovation come from?

**HON. C. G. LATHAM**: This course has been adopted by the House before.

**HON. W. D. JOHNSON**: How?

**HON. C. G. LATHAM**: By special resolution of the House.

**HON. W. D. JOHNSON**: But is it necessary? You have the power.

**HON. C. G. LATHAM**: No, the Standing Orders prevent that course being adopted.

#### *Standing Orders Suspension—*

##### *Admission of Press.*

**HON. C. G. LATHAM** (York) [8.2]: I move—

That, in order to permit the select committee, appointed to consider companies issuing security certificates, to exercise its discretion in admitting the Press to its meetings, the Standing Orders having reference to the publication of the proceedings and deliberations of a select committee should, for the purpose of this special case only, be suspended during the time the committee is sitting.

Hon. members may think that this is new procedure; and therefore I have sent for the report of the select committee appointed to inquire into the purchase of gratuity bonds, because on that occasion Parliament gave authority to admit the Press to the inquiry. I agree with the Minister that publicity is worth a great deal, as it may prevent people from acting foolishly. I have the report of the select committee appointed by the Legislative Council to inquire into the operations of the Metropolitan Water Supply, Sewerage and Drainage Department. That committee sat in 1924 and among its powers was the following:—

(iii) that during the taking of evidence the Committee have power to admit representatives of the Press at their discretion.

I have no desire to lead the House astray and so I give members this information. I am not asking for something new. Had I known this objection would be raised, I would have been prepared to meet it. I hope the House will agree to the motion.

**THE MINISTER FOR MINES** (Hon. A. H. Panton—Leederville) [8.4]: I am not quite sure of the effect of the motion. Standing Order 351 seems to me to bear on the matter. It reads:—

No strangers, or members not being of the Committee, shall be admitted at any time to a Secret Committee.

**Mr. SPEAKER**: I think the motion covers that.

**HON. W. D. JOHNSON** (Guildford-Midland) [8.5]: I do not remember a motion of this description coming before the House previously; at all events, I have no recollection of it. I submit this is a dangerous precedent to establish.

**Mr. Doney**: It is not a precedent.

**Hon. W. D. JOHNSON**: The House should not take this action unless for very grave reason. In my opinion, we are unduly magnifying this matter. After all, there may be repercussions; and while we are inclined at the moment to take a serious view of the matter, to admit the Press to the proceedings might give undue publicity to them and result in greater harm than good. The select committee should function as all other select committees with which I have been associated have functioned. If the Press is admitted, the inquiry will be prolonged.

**Hon. C. G. Latham**: It will not.

**Hon. W. D. JOHNSON**: It might resolve itself into a battle of wits. All the time the evidence is being taken, regard will be had to the fact that the proceedings will be reported in the Press the next morning. That is an undesirable state of affairs.

**Mr. Thorn**: Do you take the same stand with respect to Royal Commissions?

**Hon. W. D. JOHNSON**: If the select committee were converted into a Royal Commission, the commission would have power to admit the Press. We are proposing to enter upon an extraordinary course; I do not like it, and the motion will certainly not have my support.

**MR. BERRY** (Irwin-Moore) [8.9]: I had no intention at all of speaking to the motion.

I listened to the Leader of the Opposition last night and arrived at the conclusion that he had very properly stated the reasons for the appointment of a select committee. I now find, however, that the inquiry will be conducted on lines different from those ordinarily followed by a select committee, because it is now proposed that the Press should be admitted to the proceedings. I have no connection whatever with Litchfields Ltd., or with Mr. Barker. I was elected to this House for a very definite purpose, and for a very special reason. This particular motion savours to me of the Shylock racket. Apparently there is to be an insistence on securing a pound of flesh from a man who may be down. That is unsportsmanlike and un-Australian, and on that very basis I oppose the motion. I will go further and fearlessly assert that the motion would not have been moved had Mr. Barker—

**Hon. C. G. Latham**: On a point of order, Mr. Chairman, I object to that statement, and ask for a withdrawal.

**Mr. SPEAKER**: The hon. member must withdraw.

**Mr. BERRY**: I withdraw and apologise. But I feel that the House may be doing something very dangerous. I do not know to what extent guilt on the part of Litchfields or Mr. Barker can be proved. Should it happen that the inquiry falls flat, what redress will Mr. Barker have? What possible hope has he of standing up against the Government of any country? Last night's deliberations have proved a severe punishment—

**Mr. SPEAKER**: We are not discussing Mr. Barker at present, but whether the Press shall be admitted to the inquiry by the select committee.

**Mr. BERRY**: I am coming to that. I feel that to admit the Press in this instance would be very unsporting. That is a bad word to use of a select committee appointed to make an inquiry, but apparently it is not a regular procedure to admit the Press to inquiries of this kind. I therefore ask members very seriously to consider how they will record their vote on this motion.

**MR. MARSHALL** (Murchison) [8.11]: I am inclined to support the view that we should not interfere with the procedure to which the House has adhered for a period of many years. I have no recollection of any motion similar to this one having been moved since I have been a member

of this Chamber. The Leader of the Opposition will gain his objective without recourse to this motion. Standing Order No. 352 prevents the publication of evidence previous to its being reported to this House. After the report of the select committee has been made, all the evidence, if the Leader of the Opposition so desires, may be published. So the hon. member will gain his objective in due course, and there is no need to adopt a new procedure. The only two Standing Orders governing motions such as the one under consideration are No. 416 and No. 417. The Leader of the Opposition made some reference to those Standing Orders. Standing Order No. 416 permits the House to suspend the Standing Orders in cases of great urgency only. No notice is required, and so long as an absolute majority of the Chamber agrees, the motion for such a suspension can be proceeded with. I repeat, however, that that applies only to cases of great urgency, and I suggest that the present inquiry does not come under that heading.

The other Standing Order rules out this motion because it provides that a motion for the suspension of any Standing Order or Orders cannot be carried unless notice has been given. The Leader of the Opposition will agree that whenever the Premier moves for the suspension of the Standing Orders he has to give notice on the previous day of his intention so to do. The motion under consideration, however, has been submitted this evening without any prior notice having been given. While I agree that the destinies of this Chamber are in the hands of an absolute majority of members, the moving of this motion does not conform to Standing Order No. 417. Consequently, before I vote, I would like to hear more discussion and to discover whether there is any authority for the moving of the motion. If I consider the motion to be out of order I will vote against it on that score. I am not prepared to go any further than to give all the facilities, rights, privileges and powers to this committee that have been given to other committees. I do not know the companies that have been referred to, and I am sorry that some speakers have stressed one particular company. The Leader of the Opposition mentioned two distinct firms, and made reference to the need for amending the Companies Act. Why other speakers should have specialised on a certain company in the affairs of

which a certain individual has played an active part, I do not know. However, I desire your ruling, Mr. Speaker, as to whether the motion is in order, and if so I should like to know the authority for that ruling.

MR. SPEAKER: I rule that the motion is perfectly in order, but before it can be passed it will have to receive the votes of a majority of members of the House. There is a precedent for a similar motion dating back to the Empress of Coolgardie case in 1904.

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [8.15]: Those of us who have been in the House for a considerable period are aware that the Standing Orders have been modelled on lines of procedure that have been in existence for many years. Some of the forms of procedure that we use for introducing and carrying on business date back to the early days of constitutional government, and if we examine them we discover that they were framed for very good reasons. Our Standing Orders have stood the test of time. Certainly there is a precedent for the moving of a motion such as that under consideration, but when the House was asked to consider the suspension of Standing Orders on that former occasion, sufficiently good reasons were given to the House. But to move a bald motion for the suspension of Standing Orders without giving any reason, is to ask the House to agree to something that is unfair. In moving the motion for the appointment of a select committee, the Leader of the Opposition said that the charges he made were very grave and demanded an inquiry. The House agreed with him, and decided that the duty of the select committee was to inquire on behalf of the House into the activities of these companies and then to report to the House as to whether there were any grounds for the charges made and what should be done about them. Such is the procedure adopted by most deliberative bodies. I hesitate to quote the practice of municipal authorities, but members are aware that whenever a municipality or a road board goes into committee it does so for the purpose of inquiring into certain matters without publicity being given in the Press. If the Leader of the Opposition can give us good reasons why the Standing Orders should be suspended—just as good reasons as were given 30 years ago for the moving of a similar motion—the House

might consider agreeing to the proposal. Such a course has not been followed since the occasion I have mentioned. Just to alter the customary procedure merely because a motion has been moved seeking an alteration, would be to create a dangerous precedent and one that might re-act against the House in future. There is a very good reason for the existence of our Standing Orders. They have stood the test of 40 or 50 years and have not been altered. There have been numerous inquiries in regard to all sorts of public matters, but the course now suggested has not been followed. Only last year or the year before there was an inquiry into a set of circumstances somewhat similar to those now to be investigated. That inquiry was not open to the public. When the committee had concluded its deliberations and made recommendations, they were considered in the full light of day and of Press publicity. I am not prepared to approve of altering the procedure in this House without good reasons being given. I do not wish to be considered conservative, or as one holding the view that, because of some provision in the Standing Orders, we should never make a change, but unless good reasons are advanced for departing from custom and precedent, I am of opinion that we should adhere to the Standing Orders.

**MR. WATTS** (Katanning) [8.21]: I intervene in this debate only to express my point of view as a prospective member of the select committee. A considerable amount of publicity has been given to the charges made against the concerns that are to be the subject of the inquiry. So far from its being unfair that publicity should be given to the proceedings, I am inclined to take the opposite view. The fact of that publicity having been given and of the charges having been made, as the inquiry proceeds from day to day, there should be an opportunity—the earliest opportunity, which is the Press the next day—for a rebuttal of those charges, if the rebuttal is tendered in evidence, and the clearing up in the public mind as quickly as possible the question whether those charges are, by degrees, being substantiated. Because I believe this, because I do not think for one moment that there is anything unfair or unsportsmanlike in giving one side the same publicity as the other

side has received, I propose to support the motion.

**MR. TONKIN** (North-East Fremantle) [8.22]: With what the Premier said regarding the Standing Orders, I find myself in substantial agreement, but as to the matter of giving the widest publicity to an inquiry of this kind, I feel that the admission of the Press is highly desirable. I am satisfied that one of the weaknesses of the inquiry made by a select committee of which I was chairman a year or two ago was that insufficient publicity was given to the evidence being taken. In the interests of the people against whom charges have been made, it is desirable that the widest publicity should be given because, without doubt, most people in the State are aware that grave charges have been made against the operations of certain companies. Unfortunately, people have a habit of believing the reports they hear first. Some people, in their own minds, with the conduct of the various companies. That is unfortunate, but nevertheless it is the experience. If there is nothing wrong with the conduct of the various companies against which allegations have been made, they have nothing to fear from the admission of the Press. Publicity will be to their great advantage, and early publicity will certainly be to their advantage. On the other hand, if the charges made are substantially proved, it is in the interests of the people generally that the greatest publicity should be given to the evidence. Therefore I find myself unable to agree that the proceedings of the select committee should not receive the widest publicity.

I would not say it is advisable to admit the Press to all select committees, because some select committees are appointed more for the purpose of eliciting information for use at a later stage by members of the House. In this inquiry, however, there is a twofold object, firstly to ascertain whether there is anything wrong and, secondly, to suggest what steps are necessary to prevent any further damage from being done. In a matter of this kind there is no better way of doing that than by making the people aware of what is happening. While I appreciate the feelings of the member for Irwin-Moore (Mr. Berry) who, on first thoughts, believes this attitude is unsportsmanlike, I am satis-

fied that on further reflection, he will see it is just as much in the interests of the person who has been accused of wrongdoing that the greatest publicity should be given to any statement of his case as it can possibly be construed to be against his interests. If I was charged with having done something wrong and the charge had gone out to the world, if I was certain of my innocence and was sure I could prove it, I should not wish to stifle any statement about my innocence. I would be seeking the greatest publicity for the facts in proof of my innocence. Therefore I say that if the people called upon to give evidence at this inquiry are perfectly satisfied they can present a clear and proper reply to the charges that have been made, and that they have a good defence, they have nothing whatever to fear from publicity, but should welcome it.

Hon. P. Collier: It is only fair to the people accused that there should be equal publicity to that given in the newspaper this morning.

Mr. TONKIN: That is what I think.

Hon. P. Collier: They will not get it otherwise: the evidence might not be printed.

Mr. TONKIN: Exactly. After the inquiry has been completed, the House might decide, for one reason or another, that the evidence shall not be printed, and in that event there would be very little opportunity for people to learn just what had transpired at the inquiry. I therefore hope that the House will agree to the motion. If we cannot arrange for publicity in this manner, I hope some other method will be found. The House should certainly appreciate the wisdom of admitting the Press to this inquiry.

MR. J. H. SMITH (Nelson) [8.28]: I propose to support the motion on precisely the same grounds as those stated by the member for North-East Fremantle. The procedure is unusual and I believe that the member for Irwin-Moore (Mr. Berry) was somewhat carried away simply on that account. You, Mr. Speaker, and other members know that when the Turf Club holds an inquiry, the persons charged have no opportunity of putting their case before the public. The same remark applies to investigations by select committees. On this occasion the only opportunity that individuals will have of rebutting charges made against them is through the Press. Otherwise no

one will know, unless he reads the records of the committee's proceedings, and it is unlikely anyone will do that. If Press representatives are admitted, the newspapers will publish rebuttals submitted to the charges made, and the public, through the Press, will be able to judge the merits of the case. I believe that the admission of the Press, instead of being a hardship as some people may think, will be really a blessing in disguise because it will give the managers of the companies concerned an opportunity to rebut any statement tendered in evidence to the select committee.

MR. HUGHES (East Perth) [8.29]: I should like to support the motion for future reference. If we admit the Press to the proceedings of the select committee, provided that the Press would publish everything that took place—

The Premier: That is the point.

Mr. HUGHES: Then we would not be doing an injustice to anyone. There is grave danger that the Press, in the course of carrying out the task of giving the public their daily sensations, may pick out certain parts of the evidence to make a sensation out of them. Frequently the report of the parent paper gives a wrong conception of what took place at an inquiry. It does not matter what we do, we shall never catch up with a report that appears in the "West Australian." It will have had too long a start. One of the disabilities of this type of inquiry is that statements can be made in the House and not answered until months afterwards. A select committee appointed to inquire into matters of a personal nature is a weapon that can be used with grave injustice.

Mr. Lambert: You know the value of that.

Mr. HUGHES: I say what I have to say in public, and do not want the privilege of Parliament to help me. I put things into writing, as I did in the case of the exposure of the manganese company.

Mr. SPEAKER: Order! The hon. member must keep to the motion.

Mr. Lambert: Sensationalism!

Mr. SPEAKER: Order! The member for Yilgarn-Coolgardie must keep order.

Mr. HUGHES: It is a pity for the shareholders of the company that a select committee was not then appointed. The motion is fraught with grave danger. If the

Press is admitted to the inquiry, I hope the Committee will sub-edit the report so that it may be a reasonably fair and accurate account of the proceedings before it is disseminated to the public. I know that certain parts of evidence are generally picked out for the creation of a sensation.

The Minister for Labour: Barker could have two columns printed in the "West Australian" to-morrow if he wished.

Mr. HUGHES: Except that it would cost him at least £9 a column.

The Minister for Labour: I think the cost would exceed that.

Mr. HUGHES: There is nothing to prevent Mr. Barker from going on the public platform and answering the charges against him. This motion, if carried, would create a precedent. Were it carried, it would be difficult for the House to refuse a similar request from the chairman of another select committee, particularly if the inquiry were into a matter of public importance only. If we lay down such a precedent we should do so with the mental reservation that we are not going to grant such a request to-day and refuse it to-morrow. If the Press are admitted they will report what they like. There would be no likelihood of an injustice being done if the Press guaranteed to publish the whole of the evidence, but they would not do that because sufficient space would not be available.

Mr. Withers: Do not you know the cost of paper?

Mr. HUGHES: Yes, the space would not be available. There is grave danger that the report would not be a substantial account of what took place. We should be putting it into the hands of the Press to take one side or the other. I have not such a wonderful faith in the impartiality of the Press. They will report what suits them from their own point of view. Particularly is that so when political considerations enter into the question, and when the views of the Press become warped. They may think they are reporting fairly and squarely, but they are only reporting from their own point of view, and only picking out what they think are matters of importance. More harm than good may be done by admitting the Press to this inquiry. As the Minister for Labour has pointed out, there is nothing to prevent a man from taking steps immediately to put his case before the public, either from the platform, through the radio, or through the Press. It

is, therefore, unnecessary to depart from the stand that has generally been taken in matters of this sort. Were I one of the parties concerned, I would invite my accusers to come out in the open, far removed from any Parliamentary privileges. I should like to vote for this motion, because I think a select committee might be appointed in the future dealing with matters of purely public interest, and not in any way with personal considerations. On such occasions it might be advisable to admit the Press in the interests of the public, and this would be a good precedent to follow.

Mr. J. Hegney: It would be handy in the case of an inquiry into horse racing.

The Premier: There will not be an inquiry.

Mr. HUGHES: And in the case of other committees that may be appointed the precedent would be useful. In the circumstances, however, I think we might do a lot of harm if we made a special exception and set aside the Standing Orders in this case.

**THE MINISTER FOR MINES** (Hon. A. H. Panton—Leederville) [8.36]: I do not feel disposed to vote for the motion, chiefly for the reason given by the Premier. We should be very jealous of our Standing Orders, and unless we have a stronger case than has been presented to us to-night, we should be very careful before we waive one or any of them. As the Premier stated, our Standing Orders have stood the test of time, and I do not know that there is anything in the case to cause us to waive them. I agree with the member for East Perth (Mr. Hughes) that the publicity suggested by the member for North-East Fremantle (Mr. Tonkin) would be of the kind that suited the Press, which is not in the habit of publishing verbatim reports—perhaps just as well for many of us. One could imagine the huge "Daily News" posters in the streets and people rushing to them and saying, "What is it all about?" and then probably finding in the paper only half an inch of reading matter containing little or nothing. That sort of thing would lead people to buy the paper, thinking that something terrible had happened in connection with a select committee at Parliament House. The motion goes further than that. The reason why I asked you, Mr. Speaker, to read the motion again was that I wished to make sure which Standing Orders we



should suspend. I take it that the Standing Orders in question are Nos. 351 and 352.

Mr. Cross: The latter refers to a different committee altogether.

Hon. C. G. Latham: A secret committee!

The MINISTER FOR MINES: What secrecy is there about the committee referred to in Standing Order 352? The committee would only be of a secret nature until the motion had been carried. Standing Order 352 reads—

The evidence taken by any Select Committee of the House and documents presented to such Committee which have not been reported to the House, shall not be disclosed or published by any member of such Committee or by any other person.

Is it proposed that that Standing Order should be suspended?

Hon. C. G. Latham: Any Standing Orders dealing with the matter.

The MINISTER FOR MINES: Then the interjection as regards secrecy must have been wrong. Standing Order 351 reads—

No strangers, or members, not being of the Committee, shall be admitted at any time to a Secret Committee.

Once the Standing Orders are suspended I do not see how these inquiries can be kept secret. They will be open to the Press.

Hon. C. G. Latham: The Standing Orders provide that members may be present.

The MINISTER FOR MINES: Standing Order 350 says—

Members of the House may be present when a Committee is examining witnesses; but withdraw by courtesy when the Committee is deliberating.

I am not concerned about members of the House, but with the publicity involved. We might admit the Press, but if we suspended all the Standing Orders that have any bearing on the matter—No. 351 would be one of those—others besides members of the Press could be admitted. Strangers will be in attendance. A stranger could take shorthand notes of such parts of the proceedings as he chose, and use the matter as he liked, whether the committee liked it or not. An hon. member has suggested that the report of evidence should be sub-edited. Once the Press is admitted, I do not think anybody will sub-edit what the papers are going to publish. We have not sufficient reason for agreeing to the suspension of this Standing Order. Up to date, only accusations have been made; and my

feeling is that those accusations should be inquired into and reported upon to the House. I am just as sure as the member for East Perth is that if the Press is admitted all sorts of sensational statements will be printed. At any rate, I am sport enough to give every man a fair trial.

Mr. Patrick: The Press is admitted to the sittings of Royal Commissions.

The MINISTER FOR MINES: A Royal Commission is like an open court presided over by a Supreme Court Judge.

Mr. Patrick: Is not that fair?

The MINISTER FOR MINES: Yes, because before a Royal Commission all witnesses give evidence on oath.

Mr. Hughes: The papers do not always give a fair resumé of the evidence.

The MINISTER FOR MINES: No, and perhaps not even of speeches made here. Unless the Leader of the Opposition can give stronger reasons—and I see he has numerous authorities in front of him—I cannot support this motion. I believe in at all times discussing a case on its merits, without any great concern for precedent. If the motion is carried, there will be difficulty in obtaining anything in the nature of the customary select committee in the future. If such a proposal as that of the Leader of the Opposition is to be agreed to, it should be done by amendment of the Standing Orders. I repeat, unless the Leader of the Opposition can advance a much better reason than he has given so far, I shall have to vote against the hon. gentleman's motion. The authorities he has at hand may give such reasons, but so far we have merely had ex-parte statements; and the accused should be permitted to make his answer irrespective of the Press.

HON. C. G. LATHAM (York—in reply) [8.43]: I had not anticipated any opposition to the motion, because whenever such a motion has been moved previously it has invariably been carried. For that reason I did not state the case. Last night I made certain statements which, I told the House, I was prepared to substantiate by evidence in my possession. This morning considerable publicity was given to the matter by the Press. If I wanted to do something unsportsmanlike, I would see that the other man had no opportunity to reply. My reason for moving the motion is that the other man should be given, in a sportsmanlike spirit, the same opportunity to state his case as I have had to

state the charges against him, and that the public should have an opportunity to read his case as stated in his own way. I have not asked anything unreasonable, for I believe that five members of this Chamber can be trusted equally with fifty members. It is at their discretion, that I have asked this Assembly to agree to the motion, which is to be regarded not as my motion but as that of the members of the select committee.

Mr. Lambert: A select committee can always direct the Press not to publish certain evidence.

Hon. C. G. LATHAM: Our proudest boast is that equal opportunities are given everyone. Our courts of law—I nearly said, courts of justice—are open to the public and to the Press. The Press is excluded only when evidence is of such a nature that its publication might affect the ethical side of life. Under all other conditions the courts are open to the Press. Why? So that the accused may have a fair trial. The same argument applies here. Last night I made certain charges, and I want the person who is accused of offences to receive the same publicity as was given to me this morning.

The Minister for Labour: Why not give him an opportunity to speak at the Bar of the House for an hour?

Hon. C. G. LATHAM: I have no objection whatever to that. I am prepared to trust the fifty members of this Chamber. It has been said that by passing the motion we shall set up a precedent. Many different kinds of select committees have been appointed during my membership of the House, and on each occasion when a charge has been made against an individual the Press has been admitted to the proceedings. In 1904, for instance, a charge was made relative to a goldmining lease at Coolgardie. Members who were here then will recall the matter. The select committee comprised Mr. Horan, who was chairman, Mr. Thomson, Mr. Seadman, Mr. Nelson, and Dr. Ellis. The House in its wisdom gave those five gentlemen power to admit the Press to the select committee's proceedings.

Hon. W. D. Johnson: Was that power given when the select committee was first appointed? Was it moved for as you are moving now?

Hon. C. G. LATHAM: I will refer to the Votes and Proceedings. On Thursday, 27th

October, 1904, the select committee, through its Chairman, Mr. Horan, moved—

That in order to permit the select committee appointed to consider the Empress of Coolgardie gold mining lease to exercise its discretion in admitting the Press to its meetings, the Standing Orders having reference to the publication of the proceedings and deliberations of a select committee should, for the purpose of this special case only, be suspended during the time the committee is sitting.

Mr. Marshall: The mover there gave notice. You have not given notice here.

Mr. SPEAKER: Order!

Hon. C. G. LATHAM: No; he did not give notice.

Mr. Marshall: Yes, he did.

Mr. SPEAKER: Order! I ask the member for Murchison to keep order.

Hon. C. G. LATHAM: This is one instance—an instance where a charge was made against a man relative to certain gold-mining leases. Coming to a more recent period, I shall cite the extracts from the Minutes regarding the appointment of a select committee by this House to inquire into transactions in connection with war gratuity bonds. From the public's point of view, that matter may be regarded as somewhat similar to the subject to be inquired into by the committee appointed this evening. I find that on Wednesday, the 21st September, 1921, Mr. Wilson, pursuant to notice, moved—

That in order to permit the committee to exercise its discretion in admitting the Press to its meetings, the Standing Orders having reference to the publication of the proceedings and deliberations of a select committee should, for the purpose of this special case only, be suspended during the time the committee is sitting.

That motion was carried, and no notice was given in that instance.

The Premier: But you read out that the motion was moved "pursuant to notice."

Mr. Patrick: That was a notice of motion for the appointment of a select committee.

Hon. C. G. LATHAM: That is so. To enable members to appreciate the position, I shall read the full extract from the Minutes—

Mr. Wilson, pursuant to notice, moved: (1) That a select committee be appointed to investigate the methods adopted by financial agents and others regarding profiteering in the buying of war gratuity bonds from returned soldiers of the A.I.F., and the infringement of the Usury Act in relation to same;

also in respect to certain land agents cashing war gratuity bonds in exchange for the purchase of blocks of land at fictitiously high values, and by such means indecently and flagrantly exploiting the returned soldiers; (2) That in order to permit the committee to exercise its discretion in admitting the Press to its meetings, the Standing Orders having reference to the publication of the proceedings and deliberations of a select committee should, for the purpose of this special case only, be suspended during the time the committee is sitting.

Members will see that in that instance no special notice of motion was given regarding the admission of the Press to the meetings of the select committee. Then again another select committee was appointed to inquire into the Hospitals Bill before the House in 1921, and on the 24th November of that year Mr. Gibson, pursuant to notice, moved:—

That the Standing Orders having reference to the publication of the proceedings of a select committee be suspended so far as to permit the select committee appointed to report upon the provisions contained in the Hospitals Bill to exercise its discretion in admitting the Press to its meetings.

The question was put and promptly passed. There is another instance when Messrs Heron, Clydesdale, Mullany, Gibson, and I were appointed as the select committee. Members now have before them some instances where this course was adopted. In fact, where charges have been laid against individuals or companies, the customary course has been to admit the Press to the proceedings. On this occasion I ask members to agree to the motion, feeling sure that they can rely on the good sense of the select committee to see that nothing unreasonable or unfair is done. To-night is the first time I have ever resented statements such as those made by one member. I certainly resent the remarks made by that individual; but because he is newly elected to this Chamber, I shall overlook what he said. I hope nothing I ever do or say in this House will be other than in the best interests of the public and with no selfish motive regarding those associated with me.

Question put.

Mr. SPEAKER: The House will divide.  
The House having divided,

Mr. SPEAKER: I have satisfied myself that an absolute majority of the House is

in favour of the motion, which I declare carried in the affirmative.

Question thus passed.

## BILL—DEATH DUTIES (TAXING) ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 3rd October.

MR. McDONALD (West Perth) [8.57]: I had occasion a night or two ago to make some observations about the taxation measures placed before Parliament by the Government. I do not feel it incumbent upon me to say very much about the Bill now under discussion, because it comes within the scope of the remarks I made regarding the previous measures. I agree with the Premier that, on the advice tendered to him by the Taxation Department, there should not be any increase in the income tax paid by the people of Western Australia, but, of course, although the two income tax Bills should balance out, the present measure represents an addition to the general taxation of the community. It means an increase in the severity of taxation, and the result of the three taxation measures before Parliament is to increase—if not to a very heavy extent, at least to some extent—the index of severity in its application to State taxation. I propose for the same reason as I indicated regarding the Land Tax and Income Tax Bill, to oppose the present measure. Taking the present Bill by itself, I rather favour the class of taxation outlined, assuming that the occasion justifies its imposition. But, for the reasons I have expressed, I feel, rightly or wrongly, that this is not the time for increasing the taxation of the people, or for increasing the index of severity of taxation that is now borne by those residing in Western Australia. I wish to make one reference to the details of the Bill, namely, to the exemption from the half duty that is granted in favour of widows and children and certain other specified next-of-kin. At the present time, widows and children in this State pay half rates, whatever the amount of the estate may be. It is now proposed that they shall have the advantage of half rates only if the estate does not exceed £4,500. As I read the Bill, if the estate exceeds that sum, the full amount of the death duty must be paid;

and the Bill approximately doubles the existing duties. I think I am right in saying that under the Commonwealth death duties legislation the exemption in favour of the widow and children is one-third; in other words, they pay two-thirds of the ordinary rate applicable if the estate of the deceased goes to persons who are not his immediate next-of-kin. But under the Commonwealth law—I speak again from recollection—there is no limit to the amount of the estate. The immediate next-of-kin receive the benefit of the one-third exemption or deduction, compared with the rate payable by strangers. It must be remembered that the estate has to pay not only State death duty, but also Federal death duty; and it must also be remembered that very often it is an embarrassment to an estate to pay the death duties. Estates valued at £2,000, £3,000 or £4,000, as well as estates of larger amounts, sometimes find considerable difficulty in raising the amount required to pay estate duties. Power is given in the Acts to grant an extension of time for payment; but the practice—and naturally so—on the part of governmental authorities is to insist upon payment of the duties in cash if the estate is possessed of cash or of assets immediately realisable. In such cases both the Federal and State authorities demand that the amount of the duty shall be paid in cash.

An estate valued at £7,000, £8,000 or £9,000 net may consist of a business. The assets may consist of stock-in-trade, groceries, stores, and all kinds of things. Although the estate may be worth its net value, it may consist of a farm or a station. The estate may be valued at £8,000 or £9,000, but if it came to a question of realisation, or even of raising money, the estate might meet with serious difficulties. If, however, a part of the assets consists of life assurance moneys or money in a bank—and these liquid assets are the most important assets for the time being to the beneficiaries—those moneys go by virtue of the Crown's priority in payment of Federal and State duties. I suggest to the Premier that he should not alter the law so drastically with regard to the immediate next-of-kin. If the death duties are to be approximately doubled, we should allow a margin somewhat larger than £4,500. I had intended suggesting that if there is to be a limit, it should be £10,000; but the member for Nedlands

(Hon. N. Keenan) considers it would be far more equitable to follow the Commonwealth principle and grant exemption to the widow and children, whatever may be the value of the estate, especially in this State, where we do not have large estates. I suggest that in the Committee stage we should restore the protection at present given to the widow and children by continuing the exemption or the lower rate which they have enjoyed in the past, and which I think they still enjoy under Commonwealth law.

**HON. C. G. LATHAM** (York) [9.6]: I hope that the advice tendered to the House by the member for West Perth (Mr. McDonald) will be accepted. I pointed out previously, by way of interjection, that the present seemed to be a most unfortunate time to increase taxation, particularly death duties. The Act now provides that the immediate next-of-kin of a testator shall have a rebate of 50 per cent. of the tax. Many of our men are now enlisting for active service; and I submit that this increase should not apply to estates of men killed on active service, if the men have dependent next-of-kin. We could amend the Act in such a way as to provide that the widow and children of a soldier killed on active service should receive the benefit of the present exemption. It is unfortunate that we should be increasing our death duties just as men are enlisting for active service.

Mr. McLarty: The increase might easily cripple some estates.

**HON. C. G. LATHAM**: We are aware of the death duties charged in the Old Country. The other night I told the Premier—through you, Mr. Speaker—of an instance where three members of a family were killed within three weeks. The heavy death duties in England crippled their estate. The same thing might happen here. There is not only State duty, but also Federal duty. The only justification for bringing down the measure is that the Government must have more money. It does not seem that we shall ever reach the stage when the Government will be satisfied. I do not know whether the present Government is any more peculiar than other Governments in this respect, but every year taxation seems to be increased. It appears harsh to me that the estate of a person who has been thrifty and careful should be called upon to pay increased taxation, when a per-

son who has been improvident leaves no estate from which the Government may profit. I remember that when a complaint about high taxation was made to an ex-Premier of this State he replied that it was much cheaper to die here than anywhere else. I think the Premier will know to whom I am referring. That statement was perfectly true. If taxes have been collected from a person during his lifetime, and assets can be compiled only from income, it is unfair to tax his estate on his death. I hope I shall be able to place on the notice paper an amendment to the effect that the proposed increase shall not apply to any man killed on active service. I think the Premier will agree that that is a reasonable amendment. The portion of the Act to which the amendment will refer is the proviso to the First Schedule which reads as follows:—

Provided that in so far as any beneficial interest passes to the widower or widow, or the parent or any issue of the deceased person, and who was at the date of the death of the deceased a bona fide resident of and domiciled in Western Australia, duties shall be assessed in respect of such beneficial interest at one-half of the rates declared in this schedule.

If the proposed amendment is not accepted we shall be saying to a man who is going on active service, "If your estate is worth £4,500, the tax on it will be doubled in the event of your death." If a man is prepared to defend his country we should not impose additional taxation on him. However, I do not agree with this form of taxation at all and I intend to vote against the measure.

**MR. McLARTY** (Murray-Wellington) [9.10]: I do not favour wiping out exemptions from the probate tax. It is unfair that a man's children should be treated in exactly the same way as strangers. Governments have the idea that estates are fair game, and there is a tendency everywhere to increase the levy. It is a taxation on capital which is undoubtedly having a crippling effect. I know a number of what might be called wealthy estates, the owners of which have had to dispose of the best of their assets in order to pay this tax. Their having to do that crippled their future operations.

The Premier: Did they earn the money themselves?

**Mr. McLARTY**: I expected that would be mentioned. I assure the Premier that in most cases the children of fathers who have left estates have helped their parents to create those estates. If the Premier cares to examine pastoral and farming holdings in this country he will discover that in thousands of cases the sons and wives of the men who have founded them helped to create the wealth. As the Leader of the Opposition has pointed out, taxation has been imposed upon the owners of the estates during their lifetime and afterwards this capital levy has been inflicted upon their descendants. I can never agree that this is just taxation.

The Premier: No taxation is just.

**Mr. McLARTY**: I would not say that; but I do consider an injustice is being done in wiping out these exemptions. I agree with the Leader of the Opposition that something should be done to protect the estates of soldiers who may have to go overseas. To tax the estate of a man who has died on active service would be a grave injustice.

**MR. WATTS** (Katanning) [9.13]: I have no objection to this type of taxation, so I do not altogether share the views of the member for Murray-Wellington (Mr. McLarty). At the same time I do not feel disposed to support the Bill because I do not think any increase in this form of taxation is necessary. The Act was to some extent made a greater revenue producer by the amending Act of 1934. The tax was not increased, but more revenue was obtained by alterations in the system. The member for Murray-Wellington referred to the sons of farmers who very frequently by their labours have helped to make what estate there is for taxation of this kind. In many instances they have helped to build up those estates by taking from the income of the property—usually because that income has been very low—no wages for their services. Yet, when in due course their fathers pass on and they become the owners of the properties, they will be obliged to pay under this measure for the interest they receive in the properties, a greater tax than they would have been obliged to pay formerly. I do not object to this form of taxation. I have always felt that as it stands at the present time it is perfectly fair. I consider there should be no increase.

I would also like to submit another viewpoint a little more strongly. There are many properties, particularly agricultural properties, in respect of which, when the valuers have finished their duties they have found a substantial surplus above the liability of the farmer, and this they have valued for probate or succession duties. In cases that have come under my knowledge, the margin above liabilities has not been sufficient to enable anything further to be borrowed. There are then two alternatives before the parties concerned. One is to dispose of portion or the whole of some asset which is required for the purpose of carrying on the business; the other is to enter into some agreement with the Commissioner of Taxation or possibly to give him some security with which he would be satisfied for the payment, extending over a period, of the moneys assessed as duty. In either event a heavy drain is imposed upon the limited income resources of the people in question. I recognise the necessity for this type of taxation, and on principle have no objection to the method, because there is undoubtedly a number of cases where a subscription by the individual out of capital to the State is not unjustified. Yet in the instances such as I have quoted—and I think there is a larger proportion of such cases in Western Australia than is likely to be found elsewhere—I am opposed to any increase as is proposed in the Bill. The same arguments apply to that part of the Bill which provides for the abolition of the half rebate that has been granted to the issue of the testator. So while in general terms I have not objected to the other taxation measures that have been submitted, having taken the Premier's arguments at their face value, I do not propose to support this measure.

*[The Deputy Speaker took the Chair.]*

**THE PREMIER** (Hon. J. C. Willecock—Geraldton—in reply) [9.20]: When we come to taxation, nobody likes it. Nobody likes imposing it, and certainly nobody likes paying it. But we reach a stage when we have to do something to get more money.

Mr. McLarty Not every session.

The PREMIER: Not for many years has there been much in the way of increased taxation in this State. At present we are in a particularly bad way in the matter of our industries, their earning capacity, and the

national income. The Railway Department has suffered because wages have increased, but some advantage has been gained by the passing of the transport Act. We are now endeavouring to rectify the position. The present is a very inopportune time to increase railway freights or charges of any kind. Certainly the time is very inopportune to increase probate duty. If we do increase it, we are told we might at least leave out widows and children. Then we have a further modification proposed by the Leader of the Opposition that while it might not be inopportune to increase rates on ordinary people or those with dependants where the estate exceeds £4,500, it is inopportune to increase the rates against soldiers on active service. So I can advance good arguments, as can every member, against any increase in taxation or against any taxation at all.

When we tax people, we are taking something from a person's earning capacity, from his initiative, his energy and his resources in earning income. When he earns income, he earns something for the country in which he lives, and by his work helps to build up the national income of the State. Therefore it might be considered eminently undesirable to take anything in the way of taxation, but on the other hand the provision of free services—education, police protection and social services—inexorably necessitates the imposing of a certain amount of taxation. There is a big volume of feeling in various countries of the world that if there is one system of taxation which is fair and reasonable, it is probate and succession duty, and that those who receive benefits from the earnings of other people should contribute to the taxation of the country.

Mr. Hughes: And they do not complain.

The PREMIER: That is so. To make complaints is very easy, but the general feeling throughout the world is that when people die and leave estates, they should contribute something to the State.

Mr. Sampson: Or give a piece of land, if you have not any money?

The PREMIER: Probate duty in Australia and in Western Australia is very light. In England, where there is a huge national debt which it is desired to redeem, or on which sinking fund has to be paid, an inordinate amount of duty is exacted by way of probate. We in Australia have not gone that far. The member for West Perth (Mr.

McDonald) expressed the opinion that the £4,500 limit was too low and he would be inclined to stop at £10,000. The member for Nedlands (Hon. N. Keenan) suggested the Commonwealth limit.

Hon. N. Keenan: I said take the same principle as applies in the Commonwealth.

The PREMIER: That is so, the principle that has hitherto applied in this State. If we did that, we would not get any increase of taxation and would be in the same position as before. The figure of £4,500 was selected because it is the dividing line in the incidence of the rates. I am not particularly concerned about the amount of £4,500 or £5,000, but I point out that many estates of a value in excess of £4,000 or £5,000 are held jointly by husband and wife. If a man has an estate valued at £10,000 a portion of it is probably vested in his wife, and that portion does not bear probate duty in the event of the man's dying.

Mr. Sampson: It is frequently held by the bank.

The PREMIER: Yes, but that portion is not included for the calculation of probate duty. Of course, this vesting of portion or the estate in the wife must have been completed three years before the death of the husband. In other States the reduced rate ends at the following figures:—

	£
Victoria .. .. .	2,000
South Australia .. .. .	2,000
Tasmania .. .. .	2,000
New South Wales .. .. .	5,000
Queensland .. .. .	5,000

I think £5,000 is a very reasonable amount, and we would have adopted £5,000 but for the occurrence of the dividing line, the difference of 1d. in our rates applying at £4,500.

Mr. Patrick: In Queensland, the charges are applied to the whole of the estate.

The PREMIER: Generally speaking, when large estates are held by married people, a certain amount of money is vested in the wife. If there are two, three or even four children, an amount of £5,000 would have almost sufficient earning capacity to keep the children until they could earn for themselves. That sum would be passed on to the children, not because of anything they had done by way of earning capacity, but because they happened to have a father who had accumulated a considerable portion of this world's goods. There is a strong feeling in the world in favour of the non-

transmission of wealth, but we do not go that far. The principle, as applied in probate duty, is carried to only a small extent.

Hon. N. Keenan: Turkey is the only place in the world where that happens.

The PREMIER: But the tendency is to move further and further along that road, particularly since countries have become burdened with huge national debts. Those debts were incurred during the lifetime of certain people, and some portion of the wealth they amassed during the accumulation of the debt should be paid on the decease of those persons who leave a considerable estate.

Mr. Sampson: Is this rate any higher than that in South Australia?

The PREMIER: Yes, the rebate we propose is on a rate considerably higher than that in South Australia. In South Australia a rebate of one-half is allowed on an estate up to £2,000, but we propose to allow a rebate on an estate up to £4,500 before the ordinary rates apply, that is, where there are dependants consisting of a widow and children.

Mr. Sampson: What is the rate?

The DEPUTY SPEAKER: Order!

Mr. Sampson: I mean the rate of tax.

The DEPUTY SPEAKER: Order!

The PREMIER: The rate is the same. Up to £20,000 the rate is 10 per cent. From then on it increases by a  $\frac{1}{2}$  per cent. for each £5,000 at which the estate is valued. The maximum rate previously was 10 per cent. As I pointed out when introducing the Bill we are more lenient with respect to our probate duties than is any other State of the Commonwealth. The average payment of probate duty in this State is just about half the average existing in the other States. The member for Murray-Wellington (Mr. McLarty) said that in the case of some estates people found it very awkward when called upon to pay probate duty. If it is awkward for them to pay in Western Australia, it must be very much more awkward for them to pay in the other States where the rates are double what they are here. The Leader of the Opposition said people found it very cheap to die in Western Australia even if they could not live cheaply. If we have severity of taxation in regard to earnings in the case of living people, it cannot be said that we have severity of taxation when they die. Of course we do not want our citizens to die. Most of them are good

people, and the longer they live the better shall we be pleased. When in the fullness of time death comes, we think that because they have been citizens of Western Australia, and because there is a necessity for the Government getting increased revenue, a reasonable measure of taxation should apply. I would not mind giving consideration to the amendment proposed by the Leader of the Opposition, nor would I mind going a little further in the case of exemptions in regard to wives and dependants. Other than on these points the House ought to be prepared, in view of the necessity for increased revenue so that the affairs of State may be carried on, to pass this Bill.

Question put and passed.

Bill read a second time.

*In Committee.*

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

Clause 1—agreed to.

Clause 2—Amendment of First Schedule to Principal Act:

Mr. WATTS: I move an amendment:

That in line 4, of paragraph (b), the word "four" be struck out with a view to inserting another word.

If the word "five" were inserted in lieu of the word "four" the amendment would have the effect of reducing the probate duty in the case of a widow and children, in that the increased rate of taxation would not apply to estates that did not exceed £5,500 in value.

The PREMIER: Because of the system of calculation the amendment would create an awkward position. We do not want at this stage to be unduly hard upon people. I have much sympathy with a widow who loses her husband, no matter how well off she may be left, and would rather go to £6,000 than stop at £5,500 because of the system at present in operation. We all desire to help the widows and the children, and feel that the utmost possible consideration should be extended to them. When people are left a sum in excess of £6,000 they should be prepared to pay the duty. I would accept an amendment to provide for the sum of £6,000 in lieu of £4,500.

Mr. McDONALD: The member for Katanning has been rather modest in his

request. When people are invited to come to Western Australia some inducement should be offered to them to make their home here. As pointed out by the member for Murray-Wellington, a property may have been built up by a man, his wife and family. If such an estate is worth £9,000, Western Australia may take £700 in hard cash out of it, and the Federal Government may want a further £200 or £300. Every possible consideration should be given to widows and children. On paper many farms and stations are worth £10,000, but it may not be possible to raise in cash one-tenth of that money.

The Premier: The department concerned is very generous in its valuations.

The CHAIRMAN: The remarks of the member for West Perth would be more appropriate if made when the time comes to complete the amendment.

Mr. WATTS: I will adopt the suggestion of the Premier, and would like to strike out the words "four thousand five hundred" I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Mr. WATTS: I move an amendment—

That in paragraph (b) the words "four thousand five hundred" be struck out and the words "six thousand" inserted in lieu.

Hon. W. D. JOHNSON: I do not know that the Committee should be liberal in this regard. Do I understand that the exemption applies to agricultural and pastoral lands, but not to city lands?

The Premier: It applies everywhere.

Hon. W. D. JOHNSON: To advance the claims of pioneers who died after years of struggling to build up a little asset, and to ask that legislation be framed to meet that special case, is all very fine. However, in Western Australia many people have struggled without gaining anything, while others got the lot. Moreover, thousands of persons in this State got their money easily through the unearned increment created by State expenditure and the presence of people attracted by State development. In my opinion £4,500 is a reasonable exemption. From the man on the basic wage every shilling is taken that can be got from him. It is all very well for members opposite to put up a case for landed proprietors, but they have nothing to say on behalf of the workers when financial emergency taxation is being considered. More-



over, no regard is paid to the indirect imposts carried by the workers. On the contrary, further burdens are being passed on to them. Yet they are the people who create values. No case has been made out for the proposed extension from £4,500 to £6,000. The clause proposes a fair and reasonable method of obtaining revenue. I regret that the Government has agreed to the alteration of the Bill. The Government should not agree to amendment of Bills introduced by them. A Bill should be a reflex of the mature consideration of Government. Here the Government is showing itself unduly liberal.

Mr. McDONALD: I do not object to a suggestion to abolish or tax away the unearned increment. However, we should make some difference between the rate of duty payable when property goes to members of the family who have created it, and the rate of duty payable when property goes to strangers. If a man having six children dies worth £6,000 each child cannot walk away with a cheque for £1,000 in his pocket. The property cannot be distributed, perhaps, but must be nursed; and there is no immediate ready cash. Frequently a property has been built up by the work of the wife and children. We should encourage people to go out and build up properties and become self-reliant. It is upon such people that we depend for taxation, and from their exertions and enterprise the workers benefit largely. On an estate of £6,000 to charge the widow and family £700 duty is not right, seeing that where the estate is just under £6,000 the rate of duty is only one-half, representing a difference of £300 or £400. I suggest that the Committee make the provision somewhat more liberal, and I think £8,000 or £9,000 would be much fairer.

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

Clause 3—Amendment of Second Schedule:

Mr. WATTS: I have no doubt that the Premier will carry his willingness to effect improvement by agreeing to the amendment of paragraph (b), the subject matter of which is on all fours with that of the previous clause. With that in mind, I move an amendment—

That in line 5 of paragraph (b) the words "four thousand five hundred" be struck out

and the words "six thousand" inserted in lieu.

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

Clause 4—Amendment of Third Schedule:

Mr. WATTS: Exactly the same position arises in paragraph (b), which seeks to amend the Third Schedule for the same purpose. I move an amendment—

That in line 5 of paragraph (b) the words "four thousand five hundred" be struck out and the words "six thousand" inserted in lieu.

Hon. W. D. JOHNSON: I ask the Premier if these later amendments are regarded as consequential.

The Premier: They are.

Hon. W. D. JOHNSON: The Premier realised that when he accepted the provision for £6,000?

The Premier: Yes.

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

Clauses 5, 6—agreed to.

New clause:

Hon. C. G. LATHAM: Will the Premier indicate his acceptance of a new clause embodying an amendment to exempt the estates of men who may be killed or die on active service?

The Premier: I cannot suggest an amendment for you at this stage. Progress can be reported.

Progress reported.

## BILL—ADMINISTRATION ACT AMENDMENT.

### *Second Reading.*

Order of the Day read for the resumption from the 3rd October, of the debate on the second reading.

Question put and passed.

Bill read a second time.

### *In Committee.*

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

Clause 1—agreed to.

Clause 2—Amendment of Section 98:

The PREMIER: This Bill is linked up with the measure we have just been discussing. The exemption provided here is £4,500

and in order to make it accord with the provision in the Death Duties (Taxing) Act Amendment Bill, we shall have to alter the proviso. I move an amendment—

That in lines 8 and 9 of the proviso the words "four thousand five hundred" be struck out and the words "six thousand" inserted in lieu.

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

Hon. C. G. LATHAM: I move an amendment—

That a proviso be added as follows:—"Provided further that nothing in this section shall apply to the estate of any person who shall be killed or die on active service in any war in which His Majesty is engaged, with any of the forces of the Crown."

The PREMIER: I do not know that it is quite fair to move an amendment of such a description at this stage. The Act contains many sections and I do not think we should consider the amendment without allowing the Crown Law authorities to look into it and ascertain its effect upon the Act.

Hon. C. G. Latham: I do not desire the amendment to be accepted this evening, but I want some such provision in the measure.

The PREMIER: If it were to apply to the section only, that would be all right, but we should know how such an amendment will affect the Act itself. The Leader of the Opposition may be suggesting that the estate of a soldier up to £500 should be exempt from duty; the amendment might mean that. We should not deal with the amendment until we have had the opinion of the Crown Law Department, because the effect of the amendment may be to alter the whole scheme of the Act.

Progress reported.

## **BILL—DAIRY INDUSTRY ACT AMENDMENT.**

*In Committee.*

Mr. Marshall in the Chair; the Minister for Agriculture in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—New section:

Mr. McLARTY: I move an amendment—

That after the word "depot" in line 5 of paragraph (i) of Subsection (1) of proposed new Section 2A the following words be inserted:—"This section also shall not apply to any dairy produce factory used exclusively for the manufacture of condensed milk."

In my opinion, there is already sufficient supervision over the manufacture of condensed milk. When introducing the Bill, the Minister said that its chief objective was to ensure good quality products. Our condensed milk is of such good quality that I consider the present inspection is all that is required. I have not been asked by the companies engaged in the manufacture of condensed milk to move this amendment, nor have I consulted them with regard to it. I sent a copy of the Bill to the companies.

Mr. J. H. SMITH: The amendment is one of the hottest things I have heard of. The mover seeks to exclude from the operation of the measure factories in his own electorate.

Mr. McLarty: Rubbish!

The CHAIRMAN: Order!

Mr. THORN: I oppose the amendment. As the member for Murray-Wellington said, he has had no request to move the amendment. Therefore, why interfere with the Bill? How can any member of this Committee say that supervision of condensed milk and cheese factories is unnecessary? The Agricultural Department is the best judge of that.

Hon. W. D. JOHNSON: I accept the statement of the member for Murray-Wellington that condensed milk factories are a credit to those managing them; but I cannot support the amendment. If such factories are exempted from the provisions of the Bill, it is an invitation to those controlling them—I do not say they would take advantage of it—to do things which other people associated with the industry would not do. Supervision may become lax and competition may drive the companies to do things which otherwise they would not do. We should not disturb the Bill.

The MINISTER FOR AGRICULTURE: While it is true that one company operating in this State is manufacturing a product of such a high quality that about 50 tons is leaving Western Australia for the Eastern States each week, we must remember that its factory is not the only one that will operate here for all time. It is conceivable that the manufacture of condensed milk will increase considerably, and we must prepare for the regulation and control, not merely of one factory but of other factories that may be established. Although the factory to which reference has been made has reached a high stage of efficiency

in regard to hygiene and attention to sanitation, we must bear in mind that the Department of Agriculture gave material assistance to that company from its inception, and that assistance has enabled it to reach its present high standard.

Mr. HILL: I oppose the amendment but dissociate myself from the insinuation that the member for Murray-Wellington is looking after his own district. I agree that the Act will apply not only to the present factory which is likely to look after its own good name, but to other factories that will be established. The measure provides for the future more than for the present.

Mr. CROSS: I oppose the amendment because supervision of the canning of milk is necessary. I recollect a statement made by the member for Subiaco a few weeks ago. She said, "I absolutely know that at present Eastern States tinned milk is much superior in quality to anything obtainable in Western Australia."

Hon. C. G. Latham: Dried milk.

Mr. CROSS: No; the hon. member said "tinned milk."

Several members interjected.

The CHAIRMAN: Order! Will the hon. member please address the Chair?

Mr. CROSS: I am not permitted to quote from "Hansard" but if members look at page 443, they will discover I am right. If what the hon. member said is true, it is quite certain that there should be inspection of the tinned milk factories in this State to ensure that the quality of our product equals that of the Eastern States product, especially in view of the fact that large quantities of Western Australian tinned milk are being sent to the other States every week.

Amendment put and negatived.

Clause put and passed.

Clauses 4 and 5—agreed to.

Clause 6—New Sections:

The MINISTER FOR AGRICULTURE: I have drafted an amendment to be inserted after the proviso to proposed new Section 11A in order to meet the request of some country members, and particularly those in whose districts big producers of butterfat are situated.

Hon. W. D. Johnson: The amendment should be on the notice paper.

The MINISTER FOR AGRICULTURE: I have copies for distribution to members. I move an amendment—

That after line 21 of the proposed new Section 11A, the following proviso be added:—"Provided also that any person who at the commencement of this section is supplying cream to more than one dairy product factory may continue to supply his cream to any two of such factories."

The member for Nelson raised the point the other night that there are one or two big suppliers in his district—I understood him to say that the income of one was £300 per month—who desire to have the opportunity to send their produce to two factories.

Hon. W. D. JOHNSON: I ask the Minister to report progress at this stage in order to allow us to examine the amendment. I appeal to the House to get away from the slackness that is developing in regard to the absence of amendments from the notice paper. We are not approaching the end of the session. This is not a period when Standing Orders are about to be suspended, and there is no need for us to gallop through measures, as we are doing at the present time. Many amendments have been made, none of which has been on the notice paper. I admit I have not understood those we have discussed. If they had been on the notice paper I would have understood them because I would have gone to those who could advise me. I look upon this amendment as dangerous, but I wish to examine it carefully. It seems to involve a slackening of control. The whole trouble to-day is that there is too much latitude in the carting of cream. The distance over which cream is carried to-day is the whole difficulty. We should not by an amendment of this kind reduce the control that we would have over the factories. It seems to me the Minister is granting more liberal conditions than he intended when the Bill was introduced. I suggest that other members who have amendments should put them on the notice paper so that we may have an opportunity to deal with them efficiently and know exactly what we are doing.

The MINISTER FOR AGRICULTURE: The hon. member is perhaps at a disadvantage in that he was not present when this matter was fully explained and ventilated. The proviso is plain and simply worded. In view of the

position in which some of the larger suppliers find themselves, this would be a means of overcoming the disability they foresee. I can understand the hon. member's desire to confer with others, and I wish to do the right thing by all. There is nothing unfair in the proposal that where such cases now exist, we should give the producers an opportunity to continue.

Hon. W. D. JOHNSON: Why insert an amendment of this kind because representations have been made on behalf of large producers? Why should they get a special amendment in a Bill of this kind? The Minister said the proviso would remove a disability suffered by large producers. Some of them were mentioned by the member for Nelson.

Mr. J. H. Smith: I said where there were two factories in the one town.

Hon. W. D. JOHNSON: That is not the amendment as I understand it. I want time to examine the amendment in relation to other parts of the Bill. The amendment does not mention two factories in the one town.

Mr. J. H. Smith: It applies to producers supplying them at present.

Hon. W. D. JOHNSON: But the amendment provides that any producer may deliver to any two factories, and the reason is to meet the wishes of the large producers. My sympathies are with the small producer, the man who is building up.

The Minister for Agriculture: It will not affect the small producer.

Hon. W. D. JOHNSON: Maybe there are large suppliers to two factories, but that was not the policy of the Government when the Bill was introduced. When amendments of this kind are proposed, we should have time to examine them. If the Minister wishes to be fair, he should report progress.

Amendment put and passed.

Mr. WITHERS: Paragraph (b) deals with transport, and I should like information about prescribed routes. Cream might be passing two established factories. When the routes are being considered, the fact that the cream will pass an established factory should not preclude a producer's patronising a factory in which he is a shareholder. This will apply to a considerable quantity of cream produced in or delivered to Preston Valley, Bunbury, Busselton and Capel. I

feel concerned about the cost of transport to the producer.

Mr. WILLMOTT: Will it be permissible for the trucks that do the collecting to pick up cream in an area for more than one factory and thus reduce the cost of transport? If some of the cream had to be sent out of the area, the truck driver could put it on the train. I should like to be clear on that point.

The MINISTER FOR AGRICULTURE: Paragraph (a) contains authority to define and declare transport routes in relation to specified factories. The Solicitor General to-day advised me that the intention of the paragraph is specifically to cover cases such as those mentioned by the member for Bunbury and, in association with a later paragraph, the point raised by the member for Sussex. The routes will be consistent with economy and existing custom, and generally will be applied in a commonsense way in the interests of the industry. I am assured by the Solicitor General that all the points raised are covered, particularly by paragraph (a), to which I have referred.

Clause, as amended, put and passed.

Clause 7—Amendment of Section 18: Repeal and new section.

Mr. SEWARD: I wish to deal particularly with the question of margarine. I have always wondered why there should be any objection to that commodity being coloured differently from butter. The Government is doing all it can to build up the butter industry, and it is only right that some steps should be taken to prevent confusion between the two commodities. I am aware that under the Health Act margarine must be labelled and marketed as such, but that does not overcome the difficulty. I move an amendment—

That at the end of proposed new Section 18 the following words be added:—“and shall be coloured red.”

The MINISTER FOR AGRICULTURE: This question received the attention of members of this Chamber some two or three years ago. All States agreed at a meeting of the Australian Agricultural Council to prescribe a colour for margarine. Western Australia honoured that agreement, and passed an Act to enable the authorities to prescribe the colour of margarine, and we have that authority today. Section 19 of the principal Act deals with the matter. It is impossible to enforce that authority, for the reason that the other States, where margarine is manu-

factured, have not passed similar legislation, or, if it is passed, have not proclaimed it. I have devoted a lot of attention to this question, and could give the Committee much important information concerning the industry and its relation to the production of butter. We propose at an early date, if we can come to an agreement with the other States, —it is impossible to induce all the States to fall into line with respect to colouration—the prescribe a quota for margarine based on the total production of butter in each State, so as to limit the production of this competitor, which in many instances masquerades as butter. If the amendment were carried, it would not be effective or operative.

Amendment put and negatived.

Clause put and passed.

Progress reported.

## **BILL—STATE FORESTS ACCESS.**

### *Second Reading.*

Debate resumed from the 12th October.

**MR. J. H. SMITH** (Nelson) [10.36]: It is necessary that this Bill should be passed for the development and advancement of the timber industry in the South-West. I am pleased to know that such wonderful activities will be seen in that part of the State, but foresee many difficulties ahead. The Minister for Forests made rather a low estimate when he considered that £1,250 would be sufficient to meet the cost of resumption. I wonder whether the Minister took fencing into consideration. The resumed areas would require to be fenced on both sides, unless the owners agreed to the establishment of cattle pits. When a concessionaire has passed through a private property he has usually made an arrangement with the holders to pay so much per annum for the right of transport to and fro. One case differs from another. The owners of property at Yornup are very concerned about one of Bunning's mills that is operating in the area. Bunning Bros. wish to put a line through, and the owners of the properties want to know how they stand in regard to compensation. I told them there was nothing in the Forests Act to enable the department to act on their behalf, and indicated that special legislation might be necessary. Bunning Bros. now require to go some nine

miles farther west. They may be working there for 40 or 50 years, and a number of resumptions may have to be made. The same thing applies to an area south-east of Manjimup and south-east of Jardee. Compensation will have to be paid in those instances, and if the parties concerned cannot agree upon the amount to be paid, the matter may have to be dealt with by arbitration. In each case the question of fencing will have to be considered, as will also the question of resumption. The fencing may have to be done on both sides of the property; otherwise some arrangement will have to be made for the provision of cattle pits. The compensation should include the cost of improvements and other matters of the kind. If the Bill becomes law, fences will have to be erected in the Yornup district. That work will be handed over to the Public Works Department, which will make all the necessary arrangements. In my opinion the estimate of £1,250 is too low, because it may be necessary to erect at least 20 miles of fencing. The people concerned may prefer that cattle pits shall be laid down so that they may use their pastoral land along the gullies for grazing purposes. However, I raise no objection whatever to the passing of the Bill. Its aim, to carry on the development of the South-West, represents a good move.

Question put and passed.

Bill read a second time.

### *In Committee.*

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

*House adjourned at 10.43 p.m.*