

to impose an additional tax on them now. In other respects the tax will apply much the same as under the present Income Tax Act. We are trying to make provision for those receiving a definite income to pay in advance. As I said, they will receive a discount of 5 per cent., and the prompt payment will enable us to put work in hand earlier than would otherwise be the case.

Mr. James Gardiner: Five per cent. discount should be a good scheme.

The PREMIER: It will be only 5 per cent. on the amount paid. In the circumstances I think the House will admit that the measure is fair and equitable, as regards the impost on both incomes and entertainments. In view of the conditions now prevailing it is necessary to obtain further funds and we shall be able to devote them to useful works, a schedule of which will be introduced at a later stage for the information of hon. members.

Hon. Frank Wilson: How much do you expect to raise by this tax?

The PREMIER: I estimate that it will yield from £150,000 to £200,000 in the 12 months. I move—

That the Bill be now read a second time.

On motion by Hon. Frank Wilson debate adjourned.

House adjourned at 6.16 p.m.

Legislative Assembly,

Wednesday, 24th February, 1915.

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

LEAVE OF ABSENCE.

On motions by Mr. MALE, leave of absence for two weeks granted to Mr. Nairn on the ground of urgent private business, and to Mr. S. Stubbs on the ground of ill health.

QUESTION — UNEMPLOYED AND PUBLIC WORKS.

Hon. J. D. CONNOLLY asked the Honorary Minister (Hon. R. H. Underwood): 1, Is he aware that during the present month about 40 of the unemployed, who were sent at the State's expense to work on the construction of the Brookton-Kunjin railway, after working a few days, gave it up and returned to Perth? 2, Is it a fact that since the beginning of the year about double this number have acted in a similar way on this work alone? 3, If so, what was the cause of these men refusing to continue in this employment? 4, Is he aware that there is still room for a number of men on this work, and this shortage of labour is likely to delay the Public Works Department several months in handing this railway over to the Working Railways? 5, Are all these unemployed referred to, action with regard to those unemployed, list receiving Government assistance. 6, Are the Government taking any special action with regard to these unemployed, who have refused to remain at work in different parts of the country when sent there at the State's expense?

The HONORARY MINISTER replied: 1, No. One man was advanced a fare to Brookton during February. 2, Since the beginning of the year to date five men have been advanced fares by the Labour Bureau to work on the Brookton-Kunjin railway. The cost of two of these fares has since been collected. 3, See 1 and 2. 4, The Public Works Department has not requisitioned the Labour Bureau for men. 5, The five men who were advanced fares are not receiving Government assistance. 6, When the Labour Bureau advances men fares, and they fail to proceed to work as directed, and try to evade their indebtedness, the Commissioner of Police is asked to endeavour to locate them, and to collect the amount due, and he is very often successful.

QUESTION—QUARRIES, FREIGHTS AND DISTANCES.

Mr. ALLEN asked the Minister for Works: 1, What is the mileage from Perth to the following quarries:—Greenmount, Boya (Government), Darling Range, Parkerville (Perth council)? 2, What rate per ton of freight is paid by each quarry? 3, Are these respective rates paid by each quarry in conformity with the present rates charged by the Commissioner of Railways in the present Railway Rates Book?

The MINISTER FOR WORKS replied: 1 and 2, All this information is supplied in the Government Railway Rate Book. 3, Yes.

QUESTION — ESPERANCE JETTY, LEASE.

Mr. GREEN asked the Premier: 1, Who is the present lessee of the Esperance Jetty, and when does the lease expire? 2, Have tenders been called for the renewal of this lease? 3, In view of the authorisation of the Esperance railway, would it not be better to keep this jetty under State control? 4, If the Harbour Department cannot manage the jetty, could not the manager of the State

steamship service control it in connection with the south coast service? 5, What rental has the Government received for this jetty for the past year? 6, What fees have been paid by the State steamships in connection with this jetty during the past year?

The PREMIER replied: 1 to 6, These matters have been under consideration by the Government on representations made by the members for the Province and the member for the district.

QUESTION — STATE STEAMSHIP SERVICE, AUDITOR GENERAL'S REPORT.

Mr. FOLEY asked the Premier: 1, On what date did the Colonial Secretary supply Mr. Wilson with a copy of the Auditor General's report on State steamships service balance sheets? 2, Did Mr. Wilson return the said copy supplied by the Colonial Secretary, and, if so, when?

The PREMIER replied: 1, On or about the 9th January last. 2, Yes, within a day or two.

QUESTIONS (2)—FARMERS' ASSISTANCE BOARD.

Assistance to Settlers.

Mr. E. B. JOHNSTON asked the Minister for Lands: 1, Is the Farmers' Assistance Board refusing to grant assistance to those settlers who need it at Darkan and other districts west of the Great Southern Railway? 2, Is the board aware that many settlers in the districts mentioned had a failure of crops last year owing to the bad season, and that they are eligible for assistance under the Industries Assistance Act? 3, Is the Government aware that many settlers who selected land in certain areas west of the Great Southern Railway will be unable to crop the prepared land on their holdings this year, unless they receive some assistance to do so? 4, If so, why is assistance being refused without proper inquiry? 5, Is the board refusing many of these applications without first obtaining an official report on the settlers'

position? 6, As these settlers are faced with ruin, owing to the arbitrary refusals of the board to consider their applications for assistance, will he instruct the board to obtain a report from the District Inspector, and consider each application on its merits in future?

The MINISTER FOR LANDS replied: 1, Yes. If such settlers have not suffered from drought or other adverse conditions. 2, No. 3, No. 4, Answered by No. 3. 5, The board does not refuse any application without obtaining an official report, if they consider the case warrants it. 6, The board have not arbitrarily refused to consider any application for assistance.

Supply of Stores.

Mr. E. B. JOHNSTON asked the Minister for Lands: 1. Is it a fact that the Farmers' Assistance Board has granted £1 worth of stores per month to a settler with a wife and a very large family? 2, Does the board consider this an adequate sum to support at least eight persons who have no other means of subsistence? 3, If not, why has the board refused to increase the allowance? 4, What are the salaries paid to the members of the board?

The MINISTER FOR LANDS replied: 1, Yes, at settler's own request. 2, No. 3, The board advanced the amount applied for.

PAPERS—GOLD MINING LEASES, RENEWAL.

Debate resumed from the 13th January on the motion of Hon. J. D. Connolly, "That all papers in connection with the renewal of gold mining leases, which have already been renewed, be laid on the Table of the House."

The MINISTER FOR MINES (Hon. P. Collier—Boulder) [4.40]: I have no objection to the production of the papers desired by the hon. member for Perth, but before the motion is carried I want to offer a few remarks concerning the comments made by the hon. member when he submitted the motion. In doing so, I

might claim the indulgence of the House in that it is the first occasion in the history of the Labour party of this State that either a Labour Minister, or even the Labour Government, has had to defend an attack of this character, an attack of being over-generous to the much maligned fat man. Hitherto all our energies have been directed towards defending statements, or the attitude which might be summed up in the immortal phrase of one of my colleagues, of ever bleeding the fat man. On this occasion we are charged with being over-generous to him. It is a hard thing for a Labour Minister to please his opponents, and one could never have expected that a charge of this nature would have been made by a member sitting on the opposite side of the House, least of all by the member for Perth. What is the nature of the hon. member's complaint? It is that the Government have granted a renewal of our gold mining leases without imposing some special or additional impost for that renewal. First of all, let me explain, as was explained by the hon. member who introduced the motion, that our gold mining leases had a currency of 21 years. The owners were entitled to a renewal, subject to the Mining Act and regulations existing at the expiration of the leases. Most of our leases on the Golden Mile, and in other parts of the State as well, have expired during the past two or three years, that is to say, the 21 years of occupation has come to an end. The member for Perth contends that the Government were wrong in granting a renewal of these leases without exacting some charge by way of royalty, or by some other means extracting a sum of money from these people. The Government agreed to the renewal on the existing terms. I can see no reason why the owners of our mining leases, or those who have invested their money in mining property in this State, should be singled out for a special form of taxation over and above those who have chosen to invest their money in other avenues in the State. If an investor puts his capital into any other business or industry he is only subject to the taxation

which applies to any other citizen, but in this case the member for Perth contends that those who have invested their money in the mines of our State should not only pay all the ordinary taxation which is levied upon every other citizen, but that they should also pay an additional amount by way of royalty, or some other charge for the right of having their leases renewed. In that contention the Government do not agree with the hon. member. The mining leases pay, per medium of the dividend tax, just the same as other companies operating in the State. They pay other forms of taxation that the ordinary citizen is subject to, and I see no reason why, because there are one or two, and not more, very rich mines in the State, paying large dividends annually, that the whole industry should be singled out for a special impost in the direction desired by the hon. member.

Hon. J. D. Connolly: I said only the dividend paying mines.

The MINISTER FOR MINES: The proposal of the late Government was that for the right of renewal the companies should be subject to the payment of a royalty on the profits, amounting to 2½ per cent. Even the hon. member says that only the dividend paying mines should be singled out, but why should a mining company, which say is deriving only £1,000 a year from its operations, be called upon to pay taxation over and above that paid by any other section of the community, although that section may be drawing larger profits than £1,000 a year. The proposal of the late Government was that there should be a royalty commencing at one half per cent., and ranging up to 2½ per cent. An impost of that kind would be manifestly unfair. If it is contended that by reason of the fact that these people have got something exceptionally valuable from the State, and if the country believes they should pay some additional taxation, the proper method to follow would be to collect it through the income tax or the dividend duties, as the case may be.

Hon. J. D. Connolly: They are tenants of the Crown.

The MINISTER FOR MINES: What has that to do with it?

Hon. J. D. Connolly: What about your party's principle of perpetual lease of the land?

The MINISTER FOR MINES: That has no relation whatever to the question.

Hon. J. D. Connolly: What about the reappraisal after 15 years?

The MINISTER FOR MINES: It does not come into this question. The hon. member would say that for 21 years mines like the Great Boulder should go on paying handsome dividends, but that at the expiration of that term, to secure a renewal of the lease they must agree to extra taxation, notwithstanding the fact that by the time they arrive at that stage their profits may have been largely diminished. Take a few instances showing how it would operate: The Great Fingal Company has paid in dividends £1,746,875, or an average per year of £83,184 for the 21 years ending 1913. The hon. member would say it was perfectly right that they should pay only the ordinary forms of taxation until 1913, but that from that date onward they should commence to pay a royalty in addition. Up to 1913 the company's dividends averaged £83,184 per annum, but in 1913 the dividend paid was only £12,500. Thus the hon. member says that in its decline, when the mine has become practically exhausted, it should shoulder an additional burden.

Hon. J. D. Connolly: Only in proportion to the dividend paid.

The MINISTER FOR MINES: But why saddle a mine with extra taxation in its declining days, when it has been allowed to escape with the payment of ordinary forms of taxation all through its prosperous years?

Hon. J. D. Connolly: Because the shareholders have drawn nearly two millions in dividends.

The MINISTER FOR MINES: The time to exact that extra taxation was when the mine was paying those big dividends, and not when it has reached its decline.

Hon. J. Mitchell: How do you know it will not pay big dividends again?

The MINISTER FOR MINES: We do not know. It has nothing to do with the question. If the mine again pays big dividends, and Parliament believes that in consequence the mine should contribute something extra to the consolidated revenue, the proper method to follow will be through the operation of the Dividend Duties Act; all mines will then contribute on an equal basis. Some mines that have been in existence only a few years are paying enormous dividends, and contributing only through the ordinary forms of taxation; others whose leases have been running for 21 years, and which have practically reached their decline, would be called upon to pay the additional contribution proposed by the hon. member. The Associated Northern has paid £703,000 in dividends, or an average of £33,000 a year. During all these years they have paid only the ordinary taxation, but now, when the annual dividend has fallen to £12,384, the mine is to be singled out for extra taxation.

Hon. J. D. Connolly: It would be only following what other countries have done.

The MINISTER FOR MINES: There are only two instances in Australia, namely, Broken Hill, in New South Wales and the Wallaroo mines in South Australia. In these two instances a lump sum was exacted for renewal of the leases, but in New South Wales, Victoria, Tasmania, and Queensland, the leases are entitled to renewal without special imposts. Compare the position of mines whose leases have been running for 21 years, and which have paid comparatively small sums in dividends, with some of the rich mines which have only recently come into existence. In 1914 the Bullfinch paid £41,000 in dividends, yet this mine would be exempt from the hon. member's proposal.

Hon. J. D. Connolly: The Great Boulder and the Fingal paid even bigger dividends in their earlier years.

The MINISTER FOR MINES: That was the time when the hon. member, being then in power, should have increased the taxation.

Hon. J. D. Connolly: We did not do it, because we would not interfere with existing contracts.

The MINISTER FOR MINES: It was not a question of interfering with existing contracts. The hon. member could have amended the Dividend Duties Act.

Hon. J. D. Connolly: That would have applied to all companies.

The MINISTER FOR MINES: Not necessarily. The effect of this proposal would be to single out for special taxation those who invest their money in mining properties as against those who invest in other industries.

Hon. J. D. Connolly: No. The idea is to provide a special impost for the renewal of the leases—which belong to the Crown.

The MINISTER FOR MINES: I am showing how inequitably it would work out. Take the case of the Gwalia Consolidated at Menzies. That company has been in existence for 21 years. The capital subscribed is £225,000. During the whole of the 21 years the shareholders did not draw one shilling by way of dividends; but for the half year ended December last the first dividend of £5,000 was paid. The hon. member would come along to those who have stood out of any return for their money for 21 years, and require them to pay this additional tax by way of royalty on the score of that £5,000 dividend.

Hon. J. D. Connolly: That is a very exceptional case.

The MINISTER FOR MINES: Not at all. It applies to all of them; because the amount paid in dividends is much less to-day than it has been for years past. Here we have a striking instance of how unjustly the hon. member's proposal would work. The same thing applies to the Edna May. Here is a company with a comparatively small capital, beginning to pay large dividends from the very inception. It has been in existence only some three years, yet in 1913 it paid £4,000 in dividends, and in 1914 £68,000. That company may go on paying similar dividends for the next 21 years, notwithstanding which it would

pay nothing extra under the hon. member's proposal.

Hon. J. D. Connolly: They have to get back all their capital yet.

The MINISTER FOR MINES: They have got back more than their capital already.

Hon. J. D. Connolly: That is one case in a thousand.

The MINISTER FOR MINES: In this case the shareholders would not have to pay the proposed special tax, yet the shareholders of the Gwalia Consolidated at Menzies who have stood out of their money for 21 years, would have to pay the proposed special tax, merely because they enjoyed a £7,000 dividend last year. In the face of this will the hon. member contend that his proposal is in any sense equitable? Quite a number of long established mines have only reached the dividend paying stage within a few years of the expiration of their leases, while others, like the Edna May, pay big dividends from the jump.

Hon. J. D. Connolly: I suppose that, with the exception of the Menzies Consolidated, every one of our mines became dividend-paying within the first five years?

Mr. Foley: No, not within the first ten years.

The MINISTER FOR MINES: We have a similar position at Meekatharra, one of our richest districts outside of Kalgoorlie and Boulder. The fortunate owners of those mines have been receiving large sums in dividends every year for some years past. They have something like eight or ten years of their leases to run. They will go on receiving those dividends without being called upon to pay this special taxation, while others, showing only very small profits, would be called upon to pay it. In 1903, over £2,000,000 was paid in dividends by gold mining companies in this State. Since that time the sum has fallen to a little over £900,000. Yet it is at this stage when the dividends have fallen by nearly one half, at a time when mining can least bear any additional burden,

the hon. member says the Government should impose extra taxation upon the companies. During the passage of the Mines Regulation Bill through the House the burden of the complaint of the leader of the Opposition on every clause was that the industry could not bear any additional burden.

Hon. J. D. Connolly: You are speaking of the industry; I referred only to dividend paying mines.

The MINISTER FOR MINES: The industry is made up of dividend paying mines, and after all there is only one mine in the State at present paying anything like large dividends, and that is the Great Boulder. The hon. member must not judge the capacity of the industry to bear additional taxation by the prosperity of the Great Boulder mine.

Hon. J. D. Connolly: I did not propose to place any burden on the industry, but on the dividend paying mines, which is a very different matter.

The MINISTER FOR MINES: When the Mines Regulation Bill was being considered, members of the Opposition were very loud in their complaints about placing any additional burden on dividend paying mines. The hon. member now says they are well able to bear it. It was a different tale when the member for Perth opposed the Bill in another place.

Hon. J. D. Connolly: I spoke on behalf of the small mines.

The MINISTER FOR MINES: The hon. member did push forward the question of the small mines, but that was not the question he was considering.

Mr. Foley: The Bill did not affect the small mines.

The MINISTER FOR MINES: No, and no opposition to the Bill was offered by the owners of the small mines. The opposition came from the wealthy mine owners and mostly from the centre of the Golden Mile.

Mr. Foley: Mostly from the Chamber of Mines.

The MINISTER FOR MINES: And it was the opinion of those gentlemen which the hon. member voiced at that time. At least one member of Cabinet, at the time this matter was under con-

sideration, was opposed to the imposition of this royalty, and the files show that he stated if it was desired to obtain any additional revenue from the mines of the State, it should be done by means of the Dividend Duties Act and not by these means. Evidently he was overruled, because Cabinet decided otherwise. Another point made by the hon. member was that the companies themselves were perfectly willing to pay something for the renewal of these leases, and he stated in effect that the Government had granted the renewal of these leases for nothing to people who were perfectly willing to pay for them. The papers do not bear the hon. member out in that contention, because the Chamber of Mines, who it may be taken, speak authoritatively for the industry, were emphatically opposed to any form of taxation whatever being levied upon them in connection with the renewal of the leases. The hon. member during his recent election campaign made some use of this statement at a meeting held in Perth—

Mr. Gregory, who was then Minister for Mines, suggested that the leaseholders could renew before the full term was up by paying a lump sum or by paying a sliding royalty on the dividends they might disburse. This it was estimated would yield to the Government in return for the concession over £20,000 per annum.

That is nearly double the amount it would have yielded.

Mr. Taylor: That is near enough for electioneering purposes.

Hon. J. D. Connolly: That is the calculation made by the Mines Department at the time.

The MINISTER FOR MINES: The hon. member added—

The Chamber of Mines, on behalf of the companies, were willing to pay either a substantial lump sum or a royalty, but they got from the Labour Government for nothing something for which they were prepared to pay the Liberal Government about £20,000 a year. It was a recommendation of Mr. Gregory's that money derived from this source should go into a fund for the

benefit of disabled miners; yet the Labour Government, who were never tired of claiming a monopoly of humanitarianism in these matters, renewed the leases without asking for the *quid pro quo* which the companies were willing to give.

There are two definite statements—firstly that the companies were perfectly willing to pay the Liberal Government a lump sum, and secondly, that Mr. Gregory proposed to devote the money for the benefit of disabled miners. Both statements are absolutely incorrect. The hon. member repeated both statements when submitting his motion to the House, and I think I shall be able to show from the files that there is no foundation for either statement. I have a report of a deputation which waited upon the then Premier (Sir Newton Moore) and Mr. Gregory on the 29th August, 1910. The deputation consisted of Mr. Hamilton, chairman of the Chamber of Mines, and Messrs. Black, Nicholson, Nicholas, Sutberland and Maughan (general secretary). The deputation asked for a renewal of these leases, and desired to find out exactly on what terms the renewal would be granted. Mr. Hamilton, in introducing the deputation, said—

Some time ago the matter of renewal of leases was brought up at the Chamber of Mines. After thrashing the matter out the Chamber came to the conclusion that it was not necessary to get a renewal at the present time; but after some time had elapsed some of the companies desired to have a renewal, and we have received letters which render it imperative to reconsider the question. Now we have come to see how you view the matter, and if you view it favourably to ascertain on what conditions the renewal could be made. We have a hazy notion that there is a possibility of an extra tax being put on for the privilege of this renewal. We do not think that under the circumstances extra taxation is justified. (The Premier: "Was not that suggested by some of the mining companies?") We are not responsible for the suggestions made by people outside

of the Chamber. We are here as representatives of the Chamber of Mines and the suggestion came from outside. When you consider that these mines, represented by the gentlemen here, have already paid three-quarters of a million sterling in direct taxation and that to-day the expenses of mining are much greater, seeing that we have exhausted the surplus ores and that we have to find ores at greater depth—in some of the mines it is getting very great and all this adds to the expense of mining—we think it is good policy on the part of the State to give all the reasonable inducements which the State possibly can to keep these mines going.

That was the first definite statement on the part of Mr. Hamilton that they were opposed to any taxation.

Hon. Frank Wilson: Are you going to lay the papers on the Table?

The MINISTER FOR MINES: Yes; that is on the file for which the hon. member has asked. Further on Mr. Hamilton stated—

As so much has to be done it would be wise if Parliament granted a renewal of the leases before the expiration of the present ones, and we do not think it would be good policy to penalise those mines which wish for a renewal. It would mean keeping your railways, waterworks, and posts and telegraphs going. We bring a lot of material into the State—more than any other industry—and that material pays a very heavy duty. We pay on an average £4 a week, which enables many of the miners to save money and to go on the land. When you take all these points into consideration, I think you should come to the conclusion that these renewals should be granted without any further impost on the profits or the dividends.

That is definite enough.

Hon. J. Mitchell: He would naturally say that.

The MINISTER FOR MINES: Naturally, but I am combating the statement made by the hon. member that the Chamber of Mines were perfectly willing to

pay this taxation. I am showing from the remarks of the members of the Chamber of Mines that the statement is incorrect. Mr. Hamilton continued—

We pay on the Golden Mile £100,000 per month in wages to those working on the mines and others connected with mining in the district.

Further on Mr. Hamilton stated—

If you accede to our request and put before Parliament the justness of granting an extension of these leases without further taxation, you may be able to use the arguments which I have brought forward on behalf of the Chamber in opposing the lines of the Opposition.

It was feared by the Chamber of Mines that the then Opposition would seek to impose some additional taxation, and Mr. Hamilton was furnishing the then Premier and the Minister for Mines with arguments to submit to the House against any such taxation. He also stated—

We think that the mines are taxed quite heavily enough. If we were in some countries we could mine for three-quarters of what we do now, but we would not pay £4 a week to those engaged in the mines. It is a very important point if we can keep the mines going; there is not much chance of a reduction and we hope to keep the place going. We wish to treat a lower grade of ore than we are doing at present. The men in charge are doing their best by the adoption of newer machinery and more automatic processes to reduce the cost, but we have not much hope of getting a reduction for wages, wood or water, and we do not want you to place any further burden on us if you can help it.

Further on he stated—

If you wish these mines to go ahead with prospecting work I think it would be good policy on your part to advocate liberality, seeing that so many are going to benefit by it. There are other mines in the same position as ourselves. They are getting down and will have to do a lot of prospecting work. My colleagues here will have something to say during the interview, but these are

the main facts we wish to place before you.

Mr. Black, another prominent member of the Chamber of Mines, stated—

You stated in your speech at Meekatharra the importance of the mining industry to the State. You said the Government had done a great deal of mining, and we perfectly agree with you and appreciate what has been done. You went on to say that the Government could not do everything and hoped that private enterprise would come along and would do its part. During the last year or two there has been rather a cessation of private enterprise and I think it is due to the want of stability of tenure to a very great extent. (The Premier: "I think industrial troubles have something to do with it.") You cannot expect to encourage those interested by the imposition of new burdens. They will certainly check it to some extent and the position of the industry does not warrant any Government adding to the burden.

That is a pretty definite statement in view of the hon. member's assertion. In fact, one would gather from the hon. member's remarks that the Chamber of Mines were anxious to unload a certain amount of cash on the Government for the right of renewal.

Hon. Frank Wilson: They were anxious to get a renewal of their leases.

The MINISTER FOR MINES: Naturally but could they have protested in more emphatic language against any additional taxation? The hon. member made it appear to the country that we had deliberately refused to accept a lump sum of money from this body. Mr. Black added—

If you will study the monthly and yearly returns of the leading mines you will find that two features stand out—an increase in cost in winning the ore and a decrease in the value of the ore. We have very little hope of decreasing the cost of winning gold. In view of the lowering of the average grade of ore and with further burdens we must

look around to see whether further savings can be made. . . Any additional taxation that the Government could levy would not amount to a very great deal. Personally I am entirely opposed to this application for a renewal at all as I am perfectly satisfied to wait until the expiration of the leases.

The companies were asking for a renewal of their leases some three or four years before the time for their expiration, and Mr. Black said he was willing to wait until the expiration and take his chance.

Hon. Frank Wilson: The others were not; they raised the question.

The MINISTER FOR MINES: It was necessary that they should know because in the big mines they wanted to keep developmental work well ahead and to know what the future was likely to be. It was reasonable for them to inquire three or four years before the expiration of their leases what the position would be. In another portion of the report I have quoted, the Premier asked—

What effect has the uncertainty of renewal on the development work ahead? I understood that one of the principal reasons for arriving at some decision a few years ahead was to cover your policy of development work.

To this Mr. Black replied—

I can only speak for one individual mine. If we were advised that at the end of our present lease additional taxation would be levied it would be a question of policy for that mine to tear out now whatever profits it could and after that to leave a low grade mine which would entail the expenditure of a large amount of money to locate fresh ore bodies. We spend £30,000 a year to keep our reserves in a fairly solid position. These rich mines, as they are called, it is stated should pay heavy taxation. If it were not for the few rich mines there would be very little mining in the country. It is quite an unsound policy to lose sight of these rich mines and the public lose sight of the enormous amount of money men have lost in other mines.

The other members of the deputation also took the same objection that was taken by Mr. Hamilton and Mr. Black.

Hon. J. D. Connolly: You would scarcely have expected anything else at a public deputation.

The MINISTER FOR MINES: But this was not a public deputation. It was a deputation of which the public knew nothing at the time, and of which not a line appeared in the Press. The public were not aware of the very important fact that the Chamber of Mines were waiting on members of the Government for a renewal of these leases. It was not only not a public deputation but a private one, but the notes of the deputation were sent to the Chamber of Mines for revision, alteration or amendment, and subsequently returned by the Secretary of the Chamber of Mines to the then Minister for Mines with the necessary alterations made.

Mr. Foley: They did the same with the Mines Regulation Bill.

The MINISTER FOR MINES: This was all going on behind the backs of the public. There were two deputations in all, but the public had no inkling whatever as to what the Chamber of Mines were desiring, or as to what was contemplated to be done. So much, therefore, for the hon. member's statement about this being a public deputation. I have no doubt that a lot more was said at the deputation than appeared in the notes, after they had been sub-edited both by the Minister concerned and the Chamber of Mines.

Mr. Foley: They were all after the fee simple of the ground, but there is no mention of that here.

The MINISTER FOR MINES: As a matter of fact there is a paragraph in this report which goes to show that many other matters were discussed as well as this particular matter. One was the tenure or the freehold of the leases, and the Minister then had a printed draft copy of the Bill submitted to the Chamber of Mines for their comments.

Hon. J. D. Connolly: What Bill?

The MINISTER FOR MINES: The proposed amendment to the Mining Act.

There is a printed copy of it on the files and it has been there for some years. The hon. member's Government, however, did not dare to introduce it. They desired to hand over practically the freehold or something equivalent to these people, but were afraid to introduce it. And yet the hon. member now comes along and complains of our over-generous attitude to these people, to whom his Government were perfectly willing to hand over the freehold if they thought there was any possibility of their being able to get this through.

Hon. J. D. Connolly: That is not right.

The MINISTER FOR MINES: It is right.

Hon. J. Mitchell: You know it is not right. You did the work and gave them the renewals.

Mr. Holman: They called it security of tenure.

The MINISTER FOR MINES: Yes.

Hon. J. D. Connolly: You have given them security of tenure for another 21 years.

The MINISTER FOR MINES: Certainly; they were entitled to it. One can hardly believe the evidence of one's senses when one hears protests coming from the other side of the House in regard to this matter. I can hardly understand the leader of the Opposition (Hon. Frank Wilson) and the hon. member for Perth (Hon. J. D. Connolly) protesting against our being over-generous to these mine owners. Mr. Black went on to say—

Since the imposition of the dividend duty in 1903 the mines were paying on two millions; in 1914, two millions; in 1907, one million seven hundred thousand; in 1908, one million four hundred thousand; and 1909, one million three hundred thousand, and this year so much less. During those prosperous years the Government had power to levy additional taxation on those mines. At the expiration of the leases we get our 21 years' renewal, and a few years ago dividends were nearly double what they are to-day. Mr. Black pointed out that these prosperous days, when they were paying

nearly two millions in dividends, furnished an opportunity for the Government to get additional revenue if they so desired.

Hon. J. Mitchell: They had the leases for 21 years.

The MINISTER FOR MINES: The hon. member thought that those who invested their money in mining propositions should be singled out.

Hon. Frank Wilson: It is marvellous how you adopt these arguments.

The MINISTER FOR MINES: Because it suits the occasion, and because the hon. member's argument is to my mind unanswerable. This country and this House would not be justified in loading up taxation on the industry in its declining days which it did not impose in its prosperous days.

Hon. Frank Wilson: You did not listen to the arguments with regard to the Mines Regulations Act.

The MINISTER FOR MINES: Because of Mr. Black's argument on this particular case, it is no reason why I should adopt his opinions in regard to all matters affecting mines.

Mr. Foley: I should like to have Mr. Black's true opinion on the Mines Regulation Act.

The MINISTER FOR MINES: In reply to the statement of Mr. Black, the then Premier said—

We have always to take into consideration the necessities of the Treasury. Take for instance the land tax coming in and the financial position of the Commonwealth.

Mr. Hamilton then said—

There is another reason and that is, judging by the Federal elections, there may be a different party in power later on when it would not be advisable to approach that party.

He was a very bad judge.

Hon. J. D. Connolly: He certainly was.

The MINISTER FOR MINES: Mr. Hamilton continued—

If we do not get a renewal there is a danger at the end of the term, that a party will be in power who might

think nationalisation is better than a renewal of the lease.

Then Sir Newton Moore expressed himself as being very strongly opposed to any nationalisation of our gold mines.

Mr. Foley: No wonder the Labour men got turned out on the goldfields.

Hon. J. Mitchell: They ought to be turned out for this.

Hon. Frank Wilson: What did he say about the proposal to pay for a renewal of the leases?

The MINISTER FOR MINES: Sir Newton Moore was non-committal, and said that it was a matter for his colleague, the Minister for Mines, and that later on the matter would be gone carefully into. In fact, he gave the usual stereotyped reply that the matter would receive consideration.

Hon. J. D. Connolly: Read the minute of the Minister for Mines to Cabinet.

The MINISTER FOR MINES: I am not denying what the intentions of the Minister for Mines or the then Government were according to the file. They did propose to charge a royalty, on the recommendation of the then Mines for Mines. The Minister for Mines spoke after the Premier, and he said—

What you want to consider and advise us about in the event of coming to any conclusion regarding this matter is whether you are ready to decide about the other portions of the Bill. This deputation was evidently discussing an amendment to the Mining Act.

Hon. J. D. Connolly: They had been amending the Mining Act to do this.

The MINISTER FOR MINES: All that was required was an amendment of one clause. There were very comprehensive amendments proposed.

Mr. Heitmann: Which practically included the fee simple.

The MINISTER FOR MINES: The Minister for Mines continued—

I have placed before the Premier what has been done in many of the other States, and my opinion is that when the Treasurer finds himself in a hole and he considers it necessary, we ought to increase the dividend duty,

and that means we tell the mining industry we expect them to give us more money and to give us greater assistance. If that was not approved by Cabinet (and we have of course to consider the Treasury in dealing with matters of that sort) there is the question of whether we should charge royalty, though I am afraid a small royalty on the value of minerals won would be rather a heavy impost on those mines not making any profit. The Minister for Mines (Mr. Gregory) wrote a marginal note opposite the paragraph to this effect—

I gave the deputation my views fully, which are very much distorted here. I said that I did not favour any imposition upon the renewal of a lease but that the Treasurer should have the power to increase the rate fixed by the Dividend Duties Act as occasion might warrant.

Mr. Heitmann: What does the hon. member say to that?

The MINISTER FOR MINES: That was the opinion of Mr. Gregory at that time, but later on he made a different recommendation. I think I have conclusive proof from that file that the hon. member was incorrect in his statement that the mine owners and the Chamber of Mines were perfectly willing to pay. There can be no question about that from the evidence disclosed in these notes. There is a further proof in the letter from the secretary of that body, dated 1st December, 1909, addressed to the then Minister for Mines, as follows:

Adverting to your meeting with the representative of the executive council of the Chamber held in this office on the 14th ultimo. I am directed to inform you that the council have now given careful consideration to the matters then under discussion and have decided that as far as renewals of leases are concerned, the Government should amend the Act so as to give the Minister power to renew any lease within five years of its expiration. They are, however, unable to agree with your view that the consideration for such

renewal should be a royalty on dividends or profits, and if the Government cannot see their way to waive that condition, the Chamber would not desire you to proceed any further with the proposed legislation. With regard to the suggested transfer of the Labour covenants from the regulations under the Mining Act to the principal Act, the council are distinctly favourable to such a course, but they are of the opinion that it is inexpedient to bring the proposal before Parliament at the present time.

That conclusively proves that the hon. member was wrong in saying that the Chamber of Mines were perfectly willing to agree to this proposal. The other point was that it was proposed to devote the money so raised to the welfare, or relief, of disabled miners. I do not know what may have been in the minds of the Government at the time, but there is certainly not one line or word on the files indicating that it was proposed to do it. There is much on the file, however which goes to prove that the extra money was wanted in order, as Mr. Gregory says, to help the Treasurer out of a hole.

Mr. Munsie: For eight years they refused all requests from the Miners' Association, even a request to build a new sanatorium or to make inquiries in regard to one.

Hon. J. D. Connolly: That is all the more reason why they should have paid something for the renewals.

Mr. Munsie: The Government refused.

Mr. Foley: That is a deathbed repentance on behalf of the Liberals.

The MINISTER FOR MINES: I have here a copy of an interview that the *Sunday Times* had with Mr. Gregory only recently, in which the burden of his complaint is that the present Federal Government propose to make these mining leases pay a land tax. He says, in reply to the interviewer—

I hardly like to discuss the subject now in face of the action of the Federal Government in imposing a tax on leaseholds, in addition to heavy and prohibitive duties on mining require-

ments, a policy which must tend to restrict the development of the industry.

Immediately some other Government propose to place additional taxation on the industry, Mr. Gregory complains.

Hon. Frank Wilson: Of course.

The MINISTER FOR MINES: He does not complain from the point of view that the tax is being paid to the Federal authorities as against the State, but on the ground that the industry cannot bear the additional burden.

Hon. J. D. Connolly: Not a double burden.

The MINISTER FOR MINES: They have not got any other burden at the present time.

Hon. J. D. Connolly. He meant he was not in favour of a State tax now on account of the burden the Federal Government were putting on.

The MINISTER FOR MINES: Yes; we have heard about the question of the burden so long; and every time an effort has been made to improve the conditions of the men working in our mines by methods involving the companies in some little additional expenditure the hon. member and those associated with him have been loud in their complaints against the proposal. I ask the hon. member, would he have made this change during the time he sat in another place as a representative of the goldfields? It is a most singular thing that the hon. member has awakened to the necessity for imposing these additional burdens on the mining industry, only since he has become politically separated from the goldfields.

Hon. J. D. Connolly: I have always advocated an impost for renewal.

The MINISTER FOR MINES: The hon. member may have held that opinion, but certainly he has never publicly proclaimed it. I have no recollection of ever hearing of, or reading, any utterance of the hon. member to that effect, anywhere.

Hon. J. D. Connolly: I did not control the Mines Department, and I was not likely to make a public statement on that point; at all events, not while I was a Minister.

Mr. Foley: You were asked a question on that point in Broad Arrow the last time you were elected. How did you answer that question, that night, on the tenure of leases? Do you remember?

Hon. J. D. Connolly: No; I do not remember. I shall be glad to be reminded of it.

The MINISTER FOR MINES: Perhaps, after all, the best reply to the member for Perth comes from a source to which one would not have dreamt of looking for it prior to the submission of this motion; and that source is the *Monthly Journal of the Chamber of Mines*, Western Australia.

Hon. J. D. Connolly: You rather favour their arguments latterly, do you not?

Hon. Frank Wilson: The Minister represents the Chamber of Mines now.

The MINISTER FOR MINES: No one has ever heard me say other than that the Chamber of Mines is a body composed of very capable and honourable men. No one has ever heard me say anything conflicting with that.

Hon. Frank Wilson: No; but, by Jove! you have attacked them, all right.

The Attorney General: When they were wrong.

The MINISTER FOR MINES: I have never attacked the members of the Chamber of Mines in any personal sense. No doubt I have pointed out the necessity for improved conditions in Western Australian mines.

Hon. J. D. Connolly: Those arguments which you are quoting are not personal arguments, but the arguments of the representatives of the mining industry.

The MINISTER FOR MINES: They are perfectly sound arguments, and that is why I am quoting them. I agree with them, and it is an astonishing thing to find the member for Perth disagreeing with them.

Hon. J. D. Connolly: It is just as astonishing that you should agree with them.

The MINISTER FOR MINES: Not so much.

Hon. J. D. Connolly: Yes.

The MINISTER FOR MINES: Shall I read a speech of the hon. member, de-

livered in another place, on the Mines Regulation Bill?

Hon. J. D. Connolly: That is a distinct and separate question from the present question.

The MINISTER FOR MINES: Perhaps I may read the speech of the leader of the Opposition.

Hon. Frank Wilson: A very good speech.

The MINISTER FOR MINES: A most excellent speech; a well read speech. I should say.

Hon. Frank Wilson: Not read.

The MINISTER FOR MINES: The hon. member was, however, speaking from very full notes, as of course on highly technical matters one is obliged to do.

Hon. Frank Wilson: That is right.

The MINISTER FOR MINES: From the point of view of an opponent, the speech of the leader of the Opposition was most excellent. Here, however, I have the *Monthly Journal of the Chamber of Mines* issued on the 30th January, 1915; and I cannot but think it will be interesting to the House to learn what that publication has to say regarding the attitude of the member for Perth.

Hon. J. D. Connolly: It is bound not to be very complimentary.

The MINISTER FOR MINES: I really never thought that it would fall to my lot to quote this journal by way of answer to the hon. member—

One cannot help wondering what motives actuated Mr. J. D. Connolly, now M.L.A. for Perth, when he recently made in the Assembly a bitter and apparently vindictive attack on the gold-mining companies of this State. On January 13 he moved that all papers connected with the renewal of the gold-mining leases should be laid on the table of the House. He made a long speech in support of his motion, and in the course of it he delivered himself of the following assertions, in particular reference to the mines of the Golden Mile:—"Western Australia does not owe these companies any special consideration. They came to this country, and they have obtained

some 24 millions of money by way of dividends, and they have given the State little or no consideration whatever in return. . . . The majority of the companies constituting the Chamber of Mines have been worthless companies so far as Western Australia is concerned. . . . This State owes nothing to the English gold-mining companies. The State is entitled to justice. The companies have received all and taken all the money they could possibly extract from the mines. We have had the benefit only of the wages paid; the dividends have been taken to London. These companies have paid 23 million pounds in dividends during the last 20 years, and I doubt whether they have spent £10,000 legitimately in the development of mines outside of their own."

Hon. J. D. Connolly: Which is perfectly true.

The MINISTER FOR MINES: The members of the Chamber of Mines were just as much astonished as members of this House were, at hearing such statements from that particular source. The article continues—

It may be doubted whether Mr. Connolly would have permitted himself to use such—to put it mildly—misleading language during his long residence on the fields and when he sat in the Legislative Council for a gold-mining constituency. He now represents Perth, and change of seat has apparently brought change of opinion. There is profound wisdom in some of these observations.

Hon. Frank Wilson: The change of opinion is due to changed climatic conditions.

The MINISTER FOR MINES: That is so, no doubt. We are all creatures of environment.

Hon. J. D. Connolly: I am glad you admit that.

The MINISTER FOR MINES: The article proceeds—

Mr. Connolly contradicts himself. In one place he says the gold-mining companies have taken out of the State in twenty years some 23 or 24 millions

of money, and have given the State little or nothing in return; they have been worthless companies so far as the State is concerned. Later on he qualifies these sweeping statements by the admission that we have had the benefit of the wages paid. In twenty years the wages paid directly to workers on the mines would amount to something like 60 millions, if not more, which is a fairly large sum. Mr. Connolly makes no mention of the 5 per cent. tax on dividends. On his figures that has already totalled nearly a million and a quarter, again no inconsiderable sum. At the outset of his speech, Mr. Connolly made a passing reference to the rent charged for gold-mining leases, namely, £1 per acre per annum, when he contrasted the £90 per annum paid by the Great Boulder Proprietary with the value of the gold won from the lease and the amount paid in dividends—which, by the way, he stated at five millions instead of the more correct figure of about four million. Considering the enormous acreage that the gold-mining leases of the State have aggregated during the last twenty years, it is plain that the State has derived from them a very large total sum at the rent of £1 per acre per annum. I may incidentally remark that last year we received £22,000 by way of lease rents from Western Australian mining companies.

The amounts paid by the gold-mining companies in wages to employees on the mines, in dividend tax, and in rent of leases are alone quite sufficient to controvert Mr. Connolly's sweeping assertion that the English gold-mining companies have been worthless companies so far as Western Australia is concerned. Yet these direct gains are only a small part comparatively of what the State has derived from the gold-mining industry. The indirect gains, which the member for Perth was astute enough to ignore altogether, have been, and still are, even greater. Not without reason has it been said that, as the gold-mining industry made Victoria and New South Wales in the fifties, so

the same industry in exactly the same way made West Australia forty years later in the nineties. In twenty years the gold-mining industry, and nothing but that industry, has rebuilt the city that Mr. Connolly now represents in Parliament, and has converted Perth from a sleepy hollow into the splendid city that it is to-day.

All very true.

Its traders, acting as middlemen have levied rich toll on the enormous quantities of stores that the mines use every year, and the wealth derived from this source has gone to the general enrichment of the State. The agricultural industry, again, has thriven apace, since in the large and prosperous communities of the goldfields towns it found a ready market for all, and more than all, that it could produce.

Hon. Frank Wilson: Hold on! What about the export of wheat?

The MINISTER FOR MINES: That would apply only this last year or two.

Hon. Frank Wilson: Western Australia has been exporting fruit for a good many years.

Hon. J. Mitchell: And wool.

The MINISTER FOR MINES: That is so, but only in a little way.

Hon. Frank Wilson: No. In a large way.

The MINISTER FOR MINES: The journal proceeds to say—

The gold-mining industry pays, as we have noticed, something like three millions sterling a year to actual workers on the mines, and it is probably responsible for the payment of as much again to workers employed in subsidiary industries indirectly connected with mining, such as those that furnish the mines with firewood and other necessary supplies. Mr. Connolly, in his narrow-minded parochialism—

Hon. J. D. Connolly: I am glad you are taking that journal as your bible now.

The MINISTER FOR MINES: The extract continues—

—has a grievance against the English mining companies which, so far as one can judge by his speech, seems to be

that they have taken about 24 million sterling in dividends out of the country in 20 years, while that money might have been retained in the State if the mines had been developed on local capital. He alludes over and over again to the Great Boulder as if it was a typical West Australian mine. It is nothing of the sort; it is the exception. Local capital, as Mr. Connolly ought to know very well, would never have been forthcoming to develop the Great Boulder or any other mine in the State. Local capital to the necessary extent could never have been available to take the chance of success, as in the case of the Great Boulder and other mines, or of failure, as in the case of many others, most of which are now forgotten names. Let Mr. Connolly reckon up how much British capital has been poured into Western Australia in mining ventures, and compare this amount with the dividends paid, and he will see that this State has much to thank the English mining companies for.

This is the first occasion on which I have resorted to quotation from the *Monthly Journal of the Chamber of Mines*, except for the purpose of combating its arguments and views. The article I have read, however, sums up the position most ably. No doubt, it was perfectly within the right of the State to impose any conditions that Parliament might deem fit for the renewal of the leases; but I maintain that the Government acted rightly in refusing to place any additional burdens upon the mines at this stage. Take the case of pastoral leases, which also run for a term. The member for Perth, by way of interjection, asked whether in the case of those leases the Government do not reappraise rents on the expiration of the term. Certainly we do reappraise those rents; but it may be that, so far from raising them, we reduce them.

Hon. J. D. Connolly: I was not referring to pastoral leases. I was reminding you of the Bill brought in by your Government to provide for leasehold tenure, under which Bill there is reappraisal every 15 or 20 years.

The MINISTER FOR MINES: The comparison I am instituting is perfectly fair. If it were found, upon the pastoral leases falling in, that during the life of those leases their value had deteriorated, that they were at the expiration of their term of less value than in their earlier stages, would Parliament increase the rentals? Certainly not. If it could be shown that the leases had become less productive or less valuable, the rentals would, on the contrary, be reduced.

Hon. J. D. Connolly: Quite so; and because these gold-mining leases are more valuable, you refuse to increase the rentals.

The MINISTER FOR MINES: Not at all. The rentals of pastoral leaseholds, in the circumstances I have suggested, would be reduced. And that is exactly the position which has been reached as regards the mining industry in this State. The gold-mining industry has, unfortunately, as hon. members are aware, been a gradually diminishing quantity for some years past, both as regards the output of gold and as regards the profit derived from that output. Year by year both output and profit have been going down. I ask, in view of the position in which the industry finds itself, certainly the most critical position it has experienced in its entire history, would the Government be justified in placing additional burdens upon the industry? Never in all its existence was the industry less able to bear further imposts.

Hon. J. D. Connolly: I say again that you would not be placing any burden on the industry, since it is only the dividend paying companies that would be asked to pay.

The MINISTER FOR MINES: It is an extraordinary argument that because a company has put a quarter of a million of money into a mining venture, and is receiving in dividends, say, a thousand pounds a year, no burden is imposed on that company if extra taxation is heaped upon it. A mining company's profits may not represent anything like an adequate return for the money invested in the mine, and yet the member for Perth

would seek to impose extra taxation upon such a company. The mere fact that a mine is paying dividends does not in itself go to prove that the people who put their money into the mine are drawing unduly large profits. They may, on the contrary, even be out of pocket, by reason of their investment in mining property. Of recent years we have heard a great deal of the care with which the Government should proceed in order to avoid scaring capital away from the State, and in order to refrain from doing anything which might tend to discourage or prevent investment of outside capital in the Western Australian mining industry. And now, at this stage, the hon. member is complaining because we have not adopted that very identical course. He is actually complaining because the Government have not seen fit to take that course. I contend that, in view of the position of the industry at the time in question, the Government were justified, and amply justified, in refusing to exact any additional payment for the renewal of these leases. They were justified, further, for the reason that the proposed burden was inequitable, as I have pointed out. The position would have been created that the rich mines of Meekatharra would continue paying large dividends year by year, and contributing nothing extra to the Treasury. The Edna May mine, which paid dividends totalling £68,000 last year, would have contributed nothing extra; but the little Menzies Consolidated mine, which has kept alive for 21 years without ever paying a penny in dividends until last year, when it made a paltry profit of £5,000, would have been called on to bear additional taxation. That is how the imposition of a royalty would work out, and I say that in view of all the circumstances we should not be justified in imposing a royalty. I have disproved the contention of the hon. member that the companies were willing to pay, and that it was proposed to devote this money towards assisting disabled miners. I cannot imagine that the leader of the Opposition—and I know he is always fair-minded where the investment of funds and wealth is concerned—be-

lieved that at this stage the State would have been justified in placing this extra taxation upon those who had embarked their capital in the mining industry.

Mr. FOLEY (Leonora) [5.47]: After having listened to the speeches made by the member for Perth and the Minister for Mines, I have come to the conclusion that this is one of the most subtle party moves I have ever known.

Hon. Frank Wilson: On whose behalf?

Mr. FOLEY: On behalf of the hon. member who interjected, the member for Perth, and generally the party to which he belongs.

Hon. J. D. Connolly: Nothing of the kind; it is entirely my own motion.

Mr. FOLEY: It was a death-bed repentance on the part of the Liberal Government when they gave consideration to the Bill. The Minister for Mines has shown us that our friends opposite believed that a Labour Government would probably succeed them in office. They were good judges, and that fact in itself was sufficient reason for the Chamber of Mines to get in early and secretly, and in every way they possibly could, so as to have their ends served before the advent of the Labour Government. The speech made by the hon. member for Perth clearly shows that a different attitude was taken by him when he was a Minister, and when he represented a province in the Legislative Council. If that had not been the case, when the hon. member was seeking re-election in a mining constituency, he would have made this one of the burning questions, because at that very time the subject of security of tenure was being discussed in every portion of the goldfields. I asked the hon. member at that time whether his Government had any idea of altering the tenure of the leases on the goldfields, and he said that the matter was then receiving the consideration of the Government. I do not know whether the hon. member had the information before him at that time as to what was really being done; at any rate, I am not going to accuse him of having it.

Hon. J. D. Connolly: That was in 1908; what the Minister quoted occurred in 1910.

Mr. FOLEY: In 1908 the chance of the return of a Labour Government was even more remote than in 1910, and in 1908 throughout the goldfields areas the question of the tenure of leases was a burning one. If the then Government were giving consideration in 1908 to the matter of the tenure of leases, a deputation from the Chamber of Mines, a secret deputation, approached the Minister and put their case before him, and we learn from the file from which the Minister read to-night that there was a non-committal answer given by the Chamber of Mines. There must have been something considered then, and Mr. Gregory who was the Minister for Mines at that time, was one of the men who on the goldfields did say that he believed in the freehold system. I do not intend to quote the Chamber of Mines, but I do intend to charge the member for Perth and those who were his colleagues at that time with having taken their directions solely and wholly from the Chamber of Mines.

Hon. J. Mitchell: You are wrong.

Mr. FOLEY: I asked for the production of papers in connection with the 1906 regulations, and when they were laid on the table of the House, I found from them that a draft copy of the Bill had been sent to the Chamber of Mines. It was not, however, sent to any of the unions. Mr. Gregory then sent up word that he would ask the unions for advice in regard to the proposed legislation and at one of their meetings he took advice from them and then went direct to the Chamber of Mines. When the Bill made its appearance, there was not a scintilla of evidence to show that he had taken a bit of notice of the advice he had got from the unions, but that, on the other hand, he had adopted the directions of the Chamber of Mines.

Hon. J. D. Connolly: He did interview both sides, then?

Mr. FOLEY: He heard both sides, but he only took directions from one. I am going to quote some telegrams to

prove that there has always been something of a secretive nature between the Liberal Governments of this State and the Chamber of Mines, something that the public never got to know about, something that they should have known of.

Hon. J. Mitchell: Nonsense.

Mr. FOLEY: Mr. Maughan, who was secretary to the Chamber of Mines, is one of the cleverest men in the State, and the Liberal Government knew it. Mr. Gregory wired to him when the Bill was prepared, and Mr. Maughan replied asking whether it was true that the Bill had already gone to the Council and whether there would be any opportunity of dealing with certain amendments. Then Mr. Maughan in the telegram went on to deal with an amendment which had been proposed by Mr. Holman, and he was assured that no amendments of any description would be made and that the Bill would be printed in about a fortnight. A copy of the proposed amendments was sent to the Chamber of Mines for their consideration, but none was sent to the miners' union, no matter how able they might have been to express an opinion.

Hon. J. Mitchell: Did they ask?

Mr. FOLEY: Certainly, and they got a point blank refusal from the then Minister for Mines.

Hon. Frank Wilson: What has all this to do with the question of the renewal of the leases? You are discussing an old Bill.

Mr. FOLEY: The file shows that Mr. Maughan asked for further information, and that a promise was given that it would be supplied to him.

Mr. SPEAKER: Order! I must ask the hon. member to confine his remarks to the motion. The matter he is introducing has no particular reference to the question before the House.

Mr. FOLEY: I was quoting the wires to show that when the Liberal Government drafted the Bill they had no idea of putting it on the statute-book.

Mr. SPEAKER: Is the hon. member discussing the Bill or this motion?

Mr. FOLEY: I was just making an explanation about the telegrams. With

regard to the impost which the member for Perth said should be put on the industry, I want to make it clear that while Mr. Hamilton said the whole of the tax if imposed would bring in £20,000, whenever any of our friends opposite are asked to do anything for the benefit of the mining industry which will cost anything like that amount, it is always turned down by them. The member for Perth told us that these people connected with the mining industry were willing to bear this taxation. I can assure him that they are not willing to bear this or any other taxation.

Mr. E. B. Johnston: That is no reason why it should not be imposed.

Mr. FOLEY: I do not think it should be imposed. I believe the incidence would be most unfair. When a mine has been brought to the producing stage, that has often been done by the industry and ability of the man managing the mine.

Hon. J. D. Connolly: That is what he is paid for.

Mr. FOLEY: If a mine is proving to some extent successful, the shareholders will reap some benefit, and because they have exercised good judgment in the selection of their manager, hon. members would tax their industry, whereas another mine while it might be doing equally good work, but might not be a paying mine, hon. members would say that that mine should not pay anything. After all, it must be remembered that the dividends which have been won from mines have been won principally through the men who are engaged in the industry. While the member for Perth wishes to tax the industry to the extent that he proposes, he has never on one occasion voted in the direction of doing anything for the men who have been responsible for the production of big dividends for the companies.

Hon. J. Mitchell: You said just now the managers were responsible for everything.

Mr. FOLEY: Recently the question of how much they could afford to pay was discussed in Kalgoorlie. The whole of the mines in this State are paying £7,000 a year towards the miners' relief

fund, and they are doing that voluntarily. For many years the companies refused to contribute towards this fund, but now the companies, the miners' unions, and the Government are contributing in equal proportions, £21,000, and the returns from this taxation would mean, as Mr. Hamilton has said, £20,000. If the member for Perth (Hon. J. D. Connolly) wishes to impose fair taxation on those companies let him impose it on the whole of the industry. He said the leases reverted back to the Crown.

Hon. J. D. Connolly: No, I did not. The companies have a right to renewal.

Mr. FOLEY: The leases were valueless in the beginning, and only by the industry of the men working in the mines have they become valuable. Because of that the member for Perth wishes to tax the mines. It is a most unjust proposal. The Menzies Consolidated was said to be an isolated case. There are other mines of the class in the State.

Hon. J. D. Connolly: Name one.

Mr. FOLEY: For 10 years the Gwalia mine did not pay a dividend. The lease falls in very soon. Recently the company spent £50,000 in procuring the most up-to-date plant in the country. Now, because they are bringing mining operations right up to date and keeping men employed, the hon. member would put a special impost on them. The Menzies Consolidated has battled along for 21 years and only recently paid the first dividend. If we put this further impost on that company, what inducement will they have to go on prospecting? From a party point of view it was unwise for the hon. member to ask for these papers. While the Liberals were in power, whenever we had before the Chamber anything pertaining to mining only one side of the question was seriously considered. If the hon. member really desires to assist the industry he will not find members on this side wanting in their support.

Hon. FRANK WILSON (Sussex) [6.4]: It is most refreshing to contemplate the Minister for Mines and the member for Leonora (Mr. Foley) as staunch supporters of the Chamber of Mines.

The Minister for Mines: It was refreshing to hear the attack from the quarter whence it came.

Hon. FRANK WILSON: From time immemorial, whenever a member of this party has discussed the mining industry he has been accused of airing the views of the Chamber of Mines, of acting by their instructions, of considering their advantage against all others, and of opposing the interests of the workers. I appreciate the very friendly remarks of the Minister for Mines on this occasion in regard to the Chamber of Mines as representing the industry. I am pleased indeed to find that at last his heart has warmed to that body, and that he has now announced publicly that instead of being out to exploit the public—which used to be the standing charge against the Chamber—to-day they are an honourable body of men anxious to further the industry for the benefit of this State.

The Minister for Mines: Be quite fair; I have never made any of those charges.

Hon. FRANK WILSON: I accept the Minister's statement; but the charges have been made on hundreds of occasions by nearly every member of his party. It is gratifying to know that at last the Government, as avowed by the Minister for Mines, realise that the Chamber of Mines is doing its utmost to advance the interests of the State. Without exception we all admit that the mining industry made this State in the early years. When I came here, 23 years ago, Western Australia was insignificant in point of population and of enterprises. It was practically dormant, and the gold mining industry revived the State, as it has revived every other country where gold has been discovered in any quantity. Therefore it behoves us to remember in these days what the industry has done for the State in the past, and do all in our power to enable it to continue as long as possible. However, this cannot always be effected by the introduction of new legislation of the class of the Mines Regulation Bill; nor does it follow that the industry must be injured because, some six years ago, there was a suggestion to put a small im-

post upon companies who asked for a renewal of their leases. I have been refreshing my memory from the file kindly lent me by the Minister. It seems that I first made a move in the matter. It was the outcome of a representation and some remarks which fell from Mr. Maughan, the then secretary of the Chamber of Mines, when the renewal of the leases was sought. My minute was addressed to the Minister for Mines of the day, and it asked that he should go into the matter, as it seemed to me an opportunity of getting an increased revenue. We had granted a 21 years' lease of a national asset of the State on the nominal terms of a £1 per acre per annum to any one who elected to undertake mining operations in Western Australia. Scores of enterprises in this direction were failures, while others struck it rich. The lessees worked for 21 years, got all they could out of the property—and rightly so—after which the question arose as to whether they should be granted renewals of their leases. The Act provides that they should have renewals on such terms and conditions as Parliament might impose. I do not think that, at any rate at that time, it was extraordinary to say, "We are going to renew something that in some instances is of excessive value. We are going to renew these leases to these people for another 21 years; are we not entitled to ask them for some consideration, especially in view of the immense amount of money that has been spent and is being expended on the industry by the State?" I do not think it was an unfair attitude to take up. We were extending the terms of the leases to 21 years. Some of them were of no value, while others were of exceeding value, and the profits taken from the mines were depreciating considerably. Undoubtedly the renewals were of great value to the mine-owners, because they were making application for the renewals, and it was necessary that they should have some security of tenure. Every other form of lease is subject to some impost on renewals. In the case of hotels, directly the lease expires a special charge is made for the renewal.

The Minister for Mines: The worst feature of the present proposal is that we would be putting on an extra tax in the declining days of the industry.

Hon. FRANK WILSON: There is a lot of sound commonsense in the Minister's argument, and to-day, of course, it is very much more accentuated than it was five or six years ago, when the question was first mooted.

The Minister for Mines: And in those days you proposed to exact that royalty in consideration of renewing the leases three or four years before they had expired.

Hon. FRANK WILSON: That was the position in a nutshell. They wanted the renewals in advance in order that they might retain the confidence of their shareholders, and steady the market. We said, "It ought to be worth something"; and the file shows that inquiries were made. It shows, too, that other States had adopted a similar impost.

The Minister for Mines: Only on the Broken Hill mines and those at Wallaroo.

Hon. FRANK WILSON: Whilst at that time it was perfectly legitimate and reasonable that we should negotiate, the representatives of the mines also regarded it as reasonable and met us in a fair spirit to discuss the details. Naturally, they were opposed to any suggestion of the sort. Yet they were quite willing to take it into consideration, and in point of fact they did consider it on many occasions. I do not think there was any serious opposition at that time.

The Minister for Mines: That deputation was strong enough.

Hon. FRANK WILSON: Naturally, but I do not think there was any serious opposition to some reasonable impost of the sort, although I admit that the representatives of the Chamber of Mines who waited on the Minister, naturally, opposed any such thing.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. FRANK WILSON: I am pleased to find in the Minister for Mines such a strong advocate for the capitalistic mine owners, supporting the suggestion that

we must deal with them as lightly as we possibly can. I have always advocated an attitude of this kind because I recognise the value of the industry to the State. I was under the impression that the Minister took rather the opposite view. Whenever he introduced his Mines Regulation Bills, I always felt that he was opposed to the general interests represented by the Chamber of Mines. I have vivid recollections of many stormy attacks on members of the Opposition in a similar direction, and it is refreshing to find that the responsibilities of office have tempered down his views in this respect. Now he is all out to make conditions as easy as he possibly can. The conditions laid down in the Mines Regulation Bill were not so easy as the Minister has inferred. If that Bill had become law it would have pretty well wiped out a portion of the gold-mining industry which has done so much for Western Australia.

Mr. Taylor: We shall see how you treat it next session.

Hon. FRANK WILSON: If it contains similar provisions, it will receive exactly similar treatment at our hands, but when that occasion arrives we shall have an opportunity to air the views to which the Minister has given expression to-night, and probably they will form a very strong indictment against his proposed legislation. It is suggested that the Federal land tax will operate in regard to gold-mining leases. Whether this will hold good at law, I cannot say.

The Minister for Mines: I am prepared to say it is an unfair tax.

Hon. FRANK WILSON: I, too, think so, and that may to some extent be a justification for the attitude of the Minister to-night. The Minister is certainly in a much stronger position than he was two years ago. This is not a matter of vital importance; we all have the welfare of the industry at heart and we certainly should wish to see it prosper. We do not wish to see imposed conditions so extreme either in the way of charges of this description or in the way of conditions which will diminish an industry that pro-

vides such a large measure of employment to a big section of our people.

Mr. Heitmann: Always having in view the interests of the miner.

Hon. FRANK WILSON: That is admitted, and every member has done his best to afford relief so far as is possible in relation to conditions likely to prove injurious to the miners. We cannot make the industry absolutely free from the possibility of injury; that is too much to ask.

Mr. Foley: It could be minimised to almost diminishing point by passing the Mines Regulation Bill.

Hon. FRANK WILSON: That would minimise the whole industry to diminishing point.

Hon. R. H. Underwood (Honorary Minister): That would be better than killing men.

Hon. FRANK WILSON: We are not here at present to discuss the merits of that measure. If it is re-introduced next session, we shall have an opportunity to discuss it again. I am glad the Minister is prepared to place the papers on the Table. There is nothing in them which ought not to be made public. The member for Perth can very well substantiate his statement that there was an understanding that the proposal at that time was agreeable to the mine owners. The Premier of that day had an interview in London—

Mr. Foley: There is not a word on the file to show that the owners were agreeable to pay one penny of taxation. What is the good of saying they were?

Hon. FRANK WILSON: I do not think the hon. member is speaking with the book. I have the file before me. The then Premier in reply to a deputation said—

During my visit to England, I was interviewed by several mining men including Mr. Govett, who thought it would be advisable to come to a decision and who stated that if the Government were prepared to introduce the necessary legislation to secure a renewal prior to the expiration of their leases, the companies on their part would be prepared to follow the prac-

tice adopted in some of the other States and pay a premium or royalty on the output.

The Minister for Mines: Read on and see what Mr. Hamilton said in regard to that.

Hon. FRANK WILSON: I have merely quoted that in reply to the member for Leonora.

Mr. Foley: Mr. Govett was not a member of the Chamber of Mines.

Hon. J. D. Connolly: He was a director of several companies.

Hon. FRANK WILSON: He was more than a member of the Chamber of Mines; he was a representative of mine owners.

The Minister for Mines: Read Mr. Hamilton's comment on that statement.

Hon. FRANK WILSON: The then Premier added—

You must realise that when extending a lease it generally means higher terms, and, on the other hand, you have brought some forcible arguments to support your views that no additional impost should be imposed, and possibly the greatest point is the fact stated by Mr. Hamilton that the lower you get down the tendency is for the values to decrease and the ores to become more patchy.

The Minister for Mines: Mr. Hamilton went on to say that Mr. Govett was not speaking for the mine owners at all.

Hon. J. D. Connolly: He is a director of the Boulder to-day.

Mr. Munsie: No, a director of Lake View.

Mr. Foley: He had something to do with the Boulder Deeps at one time.

Hon. FRANK WILSON: Mr. Hamilton said he did not think Mr. Govett personally knew the opinions of the mine owners, but that does not convey anything more than what I have stated. The fact remains that Mr. Govett represented two of the principal mines which would have been affected and he personally did not see much objection to the proposal. I am glad the Minister has agreed to lay the papers on the Table; no harm will be done, and the position will be placed before the public exactly as it occurred. I

myself took some little part in the negotiations. I acted for the Colonial Treasurer in his absence and initiated the discussions and interviews between the then Minister for Mines and the representatives of the Chamber, and it was two years before an ultimate decision was arrived at by Cabinet.

Mr. MULLANY (Menzies) [7.40]: After listening with considerable interest to the speeches on this motion by the member for Perth (Hon. J. D. Connolly) and the Minister for Mines, and as one conversant with the subject, I have gathered the impression that the motion has been moved not so much with a view of having any proposal of this nature adopted in future, or with any just cause of complaint because it was not adopted in the past, but merely with a view to working up some sort of attack on the present Government. The Minister for Mines traversed all the ground which it was necessary to touch upon in replying to such a motion. It is indeed interesting to contrast the attitude of the member for Perth on this occasion with his attitude when a member of another place representing the north-eastern portion of the goldfields. His bitter attacks on the Mines Regulation Bill introduced by the present Government are well remembered and have become almost historical. I do not desire to touch upon that phase of the matter further than to quote an extract from the hon. member's speech in another place on that occasion. He said—

Unfortunately we have arrived at a critical stage in connection with the mining industry. The mines of the State or the older mines as they are going down in depth find that the ore is becoming poorer and they cannot stand any further imposts.

That was a statement made by the hon. member in opposition to a measure which the best brains of the mining community could devise to alleviate the conditions of the men working underground. Now we find him representing a City constituency and tabling a motion in support of a further direct impost upon the industry. Some little light has been thrown upon the attitude of the previous Administra-

tion to this question. The Minister for Mines at that time, Mr. Gregory, has been mentioned. It is well known throughout Western Australia that during the last year or two in which Mr. Gregory represented the constituency of Menzies in this House he almost openly advocated giving the fee simple to the mining lessees in this State.

Mr. SPEAKER: The time has elapsed for the discussion of motions. Is it the desire of the House that motions should be continued?

The PREMIER (Hon. J. Scaddan—Brownhill-Ivanhoe) [7.45]: I move—

That the discussion on the present motion be continued until after the hon. member for Menzies has concluded his speech.

Hon. J. D. Connolly: I hope I shall have an opportunity of replying.

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

Ayes	..	..	..	27
Noes	..	..	..	9

Majority for .. 18

AYES.

Mr. Angwin	Mr. McDowall
Mr. Bolton	Mr. Mullany
Mr. Carpenter	Mr. Munzie
Mr. Chesson	Mr. O'Loughlen
Mr. Collier	Mr. Scaddan
Mr. Cunningham	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Harrison	Mr. Walker
Mr. Hickmott	Mr. Willmott
Mr. Holman	Mr. A. A. Wilson
Mr. Johnson	Mr. Heilmann
Mr. Johnston	(Teller).

NOES.

Mr. Allen	Mr. Thomson
Mr. Connolly	Mr. Wansbrough
Mr. Hardwick	Mr. F. Wilson
Mr. Mitchell	Mr. Male
Mr. Smith	(Teller)

Motion thus passed.

Mr. MULLANY: I desire to thank hon. members for the fortitude they have shown by demonstrating their readiness to listen to my remarks for some little time longer; the more so as they possibly had no idea as to how long I intended to speak. I will set their minds at rest in that direction by telling them that four

or five minutes at the outside will be sufficient for me. When the interruption occurred I remarked that the name of the late Minister for Mines (Mr. H. Gregory) had been mentioned in connection with this discussion. I wish particularly to quote that gentleman when he spoke upon one occasion and when I myself heard him make the statement I am going to repeat to-night. This was upon the occasion of the declaration of the poll for the Menzies election in the year 1911. In returning the usual thanks to the officers of the poll, Mr. Gregory said—

Whilst he thanked the electors of the Menzies constituency for the support they had given him for so many years past, he went on to say that now he was leaving that constituency and probably would not be closely identified with the goldfields in the future, he particularly wished to impress upon the new member

He is referring to me, that there was one idea which he had had in his mind for a very considerable time and that was that greater security and fixity of tenure should be given to mining leases in Western Australia. He went on to say that he would go so far as to give them the fee simple of these mining leases.

This statement has been reported, and I am only quoting from memory to-night. It is well known, and has been known for many years, that Mr. Gregory was the accepted mouthpiece of the Liberal party in all mining matters in Western Australia. How can any member of that same Cabinet say that he had no idea of putting any further impost upon leaseholders in the State in the face of such a statement? It was not only upon this occasion that Mr. Gregory used these words. He also made the same statement at a dinner at which he was present in Melbourne given by the Chamber of Commerce. The whole of that gentleman's utterances during the three years he held office in this State showed that he did not think any further imposts in this way should be put upon the mine leaseholders, but that the tenure should comprise a fee simple of those lands. Now

we find a gentleman who was a colleague of Mr. Gregory in the same Ministry coming along with a motion such as this. I am pleased that the Minister for Mines has no objection to the papers being laid on the Table of the House. I am quite sure, although I have not seen the papers myself, that there is nothing in them which the Minister or anybody else has cause to be ashamed of, and I hope that the motion for placing the papers on the Table of the House will be carried. I repeat that it is not from an honest desire for information on the subject that the member for Perth has brought this forward, but that he has done so rather with a desire to bring discredit on the present Ministry and the Labour party in this Assembly.

On motion by Mr. Heitmann debate adjourned.

RESOLUTION—WONGAN HILLS-MULLEWA RAILWAY.

Message from the Legislative Council, desiring the concurrence of the Legislative Assembly in the following resolution:—"That in the opinion of this House it is necessary, in the interests of the settlers, that the Wongan Hills-Mullewa railway be immediately handed over to the Working Railways, or that not more than the ordinary rates chargeable by the Working Railways be charged by the Construction Department, pending such handing over of the railway," now considered.

Hon. J. MITCHELL (Northam) [7.50]: I desire to support the motion which has been sent down from another place. I feel it my duty to enter a protest against the method adopted by the Government in regard to this railway line. When we build a railway for the purpose of—

Mr. SPEAKER: Order! When the hon. member for Menzies was speaking my attention was drawn to the fact that the time for the discussion on motions had lapsed. I find that we are not discussing motions, and I confess to having made a mistake in putting that motion. We are discussing the Orders of the Day.

For the moment I was under the impression that we had passed the motions stage and come to the Orders of the Day. The fact that the debate has been adjourned will put the matter right.

Hon. J. D. Connolly: Was it not adjourned under a misapprehension?

The Minister for Lands: We will adjourn it again.

The PREMIER (Hon. J. Scaddan—Brownhill-Ivanhoe) [7.57]: In order to remove any misapprehension from the mind of the hon. member for Perth, I would inform him that this does not close the debate on the question. There are other members representing the mining constituencies of Western Australia who also desire to speak. If the hon. member were to reply he would close the debate, they would not be able to speak, and the motion would have to be put to the House. We will give the hon. member an opportunity of discussing it at a later stage. I move—

That Orders of the Day 2, 3, 4, and 5 be postponed until after consideration of Order of the Day No. 6.

Mr. SPEAKER: I take it that the hon. member does not desire to speak further and that in deference to the wishes of the Premier he does not desire to move this motion just now.

Hon. J. Mitchell: Not now! I suppose I shall have an opportunity of speaking later.

Motion put and passed.

BILL—INCOME AND PUBLIC ENTERTAINMENTS TAXATION.

Second Reading.

Debate resumed from the previous day.

Hon. FRANK WILSON (Sussex) [7.59]: I have had an opportunity of course of reading through this Bill since we adjourned yesterday, and gathering to some extent the object of the Government in introducing the measure. Whilst I recognise that the Premier naturally must be anxious, in the present parlous condition of the finances of the State, and also in view of what possibly he may

expect during the next 12 months, I am sorry to say I cannot support his suggestion to impose taxation in this direction. The Premier laughs, of course.

The Premier: I am laughing at something the Minister for Mines said.

Hon. FRANK WILSON: I admit that the position at the present time is most critical; and I suggest to my friends opposite that (they might consider what has caused that position to become so accentuated. On many occasions I have had to suggest that to them, and naturally they receive any suggestion of that description with a certain degree of contempt. They do not like to have their misdeeds presented in broad daylight, and they do not like anyone to fasten the blame upon them.

Hon. R. H. Underwood (Honorary Minister): Unjustly.

Hon. FRANK WILSON: To fasten on them, I say, the blame for the present unfortunate position. Of course, a man who is charged, naturally thinks the charge unjust. I do not wish to-night to take up a great deal of time, as I could well do, in painting the actions of my friends opposite.

Hon. R. H. Underwood (Honorary Minister): For this relief much thanks.

Hon. FRANK WILSON: I will not detain the House by painting the actions of the Government as they appear to a very large section of the public, including, of course, myself. But I do wish to say, as I have said before, that, so far as I am concerned, I am not in favour of imposing increased taxation until such time as the Government have shown some strong determination to exercise that due economy which the country is entitled to expect at their hands.

Mr. Bolton: Reduction of wages, and reduction of salaries.

Hon. FRANK WILSON: Be it what it may.

Mr. Bolton: That is what it is.

Hon. FRANK WILSON: Economy must be exercised. Economy has been laid down as the fundamental policy not only of the Liberal party but also of my friends sitting opposite.

Mr. Foley: You want to bring in your Bill for the taxation of education, as before.

Hon. Frank Wilson: I would like to put a tax on the hon. member, and a pretty stiff one.

Mr. Foley: You were frightened to bring it in again.

Mr. SPEAKER: Order! The member for Leonora (Mr. Foley) will keep quiet.

Hon. FRANK WILSON: The country is entitled to have some justification advanced for the demand for this increased taxation. I for my part am justified in taking the stand that I do not see the necessity for this Bill.

Mr. Munsie: Is not the present number of unemployed some justification for raising some revenue in order to give them employment?

Hon. FRANK WILSON: No.

Mr. Bolton: That is all right.

Hon. FRANK WILSON: I say, no; and I will give my reasons briefly. I do not wish to keep the House, as the hour is getting late, nor do I wish to beat about the bush; but I do desire to state plainly the reason why I oppose this measure, the grounds I have for opposing it. I say at once that one of the main reasons—there are several that I could give—is that, as I have just outlined, there has been no general scheme for economy in administration promulgated by my friends opposite. We have had no suggestion even for a moment that they propose to interfere with the unprofitable enterprises in which they have embarked at the country's expense. That argument, naturally, appeals to the humorous side of the gentlemen who sit in support of the Government. The question, however, is a very serious one to the people of this State, and deserving of more consideration than it has received on the other side. The question is whether we are to go on investing the country's capital in these enterprises, and not only have that capital locked up, but be under the compulsion to finance those enterprises from our revenue funds, thus suffering a heavy loss in giv-

ing effect to that plank of the Labour platform.

The Minister for Lands: Which one are you referring to now?

Hon. R. H. Underwood (Honorary Minister): What about the freezing works?

Hon. FRANK WILSON: I am referring to every one of the enterprises. Not one has proved beneficial or payable from a commercial standpoint.

The Minister for Lands: Then the balance sheets are wrong, are they?

Hon. FRANK WILSON: No; but they are not full enough.

The Minister for Lands: The Auditor General has certified to a profit.

Hon. FRANK WILSON: The Auditor General has pointed out that there would be a loss if certain charges were made.

The Minister for Lands: No. He has pointed out that there will be increased profits.

Hon. FRANK WILSON: The Minister can point that out afterwards; but anyone who chooses to go into the balance sheets—

The Minister for Lands: I will put you right.

Hon. FRANK WILSON. The Minister cannot.

The Minister for Lands: No; I know I cannot.

Hon. FRANK WILSON: He cannot, because I am not wrong. I say emphatically, there is not one of those State enterprises which have been so wildly and rashly embarked upon by our friends opposite during the last few years which, up to the present, has proved a profitable undertaking.

The Minister for Lands: That is a reflection upon the Auditor General.

Hon. FRANK WILSON: It is nothing of the sort. It would be very easy to support my contention by the actual figures, if that were justifiable at this juncture or during this debate.

Member: What about the agricultural industry?

Hon. FRANK WILSON: Here is a case in point, if hon. members opposite

desire one. Are the State steamers showing a profit or a loss? They are showing a loss, and a very heavy loss; so much so, that half the capital represented by them has vanished. Up to the present time the steamers have lost between £50,000 and £60,000, and it is admitted on all hands that the continuing annual loss is something like £20,000.

The Premier: Nothing of the kind.

Hon. FRANK WILSON: The position is as I state.

Hon. R. H. Underwood (Honorary Minister): I have a better balance sheet than you have.

Hon. FRANK WILSON: I daresay. Of course, the hon. gentleman has a better balance sheet. But now the question arises which I asked very pertinently the other day: how long are we to continue running these steamers at a loss of £20,000 per annum? If we now had the £20,000 a year which the steamers have been losing during the last three years, it would go to provide a fairly large proportion of the amount which the Government propose to raise by this tax, and certainly the Government would be able to show a lesser deficit than we have in the Treasury records to-day.

The Minister for Works: Have the State steamers been running three years or two?

Hon. FRANK WILSON: Two years and a month or two.

Mr. Bolton: The leader of the Opposition does not know.

The Premier: Did the steamers lose £20,000 last year?

Hon. FRANK WILSON: Yes.

Mr Bolton: You are a marvel.

Hon. FRANK WILSON: Not only have we from the Government benches interjections which support this system of State steamships, but we are threatened with a general extension of this and of like enterprises.

The Premier: Hear, hear!

Hon. FRANK WILSON: We know that the State sawmills are a losing proposition at the present time.

The Minister for Works: No.

Hon. FRANK WILSON: Indeed they are.

The Premier: Indeed they are not.

Hon. FRANK WILSON: In the case of the sawmills, we get a balance sheet showing some £20,000 of paper profit. But no interest is charged on the money provided by the Treasurer to finance the undertaking.

The Minister for Works: Interest is being charged.

Hon. FRANK WILSON: We know very well from the report of the Auditor General, which report I quoted on a previous occasion, that these State sawmills have not had anything in the way of depreciation charged up against them.

The Minister for Works: They have not been working; that is how.

Hon. FRANK WILSON: They have been working for the last 12 months, anyhow.

The Minister for Works: They have not.

Mr. Bolton: You are rocky on your facts.

Hon. FRANK WILSON: How many months have the sawmills been working, then? Have they worked at all?

The Premier: This is not question time.

Mr. Bolton: You had better get some work.

Hon. FRANK WILSON: We know all about these sawmills, which were started nearly three years ago, brought out with a flourish of trumpets. We know all the vicissitudes which have attended that undertaking, the disgraceful transactions which took place in the hiding up of the details of the undertaking—

Mr. SPEAKER: Order! The hon. member is not justified in discussing that matter at this time.

Hon. FRANK WILSON: I am showing, Sir, that there is no need for this taxation.

Mr. SPEAKER: I have not in any way prevented the hon. member from showing that, but I am preventing him from entering into the details of the saw-milling scheme, and of the initiation of that scheme, and so forth—matters which have no concern with this Bill. I have not, however, prevented the hon. member from advancing his reasons against the passing of this Bill.

Hon. FRANK WILSON: I submit with deference, Sir, and am sorry that I transgressed. The sawmills are not a proposition in respect of which one could submit a balance sheet to an expert with any expectation of receiving a reply that the sawmills are a payable proposition at the present time.

Mr. Bolton: You would submit the balance sheet to a Liberal expert, I suppose?

Hon. FRANK WILSON: The implement works I must touch upon briefly, and remind Ministers that while we have this undertaking, we have no balance sheet in respect of it. True, we have had a marvellous report of the management, eulogising the whole concern, and winding up with a statement—I am merely speaking from memory now—that probably the works would show a profit of a thousand or two. But, against that, we have the Estimates which have been placed before the House to be passed, and those Estimates show that it will take all the anticipated revenue of the implement works to pay the wages bill of that enterprise. Here again, I say, we have staring us in the face the fact that this huge undertaking, notwithstanding its being in the enjoyment of the advantage of doing work for other departments, and charging fair prices for such work, is in the lamentable position of also representing a losing concern.

The Minister for Works: I suppose you are aware that the work done by the implement works for other departments is done against prices quoted by people outside?

Hon. FRANK WILSON: I know that is so, but I should like to see the cost of the work when carried out by the State undertaking—how the cost compares with the quotations.

The Premier: But we are not threatening to close our mills down, you know.

Hon. FRANK WILSON: What I know is that they will close down of their own accord by and by.

The Premier: Wait till we reach that time.

Hon. FRANK WILSON: They will close down presently.

The Premier: You stand there until then.

Mr. Bolton: They will close down when the forests cut out.

Hon. FRANK WILSON: The steamers, I venture to predict, will be seized under bottomry bond if the Premier keeps on running them at a dead loss. I would suggest to the Premier that he would be well advised to keep the steamers within the boundaries of this State, and not allow them to visit foreign ports; or else he may wake up some fine morning and find that his steamers are gone. However, these are merely indications to show that we have had presented to us no general scheme of economy, and that we are asked to impose increased taxation without any regard to the general financial condition of the country. I have another reason for objecting to this special income tax, as it is called; and that reason is that the taxation is proposed for the benefit of a small section of the people. This taxation has been introduced at the dictate of the unemployed, backed up by the Trades Hall; and it is a pernicious system to introduce legislation for the purpose of taking from the pockets of a certain section of the community money intended solely for the benefit of another small section.

Mr. Bolton: Surely it is right if the people to be taxed can afford it.

Hon. FRANK WILSON: If we are to adopt this principle, then we must expect that every other section of the community which happens to get into financial difficulties will demand similar treatment at the hands of Parliament.

Mr. Bolton: Every section in difficulties is getting it.

Member: What about the farmers?

Hon. FRANK WILSON: We have not imposed special taxation for the benefit of the farmers. This, however, is a tax proposed specially for one purpose, for the purpose of benefiting one particular section of the community. The farmers are being charged for the money advanced to them by the Government.

The Premier: What did Millars' demand?

Hon. FRANK WILSON: I have not the slightest idea what Millars demanded.

The Premier: They proposed that the general community should suffer a loss so that they themselves could carry on.

Hon. FRANK WILSON: No; they did not.

The Premier: Yes; they did.

Hon. FRANK WILSON: I have not heard anything about it.

The Premier: Well, I am telling you about it now.

Hon. FRANK WILSON: I have not heard anything about it.

The Premier: You should read the leading articles in the papers.

Hon. FRANK WILSON: I have heard of an effort in the direction of reducing the cost of production.

The Premier: Reducing it in what way?

Hon. FRANK WILSON: So far as that goes, I have no accurate knowledge in regard to it.

The Premier: Would you call that economy?

Hon. FRANK WILSON: The meaning of the term economy can, of course, be extended in every direction that the Premier pleases, even to include false economy. It is false economy, for example, if one increases the cost of production in hard times.

The Premier: All right.

Hon. FRANK WILSON: It is false economy if we increase the cost of production and it is still worse if we keep on paying men if we have nothing for them to do. The point I want to make is that it is a pernicious principle to impose special taxation for the purpose of helping one small section of the community.

Mr. Bolton: A rather big section.

Mr. Foley: What section is it?

Hon. FRANK WILSON: The unemployed it is termed. If we adopt these proposals we may rest assured that there will be a large increase in the unemployed ranks; there cannot be the slightest doubt about that. Once there is a special fund provided and the unemployed know that

it is for their special benefit, we will have men leaving their jobs in order to come down and take advantage of that fund. How many unemployed are there to-day? Has the Premier given us any information on this subject? He has not even shown that there is an unemployed problem which requires such a drastic measure as he now proposes to pass.

Mr. O'Loughlen: There are about 3,000 of them.

Hon. FRANK WILSON: I know that the Honorary Minister mentioned the other day about men having been despatched to jobs and having failed to reach those jobs, and that prosecutions were being instituted in order to make them refund their train fares.

Mr. O'Loughlen: There are very few such cases.

Hon. FRANK WILSON: The other day a civil engineer in this city wanted some 44 men for works in regard to which funds had been provided by the relief committee. This engineer had been asked to take charge of the expenditure of the money on the works and to supervise the work. He got the 44 men, but only 25 turned up at the job. Therefore, the 3,000 unemployed we have heard about must begin to dwindle considerably.

The Premier: All the unemployed are not in Perth.

Hon. FRANK WILSON: This is an illustration of what is going on to-day. We have many unemployed who are unemployable; they do not want work.

Hon. R. H. Underwood (Honorary Minister): Therefore you would not give work to any of them.

Hon. FRANK WILSON: But it is no reason for imposing special taxation. The unemployed difficulty is not such a serious one as will warrant any Parliament passing special excessive taxation proposals for the purpose of financing works to provide employment. The Relief Committee have expended a little over £4,000 in four months to support the unemployed. That shows that the crisis is not of such great import.

Mr. Foley: How much more money have the Relief Committee got?

Hon. FRANK WILSON: I do not know.

Mr. Foley: They have only enough for another three weeks.

Hon. FRANK WILSON: It does not matter; the position is that £4,000 was expended in four months, at the rate of £1,000 a month. A question was asked the Colonial Secretary in the other House by Mr. McLarty as to what had been the cost for the past four months for assistance to the unemployed, and the reply was £1,745 while £1,743 has been spent for meals in Perth and other places and £459 in providing rations on Government orders. Then Mr. McLarty asked another question as to whether it was true, as the Honorary Minister in another place had stated, that there were more applications from employers than there were men available to fill the positions. The answer to that was that the Honorary Minister made no such general statement, and that he said that such had been the case at the Labour Bureau's agencies at Narrogin and Geraldton in January. Here again we have it in evidence that this trouble is not of such magnitude that it requires anything out of the ordinary for the Government to cope with it.

Mr. James Gardiner: Do you not think it is going to be much bigger?

Hon. FRANK WILSON: I daresay it is as the months go by until we get into busier times.

The Premier: It is too large now for my peace of mind.

Hon. FRANK WILSON: The third reason for my opposition to this pernicious system of special taxation is that it is time enough to submit proposals of this description when our loan funds are exhausted. It is not the time now to ask the people of the State who are already excessively overburdened by taxation, and who have suffered from the natural shrinkage in trade and business and many of whom, to use a common expression, will have to exist on their losses for a year or two, to pay this special taxation.

The Premier: Do you claim that we are overburdened with taxation?

Hon. FRANK WILSON: I do.

The Premier: Then you are responsible for it; you imposed it in good times.

Mr. Thomas: Do you call 24s. per head a burden of taxation?

Hon. FRANK WILSON: We have the Federal taxation proposals to consider. The hon. member is only quoting special taxation.

Mr. Thomas: I am quoting the taxation of Western Australia.

Hon. FRANK WILSON: How can the hon. member say that when our Customs taxation is far more than that in itself.

Hon. R. H. Underwood (Honorary Minister): What is the income tax in England?

Hon. FRANK WILSON: About 2s. 6d. in the pound, or 12½ per cent. Yet we are going to put on a tax, the maximum of which will be 13 per cent. Great Britain with all the enormous cost of this war is financing, not only itself, but other countries, including the Commonwealth of Australia. I take my hat off to the statesmen of Great Britain for the manner in which they have handled the finances of the Empire during this most critical time. It is a marvellous performance when we remember that we have had so little dislocation, that until just recently no extra taxation was imposed, that they have been able to maintain public and private credit, that they were able to stay the natural panic which came about at the outbreak of the war, and that they were able within a very few weeks to so regulate the finances as to restore confidence until the conditions have become almost normal so far as the cost of money is concerned and charges for insurance and other items which go to make up the expenditure of the commerce of the world. I have already said that the time is not ripe for us to consider proposals for special taxation for public works. We have a sufficiency of loan funds and public works already outlined to absorb all the unemployed we have in our midst. I have got it out on more than one occasion that in times of this description we ought not to increase the

burden on our people. The existing burden is quite enough for them to carry, and it is necessary that we should refrain from adding to it. The people are always willing to pay interest and sinking fund. When the famous war emergency tax was introduced I pointed out that the Government had no justification to take from the pockets of the people any money for the purpose of assisting our farmer friends. The proper course was to borrow, and that is the proper course to follow now, so that works might be carried on.

Mr. Bolton: So long as he can borrow.

Hon. FRANK WILSON: The Premier has given us his word that he can. What more does the hon. member want?

The Premier: You said a few months ago that I could not get any money to carry on with.

Hon. FRANK WILSON: Did I? I wish the Premier would turn it up and show it to me. I said quite the reverse. I told the Premier that he could borrow money at a price. I told him also that he could get half a million within our own city if he liked to go to the institutions which had the money to lend.

The Minister for Works: At a price.

Hon. FRANK WILSON: Certainly.

The Premier: But I did not go there.

Hon. FRANK WILSON: The Premier did indirectly. The Premier is not getting his money from the Imperial Government as he led the House last night to believe. He is raising the money from the associated banks.

The Premier: I am getting it from the Commonwealth; I do not know where they are getting it.

Hon. FRANK WILSON: The Premier said yesterday he was getting it from the Imperial Government. If he is getting it from the Commonwealth, and Mr. Fisher says he is getting it from the associated banks, we are going back to the very institutions which the Premier reviled.

The Premier: Where did the associated banks get it? It must be there to someone's credit, and the people who have it must give it.

Hon. FRANK WILSON: It is no argument to say that the people who have it must give it. It is the religion of the Premier and his colleagues to take it from the man who hath and give it to the man who hath not. The fact is that so long as we can carry on with loan funds the people in this State will be satisfied and willing to be taxed sufficiently to pay interest and sinking fund. And the farmers can get the advantage of the next harvest, which we hope will be a good one, until they can bear their own obligations and out of that harvest pay interest and sinking fund. These are not times at which to cripple our citizens by impositions of this description. Even though the measure, as I freely admit, is much more reasonable and much fairer than the one introduced last session, we ought now to encourage every effort on the part of our citizens to extend the avenues of employment. We cannot do it by the mere extraction of money from the pockets of the people and the expenditure of that money on public works. Our friends opposite have certainly not given due consideration to the effect of this proposal. I have furnished three reasons why this measure should be opposed in respect to its income tax aspect, and I now give a fourth briefly summed up in the words, the tax is not necessary at the present juncture. The Premier has said that if we come to the conclusion that the tax is unnecessary, we ought to vote against the measure. That is what I intend to do. The tax is not necessary. According to the Premier's own statement on the Loan Estimates, we have quite sufficient money therein provided to absorb all the unemployed, an ample sufficiency of public works if the Premier is in earnest and will get those works started without delay. During the last six months ended 31st December we spent £919,000 from loan money. If we deduct that from the Loan Estimates, it leaves £1,934,000 to be expended during the six months ending 30th June next. Out of the balance provided on the Loan Estimates for material and land resumptions, we may take half a million, and it leaves £1,434,000 for labour on these public works.

Hon. R. H. Underwood (Honorary Minister): How much is to go for seed wheat?

Hon. FRANK WILSON: Of course something will have to go for seed wheat, but a great proportion of the money to be advanced to farmers will be for labour. There is no question about that. I am satisfied that if this money is to be available—and we have the Premier's word that it is—there will be great demands from our agricultural centres for financial assistance.

Mr. James Gardiner: Not much of it will be for labour. Most of the work will be done by the farmer himself. He is not prepared to pay for labour.

Hon. FRANK WILSON: I have it on good authority that the farmers will absorb large numbers of men. In any case the farmers are not sitting down waiting for something to come along. Many of them are accepting work from the local authorities to-day, and as soon as they can get the advantage of this monetary assistance from the Government they will be back on their holdings. So, even if they do labour on their own farms, they will certainly be making room for some unfortunate individuals to take up the work in which they are now employed. In any case the money will be put into circulation, for as soon as the farmers get it they will pay off their butchers and bakers, storekeepers and others. Again, this £350,000 to enable the Agricultural Bank to make advances to the farmers is largely for labour. There is no question about that; and though the farmer himself may perform a good proportion of the work, he will require assistance if he is to earn the money the Agricultural Bank will lend him. We have provided for expenditure on railways and tramways, £888,000, of which at least £370,000 will be for labour, after we have given all due consideration to the materials set forth in the Estimates, which will have to be paid for in cash outside our own borders. The sum of £166,000 to be expended on harbours is largely for labour.

The Premier: We are already employing the labour and spending at that rate.

Hon. FRANK WILSON: Oh, no. The figures given show conclusively that it is not so. During the last six months we expended something under a million pounds, while this half year we are to expend nearly two millions. On sewerage and water supply we are to spend £307,000, and on roads and bridges £134,000. In other words, out of these Loan Estimates nearly a million and a half is to be expended on labour; and I hold that if, during the past six months, we were able to keep pretty well all going on a million of money, we are certainly justified in anticipating that we will be able to keep all going during the next six months on an expenditure of a million and a half.

The Premier: We did not allow for it.

Hon. FRANK WILSON: That is the trouble. I touched on that just now. The Premier has not allowed for it.

The Premier: I shall meet it, whether I have allowed for it or not.

Hon. FRANK WILSON: I do not think he will. He has never been able to meet it yet, as witness his deficit to-day. He is certainly not meeting expenditure out of revenue when he is £1,060,000 to the bad.

The Premier: I said I would meet the falling revenue.

Hon. FRANK WILSON: Yes, by using loan moneys. I think we, as sensible individuals, are justified in coming to the conclusion that the unemployed difficulty is not of such magnitude as to require a proposal like this, which has never been heard of in any other part of the British dominions. Where has a special tax ever been imposed to raise certain moneys in order to assist a special section of the community?

The Premier: They are not a special section; they are citizens, and as much worthy of consideration as any other citizens.

Hon. FRANK WILSON: I am not inquiring as to whether they are worthy of consideration. According to the Honorary Minister (Hon. R. H. Underwood) some are quite unworthy. The member for Menzies (Mr. Mullany) also showed

the other night that not all of them are worthy of consideration.

The Premier: What is your opinion?

Hon. FRANK WILSON: I am of the same opinion as members on the Ministerial side, namely, that we have good, bad, and indifferent in every walk of life, and that wasters are to be found wherever we may go. We have it on record that the Premier came down to the House in that irresponsible manner characteristic of him, put these Estimates on the Table, laid down this taxation proposal and said, "You are to raise this £200,000, and we are going to utilise it for special work." We have this proposal outside of the general financial position of the country altogether. The Premier does not concern himself about his deficit, and whether it is going to increase or decrease. Apparently the deficit may go on increasing for ever, for all he cares; but, if you please, he is going to transfer his unemployed difficulty from the shoulders of himself and his colleagues on to those of the taxpayer, as it is made clear in this proposal. I have said that no information has been given in regard to the number of the unemployed in different centres, their callings and their trades.

Mr. O'Loughlen: Suppose Millars close down next week.

Hon. FRANK WILSON: Suppose the country closes down next week, we will all be in the ranks of the unemployed then.

Mr. A. A. Wilson: You know that a good many of the coal-miners are out of employment at present.

Hon. FRANK WILSON: I understand there has been a falling off in the bunkering trade, and that, of course, means a shrinkage in employment.

The Premier: And you want a special session to carry all the burden.

Hon. FRANK WILSON: No, everybody is suffering.

Mr. Bolton: No, only the working man.

Hon. FRANK WILSON: Are hon. members working men?

Mr. O'Loughlen: Yes.

Hon. FRANK WILSON: How are they suffering? They would not agree to suffer the other night when it was suggested that their salaries should be reduced.

The Premier: You can reduce your salary as much as you like.

Hon. FRANK WILSON: The Premier ought to have reduced his years ago. He made some promises but would not keep them.

Mr. SPEAKER: Order! This discussion is quite irregular.

Hon. FRANK WILSON: The proposed tax is quite unnecessary, and the Bill ought to be rejected. The Estimates themselves show that if the money therein contemplated is to be expended, there will be no necessity to ask for special taxation for similar special works. It is unwise to specialise at all. The first object of the Government ought to be to adjust their own finances. Some scheme ought to be outlined for the diminution of the deficit or, at the very least, some honest attempt should be made to diminish it. I do not say that at this juncture we can expect anything great in that direction but we can hope for some effort to be made; yet none is suggested. We have it on record that we have been living at high pressure during the last three years, the total expenditure having been something like eight million pounds per annum. During the previous three years we had a total expenditure of less than five millions per annum. Is not there in that statement alone sufficient to give food for reflection?

Mr. McDowall: There is absolutely nothing in a statement of that kind.

Hon. FRANK WILSON: The hon. member may think so, and he can endeavour to explain it, but it will take a lot of explaining to satisfy the people.

Mr. McDowall: Yes, I can by my figures.

The Premier: Do not challenge the member for Coolgardie to quote figures, please.

Hon. FRANK WILSON: I am asking him to make an explanation and it will take a lot of explaining to convince

the general public that my statement is not correct.

Mr. O'Loughlen: You have always had a difficulty to convince them that you were right.

Hon. FRANK WILSON: I went a long way towards convincing them a few months ago.

Mr. Bolton: Why, your numbers were reduced.

Hon. FRANK WILSON: Members seem to think that the people of Western Australia have a very light burden to carry. In view of the position to-day they will have all they can carry, and many business people will find, notwithstanding that they may show some profit on paper, they will have a very large margin of debt to carry forward and very little profit in actual cash. As time goes on, and as trade is shrinking—this is evidenced by the returns issued by the Federal Statistician—the people must feel the burden more and more, and can they find at present more money in the direction indicated by this proposed taxation? Federal taxation is increasing enormously. The land tax has been doubled and leases are to be included in the general taxation proposals of the Federal Government. We have too, increased Customs duties to face, and these are striking many of our smaller people and larger people also very seriously—the primary producers will feel these extra imposts—and in addition the Federal Government, who are supposed to be so solicitous for our welfare, are imposing very heavy death duties. Whilst these duties, perhaps, will not interfere with the operations of a man during his lifetime, yet on his demise—

The Premier: You would not have to pay them.

Hon. FRANK WILSON: But those who are left behind have to pay; someone is left and the payment goes on continuously.

The Premier: If you would only get away from the habit of looking too far into the future, or too far into the past, you would get on much better.

Hon. FRANK WILSON: I am looking at to-day and the Premier would do

better if he would look at the present and the future.

The Premier: Sufficient unto the day is the good thereof.

Hon. FRANK WILSON: The Premier's attitude will not only leave him worse off but will send the country into bankruptcy.

The Premier: We have heard that from you before.

Hon. FRANK WILSON: And the Premier will hear it again. In addition to the taxes I have referred to, we must expect to have to bear some sort of war tax sooner or later. The Commonwealth Government cannot find money at the rate of 20 millions a year for war expenditure without submitting some taxation proposals.

Mr. Bolton: Would you advocate standing back until we hear what their taxation proposals are?

Hon. FRANK WILSON: I would advocate holding off and not imposing unnecessary taxation.

Mr. Bolton: You are a unificationist.

The Premier: You promised to give your last bob.

Hon. FRANK WILSON: I promised that the Premier would do so.

The Premier: I thought you were speaking for someone else.

Hon. FRANK WILSON: And I hope the Premier will honour the promise. A war tax will have to be imposed because the Federal Government are working on borrowed money, and interest and sinking fund will have to be provided. We are already feeling the effects of the increased Customs tariff, and on top of all this the people of this State are to be asked, because of the war and mainly on account of the drought, owing to an unemployed difficulty, to submit to increased taxation.

Hon. R. H. Underwood (Honorary Minister): You are a bit downhearted.

Hon. FRANK WILSON: I suggest that this Bill represents the first public admission that the Premier has made of his failure as a financier.

The Premier: Do you think I propose to collect this money and dump it out at sea?

Hon. FRANK WILSON: I do not think the Premier is such a fool as that.

The Premier: That is the inference.

Hon. FRANK WILSON: I made no such suggestion. I recognise that the Premier is a clever man and will not dump anything of value into the sea.

Mr. Foley: You dumped a lot of money into the sea at Fremantle.

Hon. FRANK WILSON: It is astounding to find the Premier admitting, by the introduction of this Bill, his failure to successfully handle the finances of the State. The employment of our people should be the first consideration; it is the first consideration of every party, no matter what a man's political faith might be.

The Premier: There are different ways of expressing it.

Hon. FRANK WILSON: There are different ways of bringing it about, and the method suggested by this Bill does not appeal to me as being an economical way of finding employment. The Government came into power some 3½ years ago believing they could find work for all. We remember the famous plank in their platform, not yet obliterated, the right to work, a plank which the Government have explained and elucidated, and the Premier himself has stated that the Government should be forced to find work for the unemployed.

The Premier: I recognise that is my responsibility, and I am taking the proper course.

Hon. J. Mitchell: There have always been a good many out of work since the present Government took office.

Mr. Heitmann: Your leader just said there were not many out.

Hon. FRANK WILSON: The Government have never yet been able to give effect to that plank; on the other hand we find that every action on their part has been rather to curtail the avenues of employment than to extend them. The enterprising in Western Australia have been and are being discouraged every time a proposal is made from the Government bench. The Government have attacked those in our country who have been em-

ploying labour, and have entered into competition with our own citizens.

Mr. O'Loughlen: Who are they?

The Premier: Rings and combines.

Hon. FRANK WILSON: The Government's object is to replace well-managed private enterprises by badly-managed State enterprises.

Mr. O'Loughlen: To which ones do you refer?

Hon. FRANK WILSON: The whole lot of them.

The Minister for Works: That is amusing, seeing you started many of them.

The Premier: You object to opposition to Asiatic labour.

Hon. FRANK WILSON: The result of the Government's actions has been that the workers, whom the Government are so fond of claiming to directly represent, are the first to suffer.

Mr. O'Loughlen: Your heart bleeds for them, does not it?

Hon. FRANK WILSON: My heart has a habit of bleeding about as much as the hon. member's.

Mr. Bolton: Then the blood will be got out of the worker.

Hon. FRANK WILSON: That is a reflection on the member for Forrest.

Mr. Bolton: It is, if he is to be measured by you.

Hon. FRANK WILSON: If the Government collect this tax—and I do not think it will be passed—the money will find employment for only about 1,500 men at 50s. a week for 12 months, and after that what will be the position? If we employ 1,500 men with money extracted from the pockets of the taxpaying section of the community, and employ those men for 12 months, where shall we be? The position will be the same as before. At the end of 12 months, we shall be worse off than we are to-day.

Hon. R. H. Underwood (Honorary Minister): Are not we going to have a harvest this year?

Hon. FRANK WILSON: The Government's proposal will prove no solution of a big problem. Would it be right for me to take £5 from my neighbour's pocket to employ another neighbour for a couple of weeks at £2 10s. a week?

Mr. Heitmann: Why did you introduce the land tax in 1905 when there was no necessity for it?

Hon. FRANK WILSON: To raise a little revenue.

Mr. Heitmann: You said then, the same as now, that there was no necessity for it.

Hon. FRANK WILSON: I did not.

Mr. Heitmann: You did, a hundred times.

Hon. FRANK WILSON: The hon. member is wrong again. Neither the then Premier nor I made that statement.

The Premier: You made it in your own constituency.

Hon. FRANK WILSON: The Premier is romancing; it is a little habit of his. I made no such assertion and neither did the Premier of the day.

The Premier: He did; I heard him.

Hon. FRANK WILSON: He said, for that session at any rate they would not impose the taxation, and the Premier knows it. This proposal is intended to solve a big problem, whereas the first consideration of the Government should be to adjust their own finances and exercise due economy. They should certainly cut off dead limbs right throughout the different departments and more especially should they cut off the losing State enterprises.

The Premier: What about the unemployed from them?

Hon. FRANK WILSON: Fancy running State steamships at a loss of £20,000 a year to provide employment for the captain and crew. Who ever heard of such a suggestion? If this is continued much longer, it will bring the country into bankruptcy. The principle is wrong. The Government ought to cut off dead expenditure and the sooner they do it the better it will be for the State. The Government ought to encourage private enterprise instead of competing with it. The Government ought to give the individual all encouragement and assistance possible, and above all invoke the aid of outside capital. Rather than borrow millions of money to invest in speculative undertakings, would not it be far more to the advantage of the State if someone

else would bring those millions in and invest them in the industries of the State? Would not we then gradually work around to the condition of prosperity Western Australia enjoyed a very few years ago? Create new avenues of employment; do not try to replace existing avenues by State avenues of employment. That is not the way to solve this problem. We must build up something fresh which will absorb the unemployed who are wishful of finding work and will keep them and their families from want. Let me illustrate my argument by referring to the possibility of opening up and settling the south-western district. No provision has been made for that. There is scope in the south-western portion of the State for dairying, mixed farming and fruit growing, if wisely handled, to absorb ten times the present number of unemployed.

The Premier: Why do not private enterprise bring in their millions if it is such a good proposition?

Hon. FRANK WILSON: The Premier will not encourage them to do so.

Mr. Foley: What did your Government do?

Hon. FRANK WILSON: We encouraged them and got them here.

Mr. Foley: What are they producing?

Hon. FRANK WILSON: We made the country what it was three or four years ago.

The Minister for Works: You put up a creamery and sent to Melbourne for the butter.

Hon. FRANK WILSON: I do not think so. The Premier said there was only one point to consider in connection with this proposal, and that was as to whether the conditions were such that, to relieve the situation, it was necessary to obtain further funds. I think I have shown that it is not necessary at the present juncture to obtain any fresh funds; at least if I have not done so, I have shown the Premier where I think this necessity does not exist. The Premier has stated in regard to his programme of works to be carried out—and anyone who looks down that schedule of works must see that there is any

amount of opportunity for employment of labour—that he has already made arrangements to find money to carry them out. Why then do we want now to increase the burden upon our people by imposing a special taxation? I hope that the members of the House will realise that they have a duty to perform not only to the unemployed, and not in allowing the unemployed to dictate to them, but to all the other citizens of the State, and that they have a special duty to perform to those who have the means, or are earning the means, to pay this tax, if it be imposed. I do not think for one moment that during the next 12 months we can hope to get the full amount suggested in the Bill. We have money enough in our loan appropriation to carry on and absorb all the unemployment we have in our midst, or are likely to have, until the assistance which is to be given to the deserving settlers on our agricultural land, is given, and they in turn can assist us to absorb the surplus labour, as it is called, of the State.

Mr. Green: So there are good times ahead?

Hon. FRANK WILSON: I hope so.

Mr. JAMES GARDINER (Irwin) [9.2]: I noticed the night before last in a paper published in this State, a paper whose patron saints apparently are Ananias and Sapphira, a statement that this measure was being brought in by the Government signed, sealed, and delivered, by the Country party. I just want to say that not only so far as this measure is concerned, but so far as any other measure that has been brought into the House is concerned, never has there been one word exchanged between the Premier or any of his Ministers, directly or indirectly, or personally between himself, as head of the Government, and myself as head of the Country party.

Mr. Bolton: It is doubtful whether they will publish your remarks.

Mr. JAMES GARDINER: I go further than that, because this measure brings it up, and say that we promised when we were on the hustings, whatever

party was in power, that we would assist them in the dire difficulties that we foresaw the State was going to be in. We have fulfilled our word in giving every possible assistance to the Government to carry those measures which, in our judgment, we thought would be in the best interests of the State. I want this to be clearly understood, that when this party gives its word, either to friend or opponent, that word is worth 20s. in the pound, in that mart where honourable men trade. With regard to this taxation proposal, I may say that I am speaking to-night as an individual member of this House, and that my remarks carry no party significance, because in our platform there is no question affecting taxation. I regret that taxation has been brought in here now, but that taxation is necessary, and would be necessary, I do not think any reasonable man in the State can deny. If this tax is brought in now, the responsibility ought to be put upon the proper shoulders. I thought it was an understood thing that no taxation was to be brought in during this session, but by ill-advised advertisement, and ill-advised championship in this House it was conclusively and clearly proved that taxation was necessary, and was necessary at once, because the purpose was to tax members of this House to the extent of £100 per annum. I am rather surprised to hear the assertion that one should not tax one body of the community for another, in the face of the fact that there was a suggestion to tax this body for the benefit of the whole community.

Mr. Bolton: Praying that it would not be carried.

Mr. JAMES GARDINER: That is neither here or there. I am approaching this tax from the humanitarian standpoint. Poverty and want reach my heart quicker than anything else. I do not want the position to be that I shall have sufficient and that other men shall starve. I go back to September, when we called a meeting of citizens of this State, when we foresaw the difficulties that have now come to us, the difficulties in the farming in-

dustry, and the unanimous decision of those citizens was this—that we should not only make every effort to keep the farmer on the land, to keep him there, to look after his wants and his necessities, but that we should, in addition, look after the workers and see that they were given avenues of employment, so that they might be kept in work, and not have to take charity—because there are men who would rather starve than take charity. No one wants to see men taking this dole every day. Is it any satisfaction to us to know that we are giving men three meals a day?

Member: Two meals a day.

Mr. GARDINER: That is all they can get and that is what they have to exist on. This tax may or may not be necessary. I wanted the Government to go into that position fearlessly and faithfully, and I am not going to absolve them from that position now. Let them go into the position fearlessly and faithfully. I do not think that the passing of this tax is going to absolve them from the other duties that the leader of the Opposition has cast upon them. If they are going into that faithfully and fearlessly, and cut into the bone without any other consideration than cutting into the bone, then the unemployed in the State are not going to be 3,000 but 10,000. No man looking out on the future of the next 12 months wants to be an alarmist, but surely common sense tells us that we have a hard, hard, time coming. If we were at war to-day this State would have a demand upon our lives. We are not actively at war in this State, but I do say that we are up against a problem that is almost as hard and as difficult a one to grasp and to bring to a successful issue to-day as the war. Under these circumstances, I am citizen enough to say that if I cannot give my life I am willing to give some portion of that which I have made in this State so that other people's circumstances may be improved. I hope there are times when every citizen will rise above being afraid of uttering what may be thought to be a discreditable sentiment. It is some credit to entertain those feelings of sympathy which ought

to be in every human heart. We dealt with the farmer. This House has done nothing practically, notwithstanding all the sneers that people engineered against this party I stand behind, and has devoted nearly all its time to what—to trying to relieve absolute want. It is idle to tell me that £500,000 is going to be spent on labour, that is, assisting the farmers. It is too silly to talk about.

The Premier: Hear, hear!

Mr. JAMES GARDINER: It is to be spent in wheat, it is to be spent in superphosphates, it is to be spent in hay; not in any luxury, but in the merest bread and butter of necessity. And they come and say it is to be spent on labour. It makes one wonder what standard of common sense this House has got that such a silly argument could be considered for a moment. I did feel, and I do feel, just as strongly on the necessities of the farmer and of relieving him from want as any man in Western Australia. If I feel that of one particular interest I have a right to feel it on behalf of every class of people which is in necessity and want. This may not be the best way, and God knows what is the best way, of meeting the many difficulties with which this State is faced. It is idle to say that our deficit is increasing because of mismanagement. No doubt some of it is entirely due to mismanagement, but I have never known of any Government or anybody else who did not mismanage in some way or other. One could traverse the whole of Australia and find instances of the same thing. We find that in South Australia, if my memory serves me right, that for the last quarter of the year they went behind to the extent of £300,000. Victoria, I believe, is anticipating a deficit of £1,000,000. I am not making an apology for members of the Government, but, suppose we had wiser men in Western Australia sitting on that Treasury bench to-night, I say there is no living power at this present juncture which can see where this deficit is going to stop. I am perfectly willing to give every moment of my time to this State at the present juncture in any possible way, and without any pay, in trying to solve these difficulties and help the

Government out of them. I realise that no human agency can hope to solve the difficulties which are going to heap themselves upon us during the next few months. But, thank God, we have the spirit of hope left to us. They let out of Pandora's box all the spirits of mischief. It is from that source that we got all the ills of life. They have still left us the spirit of hope. When they opened that box again this spirit got out and we have it with us now; but that spirit of hope is some distance from realisation. It is during this critical time that men are going to be asked to sacrifice their abilities, to sacrifice their pockets, in an attempt to see if we cannot get through. I am not going to delay the House by saying very much more except these last few words. This tax is going to hit me as hard as most men in the State. But, as a citizen of the State, if the payment of that tax is going to enable any living soul in the State to earn his money instead of being obliged to take it by way of charity, I will sign a cheque for any difference with the greatest of pleasure, and say, "Thank God, I am able to do it."

[Demonstration in the Public Gallery.]

Mr. SPEAKER: I wish to notify those in the gallery that, while they may be excused on an occasion of this kind, they must not make such demonstrations.

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

Ayes	..	..	..	28
Noes	..	..	..	9

Majority for .. 19

AYES.

Mr. Angwin	Mr. McDowall
Mr. Bolton	Mr. Mullany
Mr. Carpenter	Mr. Munsie
Mr. Chesson	Mr. O'Loughlin
Mr. Collier	Mr. Scaddan
Mr. Cunningham	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Griffiths	Mr. Walker
Mr. Harrison	Mr. Wansbrough
Mr. Holman	Mr. Willmott
Mr. Johnson	Mr. A. A. Wilson
Mr. Johnston	Mr. Heitmann

(Teller).

NOES.

Mr. Allen	Mr. Smith
Mr. Connolly	Mr. Thomson
Mr. Hickmott	Mr. F. Wilson
Mr. Mitchell	Mr. Male
Mr. Plesse	(Teller).

Question thus passed.

Bill read a second time.

PAIRS.

Mr. Hudson	Mr. Nairn
Mr. Price	Mr. Gilchrist
Mr. J. P. Gardner	Mr. Robinson

In Committee.

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

Clauses 1, 2, 3—agreed to.

Clause 4—Option to make monthly or other periodical returns:

Mr. SMITH: Subclause 2, dealing with returns by employers, seems to me rather unfair to the employer, since, at all events according to my reading of it, the employee may say to his employer that he wishes to pay the tax in advance in order to reap the benefit of the 5 per cent. discount allowed, and then, under this subclause the employer may be compelled to pay the amount of the tax, say, for 12 months in advance, while there is no guarantee that the employee will remain in that employer's service for that length of time. I do not think this can be the intention of the framers of the measure, but I ask the Premier to make the subclause more explicit. Under it as it stands, the employee apparently is to get the benefit of the cash advance, while the employer apparently is to find the cash. Is that intended by the Premier?

The Premier: No, nor does the clause intend that.

Mr. SMITH: Then let the clause state plainly what is intended.

The PREMIER: The hon. member is not entitled to interpret the English of this clause as he does. The word "paid" is English which cannot be misunderstood. An employee is not paid until his services have been rendered, and a deduction is to be made at the employee's request when payment for services rendered is made to him.

Mr. SMITH: Assuming that reading to be correct, I still ask, why should the

employer be put to the trouble of doing this work for the employee, instead of the employee being left to do it for himself? There is quite enough work already imposed on employers in the way of furnishing returns.

The PREMIER: The object is to let the employer forward the amount of the tax on behalf of all his employees. That is the simplest way of collecting the tax. Many employees will no doubt prefer to have the amount of the tax deducted weekly or monthly, instead of allowing the tax to mount up and having to meet a comparatively heavy impost out of one pay. Further, my object is to obtain payment in advance from as many taxpayers as possible, instead of waiting for payment until July. I want to obtain some of the revenue under this measure as early as possible, in order that some of the works contemplated may be started as soon as possible.

Hon. FRANK WILSON: I think the wording of Subclause 2 is quite clear, and I do not think the contention can hold for one moment that an employer under this subclause may be called upon to pay in advance the tax for an employee. The employer can only be called upon to pay the tax from money due to the employee. For the convenience of the Taxation Department, however, the Premier would do well to take power for the department to call upon the employer to make these returns and payments, instead of leaving the matter permissive. The Commissioner of Taxation should be given power to call upon an employer for a return of employees earning over £156 per annum, and also power to require the employer at the end of six months to collect the tax from his employees.

The PREMIER: It would be unfair to make it compulsory at the request of the Commissioner for an employer to make the deduction. It will be purely a voluntary act on the part of the taxpayer to pay fortnightly, monthly, or even half-yearly, just as he chooses. The returns will be very simple.

Clause put and passed.

Clause 5—Incorporation of Act No. 15 of 1907:

Hon. J. MITCHELL: Paragraph (d) provides that insurance companies shall pay this tax. I understood from the Premier last night that they were to be exempt.

The Premier: Life insurance companies are exempt.

Hon. J. MITCHELL: I think the clause should be looked into and the meaning made perfectly clear.

Mr. MALE: The paragraph clearly states that the taxable income of insurance companies shall be assessed. It does not say that these companies shall be exempt.

The PREMIER: We are incorporating in this Bill the provisions of the Land and Income Tax Assessment Act, 1907. Section 19 of that Act provides for the exemption of certain incomes. Subsection 2 of Section 19 provides that the incomes of life assurance companies and of companies or societies not carrying on business for purposes of gain shall be exempt, and it goes on to say that this exemption shall not apply to incomes derived from interest on investments. To-day they are paying the same as an ordinary taxpayer at the rates under the present Act on the interest derived from investments, and that is all. In the Bill before members we have to put in paragraph (e) which says, "The exemption under paragraph 2 of Section 19 shall extend to income derived from interest on investments." Therefore they are entirely exempt under the Bill.

Clause put and passed.

Clauses 6 to 8—agreed to.

Clause 9—Returns to be furnished and tax paid:

Hon. J. D. CONNOLLY: This may entail a great deal of work on owners of places of public entertainment. The clause provides that every person by whom any public entertainment is carried on shall forthwith after every such public entertainment or within such time as may be prescribed by regulations deliver a return setting forth all the details. This will involve a lot of work and I doubt whether the Treasury will get the return they will be entitled to. This might be done at less expense by the issue of

stamps or having each ticket for admission issued by the Treasury.

The PREMIER: We must make provision that a person shall prepare a return immediately after the entertainment has taken place, because there may be only one entertainment in a year and the person giving it may leave immediately afterwards. We can by regulation make provision to meet the case suggested by the hon. member. We have deliberately left out a good deal of detail which can be attended to by regulation. In fact we shall be able by regulation to get over many difficulties which we know will be encountered. To avoid possible hardship entailed by a hard and fast rule, we desire to leave it to regulation and make the conditions as easy as possible.

Hon. J. D. Connolly: What about the stamps? That system would prevent the making of wrong returns.

The PREMIER: All these entrepreneurs have to make returns under the Income Tax Act already, and we do not believe them to be all dishonest.

Hon. Frank Wilson: Would it not be simpler to stamp the tickets?

The PREMIER: Only this evening I met a deputation of picture show proprietors, and explained that we desired to provide the simplest possible method of collecting the tax without inflicting any hardship.

Mr. Smith: The proprietors of these shows are not going to pay the tax.

The PREMIER: I have already said that a person who can afford to go to entertainments under existing conditions is in a position to pay a small additional amount for the purpose of providing the necessities of life for others less fortunate. It may be found that the easiest method of collecting the tax will be by stamps, either embossed or adhesive, but the several methods have yet to be discussed with the people most concerned. What we are principally concerned about is the getting of the tax.

Hon. FRANK WILSON: I am afraid the Premier will not be able to formulate regulations, seeing that the procedure is laid down in the clause. Returns have to be made.

The Premier. Within such time as may be prescribed by regulation.

Hon. FRANK WILSON: I doubt if the Premier has power to substitute a stamp.

The Premier: I am certain of it; the clause provides for it.

Hon. FRANK WILSON: The promoter of an entertainment must deliver to the Commissioner of Taxation a return in a prescribed form, setting forth a number of particulars. We cannot substitute for this form some such expedients as stamps. The Premier should make proper provision in the Bill.

The PREMIER: The first portion of the clause is its main principle. It provides that certain things shall be done within such time as may be prescribed by regulation. There is nothing to prevent us from arranging with the people running an entertainment to have their tickets embossed, issue the tickets and debit the charge against them. Then the making of the return would be eminently simple. Clause 12 provides for the making of regulations prescribing the mode of payment of the tax. We have all the provision necessary for making arrangements by regulation.

Clause put and passed.

Clauses 10, 11—agreed to.

Clause 12—Regulations:

Hon. J. MITCHELL: The customary provision for laying the regulations on the Table does not appear in the Bill.

The Premier: I rely on the Interpretation Act.

Hon. J. MITCHELL: Which wrongly prescribes that these regulations can only be rejected by a motion agreed to by both Houses. It has been the custom to provide that either House shall have power to reject regulations. The Premier, when in Opposition, argued that the Interpretation Act was wrong in this regard.

The Premier: I never argued anything of the kind.

Hon. J. MITCHELL: It is in *Hansard*. Either House should have the right to disallow regulations.

The Minister for Lands: You passed many a Bill under the provisions of the Interpretation Act.

Hon. J. MITCHELL: We think, as the Premier once thought, that either House should have the right to disallow regulations.

Clause put and passed.

Clause 13—Application of tax:

Hon. J. D. CONNOLLY: Will the Premier give us an indication as to the schedule of works forecasted in the clause—as to what work he intends to carry out.

The PREMIER: It has no bearing on the tax. In any case I cannot give the schedule. The clause provides that Parliament shall have placed before it, prior to the money being expended, a schedule of works on which the money is to be spent. If I brought down such a schedule with the Bill I would so arrange that schedule as to provide for an equal distribution of the expenditure over all the electorates, in order that no member would vote against the Bill. But I am not going to cloud the principle of the Bill by introducing with it a schedule which would impose allegiance on some members and relieve others from all responsibility. As a broad principle I may say the money will be spent largely in districts where it is largely raised. If any member is prepared to offer a suggestion, I will give it due consideration. I am not able to state definitely the nature of the works or where they will be carried out.

Mr. SMITH: Will the work be restricted to unionists, or will it be open to every man who is unemployed?

The PREMIER: I am not quite certain. I understand there is a union of the unemployed, and probably there will be no one outside of the union.

Hon. J. D. CONNOLLY: I am not so much concerned about the money being expended in the districts of members who support the Bill, as about the class of work to be undertaken. Much of the work will be similar to that provided for under the Loan Estimates. Apparently provision will be made only for manual

workers, and I do not think there is at present any difficulty in providing employment for those capable of doing this kind of work.

Hon. J. MITCHELL: This clause is ridiculous. The Loan Estimates provide for £2,850,000 to cover the works necessary during the next few months.

The Minister for Lands: Then you are opposed to any further works than those specified in the Loan Schedule?

Hon. J. MITCHELL: I object to works usually provided for on Loan Estimates being included here. The Loan Estimates will provide work for more unemployed than there are to-day, and if the Government are honest in their intention to start those works as soon as possible there is no need for the clause. In preparing the list of works, the Government no doubt had regard to those which were most urgent. Under the clause it will be impossible to expend the money except by a vote of both Houses of Parliament, but with the Premier will rest the responsibility for submitting the motion.

The Premier.: No, any hon. member can move a motion.

Hon. J. MITCHELL: It would be useless for any member of the Opposition to table such a motion. The Premier should surely be able to tell us his ideas in regard to the expenditure of this money. It is not to be used to reduce the deficit or to assist the revenue.

The Premier: Would you like it to be used for general revenue?

Hon. J. MITCHELL: I do not like the tax at all. It will have the effect of reducing employment. It is impossible to tax people into work as the Premier is trying to do. The Premier proposes to collect taxation from people who can ill afford to pay, but they are entitled to know the object to which it will be devoted. If the Premier does not know on what works the money will be expended he ought to find out as soon as possible.

Mr. MALE: Since the Premier is unable to say on what particular works the money will be expended, can he inform us if it is intended to carry out any pub-

lie works? The clause stipulates that the money might be applied to public works or some other purpose. There would be nothing to prevent it from being used to increase Ministerial salaries, provided both Houses agreed.

Mr. Munsie: That would not be finding work for the unemployed.

The PREMIER: If the hon. member desires information he should ask for it respectfully. He should not be insulting.

The CHAIRMAN: The Premier must discuss the clause.

The PREMIER: It was insulting on the part of the hon. member to suggest that the money might be used to increase Ministerial salaries. The clause specifies that the net proceeds of the tax shall, subject to appropriation of Parliament, be applied to carrying out all special and necessary works whereon the surplus labour of the State may be profitably employed, or such other purposes as may be approved by resolution of both Houses of Parliament. The hon. member should know from this, that on other than public works we cannot spend a single penny of money without a resolution being adopted by both Houses of Parliament. The hon. member must also know that no resolution can pass both Houses to increase Ministerial salaries at the present time. The object of that particular part of the clause is to enable the Government to make a grant, perhaps, to a local authority. We might decide, for instance, in some particular district where some work is controlled by a local authority, that it can better be controlled by that body, and that in the circumstances a grant should be made to it for the purpose of providing employment for those in need of work.

Mr. GRIFFITHS: There seems to be a good deal of misrepresentation going on in regard to this measure. Even in a newspaper published to-day we read a statement like this, which shows that a wrong construction is being put on this matter by some of our journals.

Hon. J. Mitchell: By the Premier himself.

Mr. GRIFFITHS: The newspaper in question states—

Generally stated, however, the object of the Bill is to provide the Treasurer with the sum of about £200,000 over and above the amount which may be realised from the existing Income Tax Act. The Bill states that the money is to "be applied to carrying out necessary and public works, whereon surplus labour within the State may be profitably employed." It would have been better had the Treasurer refrained from stating this as the object he has in view, for it enunciates a most vicious principle, under which one section of the community is to be taxed for the benefit of another section.

It practically goes on to state that the employees from the country districts are to be tempted into the town to take employment under the Government on which they can get in the Government stroke at the maximum wage. Members should try to be a little more patriotic and look at things fairly and squarely. There is too much party business being made of this matter. The journal goes on to state—

Now if the loss is to be augmented by a tax of one-twelfth of the gross receipts we may be sure that few companies will venture to Western Australia and the public will be denied the opportunity of amusement.

That is a very sorry argument to bring forward, that we should be denied a little pleasure in connection with the application of this money so far as the incidence of this taxation is concerned. The Premier should consider the question of sending out some of the unemployed into the outback districts and ensuring that some of the money is spent on works of a reproductive nature. I should like to have seen a tax put upon the bachelor rather than see the married men of the State carrying the burden of the bachelor.

Hon. J. MITCHELL: I resent the statement of the hon. member in regard to this thing being a party question. We endeavour to see that what is right is being done under the Bill. The hon. member says that it is perfectly right to levy a tax upon the whole people for the benefit of a few. I always thought there

was no harm in levying a tax so long as that tax was for the benefit of the whole community.

The Premier: How could that be done? Have we not spent from revenue, which is money raised from the general community, to provide for a weir at Northam? Does the whole community get the benefit from that?

Hon. J. MITCHELL: Yes. I merely wish the hon. member for York to believe that we are just as desirous of helping the people of the State as he is. We simply disagree as to methods. I want works to be done that can be done, but done more profitably than they can be by the application of this clause.

Clause put and passed.

Clauses 14, 15—agreed to.

First schedule—agreed to.

Second schedule:

Hon. J. MITCHELL: There is something exceedingly wrong here. We have been engaged in cutting down the subsidies of agricultural shows and other societies of that description. I therefore move an amendment—

That the words "cricket, football, tennis, and other games" be struck out.

The PREMIER: I do not think the hon. member has obtained a brief from the sporting community to have these words struck out. I have no hesitation in saying on behalf of the football community that they will be prepared to pay this portion of the tax. I am prepared to take the responsibility of saying that these words shall remain.

Amendment put and negatived.

Hon. J. MITCHELL: I move an amendment—

That the words "dog and poultry shows, industrial and other exhibitions, agricultural and horticultural shows" be struck out.

Mr. WANSBROUGH: Poultry shows are run under the auspices of agricultural shows. Agricultural societies, which at present are struggling for an existence, derive their support, however, mainly from agriculturists who are bearing their share of the burden by way of land and income tax, and would also shoulder their responsibilities under the super tax.

The Premier: I wish you meant that.

Mr. Thomson: Many of them are prepared to do so.

Mr. WANSBROUGH: These country agricultural societies depend upon agriculturists for their spectators, and rely for their existence on the subscriptions of farmers. It is not fair to include them in the schedule and I would like to see them struck out.

Mr. WILLMOTT: I also regret that the Premier has thought necessary to include agricultural shows among amusements. They are educational and instructive, rather than amusing; and in many country districts the agricultural show is all that the people have to look forward to. In view of the fact that these shows are now conducted without Government assistance, the proposal to tax them is especially hard. I trust the Premier will agree to the deletion of agricultural and horticultural shows from the schedule.

The PREMIER: My objection to the amendment springs not from any lack of appreciation of the fact that agricultural shows are educational as well as entertaining. But it is idle to say that agricultural shows are not in the nature of entertainments. The agricultural show at Claremont, in especial, has its gala day, when 40,000 people attend—for what? Hardly for instruction.

Mr. Willmott: But the shows are not run for profit.

The PREMIER: No; and we are not taxing on a profit basis. However, we have no more right to exempt people who find entertainment in agricultural shows than to exempt people who find amusement in horse races or picture shows. What form of amusement is available for the man on the goldfields?

Hon. J. Mitchell: Whippets.

The PREMIER: The man who goes to whippet meetings will pay under this measure. We must not begin making exemptions, or we shall have endless applications for exemption. This Bill, I wish to emphasise, taxes the entertained, and not the entertainer.

Hon. J. MITCHELL: The Premier has no justification whatever for placing

agricultural shows on a par with dances, skating rinks, and whippet racing. The reason why agricultural shows have been subsidised in the past lies in their educational value; their value in improving methods of agriculture and of stock raising, for instance. There is already great difficulty in making ends meet in connection with these shows, and farmers will be heavily taxed apart from this Bill. It is remarkable that notwithstanding £2,350,000 of loan money being spent in six months, the Government cannot carry on without taxing the farmer who visits an agricultural show. Whether or not this Bill becomes law, not a Minister now sitting on the Treasury bench will dare to attend an agricultural show dinner in future.

Mr. FOLEY: If the member for Northam carries his amendment, it will amount to putting the farmers in the position as if they were accepting charity purely and simply. If farmers do look forward from one year's end to another to their agricultural shows, they will not object to paying the additional impost of one penny. If it can be shown that they are not in a position to stand this additional tax, I will vote with the hon. member for Northam. I think, however, the farmers can stand it, and the member for Northam is bringing the House into ridicule by submitting his amendment.

Mr. WILLMOTT: We claim that agricultural shows do not come under the category of entertainments, and if they have been subsidised in the past, as entertainments, I am exceedingly surprised. I hope the Premier will take a reasonable view of the position.

Mr. THOMSON: I am sorry I did not speak on the second reading, but I voted as I intended to do. I am surprised at the view the Premier has taken of agricultural shows and I am astonished also at the member for Leonora playing to the gallery, as he did.

Mr. Foley: That is a personal attack and I object to it.

The CHAIRMAN: Order!

Mr. Foley: In all seriousness I do object to the hon. member's statement that I was playing to the gallery.

The CHAIRMAN: If exception is taken to the statement it must be withdrawn.

Mr. THOMSON: If the hon. member takes exception to it I shall certainly withdraw it. Agricultural shows cannot be put on the same footing as entertainments. In most districts the show is held only once a year and the agricultural societies have in the past been subsidised by the Government. Is it the Government's intention to continue the subsidies or is it proposed to discontinue their payment and impose the tax in addition? This tax will cost some of the agricultural societies £20. I hope the Premier will agree to the deletion of agricultural shows.

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

Ayes	..	..	..	16
Noes	..	..	..	19
				—
Majority against	..	..	..	3
				—

AYES.	
Mr. Allen	Mr. Plesse
Mr. Cunningham	Mr. Smith
Mr. Jas. Gardiner	Mr. Thomson
Mr. Griffiths	Mr. Veryard
Mr. Hardwick	Mr. Wansbrough
Mr. Harrison	Mr. Willmott
Mr. Hickmott	Mr. F. Wilson
Mr. Mitchell	Mr. Male
(Teller).	

NOES.	
Mr. Angwin	Mr. O'Loghlen
Mr. Bolton	Mr. Scaddan
Mr. Carpenter	Mr. B. J. Stubbs
Mr. Chesson	Mr. Taylor
Mr. Collier	Mr. Thomas
Mr. Foley	Mr. Underwood
Mr. Green	Mr. Walker
Mr. McDowall	Mr. A. A. Wilson
Mr. Mullany	Mr. Heltmann
Mr. Munroe	(Teller).

Amendment thus negatived.

Hon. J. MITCHELL: I do not understand the concluding paragraph of the schedule, which reads—"Every other public entertainment or amusement to which the public are admitted for or in expectation of payment." Can the Premier explain these words? In any case I do not think they are required. I move an amendment—

That the last paragraph be struck out.

The PREMIER: The meaning of the words is quite plain. We cannot specify all possible entertainments, and so we must make a general provision like this. The tax might be evaded by admitting people free of charge at the door and securing payment later on. This is merely a dragnet provision and is essential to meet those entertainments which cannot be specified.

Hon. J. MITCHELL: To tax every little Sunday entertainment under a provision of this kind is disgraceful. I ask leave to withdraw the amendment.

Amendment by leave withdrawn.

Schedule put and passed.

Third Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

Read a third time and transmitted to the Legislative Council.

House adjourned at 11.2 p.m.

Legislative Council.

Thursday, 25th February, 1915.

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

PAPERS PRESENTED.

By the Colonial Secretary: 1, Education Department—Amendment to regula-

tions. 2, Copy of balance sheet of the State Sawmills to 30th June, 1914. 3, Balance sheet of the Boya Quarry to 30th June, 1913, and to 30th June, 1914. 4, Health Act 1911, (a) By-laws of the Carnarvon Local Board of Health, (b) By-laws of the Mount Margaret Road Board.

QUESTION—UNEMPLOYED, ASSISTANCE.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.32]: The reply I gave to the hon. Mr. McLarty on Tuesday last did not appear to me to be very clear; so I am furnishing him with information which I trust will be easily understood. The cost of meals was £1,745 16s. 3d., rations supplied cost £1,743 3s. 8d., and the cost of providing sleeping accommodation amounted to £459 9s. 9d.

JOINT SELECT COMMITTEE, MONEY BILLS PROCEDURE.

Hon. D. G. Gawler brought up the report of the select committee appointed to inquire into Money Bills procedure. Report received and read.

MOTION—UNEMPLOYED EXECUTIVE.

To be heard at the Bar.

Hon. J. CORNELL (South) [4.37]: I desire to ask leave of the House, under Standing Order 103, to move the following motion without notice:—

That A. Brown, the Chairman, and C. Owen, the Secretary of the Unemployed Executive Committee, of Perth, be heard at the Bar of the House, in order to place before the House the position of the men and the grievous disabilities under which they are placed through unemployment.

All I desire to do is to make a statement. I have consulted an officer of this House, who has consulted with an officer of another place, as to the correct way in which to move in this direction, and these