

## Legislative Council.

Friday, 11th September, 1914.

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

### QUESTION—STATE STEAMSHIPS.

Hon. F. CONNOR (without notice) asked the Colonial Secretary: Is it a fact that the Western Australian Government have in course of construction in England a vessel intended for use by that Government?

The COLONIAL SECRETARY replied: No.

### BILL—INCOME TAX (WAR EMERGENCY).

Received from the Legislative Assembly and read a first time.

#### *Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [3.3] in moving the second reading said: The reasons for the Bill are as stated in the preamble. These reasons are the present hostilities between His Majesty and His Majesty's enemies, the existing depression in the agricultural industry, and the necessity for the provision of relief for the unemployed. We are face to face with a grave disturbance of the industrial conditions of Western Australia. The European war, which is now being waged, is having a far-reaching effect throughout His Majesty's dominions. These effects are being severely felt, especially in this State. The influx of capital has ceased, not only to the Government but also to large corporations. London is the great centre from which the stream of capital comes, and it is no longer possible to borrow. The only source of securing supplies left open is the Commonwealth of Australia. Even there we may only obtain supplies to a very limited extent, and not to the extent necessary to keep

our public works in full operation. It, therefore, resolves itself into this position: that we must put our own shoulders to the wheel and make an effort, and, if we require further sums from the Commonwealth, give some indication that we are prepared to make individual sacrifices. Apart from this, private enterprises in every direction have received a check. This is shown by the attitude of large firms who have been obliged, owing to the conditions existing, to discharge hands in large numbers, and thus an abnormal position has been created. Such a position has never existed before in the history of the State. Unemployment on an extensive scale is certainly threatened and it devolves upon the Government, and upon this Parliament, to use every effort to meet the unexampled situation. Without financial provision public works must be reduced in scale, and the result will most certainly be that private firms will further restrict their operations. There will be thrown on the labour market, therefore, a further contingent of unemployed, which will render the position of the Government still more harassing. The effects of the war are bad enough, but the effects of the dry season which we are experiencing are infinitely worse. The season, I think all will admit, is unequalled in its awfulness in the history of the State. We can prove this by a reference to the meteorological records. If we look at these records we will discover that never since a record of the rainfall in Western Australia has been kept has there been a drought such as we are experiencing now. It is not even a common drought, it is something more. It is a drought amounting almost to a total suspension of the rainfall. Disaster, there is no doubt about it, is facing the large majority of our people, and especially the people situated in the agricultural districts of the State and engaged in farming pursuits. Further, it is not limited to any particular part of the State. The drought of the year 1911 was confined particularly to the dry areas. In other portions of Western Australia there were fairly good crops, but now in every part of Western Aus-

tralia, in every agricultural centre, people are experiencing the effects of that dry season which is obtaining all round. There is evidence of great distress which the Government have been able to gather in the farming communities, and still greater distress must arise unless proper steps are taken for the alleviation of it. The vast majority of our farmers will not be able to till their lands next season; there is no doubt about that. Every hon. member must realise that position. I have here a letter which was recently written to the Minister for Lands and I propose to read it, because it places the situation in a proper light, and correctly describes the position in the agricultural districts. This letter is from a storekeeper. I shall not give his name, as it is unnecessary to do so. He says—

I must crave your indulgence for writing personally, knowing well how very fully your time is taken up, but the serious position of affairs in this district must be my excuse. Briefly, the position is this: Unless at least one inch to two inches of rain fall this week the crops in the whole of the district will be a total failure. There will not be seed to take off. Well, farmers round here owe me about £2,000 and, considering the prospects, I dare not longer carry them on. Other stores have long since demanded cash for everything. What are the farmers to do towards paying what they already owe, and how can they pay for future stores when there can be no harvest this year? The Seed Wheat Board would be of no use, as there will be no wheat to distribute. I am glad to say that I can pay all my debts in full at the present time, but to carry on business, and give further credit to farmers in the present state of affairs, spells ruin. I shall be in Perth next week, and if you will grant me the privilege of a short interview, I shall look upon it as a favour.

In a minute written upon that letter the Minister for Lands (Hon. T. H. Bath) says—

The Managing Trustee of the Agricultural Bank has passed on the attached communication to me. The position therein detailed by the writer is typical of that of hundreds of storekeepers in the eastern agricultural belt; indeed in very many instances, credit has already been stopped, and a very large number of settlers must now be at their wits' end to know where the necessaries of life are to come from. 2. The fight which these people have waged against adversity has been heartrending, and now they are faced with what is almost a certainty, that all their efforts during the past season to secure a harvest will come to nothing. Failure of the harvest involves, (a) No funds to meet any portion of current liabilities to meet store bills for food, farm supplies, debts to machinery firms, Government accounts. (b) No seed wheat for next year. (c) No hay to feed horses, thus compelling some owners to sacrifice them at low prices, because they cannot keep them on the farm. (d) Possible shortage of water. 3. If no steps are taken to meet the emergency, the Agricultural Bank will sustain a damaging loss on their securities, because there will be no alternative to abandonment by a large number of holders, and we will be faced with the necessity of relieving settlers and their families who will be driven into the centres of population. 4. I believe it is sound statesmanlike policy to use the note issue to encourage the production of foodstuffs which will be in demand as a result of this war. Wheat will almost certainly be a good price next year. I am afraid it will be a famine price in Australia this year owing to unfavourable seasonal conditions over a large portion of the wheat-growing areas of Australia. 5. If we can provide relief in Western Australia it would have a beneficial effect on industry in this State in many directions. 6. That relief should be given on the following conditions:—(a) That the Government should provide advances to pay for stores from now

forward to the end of January, 1916. (b) That advances be made to provide feed, seed, fertilisers, and expenses incidental to the sowing and harvesting of a crop for the season 1915-16. (c) That the fertiliser firms be asked to supply these at a lower rate. (d) That the Commissioner for the Wheat belt fix the amount of seed and fertiliser per acre to be used, as it is well known that more is sometimes applied by settlers than is necessary. (e) That the advances be made by the Agricultural Bank, repayable within a period of 18 months. (f) That the funds be provided by a special issue of Treasury bills, a public appeal being made to those able to subscribe an amount of say £150,000, and then notes to be obtained from the Commonwealth on the basis of four to one. 7. If we can keep production up to a high level in 1915-16, in regard to acreage, it will mean freight for our railways and revenue at the ports. If large areas are left uncultivated through the desperate condition of settlers left unaided by the Government, it will react disastrously on those concerns in which a large proportion of our loan capital is embarked. 8. Provision (e) of paragraph 6 is necessary as the Government will require to redeem notes obtained to meet this emergency in order to cut off at the earliest opportunity the payment of interest on this special accommodation, our ordinary interest bill being quite formidable enough to meet as a regular annual charge. 9. These are my ideas of meeting the situation, which I feel impelled to place before you. If there are any points arising out of same on which you wish further information, I will be glad to look into them and endeavour to supplement this minute. (signed) Thomas H. Bath. Minister for Lands and Agriculture. 8th September, 1914.

Hon. D. G. Gawler: Why do not the Government carry out some of the suggestions?

The COLONIAL SECRETARY: The proposition would not meet the present

position at all. The amount which could be raised by treasury bills would not be sufficient to carry the Government on and to obviate the distress which we see in the distance. The letter from the storekeeper which I have read correctly describes the position. It graphically pictures the condition of the storekeepers and of the farmers. The Agricultural Bank is not able to meet a position such as this. For one thing, the Agricultural Bank is restricted as to the manner in which it may lend money. Advances must be secured, and amply secured, and the money lent must be applied in certain ways. Practically it must be applied in the direction of improvements. Here, however, is a state of affairs, obtaining through Western Australia, on account of which money must be applied in many directions not contemplated by the provisions of the Agricultural Bank Act. Again, the Agricultural Bank has not the funds to meet the position. It is necessary that a special fund should be created, and with that object this Bill is introduced. The desire of the Government, under the conditions that exist, is that every possible acre of land in Western Australia should be tilled; and if the Government are supplied with the necessary means their best efforts will be directed towards that commendable end. If some action of this kind is not taken—and it cannot be taken unless there are behind it the funds to back it—then it must follow that a large area of country which has been under cultivation in the past, and which is under cultivation this year but will prove fruitless, will not be cultivated next year. Our attitude at the present time should be in the very opposite direction: namely, to try and put under crop a larger area of land than has ever been put under crop in the history of the State. There can be no better way of investing our money, and I regard this Bill as in the nature of an investment. Everyone who pays the tax is investing money with the object of preserving the prosperity and stimulating the progress of Western Australia—of putting Western

Australia, from an agricultural standpoint, on a higher plane than she has ever occupied before. Not only will it be a necessity to assist the impoverished farmer to till his land, but it will also be absolutely indispensable in numerous cases to provide him with the necessaries of life. The farmer must be kept on his land. It is not the intention of the Government in connection with the administration of these funds, or indeed in connection with the administration of any of the public funds during this crisis, to dispense charity unless that course is absolutely unavoidable. The intention is to compel every person to earn his livelihood—to provide him with work, and oblige him to work if he is to obtain subsistence. Now, all this cannot be done without capital; and the object of this Bill is to provide the capital which is necessary. Funds will be required on an immense scale—there is not the slightest doubt about that—and a tremendous area of country must be put under the plough. The Government have safeguarded the well-being of agriculturists under this Bill. It is expected that the measure will succeed in raising something like £500,000 per annum, and of the total amount raised, whatever that amount may be, one-third will be earmarked for the agricultural industry.

Hon. C. F. Baxter: What are you going to do with the other two-thirds?

The COLONIAL SECRETARY: The Bill provides that—

One-third of the proceeds of the tax raised under the authority of this Act is hereby appropriated to the Agricultural Bank, and shall be paid to the credit of a special fund to enable advances to be made to farmers to assist them in the maintenance of their holdings and the continuance of production.

The money will not be used for the purpose of granting the ordinary advances of the Agricultural Bank. The whole of this one-third will be set aside for the purpose of rendering to farmers special assistance not contemplated by the provisions of the Agricultural Bank legislation already in existence. That

proportion of one-third is expected to yield £160,000 or £170,000 per annum during the existence of the measure, and the amount will be utilised for the benefit of the farmers. Further, we propose to make a special appeal to the Federal Government for assistance on the basis of this measure which is being introduced to the House to-day. We intend to ask the Federal Government to grant special accommodation on the same basis as they are granting it already. We shall ask them to go further, and for every £1 that we can raise under this measure, to supply us, if we require it, with four notes. So that we would have available under this Bill, if it becomes law, and if the Commonwealth Government will meet us—as we have every reason to believe they will, recognising the justice of our claim—something like £700,000 for assistance to agriculturists, apart from the aid granted to them by the Agricultural Bank.

Hon. C. F. Baxter: Are you going to charge the Agricultural Bank interest on the amount?

The COLONIAL SECRETARY: The hon. member asks whether we are going to charge interest to the Agricultural Bank. I tell him that, so far, the Government have not stopped to consider that question. We have not had time to consider the question of whether interest should be charged. For my part, I consider that every penny which is lent should carry interest.

Hon. W. Kingsmill: The Government never stop to consider anything.

Hon. C. F. Baxter: That is to say, you are going to take £1 from us and give us back—

The PRESIDENT: Order!

The COLONIAL SECRETARY: Under the terms which we propose to make, the whole expenditure will be reproductive. Not ultimately reproductive, as many of the official minutes phrase it, but almost immediately reproductive—reproductive as soon as the harvests are paid. If something is not done in this direction, then it is no exaggeration to say hundreds of selectors will have to quit their holdings; and those holdings will be sold at a sacrifice.

They will probably get into the hands of speculators who have money, and who are now probably only waiting for the opportunity to seize these farms. Mr. Baxter says "Why do you not give the money to the agriculturists?" Is that a reasonable proposition?

Hon. C. F. Baxter: I rise to a point of order.

The PRESIDENT: What is the point of order?

Hon. C. F. Baxter: I would like to say that I have made no such statement as that the money should be given to the Agricultural Bank.

The COLONIAL SECRETARY: I understood the hon. member to make some interjection to that effect.

The PRESIDENT: It is better not to listen to interjections. They are disorderly.

The COLONIAL SECRETARY: They are disorderly, and they are very harassing when the leader of the House is endeavouring to explain a position such as this. Surely it must be understood that work will have to be found for people outside the farming districts. We are making ample provision for the farmers, but it must be realised also that there will possibly be thousands of others out of employment within the next few months. We must consider those people as well as the agriculturists of the State. We cannot allow those people to starve. They must be fed, and they will be fed while the present Government remain in power. But we intend to provide work for them, in order that it cannot be said that any person in Western Australia able to work is living on charity.

Hon. W. Kingsmill: Raise their wages.

The COLONIAL SECRETARY: The suggestion has been offered that we should put men on half time throughout the whole of the Government departments, and that private employers should follow suit; but that, I contend, would provide no satisfactory solution of the problem. It would result in an enormous loss of wealth to the community. It would affect the circulation of money. It would reduce the spending power of the people. It would injure trade and

business, and give rise, in consequence, to a large number of dismissals. The ultimate result would be that the Government would be still further harassed. They would have to find employment for those who were dismissed, and the last state of affairs would be worse than the first. Then, another suggestion has been made to the Government. Certain of our citizens were prepared to lend money to the Government at six per cent. interest. At a time like this those patriotic citizens—men possessed of abundant means, and evidently with funds to invest—were prepared to lend money to the Government at six per cent. interest. These gentlemen were quite willing to profit by the conditions arising out of the war. The Government, however, do not propose to take any such course. Then, again, the Government thought that the citizens would rise to the occasion. In many cases that have come under the notice of the Government there was no crying necessity, or absolutely compelling necessity, for the dismissal of employees, which nevertheless took place. It is apparent, therefore, that no reliance can be placed on voluntary action. There is the incident of the patriotic fund, and that of the war distress fund. We find that many men in Western Australia possessed of large means have not contributed a single sixpence to either of those funds.

Hon. D. G. Cawler: They certainly will not contribute now.

The COLONIAL SECRETARY: The wealthy people appear in some instances to be avoiding their obligations. On the other hand, I am pleased to see that the civil servants have taken voluntary action and have prepared a scheme—an excellent scheme—to meet the exigencies of the situation. I have before me the scheme which I am given to understand they have adopted.

Hon. D. G. Cawler: They have withdrawn it now, I think.

The COLONIAL SECRETARY: They will withdraw it, I am given to understand, if this Bill is passed. Surely it would never be expected that the civil service would continue to contribute on a scale almost parallel with that pro-

posed by the Government, while contributing to public taxation. The scheme is as follows:—

After exhaustive and careful consideration, the following proposals relative to the raising of a distress relief fund by and under the control of public servants is submitted for acceptance by the general body, as fair, simple, and effective:—

1. That immediate steps be taken to create a fund to be called "The Civil Servants' and Government Employees' War Distress Fund."

2. That one-tenth of the collections be donated to the patriotic fund inaugurated by His Excellency the Governor, and that the remainder be applied to the relief of distress in such directions as the committee controlling the fund may decide.

3. That contributions be made by all sections of the service, subject to a reduction, if requested, of one-third to married men in receipt of salaries of £300 and under, on the following basis:—The subscription payable shall be on the first £100 one per cent. and increase uniformly with each increment of £1 in the amount of the salary.

The PRESIDENT: Does the hon. member consider this has anything to do with the Bill? I should like him to connect it with the Bill.

The COLONIAL SECRETARY: I connect it with the Bill in this way, that it shows that the public servants of the State are taking action to provide funds. They recognise the great distress which is bound to exist, and the need to provide work for the unemployed; and they have undertaken to contribute large amounts of money. The civil servants have spontaneously taken that action, thereby setting an example to other people. I think my remarks are perfectly in order. A salary of £108 on the basis of the scheme would contribute 1·08 per cent. per annum; a salary of £204 would contribute 2·04; a salary of £408, 4·08 per cent; and a salary of £1,300, 10 per cent. The only difference between the scheme proposed by the civil service and the Govern-

ment scheme is that the latter rises to £1,500, and makes provision for a tax of 15 per cent. on that, whilst the civil service scheme merely rises to £1,300, on which the contribution would be 10 per cent. This will show that the civil servants of this State recognise the position, recognise that they ought to make some sacrifices, and even great sacrifices, in view of the difficulties existing at present. They perceive in the distance a large measure of unemployment, and they have acted, I think, in a most patriotic and commendable manner in coming forward and propounding a scheme such as this in order to assist in overcoming the difficulty. Undoubtedly, the tax proposed by this Bill is a severe one; but we have to look at the circumstances. If it is a severe tax, still it must be acknowledged to be an equitable tax. The measure enfolds everyone earning more than £100, whether he is earning it in the form of an income from a business or in the form of a salary or wages. It takes in all classes. The only question taken into consideration in connection with the measure is as to whether the wage earner or salary earner is receiving a salary of over £100. Everyone then must contribute in proportion to his means. The burden in every instance is suited to the back. Those with large incomes must pay a heavier tax. That is no new principle. It obtains in connection with income taxation through most of the States of the Commonwealth. It is a principle which has already been adopted by this House. A man with a large income should be prepared to make big sacrifices, especially in a crisis such as we are now experiencing. He has to prevent his property from depreciating, and while it is to the interest of the wage earner to contribute in order that employment may be found, it is also to the interest of the property owner that he should contribute in order that his assets may be maintained at their old figure. It may not be a popular measure. It may be considered, and is by some considered, injudicious of the Government to introduce it on the eve of the general elections; but the Government do not

look at it from the point of view of party advantage. This is not the time for considerations of that sort, and such a thing has not entered the minds of the Government. The Government have a large responsibility while they are administering the affairs of the State, and that responsibility aims at seeing that the wheels of industry shall keep moving round. Unless some measure like this is adopted—it is not unnecessarily severe in view of the circumstances; it is indispensable—unless it is sanctioned by this House, the State will drift, not only into stagnation, but into something infinitely worse. These are not the words of an alarmist. They are not merely my words, but the words of the Government, who have been in close touch with the position and who can see ahead what is likely to arise. The Bill is the only preventative of the position which must occur unless further sources of financial supply are opened up to the Government. It will entail individual sacrifices in every homestead, but a far worse condition of affairs will occur unless people are prepared to make those sacrifices. At any rate, it represents the Government policy. The intention was, not to bring down the Bill at the present time, but to make it part of the policy of the Government at the forthcoming elections. However, events have been moving very rapidly, and distress is increasing to such an extent that the Government thought they would be shirking their responsibility if they delayed a moment longer in approaching Parliament and submitting to the Legislature the policy upon which they have agreed. Clause 1 levies a tax in accordance with the schedule on every person, no matter where he or she resides, in respect of income derived from any business in Western Australia; also on any person, even resident outside of Western Australia, who draws an allowance from the State; and, in addition, from any person, no matter where resident, who draws income from any kind of property in Western Australia. The fact that the income is not actually drawn, but is credited or reinvested or carried to reserve will not serve to

secure an exemption. Clause 4 sets forth the exemptions. Clause 5 provides that persons not exempt must within seven days after the end of each month furnish the commissioner with a return showing their incomes during the preceding month, and also forwarding the amount of tax which they are required to pay. The return is subject to review at the end of the year when, if the taxpayer has paid too much, the excess will be returned, or if he has paid too little he will have to make up the deficiency. Clause 6 provides that the tax in respect of wages or salary shall be paid by the employer, who has the power under the Bill to collect the tax from his employees. If he neglects to collect the tax he is responsible for the payment. That appears to be only just. Under Clause 7 all allowances, bonuses and premiums, except travelling allowances, are taxable. Clause 8 throws upon companies the responsibility for collecting the tax on debenture interest to be paid by the holder of the interest debentures. The company must pay the tax on the interest they have to pay. I propose, when in Committee, to move an amendment to this, because in some instances agreements have been made by which the companies are required to pay any taxation.

Hon. D. G. Gawler: The English debenture holder gets his money in full from the companies.

The COLONIAL SECRETARY: I propose to move an amendment to meet the position. Clause 9 gives power to the commissioner to make an assessment where a person makes default in furnishing his return, and the assessment is subject to appeal in the court of review constituted under the Land and Income Tax Assessment Act.

Hon. A. Sanderson: What about soldiers? They will be absentees.

The COLONIAL SECRETARY: You cannot very well tax absentees, people who have left the State.

Hon. A. Sanderson: Why, absentees pay a tax of 50 per cent. more!

The COLONIAL SECRETARY: In any case the income would not be earned in Western Australia. The soldiers going

away to be employed in France will not be earning their income in Western Australia. Clause 10 incorporates certain provisions of the Land and Income Tax Assessment Act. Clause 11 provides a penalty for making false returns. Clause 12 provides a penalty of 10 per cent. for any person who fails to pay the tax within 30 days after the due date, but power is given to the commissioner to remit the fine. Clauses 13 and 14 are self-explanatory. I have read Clause 15 already. It earmarks one-third of the proceeds of taxation for the agricultural community. Clause 16 gives the Government power to exempt life assurance companies from the operation of the Bill, but otherwise the measure applies to all incorporated companies as well as individuals. Clause 17 gives power to make regulations, and Clause 18 limits the operation of the Act to the 30th June, 1916, but the Governor may by proclamation at any time prior to such date determine the operation of the measure. Then there is the schedule, which hon. members will see before them, covering incomes up to £2,000. It is not necessary for me to read the schedule. In Committee I propose to move a new clause providing that where the income of a married man or widower, or a widow having a child or children under the age of 16 dependent on him or her whose income on an annual computation is shown to be under £100, such income shall be exempt from the tax. I hope the debate will be continued, and I trust we will be able to finish with the Bill to-night. I do not know what the present feelings of hon. members are, but the position is that it is very difficult to get a quorum in another place in view of the fact that members there wish to go before their electors. Many of them, representing both parties, have already left. I hope, at any rate, that hon. members will endeavour to deal with the Bill to-day, or to-night, or during the early hours of to-morrow morning.

Hon. W. Kingsmill: Jamb it through, like.

The COLONIAL SECRETARY: If I oppose any motion for the adjournment

I do not want any hon. member to strain his loyalty. If I call for a division it will simply be to ascertain the views of hon. members. I desire that they shall express their views, and I shall take it as no reflection if the vote goes against me. I move—

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

Hon. H. P. COLEBATCH (East) [3.42]: I think the Chamber is entitled to protest against the action of the Government in introducing a measure of this importance in the closing hours of the session. At the end of last week we were told that no business in addition to that already before Parliament would be entered into, and that the session would be brought to a close on Tuesday of this week. So far we have had no explanation as to what has happened in the meantime to render the introduction of this Bill necessary. If the necessity for the Bill was known by the Government a week ago, why were we not told? If the necessity was not known by the Government a week ago, what has occurred to awaken them to the fact now? I do not intend to debate the constitutional powers of this Chamber in regard to money Bills, but I do say that this Chamber is representative of the people who will have to pay this particular tax. Generally speaking this Chamber is representative of all the people who will have to pay this tax: perhaps not quite all, but I am quite sure the Chamber will deal with the Bill as it thinks fit, and quite heedless of any political capital that others will make out of our action. Apart from the insufficient time that has been allowed us for considering and discussing the Bill, I think the method of its introduction can be regarded only as a studied insult to Parliament and the people. We are on the eve of a general election. Two months of the new financial year have already elapsed, and the Government will go to the country without having passed their Estimates, without having given any account of their stewardship for the past 12 months, without having placed before Parliament and the people any financial policy for the year, which will be pretty



well advanced before the elections are over. This may or may not be a justifiable procedure, but I say that when in face of that, they introduce a taxation Bill imposing a tax unprecedented in the history of this country, or almost of any country, it should surely be the duty of the Government to take Parliament and the people into their confidence, and tell them exactly what is the condition of the finances of the country and why an emergency measure of this kind is necessary. The speech of the Premier, when he moved the second reading in another place, did not contain one single reference to the financial position of the State. There was not a general statement of the condition of the Loan Account, nor of the condition of the Revenue Account, such as one might have expected in an emergency of this sort. From first to last that speech was an attempt to satisfy Parliament, and to satisfy the country, that this measure was merely introduced to enable the Government to render assistance to the farmers, because of this bad season and because the war made it difficult to raise money in other directions. As a representative of a constituency that is entirely dependent upon the agricultural industry, a constituency that contains probably 75 per cent. of the farmers who are in grievous need of assistance at this time, I cheerfully shoulder the responsibility of opposing this measure in their interests. Although the Premier devoted practically the whole of his speech to trying to satisfy Parliament and the country that this Bill was merely intended to enable the Government to help the farmers, it is a fact, as the Colonial Secretary has said, that only one-third of this tax is to be devoted to that purpose, and I say that if the Bill is passed from the point of view of assisting the farmers, it will not be worth the paper it is printed upon. The Premier estimates that this tax will yield between £400,000 and £500,000. I shall have something to say later on as to that estimate, but for the sake of argument we will assume that he is correct. It would mean £35,000 a month. One-third of this devoted to a special fund for assisting the farmers would be £11,666.

By lodging this with the Commonwealth Government, as has been suggested, the Premier expects to get £4 for every £1, or a total of £46,664 per month. The first month's revenue would not be available until the end of October, at the very earliest, and it would be the end of February before a total of £200,000 was available. That amount is insufficient and the end of February will not be soon enough to provide it. Hon. members have probably read the report in this morning's paper, drawn up by Mr. Gardiner and Mr. Stanistreet, setting out the actual requirements of the farmers, whose crops would probably, partially, or totally fail during this season. There is little doubt that their estimate is an accurate one.

Hon. J. Cornell: Mr. Gardiner is not a farmer.

Hon. H. P. COLEBATCH: The Colonial Secretary, at any rate, by his remarks this afternoon is disposed to accept the statement made by those gentlemen as accurate. They state that the amount required is £500,000. They have made their calculations, but even before that letter appeared, I myself made inquiries from responsible men in official positions and they gave practically the same estimate. They declared that we should want £500,000 and want it at once, not £200,000 by the end of February, as proposed here.

Hon. D. G. Gawler: Make the taxpayer pay in advance.

Hon. H. P. COLEBATCH: Possibly, if you could get it out of him, but this Bill does not contemplate that. The Premier's proposal under this Bill, accepting his own figures, would make £200,000 available by the end of February.

Hon. J. J. Holmes: That is if he gets four notes for a sovereign.

Hon. H. P. COLEBATCH: This would be utterly futile and useless, so far as meeting the present emergency is concerned.

Hon. J. E. Dodd (Honorary Minister): The Premier said that the sum would be specially earmarked.

Hon. H. P. COLEBATCH: Quite so. But I do not anticipate, judging by the previous action of the Government to-

wards the farmers, remembering what was done in connection with fertiliser freights, that they will do more than they promise under this Bill.

Hon. J. E. Dodd (Honorary Minister): The farmers have done pretty well.

Hon. H. P. COLEBATCH: There is room for difference of opinion on that point. But I do not think it is necessary to debate it. Before I conclude I shall offer an alternative proposal for raising the money required, and raising it at once. Let us return to the Premier's estimate. I would refer hon. members to the fifth annual report of the Commissioner of Taxation for the year ended 30th June, 1913. On page 8 we find a table of incomes, showing the number of assessments and the total amount of incomes between the different limits. Let us take the last table on that page, showing the average of the four assessments for the years from 1908 to 1911, and we get this result: The incomes totalling £1,721,000 on which, under this Bill, 15 per cent. would be payable, would give a total of £258,000; incomes totalling £518,000, on which an average rate of about 12½ per cent. would be payable under this Bill, £65,000; incomes totalling £538,709, on which an average rate of 8 per cent. would be payable under this Bill, £43,097; incomes totalling £567,779, on which an average of 4 per cent. would be payable under this Bill, £22,711; incomes totalling £1,132,564, on which 3 per cent. would be payable, £33,977; and £1,416,000, on which 2 per cent. would be payable, £28,320. In addition we have the one per cent. on incomes between £200 and £300, but that would give only a small amount. When we consider for a moment that the small number of big incomes will pay taxation to the extent of £258,000, whereas the large number of small incomes will only return £30,000, we will see that the taxable income on those receiving less than £200 will be very small indeed and will yield very little to swell the total. What I want to point out is that, according to the average list of the four years, the grand total of the

income tax available under this Bill is £461,000, thus corresponding, roughly, with the Premier's estimate. Is it not midsummer madness to suggest that this coming 12 months' incomes will be on the same scale as those of the last three or four years, because it is on these that the Premier's estimate has been based. If we take the present Act and compare the rates on which income tax has to be paid, we will see that the larger incomes paid five per cent. This Bill does not contemplate that any incomes will pay more than 15 per cent., and we can compare all incomes right through and then ask ourselves whether it is reasonable to suppose that this tax will yield ten times as much as the present income tax, which for the past four years has yielded an average of £48,000. Let me quote a few instances. Pastoralists during the past four years have paid an enormous proportion of this income tax. What are they going to pay now? What is it likely that they will be able to pay on their incomes this year? Practically nothing. With many of them, income will be a minus quantity; many of them will be glad indeed if they can square their accounts. It must be obvious that their contributions, instead of being 10 times as great as those of the last four years, will be comparatively small. Then the farmers, the very people who are to be relieved, have contributed largely to the income tax during comparatively good years. How will they contribute at the present time? Their incomes also will in many cases be minus quantities. The timber companies, which at present have no outlet for their product, will certainly not work at anything like their average rate. What will become of their incomes? There will be none. When they furnish their monthly returns there will be practically nothing on which they will have to pay. The banks will be in a similar position. With industry curtailed, as it will be, the profits of the banks are bound to suffer. Take also the big drapery establishments. Is it assumed that they will have anything like their incomes of before? It is impossible. The same thing will apply to many business establish-

ments. Then salaries and wages must be lower than they have been, and consequently will return a lower income tax. There is also bound to be unemployment which will remove a large number of people from the taxable radius. I have no hesitation in saying that the income will not be one-half what it has been on the average of the four years to which the income tax commissioner refers, and, consequently, instead of getting between £400,000 and £500,000, this Bill will not yield one-half that amount. If that is the case what will it mean? It will mean that one-third of the total set apart for the farmer will shrink to the paltry amount of £6,000 a month, or £24,000 if the Commonwealth Government will issue notes at the rate of £4 for every pound, so that at the end of five months only £120,000 will have been made available. This amount will be uselessly inadequate. We have only to tell the farmers in the drier areas that that is the best we can do for them and there will be an exodus from those areas, and it will be an exodus which will not stop. The Colonial Secretary has properly said that this is the time when we should increase our agricultural production. Of course it is. We have two strong reasons for doing that: we want to do it because we want to keep our own people in employment, and we want to increase the wealth of the country, and we want to do it as an Imperial duty. It would be a reproach to our loyalty and our statecraft if we had to admit that because of financial difficulties, we were unable at this time of stress to do the work we ought to do for the people who are fighting for our liberty. We must endeavour to produce more food for England and the allies than ever before, but under a Bill of this kind, we shall not be able to do so. I shall endeavour to show that in other directions the measure will do more harm than good. We are told that the Agricultural Bank is unable, because of lack of funds, to do what is required. The authorisations of the Agricultural Bank amount to £4,500,000. Of that total, £500,000 was authorised

only a week or two ago, and of course has not been raised. The remainder of four millions is presumed to have been borrowed for the Agricultural Bank. It may have been borrowed, or it may not; and that is one of the matters on which Parliament and the country might reasonably have expected some information before being asked to pass an emergency Bill like this. When we are told that the Agricultural Bank has not the money to do this thing, and we know there is, altogether apart from the half million authorised by Parliament a week or two ago, a total authorisation of four millions for the bank, we are surely entitled to know whether all the money has been raised or not. But the fact of the matter is that, though there exists a long standing authorisation for four millions of money, the trustees of the bank have actually received from the Government only £3,089,000—one million less than the authorisation, even apart from the half-million which we authorised a week or two ago. Now, of that total of three millions which is all that the bank has ever received, no less than £757,000 has been repaid by the borrowers, and has gone, not into the funds of the Agricultural Bank, but into the Treasury for the purpose of repayment of the bank's bonds. So that the bank has reduced the actual amount it has received to £2,331,000. There is a false impression in the minds of the public that the Agricultural Bank has had the use of 4½ millions, whereas, in point of fact, if the amount be reduced by the amount the bank has repaid, the total that the Agricultural Bank owes for money advanced to it is two and one third millions sterling. Mr. Baxter the other day raised the question of the necessity for the last authorisation. This authorisation was necessary because the bank had commitments amounting to £640,000, and in normal conditions would have exhausted its authorisation before the end of the financial year. Now, I feel somewhat sorry to have to repeat a statement I made last week in regard to this particular matter, but I do repeat it

because the Colonial Secretary, for some reason or other, did not see fit to reply to it on that occasion except by way of an interjection to the effect that he did not know anything about it. When the Agricultural Bank gave notice to its clients that it could pay only 50 per cent. of its authorisations, hon. members must understand, that did not apply at all to new advances. New advances had been practically stopped. That 50 per cent. applied simply to advances due to the settler, and in many instances due to third parties—to contractors, to workers, to business people and others. Now, at the same time that the Government issued these instructions regarding advances by the Agricultural Bank, they issued instructions to the Workers' Homes Board to discontinue the erection of further homes—an entirely proper thing to do, because it must be obvious that if we have not the money to advance the farmers their requirements, we cannot, especially at a time like this, indulge in building expensive homes for workers. Even the most enthusiastic advocate of the workers' homes policy would not suggest that such a thing should be done. Now, in the *Geraldton Express* of the 24th August last, a fortnight ago—and I would remind the House that even up to the present moment the Agricultural Bank has not been placed in a position to inform its clients when they can expect the whole of the amounts due to them—in the *Geraldton Express*, a paper of which, I understand, the Colonial Secretary knows something, and which is edited by comrade Heitmann, the following paragraph appeared:—

Keen disappointment was occasioned last week among all sections of the community when word came that the work of erecting workers' homes was not to be gone on with. About a dozen applications for houses had recently been approved, and of course the successful applicants were disappointed when, on account of the war, the Government decided not to build at present. Naturally, too, tradesmen, merchants, labourers, and business people generally were much concerned. It

must be said, however, that all concerned viewed the matter philosophically and were prepared to submit to the ill-fortunes of war. All will be pleased to learn that the Government has reversed its decision and that it has been decided to immediately commence the erection of the buildings which have been approved by the board—

This is not to finish workers' homes already commenced, but to commence the erection of other houses, merely approved by the board.

and Mr. H. Wilkinson, the officer in charge of the works, is now making the necessary preliminary arrangements, and hopes to have the work in hand in the course of a few days.

Now, the Minister said that he did not know anything about this. He has had ample time, between then and now, to ascertain whether it is true or whether it is not true. If it is not true, then I ask why has comrade Heitmann written this paragraph on the eve of an election? If it is true, I say it is a crime that the Government should go on with work of this kind when they have not the money to finance their obligations to the settlers.

Hon. J. Cornell: Perhaps comrade Heitmann has been following in the footsteps of the *Northam Advertiser*.

Hon. H. P. COLEBATCH: If the hon. member can find anything like that in the *Northam Advertiser*, he is welcome to make any use he pleases of it. But let me return to the question of why the Agricultural Bank is not able to meet its obligations. If all the money authorised by Parliament prior to the present session has been borrowed, what has become of it? Are we right in assuming that it has been used in order to make good the deficit of £660,000 which has been accumulated during the past three years; that this Bill, instead of being, as its title implies, a war emergency Bill, is really a measure intended to cover up the deficit? It seems to me that this crisis is instilling a few elementary truths into the minds of many of the public, and apparently into the minds of the Government. The deficit seems to have been regarded as a sort of book

entry carrying no particular significance. Now, however, it is beginning to be realised that a deficit means money which has been spent in excess of money that has been received; and of course the amount of the deficit must have come from somewhere. It must have come from somewhere; and when a Bill of this kind is presented, asking us to consent to the taxation of our people at a rate absolutely unprecedented, then I say we are entitled to know these things. We are entitled to know where the money represented by the deficit of over £600,000 has come from. The only thing we can assume is that loans authorised for other purposes have been raised and, instead of being applied to those purposes, have gone to finance the deficit. If there is any other explanation, I personally should be glad to have it. Now, if members will consult the *Monthly Statistical Abstract* they will find that it is not because the people have not provided the Government with money, ample money, that we are at present in such a difficult position. The Government, with the consent of Parliament, have during the last three years increased our loan indebtedness by £20 per head of the population of the State. I am speaking roughly: the increase may be a little more or it may be a little less. The latest figures are not yet available; but, approximately, the Government have increased the indebtedness of the State by £20 per head of the population. During their three years of office the Government have spent 14¼ millions from revenue account, as against 10½ millions spent from revenue account during the three years immediately preceding. From loan funds, in the same period, the Government have spent nearly 10 millions, as against three and a half millions during the three preceding years. So that the total expenditure during the past three years has been at the rate of eight millions per annum. Eight millions per annum, as against a little less than five millions per annum during the three years immediately preceding. That is an increase in the public expenditure of three millions per annum, without any

commensurate increase in the population of the State. In fact, the population of the State has shown a smaller increase during the last year or so than it has shown for a considerable time. I say that, allowing for everything, there is no doubt that the Government have indulged in a financial debauch; no doubt of it whatever; and almost the only justification which the Premier has offered us for his huge deficit of £660,000 is that he has increased the wages of railway employees. I would like hon. members to look for evidence of the benefits accruing from either the increase of wages or the enormous expenditure of loan money. In the last year before the present Government took office, the deposits in the Savings Bank—a very fair criterion of the prosperity of the people—exceeded the withdrawals by half a million sterling. That is conclusive evidence of both prosperity and thrift. During last year, however, notwithstanding the generous increase in wages, notwithstanding the enormous expenditure from both loan and revenue accounts, the withdrawals from the State Savings Bank exceeded the deposits by £42,000.

Hon. J. CORNELL: Have you allowed for the establishment of the Commonwealth Savings Bank?

Hon. H. P. COLEBATCH: If the Commonwealth Savings Bank is taken into consideration—and I may say the establishment of that bank was a grave injustice to every State of Australia: it was a grave injustice that the Federal Parliament should have interfered in the matter—the amount of money in excess of deposits over withdrawals in the Commonwealth Savings Bank for the last twelve months was as nearly as I can get it—the *Monthly Statistical Abstract* gives only three quarters of the year, and therefore my figures are merely approximate—something less than £150,000. So that the excess of deposits in over withdrawals from the Savings Banks, instead of being half a million as it was before, has dwindled down to about £100,000 per annum. And that diminution has occurred before there was any trouble arising out of the war, and he-

fore there was any diminution of employment or any grave anxiety regarding the coming harvest. What conclusion can we come to except that public extravagance has excited private extravagance? My friend Mr. Cornell hit the nail on the head the other night when he spoke of the way in which people receiving smaller incomes than himself dressed and indulged in amusements and things of that kind.

Hon. J. Cornell: I applied that to the metropolitan area.

Hon. H. P. COLEBATCH: Unfortunately, it applies to the whole of the State: unless the constituents of my hon. friend Mr. Cornell take example by himself, model their conduct on his, and so live frugal and thrifty lives.

Hon. J. Cornell: Does it apply to Northam?

Hon. H. P. COLEBATCH: I am sorry to say it applies at Northam. I do not intend to labour the question of the losses which have been incurred on the various socialistic trading enterprises of the Government. We know that the State steamers have lost something over £20,000 a year ever since they were started, without taking into account the loss on the re-sale of the ships which were admittedly unfit for the purposes of the Government. Unfortunately, we do not know what loss there is on the State Implement Works; but I have been told—I did not take much notice of it at first, but I have had the statement repeated to me during the last week or two by people who have visited the works; and I hope the Colonial Secretary will make inquiries into the matter—that the large number of men employed at the works, in view of the small amount of work they seem to have to do, amounts to a public scandal. I am giving this as it is given to me, and as it impresses the public. That is the idea in the public mind at the present time. I do not know for what purpose the men are retained if there is not work for them to do. I know that there was a protest made by a public body against the dismissal of men from the works, and that an assurance on the subject was given by the Government. Why should

that be done? If the work is not there for the men to do, what is the economy of employing them? Of what good is it to keep them on if there is no work for them to do? The statement is made—and I give it for what it is worth, expressly saying that I have no personal knowledge of the fact—that the number of men employed there and the amount of work done, is absolutely a public scandal.

Hon. J. J. Holmes: They will be useful on election day.

Hon. H. P. COLEBATCH: I do not know that we shall ever get a true account of this particular trading concern, because we know it is mixed up with the affairs of other departments. It is not run independently for the construction of implements, and we may never know how it will pan out. But it is one of the things we ought to know something about before the Government go to the people and say—"You have to pay in some cases as much as one-sixth of your income, and the Government will not tell you what is to become of it. You are left to assume that it will be used largely to make up the losses on these socialistic ventures." We do not know how much has been spent on sawmills, and we do not know what has been spent on brickworks, or what prospect of loss there is in regard to either. There are one or two matters in connection with the Bill to which I desire to direct attention. The incidence of the tax is entirely unfair. Take, for instance, the small wages man. If he has a home and wife and family and is in receipt of a regular monthly income, he will have to pay, but the single man who is receiving just the same wage will have to pay only the same amount, although having no responsibilities. In a good many cases, too, the chances are that the single men will evade payment by working for one employer one week and another the next week, and it will not be in the province of any employer to deduct anything from his earnings. So far as the wages men are concerned, therefore, the burden will fall on those who are least able to bear it. Sub-clause 3 of Clause 2 makes it clear, as

the Colonial Secretary has pointed out, that the profits on which it will be necessary to pay taxation are not those actually received, but those which are earned or hoped to be received at some future time. How will this apply in the case of a country storekeeper in a fairly large way of business, and probably in a condition of considerable financial embarrassment at the present time? His actual profit on paper might very well amount to £1,500 a year, if he has a decent-sized business. He has to pay a large amount in rates and taxes; he has to provide some interest on his capital, and has to allow large margins for bad debts, and a paper profit of £1,500 would, in many cases, represent the income he might reasonably expect to obtain. His monthly profit on paper would be £125. Under present conditions he would not be receiving any of that, but would hope to receive it in the future, and his hopes would not afterwards be fulfilled. He would receive only part of it at any time. After straining his resources in order to keep his business going and providing food in many cases for farmers and others who have to depend upon the storekeeper's credit until the harvest comes along, he would have the felicity of sitting down and writing out a cheque for £18 15s. for income tax. Is that fair? Is it just? Is it a thing which is likely to stimulate industry and help to keep the wheels going round, as the Colonial Secretary mentioned in moving the second reading of this Bill? There is no hope of the storekeeper raising an overdraft at the present time.

The Colonial Secretary: For what would that £18 15s. be?

Hon. H. P. COLEBATCH: For one month. A person whose income amounted to £125 per month would have to pay under this Bill a tax of £18 15s.

Hon. W. Kingsmill: But he could get a readjustment at the end of the year.

Hon. H. P. COLEBATCH: I do not know where he would be at the end of the year.

Hon. A. G. Jenkins: The Official Receiver would get the readjustment.

Hon. H. P. COLEBATCH: The matter of the readjustment applies to another clause of the Bill. It is entirely unfair to tax a man to this extent on an income which he will probably never get. If it is not possible to appeal to my friends on the ground of justice and equity, I appeal to them to consider whether it is politic to do this at a time like the present. Is it going to help? Is it not going to do far more injury than the small amount which the Government propose to advance to the farmers will do good? Mr. Kingsmill referred to a point arising under Clause 5, which begins—

Except as hereinafter provided, every person shall, for the purposes of this Act, within seven days after the expiration of every calendar month, make a return in the prescribed form of all income received by him during the last preceding month.

Let us take the cases of the few farmers who may get something like a decent harvest. The month comes around in which the wheat goes to market. We will assume a small farmer has a crop of 300 acres and has been fortunate enough to secure a return of 12 bushels per acre, or a total of 3,600 bushels. A good price is expected to rule for wheat, and he may get 4s. a bushel for it. A sum of £720 will represent his receipts for that month, and he will be entitled to deduct the cost of producing it, which we may put down roughly at 25s. per acre, or a total of £375, leaving a balance of profit of £345. The farmer having received that in one month, would under this Bill be required to pay a tax for the month as though his annual income amounted to £4,140. He would have to pay at the highest rate of 15 per cent., and the total amount of his income tax for that month would be £53, and this would have to come out of the proceeds of his wheat yield.

Hon. A. G. Jenkins: That is for one month.

Hon. H. P. COLEBATCH: Yes, and, as Mr. Kingsmill suggested, he would have the satisfaction of knowing at the end of the year that he would get something back.

Hon. J. Cornell: He would pass it on.

Hon. H. P. COLEBATCH: The farmer cannot pass it on. When the adjustment was worked out the farmer would find that this amount was practically his income for the year, and instead of paying 15 per cent. he should have paid only 7 per cent., and instead of paying on the £345 he should have paid on £28. Thus, instead of his contribution in this form of taxation amounting to £53, all he ought to have paid would be about £2. Is this a reasonable proposition? Since I intend to oppose this Bill entirely, it is not necessary to go into the details of the measure, because there is nothing exceptional about them. They are what anyone would expect to find in any taxation Bill of this description. But I do not think we should throw out this Bill without offering some alternative. The Government need the money because of the deficit of £660,000, for which there is no proper provision. This is the reason for introducing the Bill. If the Government did not have that deficit, all the money borrowed for the Agricultural Bank would be available for the bank. This being the case, it is the duty of the Government to face that deficit, to come to Parliament and say—"We want power to fund the deficit for the time being. When things become more prosperous we shall devise means to wipe it out, but for the present we want to raise an internal loan to cover the amount." It is reasonable to suppose that the loan would cost a little more than during normal times, but I have good reason for saying that if this were attempted the money could be raised at about five per cent. interest. It is not the intention of the Government to lend the money to the farmers without interest, and the farmers do not want it without interest. They do not want charity; they want help, and they are prepared to pay for such help. The Agricultural Bank has charged them five per cent. and six per cent. for advances, and the farmers will be quite prepared to take loans at the present time at six per cent. interest. If the Government borrow at five per cent.

and lend at six per cent., there will be one per cent. margin to cover working expenses. It is worth considering that the present Bill will cost an enormous amount of money to operate. Without having a tremendous staff in the Taxation Department, I do not know how they will be able to deal with the incomes of practically all the earners in Western Australia. It will take very much more than would be lost in administering loan money borrowed at five per cent. and lent out again to the farmer at six per cent. The first £100,000 borrowed in this way could be deposited with the Commonwealth Bank as the Premier suggested, and £400,000 in Commonwealth notes could be obtained for it, and the Government would then have the money straight away to do what is necessary at present, to assist the farmers in the dry areas. Instead of waiting till next February for an amount which will be inadequate and will not do any good, the Government would have sufficient money straight away and without doing any injustice to the people, or crippling as this Bill will tend to do, many of the people who are trying to make the best of the present situation.

Hon. R. J. Lynn: You mean to raise money by short-dated Treasury bills?

Hon. H. P. COLEBATCH: I do not think there is any doubt that the money could be obtained. The Government do not suggest that there are any difficulties in the way. They say they will not do it and they sneer at the St. George's terrace financiers, as they call them. I do not think this is a proper time for the Government to try to raise class hatred among the people. There may be people in the State who have money which they have not honestly acquired, but I doubt it. What little I know of the comparatively few people in this State who are well-to-do convinces me that they have made their money by great personal sacrifice, and many of them by spending years and years under conditions which very few people would be prepared to face. It is not fair, right, or politic, to sneer at the few people who do happen to have a little money, and who are as willing to help the country so far as they



can, as any other section of the community. When this crisis started there was a bit of a run on the State Savings Bank, but there was no suggestion of a run on the private banking institutions. The public had complete confidence in them.

Hon. J. Cornell: A lot of people have overdrafts.

Hon. H. P. COLEBATCH: I do not think the Government will gain anything by sneering at these financial institutions at such a time. I should like to have a statement from the Minister as to the general policy of the Government towards meeting this crisis. As I said in my speech on another Bill, it is an economic absurdity to suggest that we shall get over the present condition of affairs by reducing the hours of work. If this policy is persevered in and the men are told that unless they get their full wages they must not work the full number of hours, what will be the result if the trouble continues for a year? The whole of the resources of our country will be drained and depleted, and when the trouble is over there will be nothing for anyone. On the other hand, the leaders of Labour organisations, the members of the Government, and those having influence with the workers, should take courage and tell them that the primary necessity is large production; and if it comes to the point that the work done at present does not yield as much value as in normal times, and the worker has to take a smaller wage and do the same amount of work, surely it is in the interests of the country as well as of the worker himself, to do it. The worker is not any better off if he is idle half his time. Nothing is more demoralising than to have half the people working half time. So far as the employing section of the community are concerned they will have to work harder than ever and see their resources dwindle away, and if the war lasts long enough, the favoured few will consider themselves fortunate if they get through the trouble with any resources left. The employers are facing the prospect cheerfully; why not the workers too? If we are going to have a half-time policy so

that as many people as possible shall be kept at work half the time, our resources at the end of a year will be depleted, but if our workers keep going and assist to maintain our resources, the wealth will be here, and when better times come all sections of the community, and none less than the worker, will get a share of it. With a full sense of the responsibility that this Chamber takes in interfering with the financial policy of the Government, I urge the rejection of this Bill. I do not think this Chamber will ever shirk its responsibilities. I urge the rejection of this measure because we are on the eve of a general election, and because it is the fit and proper time for the Government to submit its policy to the people, and to ask them if they want a measure of this sort. Then, if the people say that they do want it, the Government can go back to Parliament and say the people have agreed to it and want it. But I do think we should first of all see what the people have to say upon this very important question. One of my reasons for urging the rejection of the measure at this stage is that the people are entitled to have a say in the matter. I oppose it also because it is unjust in its incidence, because it will inflict additional hardships on many of those people who are endeavouring in the face of great difficulties to keep the wheels of industry going round. Lastly, I hope the House will reject the measure because it is absolutely useless and entirely futile for the purpose of assisting those people in whose interests we are told the Bill has been introduced. One last word in regard to those people for whose benefit we are told this measure is intended. Apart altogether from our obligations to the Empire and apart from the wisdom of keeping our people in employment, and assisting them in their endeavour to produce the wealth of the country, there is, I say, a section of the community that demands special consideration. I refer to those people who have been endeavouring to open up our agricultural areas for some years past in the dry portions of the State. No

other section of the community has undergone one-tenth of the hardships or is doing one-tenth of the good to the country that this section of the people is. It is not a forlorn hope by any means. They have been there during three or four seasons and have experienced an exceptionally dry term. They went through their hardships without experience and without capital. Is it any wonder that some have failed for the time being? But men who have had the pluck to stick there and put up with all these hardships will win through if they are given a chance. It is only necessary that we should have one or two good seasons for them not only to be able to pay back what they have borrowed, but also for them to be able to place Western Australia in the position of being probably the largest wheat producer within the Commonwealth. If we abandon these people, however, we are going to cut down the prospective wealth of Western Australia to an enormous extent. If we are to develop only those areas in which wheat can be grown even in dry seasons successfully, we are going to limit our possibilities to an extent that I should be alarmed to contemplate. But if we do help these people, as we can help them, not by a Bill of this description, but by at once raising the money required and by appointing a special board, to properly administer the fund, we can remedy the present unfortunate state of affairs, and we shall find in the long run that out of the present adversity prosperity will come to them, as well as to the people of Western Australia.

Hon. J. CORNELL (South) [4.33]: In rising to say a few words upon this Bill, I would like to say that I have been informed by those who are most qualified to know, that there is a necessity and a very urgent necessity for the introduction of this measure, and the reasons put forward for its introduction are the depression that will be caused by the war, the stringency of the money market as a result of the war, and the very bad season that is inevitable. I, for one, never welcome any form of

taxation, because I recognise that taxation itself at time hurts the general community. Immediately you touch any person in the spot most vital to him, that is his purse or his stomach, he at once begins to understand that the measure is going to have some effect upon him. The hon. Mr. Colebatch has this afternoon spread himself out at undue length and with undue verbiage. He started out by damning the present Government right and left on their borrowing proposals, and eventually ended up with another proposal to borrow. I recognise that the party with which the hon. Mr. Colebatch is associated is one which has for its policy that of "borrow, boom, and boost." They have occupied the Treasury benches of Australia almost, one may say, without intermission since the introduction of responsible Government. Their only way of meeting emergencies, even great emergencies, has been by means of borrowing. It has remained for a Government, of which I have the honour of being a political follower, to introduce a new era into the political arena of Australia. The object of this was to endeavour to stay the epidemic of borrowing for certain works and certain purposes that had characterised Australia through successive Governments. I venture to say that, had it not been for the advent of the Fisher Government into the Commonwealth arena, the defence schemes and armaments that we have had to prepare would, to a very great extent, have been financed with borrowed money. But it remained for them to alter all that, and pay what they had to out of revenue, and put the incidence of taxation on to those who were most able to bear it through the medium of the unimproved lands value tax. This Bill, I understand, is for a special purpose. It is recognised that money is required, and the Government recognise that the exigencies of the circumstances warrant the bringing down of the Bill, and warrant them in asking for sacrifices from the whole of the community of Western Australia. If the proposal of the hon. Mr. Colebatch to borrow money were

adopted, what would it mean? It would mean that under the present forms of taxation in Western Australia the general taxpayer would have to pay £30,000 per annum on the £600,000 he suggests should and could be borrowed at 5 per cent. We know that the taxation which is derived in Western Australia from direct sources is a mere bagatelle in comparison with the total revenue paid by the general taxpayer. This Bill proposes that almost all wage earners—and I will be generous on this occasion to the capitalists by classing them amongst the wage earners—

Hon. C. F. Baxter: You run them down occasionally.

Hon. J. CORNELL: Will be asked to make this sacrifice. I hold that this sacrifice will be a true test of their loyalty to this State, and their loyalty to the Empire in general. I said earlier in my remarks that the reasons for the introduction of this Bill were the war and the bad season. I say that any person who objects to contribute his fair and just quota, under the circumstances in which we are now situated, has no sense of loyalty to Western Australia or to the Empire. His only view of loyalty is as to how this Bill is going to affect him, and I assert here that that is how many members of this Chamber view the measure. The hon. Mr. Colebatch has said that this Chamber is entitled to protest against the Bill coming down at this time of the session. I said that this was not the first time that he and his supporters had entered a protest of this sort. We know that on two occasions this House has rejected measures based on almost the same principle for the same incidence as this Bill is based on. They rejected on the second reading on two occasions a Bill altering the incidence of the land and income tax. It is rather interesting for a new member to go back over the proceedings of this House and find this wonderful change—a protest on behalf of this State entered by this Chamber. I venture to assert that you can go right through the pages of the proceedings of this House since the introduction of responsible Govern-

ment into Western Australia, and yet find not two occasions on which you can place your finger on an action similar to that taken since the advent of the Scaddan Government. The objection is brought forward first of all because of the animus against labour. Until 1911 the will that is expressed in this Chamber now was expressed in the Legislative Assembly, and as a consequence when measures came down from the Legislative Assembly there followed simply a reflex of the views of hon. members who had the predominant position in that Chamber. With the advent of the Scaddan Government things were altered. The Scaddan Government have proceeded on other lines than those which previous Governments proceeded on. These are the lines which conflict with the interests of the majority of hon. members sitting in this Chamber. The Scaddan Government have endeavoured, and will continue to endeavour, to alter the incidence of taxation as we have known it in the past. I say this, that there is no right-minded man who can take any exception to the incidence as stated in the schedule attached to this Bill. I may be called upon to pay my quota if the Bill becomes law. Not only am I perfectly willing to pay my quota as set down in the schedule, but I am of opinion that the amount is not high enough. The exigencies of the situation, I consider, warrant more. Would any other member here, holding different political views from my own, be prepared to say that he will pay his quota and does not consider it sufficiently high? I will go further, and say that whether this Bill becomes law or not, I am perfectly prepared to hand over to a fund now organised on the goldfields, or to any other fund which may be organised in my constituency, a larger sum than that proportion of my salary which the Government consider I ought to pay under this measure. If other hon. members would do that, and if their political followers would do that, there would be absolutely no necessity whatever for the Bill. But it is the reluctance to give, it is the reluctance to pay taxes and to put one's hand in one's pocket,

which will be the main factor behind the rejection of this Bill. Mr. Colebatch has said that this Chamber is representative of the great majority of the people who will pay the tax. I have yet to learn, and I refuse for the present to believe, that this Chamber is representative of the great majority of the people who are to pay the tax. There are in this State about 55,000 voters on the Legislative Council roll, and some voters have as many as eight votes. As a consequence of the dual vote, or plural vote, the 55,000 voters cannot by any means be taken as representing the number of individual electors on the roll. It is perfectly safe to say that if every elector on the Legislative Council roll went to the poll, not 48,000 individuals would vote. I will grant Mr. Colebatch this much, that from those 48,000 the greater proportion, probably, of this tax would come. But it would come from them only as a result of the incidence of the tax. It must be recognised that a man in receipt of say £2,000 per annum, or £166 13s. 4d. per month, is in a better position to meet a tax of £25 per month than the man in receipt of an income of £8 6s. 8d. per month is in a position to pay his quota. I do not think any hon. member will dispute that a man receiving £2,000 a year is in a much better position to pay his tax than is the man in receipt of £100 a year. I know there is no man, not even a single man, in this community who could live on £100 a year as a human being should live. Nevertheless, the man earning £100 per year is asked to contribute, and will have to contribute, his mite towards the tax under this measure. I maintain that for an individual enjoying an income of £2,000 a year, and yet not prepared to contribute £25 a month under the present distressing conditions, the best place to go to is the country where the people responsible for the war are. Such is my opinion of that individual. It must also be taken into consideration that, if this Bill passes, its duration, by virtue of the necessity which has caused it to be brought down, will depend on the working men and working women

of the world, and not on the fat man. I do not think any member of this Chamber will dispute that the question of the prolongation of the present hostilities remains in the hands of voteless men and voteless women. This Bill proposes to make men and women who cannot exercise the franchise for this House contribute their mite towards the funds needed by the State. Mr. Colebatch has said that the Bill is a studied insult to this Chamber. That is not the first occasion on which Mr. Colebatch has indulged in remarks of that kind. My interpretation of such remarks is that those responsible for the Bill have insulted the Council.

Hon. H. P. Colebatch: I rise to a point of order. I know that the hon. member would not wilfully misrepresent me. I made no statement of the kind. I never suggested that this Bill was to be regarded as a studied insult to the Council.

Hon. J. CORNELL: I took down your words.

Hon. H. P. Colebatch: The hon. member took them down very badly, then. What I said was that the method of the introduction of this Bill, without any explanation of the financial position or of the emergency that had occasioned the measure, constituted an insult to Parliament and to the people. I made no reference to this Chamber. I said the method of the introduction of the Bill was an insult to Parliament and to the people.

Hon. J. CORNELL: Very well. I will attack that proposition. Mr. Colebatch will, I think, agree with me that the method of the introduction of this Bill was not preconceived. A fortnight ago no need, probably, existed, even in the minds of those responsible for the administration of the affairs of Western Australia, for this Bill at all. The Bill has been rendered necessary only by the war, joined with the bad season, and mainly by the war. Possibly, the measure is due to the war wholly and solely. I have every reason to believe that there would have been no necessity to propose this taxation were it not for the war. Therefore, it is safe to assume that a fortnight ago the responsible

advisers of the Crown did not even have this Bill in mind. It must be taken into consideration, also, that if those advisers bring down the Bill in a manner which Mr. Colebatch states constitutes an insult to Parliament and to the people, those advisers evidently knew what they were doing and did it with their eyes open. Had the elections been three years hence and not probably six weeks hence, there might have been something in what Mr. Colebatch has said. However, the hon. member went further, and asserted that the Bill was only for electioneering purposes, that it was brought down because the general elections are in view. I think Mr. Colebatch is probably just as old a campaigner as I am, so far as the actual inside of the political arena is concerned. I have taken a close interest in political issues and political methods for the last 25 years, and I have always found that it is a leading principle in the conduct of elections that the less one tells the people of how one is going to tax them, the better results one is likely to achieve at the poll. Still, a time arrives in the life of every Government when they have to come out into the open, when they are faced with two positions—either they have to be honest to the people, or they have to be dishonest to the people. The present Government, I claim, have taken the honest course, have taken the straightforward course, of saying to Parliament that certain money has to be raised. The Government have laid down this definite scheme. The money has to be raised with the fairest incidence possible to the whole of the people of this State. The Government are fully cognisant of the near approach of the general elections and of the probable rejection of the Bill by this Chamber. The Government know that this Bill will be rejected. In my mind I have no doubt whatever that this Bill will be rejected, because it sets up a new principle of taxation. It contains a new principle, and an amendment will be moved for adherence to the old principle. The Government, being a clean political party, must of necessity, from considerations of honesty, adhere to the position they have taken

up. Probably in six weeks' time the Government will go to the country, and I will say right here that I am not fearful of the result. I am perfectly satisfied in my own mind that after the general election the present Government will be found occupying the Treasury bench. It may be with diminished numbers; but there is not the slightest doubt in life that the present Government will reoccupy the Treasury bench. Further, there is not the slightest doubt that after the general election we shall see the advent of a stronger party than the Liberal party is to-day, sitting cheek by jowl with the Liberal party. Now, if the House rejects this measure, and if the Government go to the country and are returned—I will make myself perfectly definite, and say that the Government will be returned—then they will be faced with this position. The exigencies of the situation will not, I think, have changed in that limited time to such an extent as to justify the abandonment of this form of taxation. Therefore the measure will be brought down again. I know, as I said by way of interjection during Mr. Colebatch's flow of eloquence, that the present Government will return to power, and that they will bring down this Bill again. I say, and I say it advisedly, that this Bill, so long as it retains the incidence of taxation at present proposed, will never go through this Chamber so long as this Chamber retains its present constitution. That is the position we have to fight. I may say that is the position which has had to be fought ever since the advent of the Scaddan Government, and I venture to declare that one reason, and the chief reason, of the deficit is that this Chamber refused to allow the Scaddan Government to alter the incidence of taxation. That is the main reason for the deficit, and the Government have taken up the only logical course open to a political reform party. They are not in the happy position, as the Fisher Government were, and will be, of being able to carry their proposals through both Houses. The Scaddan Government have never had a chance to place their policy on

the statute-book, because this House has refused to allow it. That being the case, there was only one of two things to do: either for the Government to say "We will bow to the will of the Council" or for the Government to refuse to bow to that will. They refused, and they have gone on putting their policy into operation, so far as they could by way of administration, and in consequence they have built up a deficit.

Hon. H. P. Colebatch: They are proud of it, are they not?

Hon. J. CORNELL: No man could be proud of it. That has been the real cause of the deficit, and the hon. member would do the same thing if he were in the position of the Government. If he outlined a certain policy which he was prepared to carry out, if he got permission to do so, he would do it if the permission were granted; and in the event of the permission being refused, if he were a strong man, and there was no other way out, he would still do it and justify its utility to those who sent him here. I hope that when the Premier comes back to office after the next election he will go on as he has gone on in the past; and if the day should come when the people of Western Australia desire a change, those who step into his shoes must of necessity alter the incidence of taxation. During the last three years the will of the people as expressed by the Assembly has been overridden by the will of the few money grubbers, and vested interests as expressed by this House. Mr. Colebatch has said he will oppose the measure in the interests of the farmers; I have yet to learn that he speaks on behalf of the farmers.

Hon. H. P. Colebatch: They returned me.

Hon. J. CORNELL: But I doubt if they would do so again to-morrow. After the return of Mr. Colebatch the farmers reviewed the situation as the working people of Australia did twenty-five years ago. They saw that if they were to get any further justice in the interests of the farming community, they could only do it by the formation of a party

of their own, and by a direct attack on the Legislature. However much I may differ from the farmers in their political aims and ideals, I say the farmers have taken the only logical course by which they can attract attention to themselves as a political factor. No individual in the community has more vigorously opposed the political force which the farmers have brought into being in this State than Mr. Colebatch, who by voice and pen has done all he can to belittle the Farmers and Settlers' Association. If he climbs down now, as he is doing—

Hon. H. P. Colebatch: I do nothing of the kind.

Hon. J. CORNELL: He has a very short while to remain. It has been said that the Bill is in the interests of the farmers. So far as the community which I represent is concerned, the exigencies of the position are going to have no effect whatever upon them. The gold mining industry is going on as well as it did before the war, and so long as certain explosives and chemicals used in extraction can come into the country, so long will the mining industry continue to flourish. The dry season has no effect on the gold mining industry. In proportion to the wages he earns and the conditions of living which he is faced with, the miner will be asked in respect of his £4 a week to bear a bigger burden than a man on a similar wage in the metropolitan area or any other part of the State. Under the present income tax, a man on the goldfields is in a vastly worse position than a man in the metropolitan area. Mr. Colebatch says the Bill will not benefit the farmer. With all due deference, I say the Bill will benefit the farmer. The Bill proposes to raise revenue in a certain manner, and raise it from month to month, whereas the proposal of Mr. Colebatch is that we borrow the money; in which case the farmer will have to carry his share of the interest. There is nothing new in the proposed tax. A hundred years ago or more we had ruling Europe one who has been described as the greatest despot that ever breathed. History has done justice to Napoleon, and history conclusively bears out that with all the

wars Napoleon was called upon to wage from the day he took over the destinies of France until he left France for ever he did not increase the national debt of the French nation by one penny; he raised the money as he wanted it, on lines laid down in the Bill. He taxed the people to find the money, there and then; he was of opinion, and I am of opinion, that it was a cheaper and sounder way of doing it; and he taxed the people, not in accordance with their willingness to pay, but on their ability to pay; and he made them pay.

Hon. H. P. Colebatch: His scheme did not pan out very well.

Hon. J. CORNELL: His scheme panned out to this extent, that despite the forces of the whole of Europe he did not increase the national debt in the slightest degree, while those nations ranged against him saddled posterity with the debt that has been a curse and millstone round their necks ever since. Had Napoleon's financial policy been taken up by the other nations who opposed him, we would have very little of the national debt that strangles the people of England to-day. The proposal then is not new. If Napoleon thought and acted as he did in time of war, I say it is doubly necessary that we should act in the same way now.

Hon. W. Kingsmill: He did not levy on his own people.

Hon. J. CORNELL: I am prepared to assert that if Mr. Kingsmill had the right to levy on other people he would levy on them and not on himself. The Labour Party do not propose to levy on other people without levying on themselves.

Hon. A. G. Jenkins: That is not what the Attorney General said some time ago.

Hon. J. CORNELL: The Attorney General is reported to have said that he was going to apply the bleeding process to the fat man. He may have said that when new as a Minister. Had he been familiar with the vagaries of the Legislative Council he would have known that he would be long in his grave before the Legislative Council would allow that process to be applied to the fat man.

Mr. Colebatch has said the Bill is a reproach to our loyalty. It may be a reproach to his loyalty, but it is a test of my loyalty. In the final analysis, when it comes to the test of loyalty, I think the chief difference between Mr. Colebatch and myself will be found to be that I am prepared to pay, but that he is not. I have already said that Mr. Colebatch indulged in a lot of verbiage; he brought in the old questions of Workers' Homes and Comrade Heitmann. I hope that Mr. Colebatch will recognise that there is a limit even to the beating of a dead horse. Mr. Colebatch has stated that the title of the Bill is wrong; that it should be a Bill to wipe off the deficit. I do not think that the Government have any desire whatever to wipe off the deficit by means of the taxation they propose in the Bill. The purpose of the Bill is definitely set out. It would be inadvisable on the part of the Government at any time, so long as this House is constituted as it is, to attempt to wipe off the deficit. This House has taken up the position of making a deficit possible, and the time may come when it may have to take steps to wipe it off. The only way to do that will be to assist the Government in the direction they were asked to do some time ago, but which they refused to do. If they had adopted the course proposed by the Scaddan Government some time back there would have been no deficit today. Mr. Colebatch referred to the Savings Bank withdrawals and deposits. It is admitted that there has been an increase of withdrawals over deposits from the State Savings Bank, I noticed, however, the hon. member tackled the question so far as it applied to the Commonwealth Savings Bank in this State in a gingerly fashion. He was emphatic about the State Savings Bank figures, but was in somewhat of a quandary when dealing with the Commonwealth figures.

Hon. J. Duffell: There are only eight or nine months' figures of the Commonwealth Bank available.

Hon. J. CORNELL: Everyone knows that the Commonwealth Savings Bank

has taken a great deal of money out of the State Savings Bank, and that it has also absorbed a number of the depositors. Mr. Colebatch also referred to my remarks on the Postponement of Debts Bill where I ventured to assert that I did not think there was a place in Western Australia which would compare with Perth in regard to the system of time payment that was indulged in, not only in some instances by the workers who are not afraid of being described as workers, but to a greater extent by those who are workers and who become offended at being so described. I stated that the people in Western Australia lived beyond their means and I said that the kind of thing that went on was calculated to cause snobbery, and was calculated to do wrong in the political arena, because snobbery very often led in the direction of voting for your betters, and when it came to the true test to give them what they wanted, they proved to be your superiors. That is why I object to the time payment system, and the snobbery of the average individual.

The PRESIDENT: The question before the House is "That the Income Tax (War Emergency) Bill be now read a second time."

Hon. J. CORNELL: I admit that I am transgressing somewhat, but Mr. Colebatch referred to my remarks on previous occasions and covered a rather wide field. He brought in the remarks that I used when discussing previous Bills, and I might say that this is the second occasion on which he has referred to them. When I twitted him with referring to my remarks as if they were intended to apply to the Perth district instead of the whole State, I asked him to quote figures with reference to the Savings Bank deposits and withdrawals for the whole State. I venture to say that if time permitted I could produce figures which would show, as far as the State and Commonwealth Savings Banks are concerned, that the deposits in the "Mecca" of Western Australia—Kalgoorlie and Boulder—far exceed the withdrawals. Mr. Colebatch referred to the State implement works, and I have

yet to learn that they have anything to do with a measure of this description. Mr. Colebatch stated, and he gave it for what it was worth, that people had complained to him that a large body of men were being kept on by the State implement works, and that there was nothing for them to do; but as he gave the statement for what it was worth, I do not see any reason to labour it. All I can say is that the assertion is not worth anything. Before concluding my remarks I will get to the kernel, and I shall again use that old phrase of mine, that I have to look at the tail for the hesting. Mr. Colebatch, in the whole of his remarks, waited until almost the finish to give the incidence of the Bill. He said it was unfair and cited the cases of married men and single men. He inferred that a married man was always in the same position and that he never changed his occupation. Why, they do not even enjoy that privilege in Parliament. Mr. Colebatch also said that a single man might work one week here and another week there, and it would not be possible to collect any income from him. Is that an illustration of the unfair incidence of the tax? I say that the remarks that the single man would dodge his payment of the tax are ridiculous in the extreme. Every individual knows that the married man is just as subject to the fluctuations of the labour market as the single man, and if one will dodge it the other will dodge it, and there is the end of Mr. Colebatch's logic. Mr. Colebatch has drawn attention to the unfair incidence of the tax in regard to the man who works on paper. There are two classes in the community—the business class and the working class.

Hon. J. F. Allen: The working class are always paid in cash.

Hon. J. CORNELL: We know that the working men are paid in cash and that they pay in cash. The man who works for others is paid in cash. It is laid down in our law that they shall be paid in cash, and, as a result of that, they pay cash for the goods they receive, and in case hon. members may take advantage of that remark later, I will say that some gentle-



men do not pay at all. It is a well known axiom in business that the man who does pay also pays for those who do not pay. If this were not so business would have to cease. There is another section who work on paper money probably from one end of the year to the other. I fail to see why a man whose income is on paper should be treated differently from the man whose income is a cash one. Even if I do only represent the working classes I have sufficient knowledge of commercial matters to know that even in the highest commercial enterprises in the world to-day the whole business is transacted on the debit and credit side of the ledger. I hope that this House will take up the only logical course in regard to this measure, and that is that, rather than butcher the Bill in Committee, they will reject it on the second reading. We know of instances when Bills have been agreed to on the voices at the second reading, and then the bleeding process has been slowly but surely applied in Committee. Let a vote be taken on the question as to whether the second reading should or should not be adopted, and I hope when members go before their electors, and if I attack them, they will credit me with doing so in the spirit that I have always adopted in this Chamber. The point I will attack them on is, that when hon. members who claim to represent the people were subjected to the true test of loyalty they were not prepared to avail themselves of it by voting in the direction of assisting to carry that which is in the interests of every working man and woman in the community.

Hon. D. G. GAWLER (Metropolitan-Suburban) [5:27]: I move—

*That the debate be adjourned until Tuesday next.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5:28]: May I be permitted to make an explanation. Last night I carried the adjournment of the House until to-day by a small majority, and I was afterwards approached by some members who supported the motion, and told that they supported the motion for the

adjournment purely out of loyalty to me as leader of the House. To-day I stated that it was my intention, if a motion for the adjournment till next Tuesday was submitted, to oppose that motion, but at the same time I would relieve members of their loyalty to me as leader of this Chamber. Since then I have conferred with hon. members, and I have learned that there is a strong feeling that the debate should be adjourned until Tuesday next. Consequently I have decided not to call for a division as I had previously arranged to do on the motion being put.

Members: Hear, hear!

Hon. J. CORNELL: I do not want to disagree with my leader, but I think that I have heard no reasons advanced why the debate should be adjourned. I think, in view of the position in which this House is placed, and in view of the general election looming in the near future, that the only reason why hon. members might ask for the adjournment of the debate can be that they have not had time to study the Bill. If that excuse is advanced, I say it is a feeble one. I had not seen the Bill until I came to the Chamber this afternoon, when the leader of the House was half-way through his second reading speech; and I submit that what one member can do other members can do.

Hon. J. F. Cullen: You know it from caucus.

Hon. J. CORNELL: The hon. member interjecting ought to be the last man in this Chamber to talk about caucus. He does not even trouble to attend the Liberal caucus.

The PRESIDENT: The hon. member will speak to the motion before the House, which is that the debate be adjourned until Tuesday next.

Hon. J. CORNELL: The only debatable part of the Bill is the incidence of the tax. I, for one, am anxious that the House should adjourn, as I think many hon. members are. However, whether we adjourn this debate until Tuesday or whether we go on with it now, I think the fate of the Bill will be the same. Therefore, why waste time? Why not bury the Bill quickly?

Motion put and passed ; the debate adjourned.

## BILL—POSTPONEMENT OF DEBTS.

### *Request for Conference.*

Message received from the Assembly requesting a conference with managers of the Legislative Council.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5-36] : I move—

*That a Conference be agreed to as requested by the Legislative Assembly in its Message No. 38 ; that the place of holding the Conference be the President's room of the Legislative Council ; that the Honourables J. F. Allen, J. Duffell and H. Millington, be the managers to represent the Council at the Conference requested by the Legislative Assembly.*

Hon. W. KINGSMILL (Metropolitan) [5-37] : I have a word or two to say about this Conference. In the first place, I am of opinion that Conferences are being asked for in a most irregular manner, inasmuch as it appears that no disagreement between the two Houses is set forth. The Legislative Assembly send a Message to say simply that they have considered our Message. They do not say that they disagree with the amendment, but merely that they desire a Conference. That, however, is a minor point. I have another objection, and a much more weighty objection, to the holding of this Conference. That objection is that another place does not seem to realise the true significance of a Conference, as we have had instanced during the last day or so. A free Conference such as we are now debating is undoubtedly the last stage of any Bill. If no agreement is reached at a Conference—not after a Conference—the Bill must be laid aside. I am not anxious for Bills to be laid aside, but I say that these rules of Parliament which we have embodied in our Standing Orders and in our practice must be observed if the force of Parliament is to continue to exist. I say, therefore, that if any Bill is placed upon the statute-book and becomes an Act as

the result of the violation of the practice and rules of Parliament, then that Bill is apt to be challenged later on in the courts of the State with fatal effects. I say that we should spare no pains to be absolutely on the right side in this connection. You, Sir, were good enough, in the course of the ruling which you delivered yesterday on another Bill, to state that we had no power to consider a Message which was sent up yesterday, subsequent to a Conference. To that ruling, of course, I bow, and I fully concur in it. But I maintain that the message should never have been sent by the Assembly. I understand that on a previous occasion when I was leader of the House—I think it was in 1904—a similar message was sent. Allow me to take this opportunity of expressing my regret that any colleagues of mine in the Government of that day should have moved that such a message be sent from the Assembly to the Council ; and allow me to say that in the light of the 10 or 11 years' continuous experience which I have had of this House in positions which, perhaps, have enabled me to judge somewhat of the procedure of Parliament, I realise, from the additional knowledge which I have gained during those years, that that course should never have been taken. I do not wish to make any remarks as to the futility of Conferences if they are to be set aside later on, without quoting authorities for such remarks ; and, our Standing Orders being silent on the subject to which I am now referring, I at once go to what is regarded as the greatest Constitutional authority on Parliamentary procedure, Sir William Erskine May's book. Hon. members will find the extract I am about to quote on page 415. *May* says—

A free Conference differs materially from the ordinary Conference ; for, instead of the formal communication of reasons, the managers attempt, by discussion, to effect an agreement between the Houses. If a free Conference should prove as unsuccessful as the former, the disagreement is almost helpless ; though, if the House in possession of the Bill should be

prepared to make concessions, it is competent to desire another free Conference upon the same subject—

Mark that. "If the House in possession of the Bill should be prepared to make concessions, it is competent"—not to send a message to say that they agree with the amendments of another place, but—"to desire another free Conference;" and on this point our Standing Orders are no longer silent. Standing Order 333 says that there shall be only one Conference on any Bill or other matter. That being so, it is abundantly evident that when a Conference has failed, when no agreement has been arrived at as the result of the Conference, the last stage of the Bill has been reached. I resume my quotation from *May*—

or, if a question of privilege or other new matter should arise, an ordinary Conference may be demanded.

No such plea is put forward.

Until 1836, no free Conference had been held since the year 1740; nor has there been any subsequent example.

The quotation shows to what extent the Conference has become in this House almost an ordinary stage of a Bill. It shows also with what reluctance the "Mother of Parliaments" allows itself to be drawn into such a course. Now, with regard to the finality of conferences, *May* says—

According to established usage, when a Bill has been returned by either House to the other, with amendments which are disagreed to, a message is sent, or a Conference is desired, by the House which disagrees to the amendment, to acquaint the other with the reasons for such disagreement, in order to reconcile their differences, and, if possible, by mutual concessions to arrive at an ultimate agreement. If such agreement cannot be secured, the Bill is lost for the session.

I say that conclusively proves that the action of the other place in sending a message intimating that they agree with an amendment to which they previously disagreed is altogether out of place. The message, of course, has to be accepted by us, but as you, Sir,

rightly say, cannot be put on the Notice Paper. The other place are absolutely wrong in sending such a message, and any Bill which is placed on the statute-book by such a process stands in imminent risk of being successfully challenged in the courts of law. I daresay very possibly the Bill to which I refer will be challenged. I would point out to the leader of the House that the measure in question, the Bills of Sales Act Amendment Bill, is a measure which is obviously meant for operation in the courts. That being so, I wish to point out that the Government are very foolish indeed if they rely on what may indeed prove a rotten reed, by placing a Bill on the statute-book by methods which are against the express rules of procedure, and against the practice of the Mother of Parliaments, by whose practice we regulate our procedure. I say that the procedure adopted in the case of the last Bill regarding which we held a Conference, was absolutely and entirely wrong. I say that when the Conference did not arrive at an agreement, the Bill should have been lost. Furthermore I would point out that, to a very great extent, the value and significance of Conferences must be destroyed if this practice is persisted in. What will be the value of a Conference when one body of managers may come to the Conference saying amongst themselves, "Oh, we will have this Conference, and we will try and bluff the managers of the other place into accepting our opinions. We know very well that even if we cannot bluff them into accepting our opinions, the Bill will not be lost, because later on we can send a message agreeing to the amendments"? I say such a course of procedure destroys absolutely the whole value underlying the system of Conferences. It is a procedure to be deprecated—a procedure which I hope, if this Conference is granted, will not be resorted to in the present case. I would like to remark, so far as I am concerned—and I am sure you will understand me, Mr. President—that I am not in any way saying a single word concerning your ruling. It

would be very distasteful to me to do so.

The PRESIDENT: It would be disorderly if you referred to it.

Hon. W. KINGSMILL: Quite so. I am explaining that I do not in any way criticise your ruling, Sir. I thoroughly agree with it. I may, however, criticise—and this is not disorderly—the procedure which is adopted by another place—a procedure which, I may say, is contrary to the practice of Parliament and the rules laid down for it.

Hon. A. G. JENKINS (Metropolitan) [5-45]: I would like to know exactly what the position is. I cannot see how the Assembly can refuse to come to an agreement at the Conference and then send a message to this House stating that it no longer disagrees to our amendments. I would like to be quite clear on the position—

Hon. W. Kingsmill: Let us have the Conference and see.

Question put and passed.

*Sitting suspended from 5-46 till 7-30 p.m.*

#### *Conference Managers' Report.*

Hon. J. F. ALLEN: I have to submit the report of the managers appointed by the Council to meet the managers appointed by the Assembly at a Conference upon the Council's amendments in the Postponement of Debts Bill.

Report received.

The PRESIDENT: The report is as follows:—

The managers met the managers of the Legislative Assembly and agreed to report as follows:—That there be added at the end of Clause 5, the following words:—"and such regulations may provide that the Court may, in its discretion, direct that no legal practitioner shall appear or be heard on behalf of any party before the court, and that no court fees shall be payable, and that the proceedings, unless otherwise ordered by the court, shall be in chambers."

The COLONIAL SECRETARY moved—

*That the report be adopted.*

Question passed; the report adopted.

#### BILL—EAST PERTH RAILWAY SIDING.

Received from the Assembly and read a first time.

#### *Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [7-34] in moving the second reading said: This is a measure to authorise the use of a siding between the East Perth railway station and the site of the new gasworks being erected for the Perth City Council. The siding is being constructed and will give cheap means of access to the council so that they may be able to deliver their coal into the yards at a minimum cost. The line will branch off from the East Perth railway station and proceed *via* Samson-street, crossing Claisebrook-road to Kensington-street, thence along Kensington-street across Jewell-street to Trafalgar-road. There can be no objection to the construction of a tram line, but objection may be raised to the use on the line afterwards of locomotives, and notice has already been given of intention to get an injunction against the Commissioner of Railways to prevent him using the siding; consequently this legislation is necessary to give the Commissioner the requisite authority. There can be no objection to a tram-line being constructed through a street; none has been raised in the case of electric tramways, and this is a parallel case. I understand one hon. member desires some information, and I am agreeable to the debate being adjourned until Tuesday next. I move—

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

On motion by Hon. J. F. Allen debate adjourned.

#### BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

#### *Assembly's Message.*

Message received from the Assembly notifying that it agreed to the Council's amendments, Nos. 2 and 4, and agreed to amendments Nos. 1 and 3 subject to further amendments. Consequential on

amendments Nos. 1 and 3 the Assembly made a further amendment by omitting Clause 4, in which further amendment it desired the concurrence of the Council.

*House adjourned at 7:38 p.m.*

## Legislative Assembly,

*Friday, 11th September, 1914.*

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The DEPUTY SPEAKER took the Chair at 3.30 p.m., and read prayers.

### PAPERS PRESENTED.

By the Hon. W. C. Angwin (Honorary Minister):—1, Regulations under the Game Act, 1912-13. 2, By-law of the Weston Local Board of Health.

### BILL—POSTPONEMENT OF DEBTS.

#### *Council's Message.*

A Message having been received from the Council notifying that it did not insist on its amendments Nos. 2 and 3, but insisted on amendments Nos. 4, 5, 6, and 8; that it agreed to the amendments made by the Assembly in the Council's amendments Nos. 1 and 7, but disagreed to the Assembly's amendment in amendment No. 9, the reasons for the same were now considered.

#### *In Committee.*

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

The PREMIER: Each of the amendments upon which the Council insists deal with the constitution of the court for hearing appeals against the postponement of debts. One of the objects we had in view in permitting the Governor-in-Council to appoint any person to hear the appeals was to prevent too much publicity being given to such matters. The local court procedure would mean publicity to all these matters.

Hon. Frank Wilson: Not necessarily.

The PREMIER: Yes, the courts sit publicly and the Press are entitled to comment on the proceedings. While a creditor might know that a man is not in a position to make payment, he might, in order to annoy the debtor, compel him to go to the court and declare his position, which would probably injure him considerably in his business and other affairs. The commission would have adjusted it without any publicity. In view of the fact that we are forced into the position of accepting the amendment, laying the Bill aside or asking for a conference, I propose to ask for a conference, and I hope to be able to make this point clear enough to ensure that while adhering to the establishment of courts, we will be able to provide for them sitting in camera.

Hon. Frank Wilson: Cannot they do that now?

The PREMIER: No, but even if they can there should be some direction. In some cases the costs of hearing might prove as heavy as the debt, but I hope we shall be able to avoid such expense. Under Clause 5 the Governor may make regulations, and we propose to ask conference to agree to add that these regulations shall provide that the court may in its discretion direct that any legal practitioner shall not appear or be heard and that no court fees shall be payable and that the proceedings of the court shall be in camera. I move—

*That a conference be requested with the Legislative Council on the Postponement of Debts Bill and that at such conference the managers consist of three members.*