

Hon. W. C. Angwin: Tuberculosis is infectious, not contagious.

Mr. LUTEY: Then I would insert "infectious" also.

Mr. MONEY: Section 242k of the Health Act deals only with venereal disease. Therefore I raise the point of order that this proposed amendment goes outside the section to be amended.

The CHAIRMAN: I rule that if the amendment were admitted the new clause would be irrelevant to the subject matter of the Bill under Standing Order 391, as the Bill deals with venereal and not contagious diseases.

Hon. T. WALKER: This Bill deals with public health all through and it deals with contagious and infectious diseases and other matters affecting health. Therefore the amendment of the hon. member for Brownhill-Ivanhoe is in order. The forms of the House must be observed and I shall have to dissent from your ruling.

Mr. TROY: I have felt for some time that the whole clause ought to have been moved as an amendment to the Marriage Act. I think we should put the clause as it is.

The CHAIRMAN: I will withdraw my ruling and then will put the amendment to the Committee. The question is that in the last line of the proposed new clause the word "venereal" be struck out.

Amendment put and negatived.

New clause put and a division taken with the following result:—

Ayes	..	..	..	..	12
Noes	..	..	..	..	25
Majority against	..	..	..	..	13

AYES.

Mr. Angelo	Mr. Lutey
Mr. Brown	Mr. Pickering
Mr. George	Mr. Roche
Mr. Green	Mr. Troy
Mr. Griffiths	Mr. Hardwick
Mr. Johnston	(Teller.)
Mr. Jones	

NOES.

Mr. Angwin	Mr. Money
Mr. Broun	Mr. Nairn
Mr. Chesson	Mr. Pilkington
Mr. Draper	Mr. H. Robinson
Mr. Durack	Mr. R. T. Robinson
Mr. Foley	Mr. Teesdale
Mr. Gardiner	Mr. Thomson
Mr. Harrison	Mr. Underwood
Mr. Hickmott	Mr. Walker
Mr. Hudson	Mr. Willcock
Mr. Lambert	Mr. Willmott
Mr. Maley	Mr. Munsie
Mr. Mitchell	(Teller.)

New clause thus negatived.

Title—agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments, and the report adopted.

House adjourned at 11.20 p.m.

Legislative Assembly,

Wednesday, 17th April, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

BILL — GENERAL LOAN AND INSCRIBED STOCK ACT AMENDMENT.

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Stubbs in the Chair; the Colonial Treasurer in charge of the Bill.

Clause 3—After "Act," in line 2, insert "for the redemption of any loans raised prior to the commencement of this Act."

The COLONIAL TREASURER: The object of the amendment is to prevent the Government negotiating any future loans except through Treasury bills or under the Treasury Bonds Deficiency Act. Members of another place say in effect they can trust the Government to borrow by Treasury bills on a five years' currency without any limit on the interest, they can trust the Government to operate under the Treasury Bonds Deficiency Act at six per cent. with 30 years' currency, but they cannot trust the Government to issue debentures with a maximum of 6½ per cent. interest for any new obligations, although, for the redemption of existing loans they can trust the Government to use the Act to its limit. In my estimation, if there is no trust in the Government, the latter is a far more dangerous power to give them than the power to use the Act in its application to new loans, which must be limited. At present it is the lender and not the borrower who can say which of the three securities he wants. As a State security, there is no more value in a debenture or in inscribed stock than in a Treasury bill, but there may be a difference in their negotiability to the lender on account of their domicile. These debentures have practically no domicile, whereas Treasury bills are domiciled in Australia, and so, too, any issue under the Treasury Bonds Deficiency Act. At present the only issue of this stock for new loans would be to the Commonwealth, who are doing all the borrowing for the States, except what may be raised by internal loans. For this year the sum which this State may borrow is restricted to £700,000. The Commonwealth, in all probability, have to borrow in London, and consequently they may have to give their debentures, negotiable in London, in payment of any loans raised for the States. As the States are insisting that they shall have those loans on exactly the same basis as that upon which the Commonwealth raise money for the State, the Commonwealth may say, "We have raised this loan in London for you at a certain rate of interest. We have to give our debentures, and

we want your debentures to replace that loan, and we want them payable in London." The Committee will remember that on that 18 million loan the Commonwealth tried to bluff us into going on to the local market to raise our money at a higher rate of interest than they pay, in order to redeem money which they borrowed for the States on the London market. The Treasurers at the Treasurers' Conference said, "Oh no, whatever terms you got as agents for the State are the terms the States are going to demand from the Commonwealth." In consequence the Commonwealth gave us until five years after the war, or till the first maturity date of the very money they borrowed for us. If the Commonwealth ask me for debentures to replace Commonwealth debentures, I can only plead that I cannot do it because the Legislative Council have taken from me the necessary power. Where shall we be? To be quite candid, I think we shall be where some people in this State want us to be, namely, on our knees to the Commonwealth. There are two distinct forces operating against the State at present. Voices are being raised, inside and outside of Parliament, pleading unification. Secondly, there are those who advocate that the sooner we fail to meet our obligations the better. We have heard that said here and in another place. There are those who advocate that the only solution of our present financial position is unification. These seek on every occasion to advertise their opinion that we are unable to manage our own affairs, and that they want to see us come under the Commonwealth. Such as these receive very spirited backing from the Chamber of Commerce, whose sympathies appear very frequently to be rather with the East than with the West.

Hon. W. C. Angwin: Because their principals are over there.

The COLONIAL TREASURER: To such as these I put this plain question—and it is time it was put—how long would it take to bring about unification, and what is the State going to do in the meantime?

Mr. Green: What sort of unification do they propose?

The COLONIAL TREASURER: If the question is to be seriously discussed, let me put this position clearly before those who advocate it. When we have to discuss unification, what would be the better position in which to discuss it, as a sovereign State accepting the full responsibilities of internal self-government, or as a suppliant admitting our own inability and our insolvency? Let that question sink into the minds of those who talk about unification without thinking it out. If unification is the ultimate end of Australia, it will be brought about only as a result of the complete and careful thought of the whole of Australia, that it is best for Australia, and for no other reason. This question is not going to be decided by one State, but by the whole of the States, and, then, on a basis that will give some kind of security for that self-government which is absolutely necessary to every State. Then we come to the second class, to the cloven hoof which to some extent is shown in the amendment, to the class

who again have adherents in both Chambers. The cry summed up is this—"Stop borrowing to finance your deficit, stop all works no matter what they are, scrap and sell your trading concerns, or in other words let us have a cataclysm. It is nearly as bad as a war, but let us have it." To my mind this is a coward's cry. It is admitting our own incompetence to govern our own concerns. Frequently this has been uttered by those whose personal surroundings would exempt them from the everlasting consequences, and sometimes by those who have benefited very materially from past huge public expenditure. If such a cataclysm is to be brought about let those who advocate it come under it. We will not do so. I am going to say for the Government, and for our party, and I think I may say it for the party sitting opposite, that to bring forward such a doctrine savours of disloyalty to the State, and that this Committee will take no part in it. The anxiety regarding the financial position is great. It does not matter who occupies these seats, whether our friends opposite or ourselves, or representatives of the entire Chamber. Our financial anxiety is great, and everyone who realises the position will understand that in the minds of those, who are for the present responsible, there must be grave anxiety. This anxiety has behind it many other things. There is the question of freight to bring down our North-West cattle, the superphosphate supply for next year, the Wyndham Freezing Works, the rabbit invasion, repatriation, the bulk handling of grain, and most grave of all, the financing of next year's wheat crop. The Government can claim that in all these matters they have a right to demand the fullest trust. If not, it means that we do not carry the trust of the people as coming from this Chamber. I am ready at any time to resign that trust. We have the right to ask members and the country to allow us to finance them by those methods which the Government think are best fit, assuring the people that we are just as zealous of the financial credit of this State as are these self-appointed critics. If we succeed, we want no individual kudos, or kudos as a Government, because we realise that if we are to succeed, it will be due to the fact that we have behind us the good-will and assistance of all parties represented in this Chamber. I am sure that those parties desire in the present financial crisis to give us every encouragement to do our duty, striving at the same time in every possible way to conserve the best financial interests of the State. We have to try to meet the financial pressure in this State with just the same courage that our sons are meeting the pressure in the trenches. I ask the Committee to oppose the amendment. I do not want unlimited power, and do not think it is wise to give any Government unlimited power to pledge the securities of the State. I am, therefore, willing to agree to the amendment providing that the Bill shall only apply for 12 months. This should cover all the loans that are likely to come under the operations of this measure. Hitherto the Act has been that under which we have done all our borrowing, because Treasury bills are only looked upon as a temporary arrangement, and have ultimately to be redeemed by debentures

or inscribed stock. To this amendment made by the Legislative Council I move—

"That the Council's amendment be agreed to subject to the following amendment: add the following words—'and or for any loans which may be raised to the 30th June, 1919.'"

I will then propose a new clause which would read—"That this Act shall continue in force until the 30th day of September, 1919, and no longer." I cannot make this date run concurrently with the 30th June, 1919, because the House may not be sitting on that date. I hope the Committee will agree to my amendment.

Mr. PILKINGTON: The remarks of the Colonial Treasurer that it is the duty of the country and Parliament to have a blind trust in the Government are, I think, deserving of comment. I make no doubt whatever that the amendment, which was proposed and carried in the Legislative Council, was so proposed and carried as a protest against the want of candour exhibited by the Government when this measure was introduced. It was introduced in this Chamber by the Colonial Treasurer, and in another place by the Colonial Secretary. In both places the impression conveyed by the speeches that were made was that this change was for the purpose of enabling the Government to borrow money with a specific object to redeem a specific loan.

The Colonial Treasurer: In an immediate necessity.

Mr. PILKINGTON: The word "immediate" is a word upon which I am going to comment in a moment. It is a fact that the word "immediate" was used, and if that word is strongly emphasised the meaning obviously becomes changed. It is a remarkable fact that that word "immediate" to which the Treasurer has drawn attention, and to which I am glad he has drawn attention, was used not only here but also in another place with the same ambiguous result. In introducing the measure the Treasurer said—

The CHAIRMAN: Is the hon. member reading from the current session's "Hansard"?

Mr. PILKINGTON: I was about to do so, Sir. If I am out of order, I will repeat the Treasurer's remarks from memory instead. The hon. gentleman said that the immediate necessity for the introduction of the Bill was the redemption of a loan of £250,000 which was raised in the year 1907; indicating that there was a sum of, I think, £130,000 which would have to be borrowed, the balance having been made available from sinking fund. The point I wish to make is that the words "the immediate necessity for this Bill" were used, which words, I confess, did not convey to me any more than that it was necessary to pass this Bill immediately because it was required for this object.

The Colonial Treasurer: That is quite right.

Mr. PILKINGTON: In another place the measure was introduced in the same words.

The Colonial Treasurer: That is so because the Minister here sends the notes which he has used to the Minister in another place.

Mr. PILKINGTON: Obviously, that is what has occurred. Obviously, also, the same impres-

sion was created in another place. Debate ensued elsewhere, and in the course of that debate it appeared that the Colonial Secretary, having communicated with the Treasurer, could not agree to this amendment; and then for the first time it was suggested that the Bill was required for a purpose other than that which had been referred to in this Chamber. Now, it is perfectly true that if one reads those words with the emphasis on "immediate" one does get the meaning, "the immediate necessity—but not the only necessity—the immediate necessity is so and so." Then the words seem to imply, "There is going to be another necessity, about which I will say nothing." That meaning can be given to the words. But I do not say it was a most misleading way to bring the matter before the House; and this Chamber is justified in feeling that it has not been treated with the candour to which it is entitled. If the Bill was intended, as apparently it was, for a main purpose very different from that mentioned in this House, then I submit that main purpose should have been put forward. It appears to me that the amendment which has been carried in another place was carried for the purpose of protesting against that want of candour. There was something said just now by the Treasurer to which also I think I should make reference, because it perhaps emphasises the circumstances which make it less likely that the Government will receive that complete trust which they demand, than would otherwise be the case. The Treasurer, referring to certain persons who favour unification, spoke of their going as suppliants to the Commonwealth, and said he for his part did not intend to be placed in that position. Now, it is a most remarkable fact that only recently a speech was made in another place by a member of the Government to which the Colonial Treasurer belongs, in which speech the policy was put forward, as the policy of the Government, that it was in effect impossible, going on as we are going and as the Government intend to go, for this country to carry through without bankruptcy—to use the term employed by the Colonial Secretary—unless we got a better financial agreement with the Commonwealth at the expiration of the present financial agreement in two years' time.

The Colonial Treasurer: That does not make us suppliants. That is simply asking for justice.

Mr. PILKINGTON: The Treasurer is asking for trust. Yet we have the curious phenomenon of two members of this same Government, one advocating, in this Chamber, a financial policy involving the placing of our affairs upon a business basis by means of economy, retrenchment, and taxation, and the other in another place, stating his view that what his Government are doing will necessarily involve financial disaster to the State unless we can persuade the Commonwealth to change the terms of the agreement which we have with them. It is most difficult to imagine two more entirely different and distinct policies that could be put forward by any two persons.

Hon. W. C. Angwin: You must not worry about that, considering the Minister in another place, you know.

Mr. PILKINGTON: I have observed the same thing over and over again—the Treasurer

in this Chamber expressing a view, and the Minister in another place expressing a different view, whereupon the view expressed here collapses and is absolutely gone. The Minister in another place is apparently the mouthpiece of the Government. When the Treasurer comes here and asks us for trust and confidence in the Government, it is permissible to point out the extraordinary divergence of the opinions expressed by the Government in regard to this most vital and important financial principle.

The Minister for Works: That is only a statement you make. It is not correct.

Mr. PILKINGTON: I think that if the Minister for Works reads the statement made by the Minister in another place, he will admit that I have not made any error. The "West Australian" reported that Minister as having said—and it has not been contradicted—

If the third alteration is to follow the lines adopted in the two already made, it seems to me that threatened State bankruptcy may well drive us into one or other of the two desperate alternatives—separation or unification.

If that does not mean that bankruptcy is the only alternative to our getting a satisfactory agreement with the Commonwealth Government, I do not know what it means. In other words, it says that we have to go as supplicants to the Commonwealth Government and ask for their assistance at the end of two years, when the present agreement comes to an end. The policy of the Treasurer and that of the Colonial Secretary are as different as any two policies can be. I vigorously join in the protest of another place.

Hon. W. C. ANGWIN: I should have liked to see the Colonial Treasurer adopt a more drastic line of action on this amendment. I should have liked to see him refuse straight out to accept the Council's amendment, without amending it in any way. I cannot agree altogether with the last speaker as to members here having been misled when the measure was introduced. I do agree with him that in another place a definite statement was made that the Bill was required for the express purpose of redeeming debentures or a loan. But the statement made here clearly conveyed to myself, and to my leader, the member for Boulder, that the measure was required not only to redeem debentures or a loan which had fallen due, but also to raise further moneys for the purpose of carrying on certain works. It is true, as stated by the member for Perth, that the Treasurer did make a statement regarding the amount of the debentures or of the loan falling due. The Treasurer pointed out that portion had been renewed and that £130,000 had to be provided. He said, "The immediate necessity for the alteration of the rate of interest is due to this fact." He said that he might perhaps have gone on for a few months as he was going on, had it not been for the urgent necessity of raising money for the express purpose of redeeming the loan then falling due. Another clear indication on this point is afforded by the words which my leader, the member for Boulder, used: "The rate of interest has to be increased, and we have to

take power to raise money at a higher rate of interest." In concluding, my leader said: "In these times of financial stringency the Treasurer must have power to pay up to the 6½ per cent. if he finds it necessary to do so." The words of the member for Boulder make it plain that he clearly realised the intention of the Treasurer. However, we have to take the position as it is, without any beating about the bush. In my opinion, another place desires to harass the Government because some outside influence could not have its say as to how the Government of the day should control the finances. For that reason there is a desire to stop the Government, as far as possible, from continuing any public works in hand at the present time. What position will Western Australia be placed in if we immediately cease the construction of public works? That might be done by degrees, without disaster. But if we stop all public works immediately, where will the people of this State be? Where would these very people complaining outside be? Many of them would find the bankruptcy court long before the State found it. It is necessary in order to save them from financial disaster to a large extent, that the Treasurer should have the power sought in the Bill. We realise that we are going through a time of war and that we cannot dictate the rate of interest we are to pay for money. We know, however, that the work of the State has to be carried on. We know what will follow if we cease to carry on our works and we are also aware of the arrangement which the Treasurer has entered into with the Federal Government, that unless he gives an undertaking that he will pay the rate of interest they are paying, that arrangement cannot be carried out, and if it is not carried out the position will be disastrous for Western Australia as a whole. When this amendment reached us, I went carefully through the discussion which took place on it in the Legislative Council. The Minister there did not tell the House exactly what was required. Hon. members of another place were told that all this money was required for the redemption of other loans. Even in Committee he told them that and, perhaps, to a large extent, that was made an excuse for adding the words to Clause 3. I cannot believe that hon. members in another place do not realise the urgent necessity for raising money to continue works which the Government have on hand; they are not there like a lot of children without opinions of their own. The Bill itself declares what is required, and while the money may be immediately wanted to redeem loans, it will also be wanted in the future. The Bill implies that. That being so, I consider that the amendment of the Legislative Council was inserted with one object only and that was to embarrass the Government in connection with the works they are carrying out. If hon. members agree to the amendment of the Legislative Council, they will be responsible for creating difficulties throughout the State amongst the working community, whom so many in this House represent.

Hon. J. Mitchell: We all represent them.

Hon. W. C. ANGWIN: Some of this money will be used for the purpose of assisting

farmers; it will not be used for the payment of wheat or providing new storage.

Mr. Munsie: The Legislative Council thought it would.

Hon. W. C. ANGWIN: According to the Prime Minister those payments will not be a general charge on the finances of the State for some years. There are, however, other works which have to be carried out and completed. If hon. members peruse the Loan Estimates, which were recently passed, they will agree that the pruning knife was used there wherever possible. Still, there are many works which have to be completed. I regret that there is necessity for paying such a large amount for interest, but I realise that we cannot enter into many new works unless we pay, for the money we require, this higher rate of interest. That being the case, we should make provision to enable the Treasurer to get the money just as a private individual would have to do. I do not look on the black side of things as some hon. members are doing. If we had not to pay such a large amount as sinking fund, this State's financial position would be almost as sound as that of any of the other States.

Mr. Munsie: And better than the majority of them.

Hon. W. C. ANGWIN: We have paid sinking fund to the amount of over two millions during the past six or seven years. We should get some credit for that. The other States are not doing likewise; they are not paying anything at all. We are met with this large expenditure year after year and in time of war. I do not know of any other British Dominion at the present time which is making similar payments.

Mr. Troy: Which are the States that are best able to bear the burden?

Hon. W. C. ANGWIN: The other States, of course, have a large population.

Mr. Troy: And more money, too.

Hon. W. C. ANGWIN: The other States have built up manufactories which are rendering valuable assistance in the conduct of the war. This State has no such manufactories. It would be disastrous for the future of this State to agree to the amendment of the Legislative Council. A good deal of the pessimism which has been preached by some members of both Houses has been expressed for one purpose only, and that is to try and show, if possible, that there was wilful waste between 1911 and 1915.

The CHAIRMAN: Whilst desirous of giving the hon. member every latitude, I would call his attention to Standing Order 127, which says, "No members shall allude to any debate in the other House of Parliament, or to any measure impending therein." I have no desire to burke discussion, but the trend of the hon. member's remarks has been in the direction of reflecting upon the debate on this Bill in another House. I have no desire to prevent the hon. member from continuing his remarks, but I would point out that he is treading on dangerous ground.

Hon. W. C. ANGWIN: I am not aware that I have said anything which might be regarded as a reflection on the other House.

The CHAIRMAN: The hon. member said that the other House had sent this amendment on for the definite purpose of preventing money being expended on public works.

Mr. TROY: I cannot see how the hon. member's remarks can be construed into a breach of the Standing Order which has been quoted. The hon. member has only assumed that the other House had a certain intention. The Treasurer has also assumed that the Legislative Council had a similar intention. That is hardly an allusion to the debate in the other House.

The CHAIRMAN: The hon. member stated distinctly that he had no doubt whatever in his mind that the deliberate intention of another place was to prevent money being expended on public works.

Mr. TROY: The hon. member is perfectly entitled to make that observation. If exception is to be taken to such remarks, there can be no latitude in debate.

Hon. W. C. ANGWIN: What I said was that it was my opinion that that was the case. I may be wrong, but I do declare that it is urgently necessary that the Treasurer should have the power which he originally sought, and I regret that he did not disagree with the amendment in its entirety. In the future, the position might become even worse. I notice there is to be a Treasurers' conference at an early date, and it may be necessary for the Treasurer to look ahead in connection with the financing of the State. The amendment of the Legislative Council will have the effect of tying his hands. At any rate he would pause before taking action which, in his opinion, would be in the best interests of the State. The Legislative Assembly is responsible for the finances of the State. This branch of the Legislature makes and unmakes Governments but the other House has only the power to suggest. If members in another place are going to assume control what is the position going to be? The country has sent a large number of members to support the Government to control the affairs of the State for a period. It devolves on the Government to do so, and support the Treasurer in any action which he considers best for the financing of the State. That being so, while another place claims power to act in another direction, it is our duty to tell the Council straight out that this House controls the finances. That was the intention when the Constitution was framed, and we refuse to be dictated to by them in this direction. The members of the Opposition realise the difficulty, and I can assure the Treasurer, on behalf of every member on this side, that if he wishes to take the stand that this House intends to control the finances, he will have the support of every member on the Opposition side.

Hon. J. MITCHELL: The whole position as arisen through the Government introducing this measure. Our limitation now is five per cent., but owing to the higher cost of money the Treasurer desires to alter the Act to increase the percentage to 6½ per cent. We had a discussion the other night when dealing with the Industries Assistance Board

funds, in asking for an extension of the powers, and the Government did not make the position clear. They were not as frank as they might have been. Particularly was that the case in another place. Unless members understand the position as to the cost of money, we can readily understand they hesitate to give the Government power to borrow money at $6\frac{1}{2}$ per cent., because we never paid anything like that before. It is very high. Members in another place, were told that this power was needed in connection with the renewal of loans, and I do not think we can take them to task for anything they have done. It is not their fault if they have been misled. The Treasurer has taken a wise course in limiting the $6\frac{1}{2}$ per cent. to the present year, and I hope the Committee will agree to the Treasurer having power to raise money for works already in hand. He must pay the rate of interest which is necessary to obtain the money. I hope before long we shall be able to borrow money more cheaply than we can to-day. No one can tell what the future has in store for us.

Mr. TROY: I find in the Treasurer's remarks in moving the second reading of the Bill justification for the statement that the Treasurer was not candid in explaining the purposes of the Government in introducing this Bill; neither was the Colonial Secretary in another place. The Bill was brought forward for a specific purpose, but there was an intention behind the Government which was not disclosed. Therefore, there was justification for the complaint that the Government have not been candid; I do not suggest that they willfully withheld any information. This might make the Government give fuller information as to their intentions in the future. I have no which are absolutely necessary to ensure a return for our produce, and we must complete these works. I am not as optimistic as the deputy leader of the Opposition. Still, I am not a pessimist. I am what one might call a cautious optimist, and I think that is the safest course just now. If I were Treasurer I should be a very cautious optimist. We are not saying anything detrimental to our prestige if we say we are a poor State. We are in the early stages of development, we have a big country and a sparse population. If the war does not end soon, we cannot realise what may happen. We are not reaping the advantages from the war loans which the Eastern States are doing. We have to pay our proportion of the war loans. If in the Eastern States their market fails they have the advantage of profiting by the expenditure of the war loans. They have a big reserve in their wealthy population, and although in the past we compared easily with them as to paying our way, it is the future we have to look to, and we are not in as satisfactory a position as they are. The expenditure on the war is an advantage to them; it means a heavy drain on us. The Government are not going on with works except they are absolutely necessary. If they did not do that I should be inclined to take up the posi-

tion which has been taken by another place. I expect the Government are bearing in mind what awaits us in the future. Borrowing should be carried out cautiously, and the works put in hand should be those essential to the development of the country, particularly those works which mean early production. I do not know what prompted another place to move in the direction they have done, but we in this House should not be too optimistic as to the future.

Mr. GREEN: The protest from another Chamber was against the raising of the rate of interest from five to $6\frac{1}{2}$ per cent. I notice with surprise there has been no suggestion made from that Chamber by what are called business men, how the Treasurer is to get over the difficulty of meeting necessary obligations that he will have to face. There has been one suggestion which could hardly be credited to one member, a business man who has had a great deal to do with this matter. It was suggested that money should be raised by Treasury bills. Treasury bills, I understand, can only be raised locally.

The Colonial Treasurer: That means in Australia.

Mr. GREEN: Yes. What possible chance is there of raising a large amount of money on Treasury bills locally when the Commonwealth are placarding the whole of Australia with requests for money? Therefore the Treasurer is up against it. The £700,000 that is going to be raised by the Commonwealth Government for us in the Old Country is our portion. The other States have also been guaranteed an amount. What possible chance will this State have in going on the market in the Old Country in competition with the other States? Unless the other States reduce their rate of interest, our stock will not be sought after at six per cent. I think some suggestion should have come from the other Chamber as to how the Treasurer is to be helped out of his present difficulty. Failing that suggestion, their amendment is worth nothing.

Hon. W. C. Angwin: If we agree to it, we must stop all works.

Mr. GREEN: And that would be a fatal mistake. We have been spending on works some three millions of loan money per annum. Practically we have shut right down on that now, and under the circumstances the wings of the Treasurer are being clipped to such an extent that presently he will not have a feather to fly with. I trust the Treasurer will make a stand on this matter.

Mr. GRIFFITHS: On two occasions since I have been in the Chamber we have had similar tactics pursued by another place. As far back as Lord Forrest's time the same old battle in regard to financial matters was going on between the two Houses. I agree with the Minister for Works that it would be well to take a definite stand against the other Chamber in this respect. However, the Treasurer knows best, and I will support him.

Mr. MUNSIE: I am sorry the Treasurer has not seen fit to ask the Committee to definitely refuse the amendment made by the Council. I hope hon. members will realise the marked difference in the attitude adopted by the de-

puty leader of the Opposition on this occasion and that adopted by the then leader of the Opposition when we on this side were sitting on the Government side. When the Labour Government were in power, the gentleman who is said to be responsible for the Council's amendment which we are now considering, declared that if he had his way he would prevent the then Government getting one penny extra either by taxation or loan; and when that declaration was repeated in this House it was emphasised by the then leader of the Opposition. It is encouraging to note that members now on this side realise the difficulties of the Treasurer to-day, and are prepared to assist the Government in the interests of the State.

The COLONIAL TREASURER: If it were not war time, I would readily follow the suggestion made by the deputy leader of the Opposition and take a definite stand, but I think that just now it is well to hope that the present financial position will not continue. That, rather than any sweet spirit of reasonableness, is why I am willing to come forward with a suggestion. All the remarks of the member for Perth (Mr. Pilkington) hinged on the two words "immediate" and "suppliant." The Act referred to has been in force for years, but the hon. member did not know that it was in force at all. That was the Act under which we issued all our bonds. But money has suddenly risen, and I do not want to make use of the Act, I would have made use of the Act probably about the middle of next session. I said the immediate necessity for the Bill was because the lenders wanted debentures for a certain portion of the loan which had matured. It is on that the member for Perth bases his argument. But for that I would not have brought in the Bill at all, because I was hopeful that six or seven months from now there might be an alteration in the interest. I am sorry if I conveyed a wrong impression and more particularly sorry that that wrong impression should have been duplicated in the other House.

Hon. W. C. Angwin: In the other House it was stronger.

The COLONIAL TREASURER: I know that. However, it was not done with the slightest intention of deceiving, because if I remember rightly I quoted the three classes of security the State could give and explained why we had to alter the interest. I made it perfectly clear to the mover of the amendment. He knew positively that it would refer to the £700,000 and so if there was any false impression, it did not extend to him. Then we come to the word "suppliant." What I asked was whether the better way was to go into unification as a sovereign State carrying full responsibilities, or as a suppliant; and what my colleague in the other House said was, "We are not going to the Commonwealth as a suppliant; we are going to say we are of the people of this Commonwealth, with a voice in it." When asking for justice I do not consider myself a suppliant in the way the term is generally understood. There is nothing inconsistent between the views of my colleague and myself. I will not be a suppliant to the Commonwealth, but I will ask for justice. My colleague merely pointed out what would happen if we do not

get justice. It is a perfectly sound position to take up. Far from there being a lack of candour, the candour was there to the fullest extent. I said the immediate object was to redeem those bills. There is no justification for the Council saying, "We are wiping out the operations of this Act for all time. You can redeem your stock for 45 years at 6½ per cent., but you cannot enter into obligations for fresh loans." I have here the power to renew any obligations we have for any time I like at 6½ per cent. I feel that behind this was something more than the mere lack of candour. I ask the Committee to accept these amendments because I do not think any Government should have unlimited power at a time like the present. When a Treasurer says that, I think it can be taken as evidence that he himself is sincere in what he expresses.

Amendment put and passed.

New clause:

The COLONIAL TREASURER: I move—

"That the following new clause be added: 'This Act shall continue in force until the 30th September, 1919, and no longer.'"

New clause put and passed.

[The Speaker resumed the Chair.]

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

BILL—LAND TAX AND INCOME TAX.

Second Reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [4.30] in moving the second reading said: In introducing an Income Tax Bill it is also necessary to introduce an Assessment Bill for its working. I propose now to deal with the Income Tax Bill. The necessity for increased taxation is so obvious that this measure needs no apology for its introduction. The State has for years been increasing its domestic expenditure, in most cases without additional cost to the community, and without additional taxation for the payment of such expenditure. Consequently, we have now reached the stage when if we are to continue these services, as members by their vote on the Estimates say we must, and pay our way as a State, we must have increased taxation. In considering the incidence of such taxation, and the necessities of the State, there are two points to be taken into account—first, in getting some direct return from those for whose benefit our domestic expenditure is principally incurred, and, second, in getting from those who are making good money in the State some small proportion of their profits to assist in financing the State in its present difficulties. It is on this basis that I have tackled that, at all times, most difficult question, the incidence of taxation. I trust that the House, recognising the difficulties of such a subject, will ultimately agree that the taxation proposals of the Government have at least in them the saving grace of trying to distribute the burden fairly equitably. At present there is a £200 exemption. In future there will be no exemptions, other than those special exemptions now in force. Every person earning or receiving an income exceeding £100 a year if single, and £156 a year if married,

will pay a tax if this income has been received from personal exertion or profits. The present reduction of allowances for insurances will continue. The land tax will not in future be allowed as a deduction from the income tax. The four per cent. deduction allowed for land and improvements will be curtailed, and will be allowed only on the owner's equity in such business for which such property is used. The allowance for children of £10 will still obtain. It is urged that an allowance of £26 per child, as given by the Commonwealth, should be allowed by the State.

Mr. Lutey: Hear, hear!

The COLONIAL TREASURER: I would point out to the House that the Commonwealth are providing neither for the education of children nor for their protection and care. That is a responsibility taken by the State, above the responsibility of the Commonwealth, for the children in the State. I would also point out that there are roughly 11,000 persons receiving from £156 a year to £208 a year. An allowance of £26 for two children, in the case of a man receiving £208 a year, would reduce the tax from £2 9s. 2d. to £1 11s. 2d., but if he had three children, under these conditions he would be exempt from any taxation. It is no use disguising the fact that the cost of education to the State, which education is given free, is incurred particularly to assist parents whose wages, or salaries, or incomes come within this range. I do not say that other people do not make use of the system but in our brains is ever the thought that it is these people we want if possible to relieve. There is a slight tendency to look upon the rearing and education of children as more of a State than a parental obligation. I am certain that parents in Australia would rather feel that they are paying something, however small, for the education of their children than accept it free when the State can, as at present, ill afford it.

Mr. Teesdale: Hear, hear

The COLONIAL TREASURER: Assuming that there are two children in a family and a man is earning £185 a year, under the allowance given by the Commonwealth he would pay nothing. Assuming, for the purposes of this Bill, that there were two children he would pay 8d. a week or £1 14s. 2d. for the education of his children, which costs the State, on an average, £7 7s. 6d. per child. It will thus be seen that the State will accept about 88 per cent. of the cost of educating these children and the parents about 12 per cent. A man with a salary of £175 a year and two children would be exempt altogether under this proposal. In my opinion, therefore, in allowing £10 for each child, considering what the State does for these children, we are acting very generously. We intend to impose a super-tax. In ordinary circumstances, and had it not been for the desire to bring our taxation returns into line with the Commonwealth, the tax for the financial year ending June 30, 1918, would have been on the profits earned for the calendar year ended December 30, 1917, as hitherto our taxation has been collected on the profits of the calendar year and not on our financial year. In March,

1917, we passed an amending Act to assess the profits for six months ended June 30, 1917, or for only half the year. This was to bring it into line with the Federal tax. On these profits the Government were collecting full rates of income tax on the half year's income, and allowing half the statutory deductions. The super-tax will be the ordinary rates repeated on that same six months' income. The effect of this will be to double the tax on that half year's income.

Mr. Troy: The effect will be to double the tax on the last half of the year.

The COLONIAL TREASURER: That is so. I have foreshadowed for some time, so that although we are late in introducing the Bill it cannot be said that we are springing a surprise upon the people. Indeed, in face of the urgency, and the fact that increases were nearly passed 18 months ago, and also in view of the much higher rates imposed by this Act, the super-tax for the six months ended June 30, 1917, will, I think, be admitted to be a reasonable and moderate one. The super-tax will become due and payable immediately after the passing of the Bill, and dividend duties will also be payable for the six months to bring them into line. The super-tax, will with the deductions allowable, under the old Act, be as follows: On incomes or profits of £220 a year, 3s. 4d.; on £250, 8s. 4d.; on £300, 16s. 8d.; on £400, £1 13s. 4d.; on £500, £2 10s.; on £700, £4 3s. 4d.; on £1,000, £6 13s. 4d.; on £1,500, £11 9s. 2d.; on £2,000, £17 5s. 10d.; on £2,500, £24 3s. 4d.; on £3,000, 31 9s. 2d.; on £3,500, £39 7s. 6d.; on £4,000, £47 14s. 2d.; on £4,500, £56 13s. 4d.; on £5,000, £66 0s. 10d.; on £6,000, £84 15s. 10d.; on £7,000, £105 4s. 2d.; on £8,000, £126 0s. 10d.; on £9,000, £148 0s. 10d.; and on £10,000, £171 9s. 2d. Taking now the proposed rates, and for easy reference the ready reckoner instead of the Bill, a careful perusal of that document will show that while we are asking everyone to pay something, we are putting the general burden on those whose incomes can stand the additional tax. The individual getting over £100 a year would pay income tax of 4d. per week, or 16s. 8d. a year on £156, 7d. a week or £1 11s. 2d. a year; on £200, 11d. and £2 5s. 10d. respectively; on £250, 1s. 4d. and £3 6s. 8d. respectively; on £300, 1s. 9d. and £4 11s. 8d. respectively; on £350, 2s. 4d. and £6 0s. 10d. respectively; on £400, 3s. and £7 14s. 2d. respectively; on £450, 3s. 8d. and £9 11s. 8d. respectively; on £500, 4s. 6d. and 11 13s. 4d. respectively; on £550, 5s. 4d. and £13 19s. 2d. respectively; on £600, 6s. 4d., and £16 9s. 2d. respectively; on £650, 7s. 4d. and £19 3s. 4d. respectively; on £700, 8s. 6d. and £22 1s. 8d. respectively; on £750, 9s. 8d., and £25 4s. 2d. respectively; on £800, 11s. and £28 10s. 10d. respectively; on £850, 12s. 4d. and £32 1s. 8d. respectively; on £900, 13s. 9d. and £35 16s. 8d. respectively; on £950, 15s. 4d. and £39 15s. 10d. respectively; on £1,000, 16s. 11d. and £43 19s. 2d. respectively; on £1,050 18s. 7d. and £48 6s. 8d. respectively; on £1,100, £1 0s. 4d. and £52 18s. 4d. respectively; on £1,150, £1 2s. 2d. and £57 14s. 2d. respectively; on £1,200, £1 4s. 1d. and £62 14s. 2d. respectively; on £1,250, £1 6s. 2d. and £67 18s. 4d. respectively; on £1,300, £1 8s. 2d. and £73 6s. 8d. respectively; on £1,350, £1 10s. 4d. and

£78 19s. 2d. respectively; on £1,400, £1 12s. 7d. and £84 15s. 10d. respectively; on £1,450, £1 14s. 11d. and £90 16s. 8d. respectively; and on £1,500, £1 17s. 4d. and £97 1s. 8d. respectively. Over £1,500 there is 2s. 6d. in the pound for every extra pound. That is the scale with all its imperfections: the result of five distinct efforts. I often feel amused when I hear people talk glibly about bringing in taxation proposals. I wish they could spend the 40 or 50 hours necessary to make the attempt, and then they would find it not nearly such a simple matter as it looks. It will be for hon. members to say what they think of this attempt to do a fair thing by all. Some three years ago the Scaddan Government brought in a super tax Bill. In preparing this explanation for the House, I thought, after looking at the completed suggestions, that I would draw up, for the information of hon. members, a comparison between the proposals of the Scaddan Government and our proposals. The Scaddan Bill, of course, was a super tax Bill, proposing taxation in addition to the then existing taxes. Until the £200 mark is reached, at which the super tax would have begun to be levied, the Scaddan rates were the lower. The Scaddan proposals started at £157, which was to pay £1. Then, £158 under the Scaddan proposals would have paid £1 11s. 8d.; our proposal is £1 11s. 10d.. For £160, the Scaddan proposal was £1 12s., whilst ours is £1 12s. 6d. For £170, £1 14s. and £1 15s. 10d. respectively; £180, £1 16s. and £1 19s. 2d.; £190, £1 19s. and £2 2s. 6d.; £200, £2 and £2 5s. 10d. Now the super tax commences, because the incomes which follow are over £200. On £210, the Scaddan proposal was £2 5s. 4d., whilst ours is £2 10s.; on £220 £2 10s. 8d. and £2 14s. 2d. respectively; £230, £2 16s. and £2 18s. 4d.; £240, £3 1s. 4d. and £3 2s. 6d.; £250, £3 6s. 8d. and £3 6s. 8d. On £250 the Scaddan proposal and our proposal are identical. Our proposal is a little lower for £300; the Scaddan impost would be £4 13s. 4d., and ours £4 11s. 8d. On £350, the Scaddan proposal was £6 10s. and ours is £6 0s. 10d.; £400, £8 6s. 8d. and £7 14s. 2d. respectively; £450, £10 3s. 4d. and £9 11s. 8d.; £500, £12 and £11 13s. 4d.; £550, £14 6s. 8d. and £13 19s. 2d.; £600, £16 13s. 4d. and £16 9s. 2d. From this out our proposals are higher than the Scaddan proposals. On £700 the Scaddan proposal was £21 6s. 8d., whilst ours is £22 1s. 8d.; on £800, £26 18s. 4d. and £28 10s. 10d. respectively; £900, £33 and £35 16s. 8d.; £1,000, £39 5s. 10d. and £43 19s. 2d.; £2,000, £123 17s. 6d. and £159 11s. 8d.; £3,000, £230 10s. 10d. and £284 11s. 8d.; £4,000, £351 7s. 6d. and £409 11s. 8d.; £5,000, £476 7s. 6d. and £534 11s. 8d. A close analysis thus shows that up to the large incomes the two schemes are fairly equal. As regards the large incomes, however, on the principle that in present circumstances the larger incomes can better afford to pay, our taxation scheme is somewhat higher than the suggestions of the Scaddan Government. As the Scaddan Government's measure passed this House after three speeches—from the then Premier, from Mr. Wilson, and from myself—I anticipate no serious opposition to the present proposals.

The House will desire to know the number of the apportionments of these taxes, and who will pay them. The Commissioner of Taxation has supplied me with the following approximate figures of our population as a taxable proposition under this Bill. They total, roughly, 50,000.

Hon. W. C. Angwin: I think the Commissioner has over-estimated the number a good deal.

The COLONIAL TREASURER: He has based his figure, I presume, on the general average. At any rate, these are the figures he has supplied, and he has to be my authority. There are 23,800 persons in this State receiving incomes from £100 up to £156; 11,000 receiving from £156 to £208; 8,500 receiving from £208 to £312; 4,000 receiving from £312 to £520; 1,000 from £520 to £728; 800 from £728 to £1,040; 520 from £1,040 to £1,560; 320 from £1,560 to £4,160; and 50 receiving £4,160 and over. At present of the 50,000 people only 15,200 pay a direct income tax. Now, this tax of course does not include dividend duties, which are provided for under another measure. The leader of the Opposition, quite rightly I think, suggested the delaying of the passage of that measure in order that we might see whether the dividend duty tax was equitable by comparison. When it is seen that dividends are taxed at a proposed flat rate of 1s. 3d., while income is taxed up to 2s. 6d., that may, at the first blush, appear inequitable. The position, however, is this: dividends are taxed at their source. That is, assuming that a company's profits are £10,000, they would pay us a lump sum of £625 on account of tax. If we had to collect the taxation from individual shareholders at income tax rates, it would be considerably less. For instance, let us assume that 50 shareholders receive this profit of £10,000 in amounts of £200 each. Under the Dividend Duty Act they would pay £12 10s. each, then. But if they paid individually under the income tax, they would pay only £2 15s. 10d. each.

The Attorney General: That is, if they have no other income.

The COLONIAL TREASURER: Yes. The only individual shareholder who would benefit, as against the income tax, would be he who was receiving more than £1,500 a year in dividends from any one company. In my estimation, while possibly a company may enjoy several advantages from incorporation, they pay for it; and the justification, probably, for paying a higher rate is that the money earned is generally money earned from investment as distinct from individual effort. As a result of the State Treasurers' agreement at the last conference, it is almost certain that both the States and the Commonwealth will tax companies at the source, thus providing uniformity in this direction. The estimated additional revenue next year from this Bill will be, roughly, if the figures turn out all right, £140,000.

Mr. Munsie: If a company has paid dividend duty and the dividend is then distributed, will the individual who receives a dividend have to pay income tax on it?

The COLONIAL TREASURER: No. He does not have to pay twice. The estimated additional revenue for the current year is £30,000. The points I have set out deal only with the incidence of payments under the measure. The methods of collection and so forth will be dealt with under the assessment measure. I move—

“That the Bill be now read a second time.”

On motion by Hon. W. C. Angwin debate adjourned.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irvine) [4.56] in moving the second reading said: Difficult as is the framing of taxation measures, it seems a mere amusement compared with the framing of an assessment Bill to collect the taxation and at the same time to simplify the administration.

Hon. W. C. Angwin: If we dealt with this Bill first, it would save a good deal of discussion on the other.

The COLONIAL TREASURER: Yes; that is what I suggest. The framing of the amendments in the existing Act has been made the more difficult owing to the fact that anomalies and loose drafting have resulted in clever lawyers driving a cart and horse through some of the provisions of the present Act. As a result, many thousands of pounds have been lost to the State. The Commissioner of Taxation has frequently tried to induce past Government to have these matters rectified, but without avail. Therefore, the present amending Bill not only deals with the machinery necessary to give effect to the present suggestions, but tries to repair the broken machinery, or some part of it, of past obvious errors and shortcomings. I do not for a moment suppose that this Bill is a perfect Bill; but at any rate it is an honest attempt to try and make the principal Act as easy to administer and as clear as we possibly can. This is really a Committee measure. I am afraid that you, Mr. Speaker, will have to be, like justice, a little blind, in order that I may give to the House explanations that will be of assistance to members when considering this Bill and its administration in Committee. I will avoid speaking of clauses. I do not purpose offering at the present juncture any reference to clauses giving effect to machinery, or to consequential alterations. The Bill, however, contains some alterations which deeply affect principles; and to those alterations I intend to address my remarks, reserving all else for the Committee stage. The first material alteration is the striking out of the section which allows the land tax to be deducted from the income tax. In the majority of instances this very land was being used to produce the income. The deduction is not permitted in any other State of Australia. Further, in addition to deducting the land tax, taxpayers have been permitted to deduct four per cent. for the same land and improvements from their income. Through bad drafting—not the fault of the present Solicitor

General—“owner” included “leaseholder.” Therefore, a leaseholder was permitted to deduct the four per cent. allowance on account of his leasehold as business premises. The leaseholder has been enabled to do this under a decision of the Full Court. I will quote a concrete case to show what the State has been losing under this arrangement. A squatter leases a million acres from the Crown at 10s. per thousand acres. The rent is £500 per annum, and to arrive at the unimproved value of his land the Act provides that twenty times the rental must be taken. Consequently, the value would be £10,000. The squatter takes that as his basis, and then he says, “My improvements on that one million acres are £30,000, making a total of £40,000.” On that he has had to be allowed at the rate of four per cent. a deduction from his income of £1,600, because it was held that his leasehold station was his business premises. We receive £500 a year, and allow a deduction of £1,600 from his income tax. Now this is being altered, and the leaseholder gets no deduction of four per cent. A freeholder—but only on the equity of land legally or equitably owned by him—can only deduct the four per cent. from that land or business where he is using it for the purpose of production or business. Another provision is to make it clear that the Commissioner can impose a flat rate of 4d. in the pound on the stakes won by race horses without any deduction. That has been done for some time, but we desire to make it quite clear.

Hon. J. Mitchell: That is very moderate.

The COLONIAL TREASURER: Provision is also made that where there are profits from interest and rents they can be set off against losses in any other businesses in which the same taxpayers are engaged. A rectifying provision is made with regard to mining. At present a mining company can deduct all costs for development, according to a legal decision, except for a main shaft. There is no provision to allow an individual or syndicate to do this. We purpose allowing this to apply to individuals and syndicates as well as companies. There is also provision made for the pro rata adjustment of interest, where a taxpayer carries on businesses in Western Australia and elsewhere. Provision is taken to increase, alter, or reduce any assessment. At present we can only reduce; no power exists to increase. At present where a taxpayer makes default in sending in a return—where he says he has kept no books, etcetera—the Commissioner, if he assesses him, has to prove his assessment. That is almost impossible to-day, where there are no books. We are going to reverse that, and say to the taxpayer, “You must prove that this is unfair.” Provision is also made for giving notice of assessment at any time, without waiting for the completion of the assessment book, so that when an assessment is ready it can be sent out at once. Provision is also made for the lodging of the amount of tax and fines before an appeal can be heard. The Commonwealth do this. A further provision is made doing away with public advertising, which means that notice can be given to a party without going to the expense of publishing an advertisement in the newspaper. Provision is made to exempt any pension received by a person whilst on active service in the naval or mili-

tary forces during the present war. We propose to repeal another section. In the present Act provision is made exempting from duty incomes derived whilst on active service. Soldiers pay is already exempt but total exemption has been claimed by persons who are receiving large incomes in this State, and in five cases alone the State has lost £2,600 as a result of the operation of this section. A provision is inserted to place beyond any shadow of doubt the right of the State to collect profits on anything produced or manufactured in the State, and sold elsewhere, and to have a portion of the profits where goods are only partially treated in this State and sent elsewhere for the completed treatment. A practice which we intend to stop has grown up here, where branches exist in this State and the parent house is in another State. Invoices are sent charging considerably more to the branch than the wholesale price or manufacturing cost, leaving only a nominal margin of profit to be earned here, whilst a big slice of profit is taken by the parent house in the other State, which collects the taxation. We are making a provision to, as far as possible, see that goods are only debited to the branches here at manufactured cost or genuine wholesale prices, so that profits made here shall be taxed here. In the Dividend Duties Act we make provision for taxing shipping companies. In the Bill before the House we make a provision which will apply to individuals or firms who carry on the same business. I come now to a most difficult question to solve, the collection of the income of any person from salaries or wages at the source. Some people, including hon. members, think this is the simplest thing out. I do not, and it is not. I have had a number of talks with both the employer and the employee. In most instances the employer says that he would be willing to do it, as it will save him sending in an indefinite number of returns. The employee says "I am agreeable because I would rather pay a shilling per week than 52s. in one lump; and I would not then have to bother with returns at all." I believe the method of making levies is practised by some unions. The idea in connection with the Bill is to try and do it by stamps, ensuring a regular rate of revenue instead of yearly contributions. It would be somewhat simple to apply in many instances, but for the allowances say for insurance and the deduction for children. We are, however, taking power to adopt this system, by regulation, wherever it can easily be done, and we shall have the power to refund for any overpayment. We are also taking power, where an employee does not pay his tax, to make the employer agent for its collection. This has been in operation in Queensland since 1902.

Mr. Draper: When would the collections be made?

The COLONIAL TREASURER: Perhaps fortnightly, but that can be settled by regulation. I do not see any difficulty there. We are also taking power to enable the Commissioner to take abridged returns, or to simplify these returns to obtain the same result, and I hope as a result to do away with an infinity of irritation and useless work for the taxpayer. At the present time we have to obtain a conviction to impose a penalty. We are taking the right to impose a fine for minor offences or failure to

send in returns. This provision is taken from the Commonwealth Act, 1915. Provision is also made for the Commissioner to demand a return where he has any doubt. At present we have to prove that a man knowingly or by his agent or employee made a false return—a very difficult matter. We purpose reversing this, and placing the onus of proof on the taxpayer. Again, we are making provision to place the onus of proof upon the taxpayer of proving that the sworn complaint upon which the summons is issued is not correct. This is provided for in a number of statutes, including the Commonwealth Customs Act. There are a number of minor points but having dealt with all the principal amendments, I move—

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

On motion by Hon. W. C. Angwin debate adjourned.

BILL—STAMP ACT AMENDMENT.

Second Reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [5.12] in moving the second reading said: When a Treasurer is hard up and is on the look-out for revenue from various sources, he has to try all he possibly can to impose extra revenue upon those things which he thinks can stand the additional impost. There is a story told about whistling a tune softly to see whether a man can stand it, and it remains to be seen now whether the tax it is intended to impose can be borne, and whether the man who is to pay it agrees that the Treasurer is acting wisely. When we come to consider the Stamp Acts which exist all over Australia, we find that there is little or no uniformity in this form of taxation. Every State seems to have its own idea and to go in for taxation of different things. In the measure I am presenting to the House there is one thing which is new: it is the imposition of a tax on bookmakers' tickets. These are to carry a stamp of 2d. where the bookmaker is operating in the grand stand, and one half-penny where he is in the ledger. Those taxes will apply so far as metropolitan and goldfields racecourses are concerned. On all other racecourses the tax will be one half-penny per ticket. I do not know whether this is the place to refer to it, but a committee went into these taxation proposals, not at the instance of the present Government, but of a former Government. All the racing clubs were represented, and I asked them candidly whether they thought bookmakers were necessary at the present juncture. All who were at the conference were men of undoubted integrity. They were men who were not racing for anything they could make out of the sport. They gave an assurance that at the present time in Western Australia they thought that the bookmaker was necessary, but they hoped that the day would come when he would not be necessary, and they also hoped that he would be limited to racecourses and not be permitted to bet in the street. Even in treating with bookmaker's betting tickets, they vary considerably. In New South Wales an annual bookmaker's license of £5 to £50 is

charged. That was suggested here, but I did not like the idea of licensing bookmakers'. The probabilities are it might lead us into difficulties. In the saddling paddock they pay 1d., and elsewhere on racecourses $\frac{1}{2}$ d. In Victoria the license is £5 to £50. On a racecourse not more than 20 miles from the G.P.O. on tickets for the enclosure the duty is 3d.; elsewhere on such racecourses 1d. and on racecourses more than 20 miles from the G.P.O. 1d. We have made the stamp duty 2d. and $\frac{1}{2}$ d., because that seems to be the consensus of opinion and a fair thing. I want the House to remember I am not a moralist when I am collecting taxation, I am out to get revenue. I have to get my revenue, and I also have to take care that I do not kill that from which I want to get revenue.

Mr. Foley: What does the Treasurer propose in regard to clubs? The majority of betting is done at clubs.

The COLONIAL TREASURER: It does not matter where the betting takes place, the bookmaker has to pay on the ticket. The stamp duty on cheques has been increased from 1d. to 2d. This it struck me as rather a heavy increase, but it is a war time matter. The suggestion that we should put an extra tax on cheques was made to me by a bank manager. There is a uniform duty on cheques in the other States—New South Wales, 1d.; Victoria, 1d.; South Australia, 1d.; Queensland, 1d.; and Tasmania, 1d. Those are the only uniform charges. At present the duty on bills of exchange here is as follows:—£25 or under, 6d.; £25 to £50, 1s.; £50 to £75, 1s. 6d.; £75 to £100 2s.; and over £100, 1s. for every £50. We propose to increase the rates to £50 or under, 1s.; over £50, 1s. for every £50. The following rates are charged for bills of exchange in the other States:—New South Wales, £25 for 6d.; Victoria, £25 and under, 1s.; £25 to £50, 2s.; £50 to £75, 3s.; £75 to £100, 4s.; and over £100 per £50, 2s. They are hit up very high in South Australia; every £25 is 6d. In Queensland, £50 and under, 1s., and they rise the same; £50 to £100, 2s.; and £100 and over, per £50, 1s. In Tasmania they have a graduated scale. Bill of lading or shipping receipt—there is a slight readjustment. Company's articles—at present the charge is 10s., that is increased to 20s. Company's memorandum—at present 10s.; the increase is to 20s. Exchange of property—the same as for conveyance of sale. Insurance, fire—sixpence per £100 for every £100, and 1d. per policy for renewals. That is the present charge. The increase is 6d. per £100 for new policies; 3d. per £100 for renewals. This is similar to New South Wales. Where the charge for fire is up to six months per £100, 3d.; over six months per £100, 4d. Renewal of fire policy per £100, 4d. In Victoria there is an annual license fee in lieu of stamp duty on policies of 3d. per £100. In South Australia there is an annual license fee in lieu of stamp duty on policies 25s. per £100, and there is a charge on their profits. But accident insurance up to six months is 6d. per £100 for six months, 1s. per £100. Marine insurance 3d. per £100, renewals 3d. per £100. Power of attorney—at

present the charge here is 10s., which we increase to 20s. Now I come to receipts. At present the charge is for £1 and less than £50, 1d.; £50 and less than £100, 2d.; £100 and over, 3d. per £100. We propose to increase that to £1, but less than £25, 1d.; £25 and less than £50, 2d.; £50 but not exceeding £100, 3d.; over £100, 3d. per £100. In New South Wales the charge is £2 and over, 2d.; Victoria, £2 and over 2d.; South Australia, £2 and over, 2d.; Queensland, £1 and under £2, 1d.; £2 and under £50, 2d.; £50 and under £100, 3d.; £100 and over, per £100 and part thereof, 6d. Tasmania, as usual, has a sliding scale—£2 to £5, 1d.; £5 to £15, 2d.; £15 to £25, 3d.; £25 to £50, 4d.; £50 to £100, 5d.; £100, for the first £100, 5d.; then 6d. per £100 or part thereof. Deed of gift—at present our minimum charge is 5s. We are going to increase that to 10s. The fee on deeds of gift in the other States varies. Those are the alterations, and when we come to the regulations dealing with some of the amendments, I shall give the explanation in Committee. I move—

“That the Bill be now read a second time.”

Hon. W. C. ANGWIN (North-East Fremantle) [5.25]: This is really a Committee Bill. I regret very much that the Colonial Treasurer has not retained control of the administration of the Act. I think all Acts should be administered by a Minister and not by any officer. The Minister is advised by an officer in regard to the matters that come before him. I want to say, in my opinion, it would have been better to have left the duty on cheques 1d. instead of increasing it to 2d. It is a universal system to pay 1d. stamp duty on cheques, and I do not think the Treasurer is going to gain a great deal in making the alteration. It is all very well for a bank manager to suggest this increase because the bank does not pay it. The consequence is in all probability we shall find a lot of small accounts put together, the cheque drawn and accounts paid in cash rather than by cheque as is done at the present time.

Mr. Foley: The present is a very useful system.

Hon. W. C. ANGWIN: I should also like to have seen a provision in the Bill so that cheques for payment out of patriotic funds should not be required to pay stamp duty. There is a large number of cheques drawn for patriotic purposes; everything is paid by cheque. Some thousands of payments are made every month to assist the wives and families of those who have gone to the Front, and I consider that funds of this description should not pay duty.

The Colonial Treasurer: Quite right.

Hon. W. C. ANGWIN: In regard to the intention as far as this State is concerned to stamp betting tickets, it is an indirect way of legalising the bookmaker. Personally I cannot see any difference whether we should grant a license or charge a fee because in all probability in granting a license a fee for the license would be charged. If we are going to make bookmakers pay on a ticket, and the tickets are purchased from the Government bearing a

stamp, that will have the same effect as if the bookmakers were licensed. I may say that I do not know much about betting, but in my opinion, we are not going to put betting down. Our children are taught gambling as soon as they can walk or talk. In fact, before they can talk they are taught by going to a lolly shop to buy a surprise packet. I was discussing this matter with a reverend gentleman one day and I told him instead of taxing race courses only, we should tax some of those people who train the children to gamble by making such things as surprise packets. I cannot see for the life of me why a person should pay a large amount to bet on the totalisator and a small amount to bet with a bookmaker.

Mr. Foley: He does not pay the same proportion.

Hon. W. C. ANGWIN: It should all depend on the amount of the bet. One can go to one of the clubs and enter a bet for a few thousand pounds and it costs the bookmaker ½d. One can go to a racecourse for a day's enjoyment and make a bet of 5s., if so one has to pay the bookmaker 2d.

Mr. Foley: I am glad you admit it is an enjoyment.

Hon. W. C. ANGWIN: A person goes there to see the crowd and so on. When I go to a racecourse I admit I generally put a few shillings on the totalisator, but I do not go very often. But if a person does not want to go to a racecourse and goes to a bookmaker in the street or anywhere else that person pays ½d. In my opinion, we should charge more outside a racecourse than inside. This should apply right throughout the State. All betting should pay on a percentage basis, the same way as the Treasurer in many of the matters he is dealing with charges. The higher the amount the larger the duty that has to be paid. In bills of exchange he starts at 6d. and goes to 1s. With receipts he starts at 1d. and goes to 3d. and over £100, 3d. per £100. I quite admit that the Treasurer is out for money and I am with him there. I consider as far as betting is concerned, the man who bets £100 should pay a higher duty or fee than the man who bets £5. Instead of having one flat rate in regard to the racecourse we should make a sliding scale. I consider the halfpenny not worth bothering about. In Victoria the minimum is one penny.

The Colonial Treasurer: There is no totalisator there.

Hon. W. C. ANGWIN: I think we should make the minimum one penny. Generally speaking, I support the second reading. I see no reason why we should not go into Committee on the Bill, since it has been here for some weeks. In the main the proposed increases are all small; any exceptions can be dealt with in Committee. We shall have to see that there is no difficulty in regard to the supply of revenue receipt stamps. At Fremantle it frequently happens that the vendors of those stamps experience great trouble in obtaining them. In fact the worry they have in securing those stamps is more than their profit is worth. In consequence of this difficulty in getting stamps, I am afraid it often happens that stamps are not affixed to receipts.

On motion by Hon. J. Mitchell debate adjourned.

BILL—INSURANCE COMPANIES.

Second Reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [5.35] in moving the second reading said: The object of the Bill is to provide that all insurance companies, whether corporate or incorporate, not being registered under the Act relating to societies or trades unions, who carry on in Western Australia insurance business, except life insurance, shall deposit the sum of £5,000, which is to be made in two payments of £2,500 each on the 30th June, 1918, and the 31st December, 1918. The rate of interest payable on that sum shall be 4½ per cent. Treasury bills shall be issued for this with a currency of five years, renewable from time to time, such Treasury bills issued by the State to be free alike of State and Commonwealth income tax. The investment and redemption of those bills shall be at par. The Treasury bills shall be deposited with and held by the Commonwealth Bank on behalf of the Colonial Treasurer. On a company ceasing business in Western Australia, the Treasury bills shall be delivered to such companies. The sum so deposited may be used by the Treasury in payment and satisfaction of any liabilities in Western Australia of a company which by default fails to meet its legal liabilities. Any company starting after the commencement of this Act, without putting up the deposit, shall be liable to a daily penalty of £20. I have discussed the Bill with several representatives of insurance companies here, and also with a small deputation representing the whole of the insurance companies. As far back as 1903 I made a proposal to bring in a Bill such as this. I then approached several of the insurance companies, and they said they thought the Bill was all right, but that the deposit should be £10,000 instead of £5,000. At present I am asking for £5,000 deposit. I say that individually, in speaking to representatives of insurance companies here, they see very little to object to in the measure. There waited upon me a deputation which, I think rather for form's sake than anything else, protested. There is nothing objectionable in asking for this deposit, seeing that we demand the same thing from life insurance companies, and that we are to give them a rate of interest which is equal to that which they can get under a Commonwealth loan. Western Australia is not singular in asking for this deposit. In Queensland an Act was assented to on the 29th December, 1916, under which the companies there have to put up a deposit of £5,000 where the income for marine and general insurance premiums, after deducting local re-insurance during the 12 months next preceding the date of application does not exceed £10,000. Where it exceeds £10,000 they have to put up a deposit of £10,000. Whilst in our measure there are no other restrictions placed on the operations of insurance companies different from the me-

thods of conducting their businesses which they have hitherto pursued, in quite a number of restrictions are placed upon ordinary insurance companies in order to facilitate and help the business of the State to carry on all classes of insurance companies not already authorised. If we require to go farther afield we find that in England, insurance companies other than life are required under an Imperial Statute of 1909, to deposit £20,000 each with the Government, and a separate deposit is required for each class of business carried on. So it will be seen that Western Australia is not treating fire insurance companies as harshly as they are being treated elsewhere. The object of raising money in this particular way is twofold. In the first place it is to provide some security for the insurer, which we already do in regard to life insurance companies, and in the second place the funds are intended to be paid into a separate account and utilised for the purpose of advancing pound for pound on capital raised for the promotion of secondary industries in this State. Seeing that we require this deposit from life insurance companies I have never been able to see why fire insurance companies should be exempted from the same provision. When we reach Clause 3, Sub-clause 4, I intend to move an addition which has been overlooked in the drafting, namely, that the investment and redemption should be at par. I move—

“That the Bill be now read a second time.”

Mr. PICKERING (Sussex) [5.40]: I move—

“That the debate be adjourned.”

Motion put and negatived.

Mr. LAMBERT (Coolgardie) [5.41]: I am in general accord with the Treasurer's desire to make insurance companies pay a deposit, but I do not think the amount suggested is sufficient. The insurance companies operating in this State have had a very fair field for a long time, which they have profitably exploited. If the Treasurer is going to do anything in the way of regulating the general conduct of insurance companies, I think there ought to be some additions to the Bill. There is not the slightest doubt that the moment the companies are called upon to lodge the deposit, the people of Western Australia will have to pay for it. The Treasurer would be well advised if he inserted some safeguarding provision in the Bill. I think the premium rates should be subject to revision and to the approval of the Treasurer. Unless the Treasurer is prepared to insert a provision of this kind, the people of the State will be forced to pay increased premiums. It is regrettable that the Treasurer does not propose to go as far as the Queensland Government. In Queensland a State Fire Insurance Department has been created with very satisfactory results. If the State were controlling fire insurance in Western Australia, we should be getting £300,000 or £400,000 revenue from it. The Treasurer should seriously consider whether, after all, the Bill will bring any indirect benefit to the people of the State; because, as I say, the people will have to pay in-

creased premiums as soon as ever the Bill comes into operation. Not only should the amount of the deposit be increased but, considering the avenue of profit we give to the insurance people, we should claim the deposit free of interest.

The Minister for Works: Quite right.

Mr. LAMBERT: This State has probably afforded a better avenue of profit for insurance companies than any other State in the Commonwealth. One need only compare the premiums charged in this State with those obtaining in the other States to realise the scandalous way in which the Fire Underwriters' Association in Western Australia has treated its clients. I certainly feel inclined, when in Committee, to move an amendment to provide that the Treasurer shall have the right to disagree with any premium rate that may be submitted to him. When insurance companies apply for permission to carry on, they ought to lodge their premium rates.

The Colonial Treasurer: They are making them do that in Queensland?

Mr. LAMBERT: Yes. Unless something of this sort is done, it will be found that these people will go on using their business in a way that is unfair to the people. The Westralian Farmers, Ltd., found that they could not get reasonable rates of insurance for the farmers, and accordingly were obliged to strike a bargain with a Canadian company. To-day they are able to insure for the farmers, so I am told by the manager of the Westralian Farmers, Ltd., on very much better terms than they could get in this State.

Hon. W. C. Angwin: What is the company like? The insurance rates may be all right.

Mr. LAMBERT: This virtually has the backing of the Westralian Farmers, Ltd.

The Minister for Works: The company is all right.

Hon. J. Mitchell: All companies charge the same rate.

Mr. LAMBERT: Not at all. They charge a different rate. The manager of the Westralian Farmers, Limited, said that they had been able to effect insurances for the farmers at from 20 to 25 per cent. less than they could do it with any insurance company in Western Australia.

Mr. Maley: Not to-day.

Mr. SPEAKER: Order!

Mr. LAMBERT: The Minister for Works heard the conversation. The manager had little to say in favour of the insurance companies now operating in Western Australia. Whilst there should be no undue restriction placed on any of our financial organisations, the Treasurer would be well advised to see if he cannot create some machinery under the Bill not only to protect the people, but to increase the revenue. I think the House would agree to increase the amount of £5,000 to £10,000. We care very little for any representations made by local insurance companies. They are very lucky in that there are not on the Treasury benches to-day politicians of a different political persuasion to those who were there two years ago. It is regrettable that the late Labour Government did not bring in a Bill to create a State fire insurance department. This

would have saved the people of the State, possibly, a quarter of a million pounds per annum.

Mr. Willcock: Even on Government buildings.

Mr. LAMBERT: Yes. I think the Colonial Treasurer is desirous of seeing that the insurance companies pay a reasonable amount, and that he would find that there would be very little difficulty in obtaining the assent of members to give him authority to draw upon these companies to the extent of £10,000. I think such an amount should be lodged by them as a bond to the State, and that the State should hold it free of interest. The Westralian Insurance Company have been operating with a subscribed capital of £125,000, and last year they made a profit of about £180,000.

Hon. J. Mitchell: They made it out of shipping.

Mr. LAMBERT: It does not matter what they made it out of. Operations were commenced in 1912, and their business has grown to the extent that I have shown.

Hon. W. C. Angwin: The State would not take the risk that this company took.

Mr. LAMBERT: Considerable risks have been taken by the chief shareholders (of whom Mr. Copley is one) in London in connection with underwriting. The figures I have given show what a splendid field of profit lies in this direction. Whilst the capital of the chief shareholders may have been used in unbusinesslike risks in underwriting in the Old Country, a considerable amount of revenue was earned in Western Australia. I do not think it would be unfair to ask these companies to deposit a reasonable amount, particularly in view of their present earnings. At the same time, none of us know what is likely to occur in the financial world, and in cases where big risks are to be carried, we should afford some safeguard.

The MINISTER FOR WORKS: (Hon. W. J. George—Murray-Wellington) [5.49]: I can bear out what the member for Coolgardie (Mr. Lambert) has just said with regard to the conversation with the manager of Westralian Farmers, Limited. I have no reason to doubt that what was said is correct.

Mr. Maley: That happened a year or two ago.

The MINISTER FOR WORKS: No, the manager was referring to the present time. When I heard the figures that were given, and compared them with the rates that I am myself paying, I found that I was paying very much more than rates quoted by the Westralian Farmers, Limited, and made up my mind to move my insurances. I have not much sympathy for the insurance companies. Some 12 or 13 years ago they set out upon a battle of rates amongst themselves, and people at that time were able to effect insurances on ridiculous terms. I think I covered the whole of the railway risks at about 6d. per £100.

Mr. Lambert: They lowered the rates some 60 or 70 per cent.

The MINISTER FOR WORKS: I also recall that I covered my private risks at 15d. per £100 for a number of years. Since that time these companies have buried the hatchet, and have been robbing us right and left. These

companies also have been aided and abetted by people who should not have aided and abetted them. If their directors had to act in an honorary capacity, instead of being paid for their work, these companies would not be getting the assistance that they are getting to-day.

Hon. J. Mitchell: You have no right to say that.

The MINISTER FOR WORKS: They have been operating for some 30 years in this State, and I am satisfied that they have levied upon the people a tax that they were not entitled to levy for the risks they had to carry. Although I do not believe in State enterprise, I think it is legitimate for the Government to consider the advisability of dealing with the question of State insurance. One has only got to enter one of these insurance offices to find an enormous staff at work. The staffs in the Government offices are not to be compared with them. These employees are really paid for by the people who have to keep up their premiums. Another point is that these companies pay their agents, who produce the business, commissions of 15 or 20 per cent.

Mr. Foley: They do not pay that.

The MINISTER FOR WORKS: Who pays it?

Mr. Harrison: It is 20 per cent. on agricultural covers.

The MINISTER FOR WORKS: There are insurance agents who do not work nearly as hard as I do, yet whose incomes are far in excess of mine. If a person, for getting whose business the agent receives a commission of 15 or 20 per cent., does not renew his insurance and another agent comes along and gets him into some other company, the second company has to pay their agent another commission. If companies can afford to do this, there is no reason why, when a man's policy is renewed, there should not be a rebate to him equal to the amount of agents' commission. I do not think these companies have the slightest consideration for the people. The rates that they are now charging, when working together, represent a robbery, out of all proportion to the risk that is taken. Let hon. members, who have been insured for some years, ask themselves what their position would be to-day if they had not paid premiums at all.

Mr. Foley: The Government charge you more than the private companies do. I am referring to the workers' homes.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: I do not know what that would be, but the profits would be in the family, and I would not mind. If any member of this House owned a property 20 or 30 years ago, and calculated the premiums that he had paid during that time, and set them off against what he had received from the companies, he would find that he would have done very much better for himself if he had not paid those premiums at all. Had I, instead of insuring my properties, allowed the money that I had paid out to accumulate to the present day, I should have a sum which would have more than paid for any loss it is reasonable to assume would occur.

Hon. J. Mitchell: You were not compelled to insure.

The MINISTER FOR WORKS: No. There is no reason why we should not have a safeguard such as has been suggested, instead of being scooped out, as we are being, for the purpose of maintaining a huge staff and many boards of influential directors, who can assist these companies in every way that is possible. If a man will only take the risk, he will find that he is better off if he does not insure.

Mr. Johnston: The mortgagee will not allow you to take the risk.

The MINISTER FOR WORKS: That may be the hon. member's experience. I have never had any mortgage on my properties.

Mr. Harrison: The Government, as mortgagees, will not allow you to take the risk.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: I am only speaking of my own experience.

Mr. FOLEY (Leonora) [5.59]: Instead of these companies putting up a guarantee in cash form, it is permissible for them to put it up in bonds, or some other form, which they do now. What is proposed is to bring all other insurance companies under the same head, and to make each put up in cash the sum of £5,000. I would point out that the State will have to find interest on this money, because it will have to pay the same amount of interest that these companies would get if they invested that money in the Commonwealth loan.

Mr. Lambert: Only if you sanction it.

Mr. FOLEY: That is what the Colonial Treasurer said in introducing the Bill. The question that arises, then, is, in the event of the companies being obliged to put up this guarantee in cash, whether it is a good proposition for the State to ask them to put up any more, bearing in mind that the State must pay the interest. I do not know whether we could earn the interest that has to be paid for the money if we get it. Apart from the question of State enterprise against private enterprise, I am dubious whether the State is in a position to earn the interest on the money which the insurance companies are to be called on to provide. It is all very well to say that the insurance companies will pass the thing on to the policy holders. I do not think they can do so at the present time, because they have the competition of companies in the Eastern States to contend against.

Mr. Lambert: All the companies are in a ring.

Mr. FOLEY: From a business point of view, we have the opportunity of bringing in competition from companies which are not in the ring. An argument has been used regarding the Western Australian insurance company, and the profits they have made. I know for a fact that very recently two companies in this State were asked to quote a rate for the insurance of property valued at £35,000 or £40,000. In spite of the assertions of the member for Coolgardie (Mr. Lambert) other companies were just as anxious to secure that business as the Western Australian company was, and at the same price. Other

considerations came in, and the business went to another company.

Mr. Lambert: I think you are mistaking the position. I was referring to the Western Farmers, Ltd., as separate from the Western Australian Company.

Mr. FOLEY: The Western Australian company certainly did make large profits, and their balance sheet showed those profits. But how were the profits made? No other insurance company in this State have a board of directors known throughout the State, a board of directors consisting of men known to probably every member of this Chamber. The Western Australian company took shipping risks which no other company would take. Had one of the ships covered by them been lost, and they been asked to pay the insurance money, they would have been up a wattle to-day.

Hon. W. C. Angwin: How do you know? You should not say that.

Mr. FOLEY: Members hear of these things; members get to know something occasionally. The Minister for Works and the member for Coolgardie said it would be a good thing if all insurance business went over to the Government. We have always been led to believe that if the State took these things over we would get lower rates for all our insurances. On paper we should do so. But the only insurance I know of as having been taken over by the State is the fire risk on workers' homes, and in that case the Government charge a higher rate of interest.

Hon. W. C. Angwin: You are wrong there.

Mr. SPEAKER: Order! The hon. member is not in order in discussing the whole of the ramifications of fire insurance business. This Bill merely deals with deposits by fire insurance companies. It does not affect State insurance one iota, though I have allowed the hon. member a certain latitude.

Mr. FOLEY: I was replying to arguments used by the Minister for Works and the member for Coolgardie. The latter said that if the State took over the whole of the insurance business, then, instead of receiving deposits of £5,000 from the companies under this Bill, the State would receive the whole of the profits which accrue. Without going beyond your ruling, Sir, I wish to argue against that contention. My own knowledge of the fire insurance business done by the State, in respect of workers' homes, is that the Government charge a higher rate of premium than private companies charge.

Mr. SPEAKER: The hon. member had better keep to the Bill.

Mr. FOLEY: I took notes of the remarks of the member for Coolgardie.

Mr. SPEAKER: I have no desire to curb the hon. member one iota, so long as he keeps to the subject before the Chair.

Mr. FOLEY: If I cannot reply to the arguments of the Minister for Works and the member for Coolgardie, I have no further remarks to offer.

Mr. SPEAKER: The member for Leonora may reply to remarks made by any member, but he should not labour the subject. The member for Coolgardie did make some ref-

erence to the taking over of the insurance proposition by the State. I think it ended at that.

Mr. PICKERING (Sussex) [6.10]: The member for Coolgardie (Mr. Lambert) has argued that if the insurance companies are called upon to make deposits of £5,000 with the Government, they will raise their premium rates. My belief is that the insurance companies of Western Australia are just as much a business body as are all other associations of the same kind. The insurance companies know very well that there are members like the member for Coolgardie, out for the scalps of all the insurance companies in Australia.

Mr. Lambert: I ask that the member for Sussex be required to withdraw the statement that I am out after the scalps of the insurance companies. As a matter of fact, if I were out for anyone's scalp, it would be that of the member for Sussex.

Mr. SPEAKER: Order! The member for Coolgardie takes exception to the remark as to scalps, and asks for a withdrawal.

Mr. PICKERING: I withdraw the statement. There is to-day, and has been for some time, a spirit abroad in this State seeking to crush out the insurance companies. I venture to say that if it were not for the fact of our having these insurance companies, much of the business we are to-day able to conduct in Western Australia would be impracticable. The point has been made that there is a certain Government institution—to wit, the Agricultural Bank—which will not advance money on mortgage unless the buildings on the property are insured. I know that is a fact. Although the Minister for Works may not be in the unhappy position of having had to mortgage his property, yet that is the position of many farmers in this State. The Minister for Works cast a reflection upon the directorates of the insurance companies.

The Minister for Works: I said we had to pay for them; that is all.

Mr. PICKERING: If I remember rightly, the Minister said that the members of these boards would not be so anxious to have their names on the directorates were it not for the emoluments appertaining to such positions.

The Minister for Works: Do not you think that is correct?

Mr. PICKERING: I do not think so. These men give the advantage of their experience to the companies in return for a reasonable remuneration, which I am quite sure is no more than commensurate with the benefit derived by the insurance companies. The directors may receive a guinea or two guineas for attending a board meeting. Certain members have alleged that the Westralian Farmers, Ltd., grant lower rates of premium than other companies grant. I wish to assure hon. members that that is not a fact. We know there is an arrangement between the various companies. It is well understood that there is an underwriters' association, and the rates pertaining to that association prevail, and control each individual company's business. The advantage which the Westralian Farmers are able to give to those insuring through them arises from the fact that the Westralian Farmers are the direct

representatives in this State of the Western Insurance Company. The Westralian Farmers return to their insured a proportion of the agent's commission. They return it in the form of a dividend. That is how it is done, and not by any other means.

The Minister for Works: The Westralian Farmers quote lower rates than other companies quote.

Mr. PICKERING: They do not.

The Minister for Works: Yes, they do.

Mr. SPEAKER: Order! These interruptions must cease.

Mr. PICKERING: It has been suggested that premium rates have been reduced as the result of the arrangement between the Western Insurance Company and the Westralian Farmers. But that is not a fact. The reduction was brought about a few years ago, through the action of the Farmers' and Settlers' Association, who approached certain companies with a view to seeing whether lower rates were obtainable for agricultural risks. After considerable trouble the Farmers' and Settlers' Association were enabled to bring about a reduction of something like 10 or 20 per cent. The Western Insurance Company were not operating in Western Australia at that time; they came after the reduction had been effected. The reduction came about as the result of agreement of all the companies, which on going into the matter, found that they could lower their rates to a certain extent. I am afraid hon. members do not appreciate the position of the insurance companies at all, do not appreciate the big risks that are run. It is true the risks are not so great as they were some years ago. The reason of that is that the moral risk has become better.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. PICKERING: We have also to consider the question of the influence of the season. The past two seasons have been favourable to insurance, especially so far as country risks are concerned. We have had more rain and less danger from dry pastures. I was sorry to hear the reflection cast by the Minister for Works on companies which he stigmatised as robbers. I think I should give an idea of the real profits these companies have made over a period of 10 years.

Mr. Lambert: Is the hon. member in order in going through the whole ramifications of insurance in the manner that he proposes doing?

Mr. SPEAKER: I allowed certain latitude in the earlier part of the debate and the Minister for Works dealt with this question at some length. Therefore, I cannot prevent the hon. member from referring to it, though I hope he will not do so at undue length.

The Minister for Works: I suppose I shall have the right to reply.

Mr. SPEAKER: Not on the question now before the Chair. Perhaps at another stage the hon. member may be able to do so.

Mr. PICKERING: The following figures have been taken from the "Insurance and Banking Record" and deal with the years 1907 to 1917. They represent an underwriting experience of 10 years. The Australasian companies' figures include fire, marine, and acci-

dent departments. The profits were—1916-17, 19.11; 1915-16, 18.10; 1914-15, 11.84; 1913-14, 14.50; 1912-13, 14.14; 1911-12, 15.92; 1910-11, 11.73; 1909-10, 7.30; 1908-9, 8.94; 1907-8, 9.91. It will be seen that the two latter figures indicate what I have said so far as the moral risk is concerned, but the average works out at 13.14 per cent. Anyone who knows anything about insurance is aware that there is danger, as indicated by the figures, that during certain years conflagrations take place and serious losses may ensue. The companies are just business concerns and they are run on business lines, and I venture to say that they do not make larger profits than many other undertakings in this State. It seems to be a matter of annoyance to the Minister for Works because the companies employ large staffs. In these disastrous days it is fortunate indeed that there are companies capable of employing large staffs.

Mr. Lambert: Would you like to run the implement works and make 18 per cent. profit?

Mr. SPEAKER: Order!

Mr. PICKERING: The Minister for Works advocated State enterprise with regard to insurance, but knowing that hon. gentleman as I do, and remembering the many declarations he has made, I am at a loss to understand his attitude in this regard. The Bill provides that £5,000 shall be lodged by the companies. I understand that the Treasurer has had consultations with the various companies in this State and he has arrived at the conclusion that the amount in question is equitable. He states that he has agreed with the companies that the amount is a fair one to be given to the Government as a loan, but it must strike us as strange that this one section of the community should have been selected for this infliction. I am opposed to any suggestion for increasing the amount. I do not intend to oppose the measure.

The Minister for Works: It would not make any difference if you did.

Mr. PICKERING: I dare say, but my vote in this House counts as much as that of any other hon. member and I shall always exercise it in the direction in which I think it should be given. I have had some experience of these companies and I am sure that the business conducted by them in this State has been conducted reasonably.

Mr. PILKINGTON (Perth) [7.38]: The question which we are discussing to-night is whether or no it is right to compel by statute insurance companies, other than life insurance companies, to make a deposit of £5,000 with the Government. Judging by the debate which has been taking place during the last hour or so, one would imagine that the reason why this deposit is required is that it is desired to inflict a sort of punishment upon these companies for crimes which have been hinted at by the Minister for Works and others. Before we pass a Bill of this nature, there must be some reasons shown why we should impose this liability upon insurance companies other than life insurance companies. I believe we all know the reason why it was suggested; I believe we all know that the Government have on many occasions stated that this measure is to be used for specific purposes, and that is the reason why the obligation is being imposed. This money is going to be used for the purpose of

subsidising by way of loan certain industries or industrial concerns to be selected, I take it, by the Government. I think the true reason should be advanced for asking us to pass this measure. The Treasurer in introducing the Bill pointed out that already the legislature has provided in Western Australia, and indeed elsewhere, that life insurance companies should make such a deposit. There is, of course, no analogy whatever between life insurance companies and those companies with which we are now dealing, and for this reason: it is of vital importance that life insurance companies should be able to meet their obligations at all stages. When we make a contract with a life insurance company, it generally is the case that the company's part of that contract will not have to be performed for many years. If a man insures his life at the age of 30 years, in most cases the life insurance company will not have to pay for some 20, 30, or 40 years, and it may very well be that he may find himself in a very awkward position if, after having paid premiums for 20 or 30 years, he finds that the insurance company with which he has insured is not in a strong financial position. A life insurance company is used very largely by men for the purpose of making provision for their wives and families in the event of death, and the contract is one which is not performed for many years. For that reason it is deemed wise, and I do not for a moment question the wisdom, to insist that a substantial deposit shall be lodged with the Government by a company carrying on life insurance here. But when we come to the other forms of insurance such as fire, accident, and marine, the position is entirely different. That form of insurance is not used for the purpose of making provision for a man's wife, children or dependents in case of death; that form of insurance is usually arranged by business men for business purposes, and it comes to an end at the close of a year. If then it is found that the company one is dealing with is not in a strong position, the business can be transferred to another company and nothing is lost. There is no difficulty whatever about it. The moment a company shows the slightest sign of not being perfectly sound, anyone can go to another company without losing anything. That however, cannot be done in the case of a life insurance company, and that is the reason, and a perfectly sound reason too, why a deposit has been asked in the past in the case of life insurance companies, and why it has not been asked in the case of companies dealing with fire, marine, and other similar insurances. There never has been the slightest suggestion in this State that anyone who had insured with a fire, marine, or accident company, was in the slightest danger of not having his contract properly carried out. There is no analogy, therefore, between the case of a life insurance company and that of other companies. The Treasurer told us that similar legislation existed in Queensland. I confess it makes me a little impatient when I am told that we should pass legislation here because someone has found it to be in operation somewhere else. If legislation is good and sound, reasons why it is good and sound should be given to us, and not the bare fact that someone else has passed it

somewhere else. It is curious that in nearly every instance the most effective argument in favour of legislation is to say that it has been passed in America, England, or the Eastern States. I submit one ought not to be in the least degree affected by such an argument. Legislation of the most disastrous character has been passed in England, in America, and in the Eastern States, and we should bring our intelligence to bear on legislation brought forward here and if we come to the conclusion that it is not wise legislation, we ought not to pass it whether it is passed elsewhere or not. We all know, although I do not think it has been mentioned during the debate yet, what this legislation is introduced for. It is intended—I shall be corrected no doubt if I am wrong—or it is common knowledge all over the country, it has been spoken of by Ministers, it was mentioned in the policy speech—the idea of the legislation was the collection of some £200,000 approximately and to use that sum, I think the Treasurer said he intends to earmark it, so that it shall not be used for anything else, but to use that sum for what is known to the Government as stimulating certain industries which they select. I understand that the stimulating process is such as that applied to a certain jam business in the State which occupied the attention of members in another place. I do not propose to discuss the wisdom of using moneys belonging to the Government borrowed or acquired for that purpose; I do not propose to discuss that—I would be out of order in doing so—I am content to say that I would not vote for any measure that had that for its object. I protest most strongly against this form of legislation which professes on the face of it, to any person reading it without having heard the speeches of Ministers during the last few months, to be for a certain purpose, namely the guaranteeing of the solvency to some extent of insurance companies, when as a fact it is for another purpose altogether. This Bill in fact and substance, is for a forced loan from the insurance companies, and we are told by the Treasurer that the insurance companies do not mind, but that is beside the question. In fact and substance this is a Bill for a forced loan from the insurance companies in order that the Government may get money for the purpose of subsidising by way of loan, certain industries. I protest against a Bill which masquerades as this does, under a certain form, when its true significance is otherwise. If the Government wish to do this, they ought to do it by a Bill that speaks plainly and says exactly what it means. I protest against this form of legislation.

Hon. W. C. ANGWIN (North-East Fremantle) [7.50]: I am inclined to agree with the member for Perth. This is virtually a loan Bill by another name. Of course it might be advantageous to the State to obtain a loan for the Government at the rate of $4\frac{1}{2}$ per cent., but the purposes for which the money is required the Treasurer told us in introducing the Bill, and I have a doubt whether the transactions are going to be to the advantage of the State financially. For the last few years I have not known of any instance where money lent under such condi-

tions has been refunded and the interest paid. This is a loan Bill brought in under another name. It has not been stated definitely and distinctly what the money is to be used for. If it had members would have had an opportunity of discussing the pros and cons of the ventures for which the money is to be loaned. While I do not object to the insurance companies putting up a deposit, this Bill is brought forward under conditions which it should not be. The money is not going to be used in a certain direction, it is to be earmarked. The money cannot be used in the same way as other moneys raised by the Government. It can, if the Government so desire, but if so, it would be a breach of faith. The Treasurer told us to-night and in the Budget and on other occasions, that this money was to be used for an express purpose; for starting co-operative and other societies, to open new businesses in the State, and we should have had an opportunity of discussing the industries which are to be so assisted. We cannot say whether they will be of advantage to the State. I consider in connection with a large sum like this, we should have had an opportunity of saying in what manner the money should be used. There is not the least doubt that advantage would come to the State if State insurance was adopted. That would be based on what has taken place elsewhere. The Minister for Works just now made a request to the member for Sussex to tell members what it cost to run the various insurance institutions in Australia according to the premiums paid, but the member would not supply that information. I find that in New Zealand where they have a State fire insurance business, it cost 27.5 per cent. of the premium income. In New South Wales it costs the companies there 42.98 per cent. I want to say in addition to that, that the insurance companies are not so badly off as the member for Sussex would like members to believe. That is based on the information in regard to the State fire insurance in New Zealand. They started with £2,000 and they have a capital approximately of £200,000. I am quoting from a book which is dated 1917. The £2,000 was repaid to the State and at the end of 1916 they had a capital of £116,000 built up. That is the position in New Zealand. So that the member for Sussex got hold of the wrong end of the stick. The premiums have been reduced very considerably there. A large reserve has been built up and it is the intention of the State after a certain number of years, to divide the profits amongst the policy holders. I quote this because the member for Sussex would not reply to the Minister for Works. The Treasurer requires money. This Bill, if he so desires to use the money in any direction in the best interests of the State, allows him to do so. There is no provision in the Bill saying that the money is to be used in a certain direction, but we have had a statement made that it is to be used in a certain direction.

Hon. J. Mitchell: Use it for assistance to agricultural settlers.

Hon. W. C. ANGWIN: It might be necessary to so use it. If so, the interest would

have to be paid by the settlers. If the money is lent to some of the so-called bogus companies that are coming into existence, in all probability the State will lose the interest and the capital also. The member for Perth just now referred to one company, and that is not the only one started in the country. The member for Northam knows of one company which was started on the same lines. No money has been paid back for the interest, and the security was not worth anything. As old iron a few pounds might have been got for it. In regard to opening up industries, it is a question whether they will be of benefit to the State. I know of struggling firms in the city who could not obtain money at the same rate of interest that the Government are lending the money at. It is impossible for the firms to compete because of the interest they would have to pay on overdrafts on their accounts; it is much higher than the Government charge.

Hon. J. Mitchell: You are on dangerous ground there.

Hon. W. C. ANGWIN: I am not. The difference is this: once the State takes it on, the person has to show that the management is satisfactory, where the money has gone, whether the concern is paying or losing year after year. Once the money gets into the hands of these companies that is the last we hear of it until perhaps some years afterwards we are told that such a company has failed and that the money has not been paid back.

Mr. Maley: There are the balance sheets to guide us.

Hon. W. C. ANGWIN: We know all about those. I would much rather that the Government should tell us definitely what they intend to use the money for and not pledge themselves to use it for the purpose of assisting an industry that does not prove financial. It might be a waste of money and only last a few years as other industries have done, and then we lose the lot.

Hon. J. Mitchell: It is as bad as State trading.

Hon. W. C. ANGWIN: It is much worse.

Mr. SPEAKER: The Bill does not deal with State trading concerns.

Hon. W. C. ANGWIN: Seeing that there is no provision in the Bill as to how the money is to be used. I thought it would be dealt with in the ordinary way. We require the money for the completion of necessary works in hand, and I hope the Government will reconsider their intention in this respect and add the money to the General Loan Fund.

Mr. HARRISON (Avon) [8.2]: I will support the second reading, and, further, I will support the use of the money on the lines indicated by the Treasurer. It is up to the Government to do all they possibly can to render the State self-contained, as far as possible during the war. Could money be spent to better purpose than in the encouragement of small industries calculated to render Western Australia more self-contained than she is at present?

Hon. T. Walker: How much are we to get?

Mr. HARRISON: I think, £200,000. The Treasurer has told us that he has interviewed the managers of the insurance companies and that they have very little, if any, objection to the Bill. The deposits will furnish a security for the companies meeting their liabilities. In many parts of the world mushroom insurance companies have sprung up as a result of the enormous profits secured from this class of business. It will give members an idea of the profits of the companies operating in our own State if I remind them of answers made to certain question which I asked with a view to getting authentic figures. The information furnished was this: The whole of the farmers assisted under the Industries Assistance Board were compelled to cover their risks. It meant the expenditure by those farmers of £22,216 16s. 8d. in premiums, while the total claims paid in respect of those premiums amounted to £2,475, or less than nine per cent.

The Minister for Works: That bears out my own experience.

Mr. HARRISON: The member for North-East Fremantle gave us figures in regard to office costs. I have certain figures relating to insurance, but in no case do they amount to more than 13 per cent. in claims paid. I know of nothing that, with the same capital outlay, will bring in a bigger revenue than insurance, nor do I know of any other avenue of business into which the State could have ventured more profitably, or with less risk. I have not known in Western Australia any season carrying a greater fire risk than has the present, owing to the abnormal quantity of grass. Yet, taking the State as a whole, we have had very few claims under that risk. I support the measure because of the object to which the money is to be devoted, and I trust the House will give the Treasurer the power to obtain that money.

Mr. H. ROBINSON (Albany) [8.8]: If we are to judge by the result of the assistance lent by the Government to the Fruitgrowers' Association, the allocation in the direction indicated of the money to be raised under the Bill will well repay the Government for initiating this scheme. It has been proved over and over again that Western Australian fruit brings the highest prices in the world's markets. If that fruit can be turned into excellent jam, it will be a splendid advertisement for the State, and the association will be well able to repay the loan. If this is an indication of the manner in which the Government intend to use the insurance companies' money, they can be assured of good results. But I would like the Treasurer to go a little further and get the thing away from class taxation, not limit this to fire, marine and accident insurance companies. I quite agree with the statements made by the member for Perth, and I cannot see any reason why, because in some other places it is not done, life insurance companies should not be included.

The Colonial Treasurer: They are dealt with in another measure.

Mr. H. ROBINSON: I go farther and say that there are other institutions that could pay something in this respect. However, I will support the second reading.

Hon. T. WALKER (Kanowna) [8.10]: I cannot support the second reading. I think it

is time we made a stand against introducing measures under what, without wishing to be offensive, I might designate false pretences. The object is to get money into the Treasury, to obtain loan funds, to extract forced loans from a certain section of the community. Loans cannot easily be obtained from recognised channels of borrowing, and as an expedient the Bill is framed, not as a loan Bill, not for the purpose of telling the victims, if they are victims, that they will have to provide the means for assisting the industries of the State, that they shall have the special privilege, through their money being compulsorily taken, of supporting industries; not by telling those people that, but by pretending that we do this to safeguard the policy holders, that it is to give a guarantee that there shall be no unusual risks to those who insure. Under ordinary business circumstances that would be characterised as dishonesty. If private people obtained money under pretences of that kind, giving out one set of facts in a prospectus, and meaning another set of facts withheld behind it, and if those people were taken into our courts, we should find the judges severely commenting on actions of that kind. Yet the Government can do this without a blush. The Bill is objectionable for the further reason that, whilst we know now that to compel those companies to lodge a deposit is neither more nor less than a way of getting money for loan purposes, and whilst we know further that the object of getting the money is to assist certain industries not specifically denoted, but indirectly conveyed to us, we are not in a position to discuss the wisdom of that course at all, but we are placed in fetters the moment we begin to debate the measure. If I were to express my opinion in full, and to give my reason for what I regard as the unwisdom of the course the Government have avowed their intention to take, I should be called to order. Is it fair that we should have this statement as a reason for the introduction of the Bill, and yet be unable to discuss it? If this money is to be raised for the purposes suggested, we are on quicksands. We do not know where we shall go. We may lose the money of the policy holders or the money of the taxpayers, and the whole country may be the poorer. We may be getting this money to assist certain sections of the community in love with the present Government. Having got the money they may feel inclined to let the Government go fishing for it. We all know that the Government are considered fair game. If people can get the better of the Government they have put a feather in their cap rather than incurred blame. That is the usual public feeling. We are to get this money to assist the supporter of the Government who represents Albany, and of other members sitting on the cross benches.

Mr. SPEAKER: The Bill does not say so.

Hon. T. WALKER: The member for Albany (Mr. H. Robinson) indicates that the Government will be perfectly safe if they do this. I question this very much. I do not say that there is anything dishonourable about the matter, but does it not look as though it were a kind of sop to those supporting the Government from the cross benches?

Mr. SPEAKER: I do not think the hon. member is in order in attributing motives.

Hon. F. E. S. Willmott (Honorary Minister): It is a dastardly reflection on members of the cross benches.

Hon. T. WALKER: I take it that members on the cross benches are the representatives of rural innocence in this Chamber, and if there is any blame to be attached to anyone it is not to be attached to them. The whole thing looks peculiar. Why should we be told that the money is to be earmarked for a kind of speculation, an uncertain, untested investment? When we get money for other purposes we do not mark it in that way.

Mr. Troy: Is that your only objection?

Hon. T. WALKER: My objection is that the measure is introduced under false pretences, and this is an objection sufficient for me to vote against it. I have no objection to the Government getting money.

The Colonial Treasurer: And possibly squandering it in any way you like.

Hon. T. WALKER: Not exactly that. I recognise forms of investments which have first of all a species of guarantee, and in which we shall make sure that we shall not lose our money or squander it.

Mr. Willmott (Honorary Minister): I thought there was a loss on the State Implement Works.

Hon. T. WALKER: Possibly. We have learned by experience. Because we have gone into the implement works, which may ultimately be a benefit to the community, that is no reason why we should go in for jam works. If we go into iron works, it is no reason why we should go in for tinpot works.

Mr. H. Robinson: Do you prefer the imported article?

Hon. T. WALKER: No. I want to be careful to whom the State advances money for the purpose of experimenting in competition with the imported article. No one would like to see our industries flourish more than I would, but I question whether the method suggested through this Bill is one which is going to establish these industries so as to be independent of importations. I do not desire to cast any reflection, but my objection to the Bill is that it is introduced under false pretences, and that we are not given the facts regarding it. We are merely led to assume that it is in reference to a guarantee for policy holders in connection with life insurance.

Mr. BROWN (Subiaco) [£20]: I support the Bill, but I hope the deposit will be increased from £5,000 to £10,000. With regard to the question of this money being a loan, I take it that as in connection with another measure of like character, the money will be applied in certain directions. I hope the money so deposited will be used in the same manner as in connection with life insurance policies. The Treasurer stated that the money would be applied to advances, at the rate of pound for pound, for any industry that may be established. It seems to me that this would not be altogether workable. If he received £200,000 by way of deposits, he would have to pay interest as soon as he had received it, and it is not likely that within a year or two he would find enough industries, co-operative or other-

wise, which would need all this money, and he would, therefore, not be getting any interest for a considerable portion of it. If the money were applied in the same way that the deposits to which I have referred would be applied, I see no reason why we should not have it. I do not think we are doing any good to the State by suggesting that this is a false loan. I take it that under the Constitution a schedule of works must be put forward to which loan moneys will be applied. Under these conditions, there is no way except that stated by the Colonial Treasurer, of applying either a portion or the whole of this money. I hope the House will agree to increase the deposit to £10,000.

Hon. J. MITCHELL (Northam) [8.22]: I understood the Colonial Treasurer to say that he required this amount first as a guarantee, and after that object had been achieved, he proposed, having got the money, to lend it to industries. Obviously, if the money is to carry interest it must earn interest, and must be used in some way in which it will make a profit. The Treasurer says that he will see to the investments. If he desires to raise this money in order that he may lend it for the purpose of setting up industries, we should be obliged to vote against the Bill. If, on the other hand, these deposits are to be demanded by way of a guarantee, it is quite another matter. If this is to be a forced loan it is questionable whether we should not pay a more reasonable rate of interest, something approaching the rate which the money so raised would otherwise cost the Treasurer to raise. That is a matter for the Treasurer to consider. Hon. members are quite right in assuming that we should not have heard of this Bill if we had not fallen on evil days. We have discussed all sorts of uses to which this money might be put. I hope at all events the Government will not start a fire insurance business with these deposits. I quite expected to hear such a suggestion come from members of the Opposition benches.

Mr. Green: It would be the most profitable investment.

Hon. J. MITCHELL: We have heard a lot about profitable investments.

Mr. Green: Do you deny it?

Hon. J. MITCHELL: We have indulged in some of them on behalf of the State already, and they have not been profitable.

Mr. Green: The fire insurance companies of Australia will never give one the figures.

Hon. J. MITCHELL: There is no doubt that a good deal of this money will come from the agriculturists. The best use to which the money could be put, one which would be approved by the companies, and would be safe beyond question, as well as earning the interest which the Treasurer will have to pay, would be in connection with the protection of the enormous quantities of wheat we have on hand, and probably will have for the next five years. If the money were used in that way it would do an enormous amount of good, and would mean that the Treasurer would probably have his money back within the term set down in the Bill, when he would have to repay it. If the Treasurer wishes that this money shall

be used as a guarantee to shareholders, I will support the measure, but not otherwise.

Mr. TROY (Mt. Magnet) [8.28]: I have no particular objection to the Bill, and do not look upon it in the same light as the member for Kanowna (Hon. T. Walker) does. His objection is that we are securing a loan under false pretences. If so, I think the insurance companies should be the last to complain. It ought to be remembered that when an insurance agent comes round and urges one to insure, he does not always put forward a fair proposition. After one has effected an insurance one is given the policy, which contains a number of provisions which one does not understand. When one comes to make a claim under that policy one also finds a position which is different from that which one thought existed. If there is one business more than another in which deception is practised, it is this particular business of insurance. But that would not justify us in practising deception, and I do not think the Minister practised deception to-night in stating that he required the money for two purposes. One purpose was the securing of deposits in order to furnish some guarantee for the depositors. That is something which might have been done years ago with advantage to the people of this country. The other purpose was that the Government proposed to utilise this money, on which they would pay $4\frac{1}{2}$ per cent. interest, for necessary industries earning interest. That is something I am able to follow. If the Government were going to allow the money to lie in the Treasury without making any use of it, they would be failing to do that which ought to be done in the best interests of the State. If the money is there, we ought to use it. But I do oppose this money, or any other money, being set apart to give special consideration to any one particular section of the community.

Hon. T. Walker: Hear, hear!

Mr. TROY: Why should the agriculturists have all the money at the disposal of the State, any more than any other body of deserving citizens? Whilst I wish to see butter and bacon factories established, and anything else established that will assist our wealth production, I am becoming very tired indeed of hearing in this House the clamour of those representing the agricultural industry, and also tired of hearing the statements made from time to time by the Government that they are going to put this money, that money, and all other money into the agricultural industry. That is the only objection I see to the utilisation of the money. I do not desire to see the money put into any risky business. If the Government proposed to devote the money to the opening and establishing of a gold mine, I would say "No; that is too risky." If they proposed to put it into a coal mine, I would raise the same objection. But there are other sections of the community whose interests should be considered as well as agricultural interests.

Mr. Johnston: The money is to be put into factories.

Mr. TROY: If the security is good enough, I have no objection.

The Colonial Treasurer: I will see to that.

Mr. TROY: I hope the Treasurer will. If the most essential thing to establish is a bacon

factory, or a butter factory, or a flour mill, let us spend the money in that direction. But I do object to measures being brought down to the House for the purpose of conferring advantages upon one section which has already been very well treated by the State, while the rest of the community is altogether ignored. I have no objection to the Bill itself; I rather welcome it. If its effect will be to supply the Treasurer with money at a lesser rate of interest than the current rate, that represents only a small return which the fire insurance companies might very reasonably make to the State that has treated them so well. There is no question but the insurance companies have done remarkably well in Western Australia. I doubt whether they pay their clients anything like $4\frac{1}{2}$ per cent. interest. I would welcome the Bill still more if it dealt with the whole of the insurance business of the country and gave the clients of insurance companies some protection that they do not enjoy to-day. This is not the time to discuss what might be done in that direction; but may I venture to say that I do not view the question of nationalisation with the same fear as does the member for Northam (Hon. J. Mitchell)? Queensland has initiated a fire insurance system, and it has produced very successful results in the two years of its existence.

Mr. Green: There is New Zealand also.

Mr. TROY: Yes. A system of State insurance has operated in New Zealand for many years with splendid results. If there is one business more than another which might be nationalised with advantage to the community, it is the insurance business. The money which this Bill will produce should not, however, be set apart for the purpose of giving special consideration to any one body of the people. Otherwise, I support the measure.

Mr. HICKMOTT (Pingelly) [8.36]: I intend to support this measure. A great deal has been said as to the Treasurer obtaining this money under false pretences; but any such allegation is disposed of by the fact that the companies are quite satisfied with the arrangements being made and are ready to put up the deposits. We know that various fire insurance companies are very wealthy corporations indeed, and have subscribed huge amounts of money to the war loan at the same rate of interest as is to be paid by our Government on these deposits. Of course, with respect to subscriptions to the war loan, there is the advantage that such investments are free of taxation. However, we are sending large amounts of money out of the State every year for food-stuffs; and I think it has been stated that these deposits are to be earmarked for the purpose of subsidising butter and bacon factories and other establishments of that nature. I think we may rely upon the Treasurer to see that these undertakings are firmly established before he advances any money to them. About £50,000 or £60,000 annually is sent out of this State for jam and dried fruits, whilst our own fruit goes to waste. Therefore the apportionment of some of the money to be raised under this Bill for the purpose of jam factories and fruit canning works would be a step in the right direction. Of course, the Government will see that the people who propose to establish such enterprises are able to carry them to

a successful issue. The Treasurer will have as a guide in the matter the experience of the Eastern States, whose Governments spent large sums of borrowed money in this direction. If proper care is taken, the money will be well spent. Perhaps the Treasurer could meet the insurance companies to the extent of making the interest on their deposits free of taxation, in the same way as interest on war loans.

Mr. MONEY (Bunbury) [8.40]: This measure, I submit, equalises all the insurance companies operating in Western Australia. A few years ago it was thought advisable that life assurance companies should have certain moneys available here to meet possible liabilities. I do not know whether it is absolutely essential that the same principle should be applied to fire insurance companies here, but in passing this Bill we should merely be placing them on an equality with life assurance companies. If we want money—and undoubtedly we do—I can discover nothing derogatory in looking round to see where we can obtain it. Fire insurance companies, I think I am right in saying, are not bound to have any assets in the State. I certainly think they should be so bound. If they are carrying on business here and have liabilities to meet here, why should not they be placed on the same footing as life assurance companies? With regard to the manner in which the money is to be appropriated, I am not aware that the corresponding Act relating to life assurance companies provides how the money is to be spent by the Government of Western Australia.

Hon. T. Walker: One cannot earmark the money.

Mr. MONEY: On the ground of consistency there is no reason whatever why this Bill should provide how the Government are to use the money to be raised under it. I see nothing whatever beyond the fact that the Bill provides for security to be given by fire insurance companies operating in Western Australia.

Mr. GREEN (Kalgoorlie) [8.42]: I cannot agree with the member for Perth (Mr. Pilkington) when he states that this Chamber should not be guided by precedents in legislation which are drawn from other States of the Commonwealth, or other parts of the world. The hon. member finds fault with the fact that the Treasurer has mentioned that legislation similar to this has been established in other parts of Australia. The hon. member's idea is that we should go in for what he considers sound legislation. Let me say at once that I agree with a certain philosopher of whom the hon. member is no mean follower—I refer to Herbert Spencer, who said that there never was any legislation that did not bring in its train something that was totally unexpected, and that there never was any legislation which entirely effected the purpose for which it had been placed on the Statute-book. That being so, how can we, in our wisdom, utterly ignoring the legislation of other countries set out on entirely new lines, and trust solely to our own judgment? What we have to do is to follow the old British maxim, and “slowly broaden down from precedent to precedent.” The Government are apparently not prepared to consider the

nationalisation of proprietary businesses of the kind to which a gentleman named Proudhon was referring when he said, "Business is robbery." If that expression can be applied with truth, it can be applied more appropriately to the fire insurance business of this country than to any other department of commerce that is known to me. In this State the premium which has to be paid on a residence amounts to 3s. 9d. per £100. In Sydney the premium is 1s. 9½d., in Adelaide 2s. 3d., and in Melbourne 1s. 9½d. In the out-back portions of this State, and on the goldfields, the rate is increased quite out of all proportion to the extra risk involved. One thing that this Bill should contain is a clause providing that the rates at present charged by fire insurance companies shall not be raised. In my opinion that is a very necessary safeguard, because we are dealing with companies which, taking the figures for the 26 insurance companies whose head offices are in Australia and New Zealand, made during the year 1916 an average surplus of something like 33 per cent. We are going to take from these companies in Western Australia £5,000 and give them 4½ per cent., thus giving them much less than what they have been accustomed to, and judging by the attitude they have displayed in the past in connection with the rates they have charged and the unanimity they have displayed, we may expect them to raise those rates to some extortionate figure. We will then find that we shall be receiving £5,000 and paying 4½ per cent. to put into a jam factory probably to placate the member for Albany, and at the same time our fire rates will be advanced above the 3s. 9d. which is charged to-day as against 1s. 9½d. charged in Sydney. I think it is possible to see that these people who go out after profits of 33 per cent., and then contest the claim when a man's house is burned down, and where by making a few alterations he can spend £200 or £300 to restore it to its original position and for which the company have taken a risk of £5,000—under such circumstances the Government require to be wary to see that they are not caught in a cleft stick. The Government propose to establish factories with the money which is raised.

The Colonial Treasurer: The Bill does not say so.

Mr. GREEN: The Treasurer pointed out that that was the purpose of the measure.

The Colonial Treasurer: They have to put up pound for pound in cash.

Mr. GREEN: Then it will be an altogether different proposition from the A.F.L.

The Colonial Treasurer: You need not worry about that.

Mr. GREEN: If they are going to put up pound for pound the proposition may be all right, but if we are to go in for this semi-State business, why not go the whole hog?

Mr. SPEAKER: I cannot allow the hon. member to discuss trading concerns. I have allowed the hon. member a good deal of latitude.

Mr. GREEN: If they had taken an example from the Commonwealth Bank which started without a penny capital and which now

finds itself in such a successful position, and nationalised the fire insurance companies, they would have got more money. There is nothing to prevent the Government starting fire insurance companies and getting ten times the revenue. However, that is beside the question, but I trust that if it is possible a safeguard will be provided with the object of preventing the companies putting up their rates.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin—in reply) [8.50]: I congratulate members on the consistency of their inconsistency. Just before the tea adjournment I received a castigation from the member for Perth because I had not been candid. Now because I happened to say that which there was no necessity for me to say, that we are going to try and utilise the funds to assist secondary industries, at once the position is changed from condemnation to the suggestion that I am honest. When I was Treasurer before, I said then, and I say so now, that I could not see why fire insurance companies should not put up a deposit in this State just the same as life insurance companies have to do. The member for Perth says that there is no analogy between the two companies. He says that we want the £10,000 because men have been paying their premiums and if anything goes wrong they want to get their money. He also said another strange thing; that a man would insure, and at the end of the term if he found that the company was not a strong one, he could easily change to another insurance company. But suppose a fire happened in between. It would be poor satisfaction to him. I look upon this money as a security, and merely because I stated we were going to use that money to assist our industries, I am condemned. We propose to make the industries which are to be assisted put up pound for pound of their own cash before we advance any money, and we shall have first security over the assets. When this arrangement was first made we had practically no freight from the Eastern States. For a long time past we have been importing butter, bacon, jam and eggs, all of which commodities should be produced locally, and if by getting the people themselves to put up their own cash and we give them pound for pound, and take a first security over their assets, we are assisting them to start industries and keep in the State the money we are sending out, we are doing that at a nominal risk. That is the whole position. I was candid and now I am going to be equally candid and say that so far as I can see there are going to be very few applications. I have been very strict and consequently if these people do not come along, I shall do as the member for North-East Fremantle suggests, namely, use the money for other purposes instead of borrowing it at a higher rate. I thought at the time when I made the suggestion originally that we were going to have butter and bacon factories all over the place, but when I said, "You must put up your money first before we put up ours," that seemed to have made a great deal of difference. As we know there is a concern at Geraldton where the people will provide a good deal more than pound for

pound, and there is to be another at Carnarvon, where £2 will be put up for every one pound we provide, and we are to have first security over the assets. They will have to pay me one per cent. more than I am paying, and they will be getting their money cheaply even then. The State could never work any of these concerns as the people themselves will be able to do, and that has been proved in Victoria. It would not matter how good the State management might be, we could not do it. These things will mean to the worker cheaper commodities and cheaper living, and the worker is therefore as much interested in the development of these things as any other section of the community. But I shall have to use some of this money to make it earn interest in the way suggested by the member for North-East Fremantle. I have nothing more to say except to add that when I was Treasurer before there were insurance companies which begged me to compel them to put up £10,000.

Mr. Johnston: Why not do so now?

The COLONIAL TREASURER: Hon. members are not going to crowd me with money when I do not want it. I am making the insurance companies pay more than they have paid before; I am making them put up a deposit of £5,000 and I am the only member in this House who is a director of an insurance company. There must be some honesty of purpose behind my proposal when I am willing to do that as a director of an insurance company.

Mr. Green: In Victoria they pay 1½ per cent. license per annum.

The COLONIAL TREASURER: They pay a license and instead of the 40s. we are charging they are charged £3 until 1921. In South Australia they pay 25s. and they pay income tax as well on their profits.

Mr. Green: They do not pay a license here.

The COLONIAL TREASURER: No, they pay a license in New South Wales, I think. In Queensland they do not pay a license fee, but they have to put up a deposit of £5,000 when their income amounts to £5,000, and of £10,000 when it exceeds £10,000. In Queensland they hedge the companies with disabilities—they have State insurance there. In Victoria there is State insurance in connection with employers' liability.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Stubbs in the Chair; the Colonial Treasurer in charge of the Bill.

Clause 1—Short title:

Mr. LAMBERT: I propose later to move the addition of a new clause providing that the Treasurer shall scrutinise and approve the rates charged by insurance companies. Will the proposed new clause affect the Title?

The CHAIRMAN: No.

Clause put and passed.

Clause 2—agreed to.

Clause 3—Companies to deposit £5,000 with the Colonial Treasurer:

Mr. LAMBERT: I move an amendment—

“That in line 2 the word ‘five’ be struck out and ‘ten’ inserted in lieu.”

The Treasurer has told us that the companies are ready to lodge £10,000, but he says he does not want so much money to be thrown around. Personally, I would like to see the Treasurer with as much cheap money as he can get. I think the volume of business done by the companies in Western Australia justifies the proposed increase in the deposit.

The COLONIAL TREASURER: I hope the hon. member will not press the amendment. Some of the companies, not all of them, could well pay up to £10,000. I propose at a later date to review the whole position in respect of insurance companies. In the meantime I think £5,000 is a fair thing. In Queensland, until the net premiums amount to £10,000, the deposit is only £5,000.

Mr. LAMBERT: On the understanding that this will not absolutely finalise the matter, and that it is the intention of the Treasurer to review the position, and possibly place the deposits on a graduated scale, I will withdraw the amendment.

Amendment by leave withdrawn.

Hon. W. C. ANGLIN: Why is it proposed to issue Treasury bills?

The COLONIAL TREASURER: It keeps the transaction in form. It has been approved by the Solicitor General.

The Attorney General: What is the rule for life companies?

The COLONIAL TREASURER: They give us absolute cash.

Clause put and passed.

Clauses 4, 5—agreed to.

New clause:

The COLONIAL TREASURER: I move—

“That the following be added to stand as Clause 6:—‘Investment and redemption of the Treasury bills referred to in Clause 3, Subclause 4, shall be at par.’”

New clause put and passed.

New clause:

Mr. LAMBERT: I move—

“That the following be added to stand as Clause 7:—‘Every insurance company shall lodge with the Colonial Treasurer a statement of the rates charged on all insurances effected in Western Australia, which rates must be approved by the Colonial Treasurer.’”

Without such a clause the insurance companies may unduly raise rates in consequence of having to put up the deposit. Under the proposed new clause the rates will have to be approved by the Treasurer. The Treasurer has stated his intention of reviewing the position of fire companies in this State, and until he has opportunity for so doing, we should have this safeguard.

Mr. PICKERING: I cannot support the proposed new clause. It is an undue interference with the insurance companies, which have to assess the risks which they are carrying.

Mr. Lambert: Have you no confidence in the Treasurer?

Mr. PICKERING: That is not the question. If it is the intention of the State later on to go in for the insurance business, that is the time when we should consider such a proposal.

Point of Order.

The Attorney General: I rise to a point of order. I contend under Standing Order 391 that this proposed new clause is not germane to the purposes of this Bill.

The Chairman: The member for Coolgardie has moved to insert a new clause. If that is carried the title of the Bill will have to be amended.

The Attorney General: It is not usual in a case of this sort to amend the title after the passing of a clause which is foreign to it. There is a famous dictum given by the member for Mt. Magnet, when Speaker, in which he laid down that the subject-matter of the Bill is the whole test.

Mr. Troy: That is so.

The Attorney General: If the proposed new clause is not relevant to the subject-matter of the Bill this cannot be cured by altering the title.

Hon. T. Walker: If an amendment is made logically relevant to the subject-matter of the Bill it is in order. The whole thing is then put straight by amending the title of the Bill. The subject-matter of the Bill is the depositing of securities with the Colonial Treasurer, and whatever arises out of that is relevant. If we take £210,000 from the companies at $4\frac{1}{2}$ per cent, when in their normal business they could get eight per cent, or nine per cent., they will then say "We have lost so much interest by the action of the Government, and it will be incumbent upon us to slightly increase our charges to our clients." In that way the rate of insurance goes up, and the object of the proposed new clause is to prevent the companies from passing this on to their customers. In that sense the proposal is relevant to the subject-matter of the Bill. Our course is to admit it as relevant, and amend the title of the Bill, and report it to the House.

Mr. Lambert: I submitted my amendment to you, Sir, and you considered it relevant to the Bill.

The Chairman: I said that the Committee would deal with it when other portions of the Bill were dealt with, and if the Committee decided it was relevant it would amend the title of the Bill. The Attorney General has now risen to a point of order, claiming that the amendment is not relevant to the subject-matter of the Bill.

Mr. Lambert: I think the amendment is quite as relevant to the Bill as the imposition of a penalty for any offence. My desire was to alter the title of the Bill by the insertion of three words.

The Chairman: The hon. member is quite in order up to now.

Mr. Lambert: I think you will agree, Sir, that this is quite relevant to the subject-matter of the Bill.

The Attorney General: The title of the Bill deals with the depositing of securities by the insurance companies, and deals with that phase of the matter only. The proposed new clause, however, deals with the submission of the rates to be charged by insurance companies. The effect of this will be to make the Colonial Treasurer the Treasurer General and rate-fixer of all insurance companies. I cannot imagine anything more foreign to the subject-matter of the

Bill. The hon. member might just as well say that no insurance policy shall be effected without the consent of the Colonial Treasurer. The proposal is self-condemnatory.

The Chairman: It appears to me that a result which is naturally to be expected from the passing of this Bill is the raising of the premium rates by the insurance company. This measure will compel all the companies to put up deposits, and some of the companies may have the whole of their funds invested, and thus may be compelled to borrow money, for the purposes of the deposit, at a higher rate of interest than that which they are to receive from the Western Australian Government. That, in my humble opinion, leaves them a pretext for saying, "We must pass the extra expense on." I am inclined to think, after hearing the arguments and after due consideration, that the subject-matter of the proposed amendment is relevant to the subject-matter of the Bill. I must rule that the member for Coolgardie is in order in moving this new clause.

Committee resumed.

Mr. LAMBERT: I know the Treasurer is in rather an awkward position, being on the directorate of an insurance company. But I think the Committee have sufficient confidence in the hon. gentleman to believe that he will hold the scales of justice evenly between the public and the insurance companies. I do not wish to suggest that the insurance companies will increase the premium rates, but I think this Bill ought to provide a reasonable safeguard for the public. The Treasurer ought to have the right to disapprove of any increase of present premiums. It is agreed that the rates now ruling are sufficiently high. Possibly the Treasurer may, on consideration, arrive at the view that Western Australia requires a system of State insurance.

Mr. PICKERING: The amendment requires that a scale of rates, which must be approved, should be lodged with the Colonial Treasurer. It does not necessarily follow, however, that the present scale of rates would meet with the Treasurer's approval. Anyone conversant with insurance knows that this matter is not one for amateurs to deal with, but for highly skilled actuaries. The Treasurer is not an actuary.

Hon. T. Walker: But he has actuaries in his employ.

Mr. PICKERING: Much as we respect the Treasurer, we cannot consider him an authority on actuarial rates of insurance. The subject requires special knowledge. I think the member for Coolgardie has brought forward this amendment, at a moment's notice, more as a matter of pique than anything else. We should consider the amendment very seriously before passing it.

Mr. H. ROBINSON: I doubt whether this Parliament has the power to fix the price of any commodity.

Hon. W. C. Angwin: Yes; we have.

Mr. H. ROBINSON: The amendment proposes to fix the price of insurance against fire. I would like the Chairman's ruling on the point. The suggestion that anyone with articles for sale should have to submit his price

list to a member of the Government is absurd. As regards fire insurance rates, the greater proportion of the companies are charging the same rates, and there is nothing to prevent a new company from starting to compete at lower rates to-morrow. I enter a strong protest against the carrying of this amendment. I do not think the member for Coolgardie is serious in proposing it. To suggest that important institutions such as fire insurance companies should be dominated by any one person in Western Australia is absurd in the extreme.

Mr. LAMBERT: I have sufficient confidence in the Treasurer to believe that he will conserve the interests of the people of this State without imposing any hardship on the commercial community.

Hon. J. MITCHELL: I am certain that the member for Coolgardie is not serious. All his amendment asks is that the rates shall be submitted to the Colonial Treasurer and that the Colonial Treasurer shall approve of them.

Mr. Lambert: The amendment was hastily drafted.

Hon. J. MITCHELL: The Treasurer need not tremble at the responsibility which the amendment proposes to cast upon him. I hope the Committee will not pass this new clause, which in any case would be out of place in this measure. If we apply the principle of the new clause to fire insurance, we must apply it to all commodities and services, and that will require a special session. Has it been shown that fire insurance rates are too high?

Hon. T. Walker: The amendment is to anticipate what may occur.

Hon. J. MITCHELL: Until some good arguments are put up against the rates now being charged, we may well leave the matter as it is. No reasonable man will say that we should set up power to control insurance companies until it is clearly established that they are getting more than they should for the responsibilities they take. The intention is to give the Treasurer control of the insurance companies.

The Colonial Treasurer: I cannot take it.

Mr. Lambert: We will take it out of their hands altogether when we get the opportunity.

Hon. J. MITCHELL: The hon. member's party had five years in which to do that, and now they are crying out for another day. I hope the Committee will reject the amendment.

Hon. W. C. ANGWIN: I intend to support the amendment, because I think it will have a deterrent effect. In New Zealand a wooden dwelling worth £1,200 cost £8 9s. to insure. When the Government intervened the rate was reduced to £5 12s. 8d., so that in nine years the person who owned that property saved £25 7s. in insurance premiums. In New South Wales brick premises worth £1,000 used to cost £7 10s., and now the reduction is to £6 10s., and where it was £5, the amount is £4 10s.

The Attorney General: Private companies here insure for a quarter of that amount.

Hon. W. C. ANGWIN: In Western Australia a few years ago the Government decided that

they would insure their own employees, and they paid as premium a third less than they had been paying the private companies. This money was paid into a fund, and that fund now has a capital of £30,000 after paying all expenses. In New Zealand the State company started with a capital of £2,000 nine years ago. That money was provided out of Consolidated Revenue, and in 1916 the company had a reserve fund of £116,009.

Hon. F. E. S. Willmott (Honorary Minister): Their premiums are higher than ours.

Hon. W. C. ANGWIN: I am going to vote for the amendment because it will have the effect of deterring companies from raising their rates. If they do raise their rates the Treasurer will be responsible to the public.

Hon. J. MITCHELL: The insurance companies have no ring, but they cannot stand alone. The risk has to be divided, and for that reason there is an understanding amongst them. We are fortunate that we are not insuring our property with the State company in New Zealand. If we had State insurance we would find that the same high rates were charged here.

Mr. GREEN: I am surprised at the statements made by the member for Albany that the Commonwealth had the right to fix prices, and that our State had not. The Commonwealth have no right under the Constitution to fix prices; they are only doing so by virtue of the War Precautions Regulations. The States, however, have power to do so. I view with surprise the fact that an industry which is parasitic in its character finds on the cross benches hon. members who are prepared to stand up for it. The rates which they ask is sufficient proof of what I have said. Take the rates of the other States as an example. Before the passing of the Fire Brigades Act the rates in Perth were 3s. per hundred on a brick house, while in Melbourne and Sydney the rate was 1s. 9½d., and in Adelaide 2s. 3d. After the Act was passed the rates were raised in this State. It is surprising to find that hon. members who profess to represent the producing section of the community are interested in keeping these rates going. Their time would be better taken up if they were to direct their attention to the Westralian Farmers, Limited, taking up the insurance business. That is, if the Treasurer himself is not prepared to do so.

Mr. Pickering: They are considering it.

Mr. GREEN: There is no difficulty in the way of an institution being brought into existence. A concern that shows a trade surplus of 18.13 per cent., and spends out of three million pounds received by way of premiums close on £994,000 in expenses and commission, is worthy of consideration by members of the Country party.

Mr. Johnston: The hon. member loses no opportunity of attacking the occupants of the cross benches.

Mr. GREEN: I object to the statement of the hon. member and I ask that he withdraw it.

The CHAIRMAN: If the hon. member objects, the remark must be withdrawn.

Mr. JOHNSTON: I withdraw. On this occasion the member for Kalgoorlie has unfairly attacked the occupants of the cross-benches because he disagrees with a statement on a non-party subject made by one member on the cross-benches.

Mr. Green: You are interested in the business.

Mr. JOHNSTON: I am interested to the extent that I desire the amendment carried, with a view to there being a check and safeguard against the iniquitous charges for premiums imposed by the ring of insurance companies. There is no section of the House so consistent in drawing attention to the unfair high charges than members of the Country party. The trustees of the Industries Assistance Board stated in their last annual report that an amount of £21,048 was paid by the board by way of premiums for insurance on the 1916-17 harvest, and £3,049 was collected under such policies through fire outbreaks. So that the companies made a profit of £17,000 out of assisted farmers during the last harvest.

New clause put and a division taken with the following result:—

Ayes	19
Noes	15
Majority for	4

AYES.

Mr. Angwin	Mr. Lambert
Mr. Brown	Mr. Lutey
Mr. Chesson	Mr. Maley
Mr. Davies	Mr. Roche
Mr. Foley	Mr. Teesdale
Mr. George	Mr. Troy
Mr. Griffiths	Mr. Walker
Mr. Hickmott	Mr. Willcock
Mr. Johnston	Mr. Green
Mr. Jones	(Teller.)

NOES.

Mr. Broun	Mr. Mullany
Mr. Draper	Mr. Pickering
Mr. Durack	Mr. H. Robinson
Mr. Gardiner	Mr. R. T. Robinson
Mr. Harrison	Mr. Underwood
Mr. Hudson	Mr. Willmott
Mr. Mitchell	Mr. Hardwick
Mr. Money	(Teller.)

New clause thus passed.

Mr. LAMBERT: I move an amendment—

“That the following be added to the new clause:—‘If any insurance company shall carry on business in Western Australia without having lodged the statement as aforesaid, such insurance company shall be guilty of an offence under this Act, and liable to a daily penalty of £20.’”

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

Ayes	18
Noes	15
Majority for	3

AYES.

Mr. Angwin	Mr. Lutey
Mr. Brown	Mr. Maley
Mr. Chesson	Mr. Mullany
Mr. Davies	Mr. Roche
Mr. George	Mr. Troy
Mr. Griffiths	Mr. Willcock
Mr. Hickmott	Mr. Underwood
Mr. Johnston	Mr. Green
Mr. Jones	(Teller.)
Mr. Lambert	

NOES.

Mr. Broun	Mr. Money
Mr. Draper	Mr. Pickering
Mr. Durack	Mr. Pilkington
Mr. Foley	Mr. H. Robinson
Mr. Gardiner	Mr. R. T. Robinson
Mr. Harrison	Mr. Willmott
Mr. Hudson	Mr. Hardwick
Mr. Mitchell	(Teller.)

Amendment thus passed; the new clause as amended agreed to.

Title:

Mr. LAMBERT: I move an amendment—
“That the following be added to the title, ‘and to regulate the premiums charged on insurances.’”

Amendment put and passed; the title as amended agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments, also an amendment to the Title, and the report adopted.

BILL — REAPPROPRIATION OF LOAN MONEYS.

Second Reading.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [10.22] in moving the second reading said: This is a Bill to reappropriate £10,000 standing on the original Loan schedule for land resumption Perth and Fremantle, for expansion and improvements of existing railways, £150,000. We do not require the £10,000 for that purpose, and we ask the House to reappropriate it for items which have been passed on the Loan Estimates, namely, £5,000 for the Kondinin-Merredin extension, £1,000 for the surveys of new lines, and £4,000 for water supply on new lines. I move—

“That the Bill be now read a second time.”

Hon. W. C. ANGWIN (North-East Fremantle) [10.24]: I have no objection to the Bill, because we have already approved of these items, but I draw the attention of the Treasurer to the fact that the original appropriation, or Loan Estimates, was No. 50, whereas on this Bill it is given as No. 31. Clearly an error has occurred somewhere.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time and transmitted to the Council.

BILL—HEALTH ACT AMENDMENT.

Third Reading.

Bill read a third time and returned to the Council with amendments.

BILL—RABBIT ACT AMENDMENT.

Second Reading.

Hon. F. E. S. WILLMOTT (Honorary Minister—Nelson) [10.30] in moving the second reading said: Ever since 1909 the necessity for an amendment of the Rabbit Act has been felt by every Minister who has had the administration of it. In 1910 a Bill was actually made ready to be introduced by the member for Northam (Hon. J. Mitchell), but unfortunately for various causes it was not brought before the House. Each succeeding Minister has from time to time promised to introduce such an amending Bill, but it has always been shelved in favour of other matters which were considered to be of more importance. It has been urged by a certain section of the public that the department should allow trapping, and in that way establish an industry for the disposal of the carcasses in the metropolitan area. It is the endeavour and earnest wish of the Government to eradicate this rabbit pest, and not to build up an industry which has been proved, in other parts of Australia, to increase the pest enormously. Wherever trapping has been established the rabbits have been found to increase and, as I will show later on, with disastrous results, more especially in New South Wales. All inquiries which have been made by Royal Commissions and select committees have proved that trappings should not be permitted. In New Zealand the reports made in 1908 show that authorities were opposed to the trapping of rabbits for commercial purposes, and although this has been carried on to a limited extent in that Dominion, the reports up to date have proved conclusively that the trapping of rabbits has spread the pest from one end of the Dominion to the other. All the other States, with the exception of New South Wales, are opposed to the trapping of rabbits for commercial purposes. In New South Wales the Government reserved an area of private land, 10 miles on either side of the existing railway line in that part, wherein poisoning was not allowed. The result has been that the pest has increased there to such an extent that an influential deputation waited upon the Government recently, and asked them either to remove the embargo and allow the people to poison, or to take over the land, because it was impossible, with this embargo against poisoning and with the trapping that was going on in the vicinity, to hold the land. When it is considered that eight rabbits eat as much as one sheep, it will be seen that when rabbits are running over the country in thousands there is very little chance of keeping stock. I would point out that where small colonies of rabbits are found it is considered by experts to be inadvisable to trap, because this has the effect of frighten-

ing the rabbits and driving them away. This causes the pest to spread. In New South Wales poisoning has been carried on by means of liquid poison. This, again, is considered to be a dangerous method of dealing with the pest, for it destroys bird life and has occasionally been the cause of very serious losses both in large and small stock. It is considered that the dry season is the best time for poisoning, and in this State we have a long summer which gives us an opportunity to poison which is not offered to such an extent in other parts of Australia. This especially applies to the Eastern districts. It has been pointed out by the select committee of this House that it is advisable to fence our dams. The settlers in the past, unfortunately, have done very little in this regard. It is now proposed to make such fencing compulsory. It has also been pointed out before select committees, appointed in this and other States, that it is advisable to fence against this pest. We know that it is impossible to obtain the necessary netting at present except at enormous expense, but we want to provide in this Bill for the time when netting is obtainable at a reasonable price. The Bill further provides that the local authorities shall have absolute control in this matter. We have heard a good deal about the advisability of giving local control wherever possible, and of decentralising. This Bill endeavours to carry this out, and I think will do so successfully. Further, it has been discovered that people have made use of the Government fence as a boundary fence for their land, and have not paid rent, whilst their neighbours have been doing so. This Bill covers that point, also. Until quite lately settlers have, unfortunately for themselves, used the rabbit-proof fence as a boundary for mustering, with the result that in many instances the fence has been knocked down for considerable distances. The rabbits have thus poured in, and yet we wonder how it is that they have got through the fence. The Chief Inspector of Rabbits has proof that the fence has been used in connection with the mustering of stock, and that the stock has trampled the fence to pieces.

Mr. Harrison: To what portion of the fence are you referring?

Hon. F. E. S. WILLMOTT (Honorary Minister): This has unfortunately occurred in many parts of the Eastern districts.

Mr. Lutey: We have no evidence of that.

Hon. F. E. S. WILLMOTT (Honorary Minister): We have evidence of it. There is also a clause in the Bill to prevent the stealing of water. This may strike hon. members as a somewhat extraordinary provision. In the past water has been stolen from the camps of the boundary riders. Men who have to travel that fence on their bicycles for long distances have nearly succumbed for want of water, because the teamsters and others passing along the fence have stolen the water from the tanks. In some instances these people have had absolutely no thought for those men, whose lives were dependent upon the water from the tanks. They have gone so far as to drive a pickaxe through the tanks, to take out all the water they required, and allowed the balance to run to waste. Before the Act was enforced the Chief Inspector had to personally visit every holding, go over it, and satisfy himself

that satisfactory means for suppressing the rabbits had been adopted by the holders of the blocks, upon which it was reported that rabbits had been seen. That, I need hardly point out, is absurd. Fancy in a huge State like this making it compulsory for the Chief Inspector to visit every holding himself! That provision is entirely wiped out by the Bill. The Chief Inspector's representatives are now empowered to visit holdings for the purpose of the Act. In the case of persons refusing to destroy rabbits on their holdings, the original Act provided for such persons being summoned to appear before the Minister. Only one Minister has ever exercised that power.

Mr. Maley: Not before the Minister?

Hon. F. E. S. WILLMOTT (Honorary Minister): I do not wonder at the interjection of the member for Greenough, because the system is unspeakably absurd. However, that is what has to be done under the Act as it stands. The Bill will do away with that absurdity. Let hon. members just think of settlers being brought from all parts of the State to appear before the Minister in Perth! In some instances the railway fares of the settlers would amount to as much as £8. I do not think I need dwell upon this measure. If hon. members will peruse it carefully, they will come to the conclusion that the recommendations of the select committee have been fully considered, and that provision has been made for carrying those recommendations into effect. As hon. members will recollect, when the select committee's report was submitted to this House, the framers of that report were congratulated on their work. I also wish to congratulate them. Let me add that the recommendations of the Agricultural Royal Commission have likewise been duly weighed in the framing of this measure.

Mr. Johnston: What about rabbits on Crown lands?

Hon. F. E. S. WILLMOTT (Honorary Minister): That matter also is provided for, as the hon. member will find if he reads the Bill. I think it will be agreed that the measure proposes to give effect to the recommendations of the select committee and of the Agricultural Royal Commission by the best possible methods. I move—

“That the Bill be now read a second time.”

On motion by Hon. W. C. Angwin, debate adjourned.

House adjourned at 10.44 p.m.

Legislative Assembly,

Thursday, 18th April, 1918.

The SPEAKER took the Chair at 3 p.m., and read prayers.

[For “Questions on Notice” and “Papers Presented” see “Votes and Proceedings.”]

MINISTERIAL STATEMENT—BUSINESS OF THE SESSION.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [3.5]: The Government feel that the time has arrived when it would be as well to make a short statement with regard to the business which appears on the Notice Paper. Hon. members will see that Numbers 1 to 6, namely the Insurance Companies Bill, Wyndham Freezing Works Bill, Employment Brokers' Act Amendment Bill, Apprentices Bill, Friendly Societies Bill, and Special Lease (Gypsum) Bill, will not occupy very much time, and I am hopeful that it will be possible to get through these measures by the tea adjournment, and that we shall then be able to devote the remainder of the evening to discussing the Dividend Duties Bill, Land and Income Tax Assessment Bill, Land and Income Tax Bill, and the Stamp Act Amendment Bill. Then to-morrow we may be able to dispose of the Vermin Bill and the Rabbit Bill. With regard to Nos. 13 to 17 on the Notice Paper, embracing the Public Education Act Amendment Bill, Interpretation Bill, Prisons Act Amendment Bill, Criminal Code Amendment Bill, and Church of England Diocesan Trustees and Land Bill, the Government feel that, so far as at least two of these measures are concerned, they will excite considerable discussion, and that it would not be fair to ask hon. members, in view of the long sittings we have had, to further debate these matters this session. Consequently, it is intended to drop those measures Nos. 13 to 17 inclusive. Some time ago the Premier stated that no new Bills would be introduced this session, and I am desirous of carrying out that undertaking. There is one matter, however, which it is felt should be disposed of. I have consulted the leader of the Opposition with regard to it and he has undertaken to assist me to get it through. It is a short Bill, the object of which is to effect an adjustment in connection with some land which forms part of an endowment at Fremantle. I will explain the details when the Bill is before us. There is nothing contentious in it. By sitting a little later than usual to-morrow evening, it ought to be possible to conclude our business and adjourn to a convenient date, say the 14th or 15th May. The Legislative Council has adjourned until the former date and I am hopeful that we shall then be able to complete the work of the session.

Hon. W. C. Angwin: Members of the Council will not be able to take their seats on that date.

The MINISTER FOR WORKS: I do not know whether that will be so or not. I desire, on behalf of the Premier, to thank hon. mem-