

of Amendment No. 4, and agreeing to Amendment No. 6 subject to a modification.

BILL—INDUSTRIES ASSISTANCE.

Returned from the Legislative Council with requested amendments.

House adjourned at 11:28 p.m.

The COLONIAL SECRETARY replied: 1, No. 2, No. To be effective a considerably greater expenditure is necessary, which, with the first flood, would be rendered useless. 3, (a) Not aware. (b) No; but even if it were so there are works more deserving than holiday resorts, upon which the money could be better expended. (c) No.

BILLS (2)—THIRD READING.

1, Supply (No. 2) (£488,270).
2, Municipal Corporations Act Amendment.
Passed.

BILL—CONTROL OF TRADE IN WAR TIME AMENDMENT.

Report of Committee adopted.

Legislative Council,

Thursday, 4th February, 1915.

BILL—VERMIN BOARDS AMENDMENT.

Second Reading.

Debate resumed from the 27th January.

Hon. Sir E. H. WITTENOOM (North) [3.6]: I regret that I was absent when the Bill was introduced. However, I have since read the Minister's speech in *Hansard*, and I find he placed the Bill very clearly, though very briefly, before the House. Little or no exception can be taken to the measure. It introduces very little new legislation, confirming rather what has been done in the past, and validating many illegal actions of the vermin board. The Act was first introduced when Parliament had very little experience of such measures, and therefore alterations and amendments have been found necessary. These are included in the Bill, as well as clauses to validate actions of the board which may not have been in accordance with the provisions of the Act. The chief of these amendments enables the Government to impose interest at five per cent. when any rate has remained unpaid for a period of three months. That period is rather short, and I intend to move in Committee to make it

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

QUESTION—MANDURAH RIVER BAR.

Hon. H. P. COLEBATCH asked the Colonial Secretary: 1, Is it the intention of the Government to take early steps to reopen the river bar at Mandurah? 2, Is it a fact that according to an official estimate the work can be done for £500? 3, Are the Government aware that unless the work is done forthwith it may mean—(a) the temporary destruction of the important fishing industry at Mandurah; (b) the ruining of Mandurah as a holiday resort for the coming autumn; (c) the imperilling of the health of the resident community?

six months. This provision for five per cent. interest is, I take it, meant to be extended to all vermin boards, and not be restricted solely to that at Gascoyne. I have very little objection to offer to the Bill. The necessity for the Bill arises out of the unfortunate position in which a number of very worthy settlers in the Gascoyne district find themselves as a result of the erection of a rabbit-proof fence from Wooramel River northwards. The history of the fence is of some interest. The movement was started by the then member for Gascoyne asking the Government to erect a rabbit-proof fence from Wooramel eastwards to prevent the rabbits coming into the Gascoyne district. Had the Government agreed to erect that fence it would have been constructed and maintained under the same conditions as are other rabbit-proof fences in the State, and there would have been the one ordinary Government charge instead of charges on individuals. Unfortunately, the Government of the day did not consider it expedient to erect the fence. There may have been good reasons for that. Possibly the money was not available.

✓The Colonial Secretary: They have since had to find the money.

Hon. Sir E. H. WITTENOOM: Yes, but I am speaking of the fence that was not built. The reasons for not building it were, perhaps, that the Government did not have the money, or possibly they did not think the danger from rabbits was as great as the settlers feared. At all events a number of the settlers in the Gascoyne, who by their enterprise and labours had transformed the country from a desert into a well-stocked, flourishing district, were afraid that the threatened invasion of rabbits would bring ruin on them as similar invasions had ruined hundreds in other States. Therefore, a number of them had the pluck to band together and agree to build the fence and pay for it themselves, provided the Government found the money. I understand the terms were that the money should be paid back in twenty years with interest. Under the provisions of the Bill which was intro-

duced and passed, the first thing to be done was the declaration of a vermin district. Apparently the method adopted was somewhat irregular. The Act distinctly provides that the Governor may, by Order-in-Council, constitute any road district a vermin district for the purposes of the Act. It was not a road district that was taken and so declared; a district was simply mapped out with certain boundaries, and declared a vermin district. However, it was afterwards found that there was not sufficient money to erect a fence round the boundaries of the district so mapped, and therefore other boundaries were agreed upon, reducing the area of enclosed country by going from Wooramel northwards. In consequence a smaller number of settlers were included than would have been the case if all in the original district had been fenced in, all of whom had agreed to share in the expense of erecting the barrier. Ultimately the fence was built around the much diminished area, and the settlers outside contended that as they were not within the enclosed area there was no obligation on them to pay for the fence. After declaring the district under the Act the board were elected, but anyone who knows the conditions prevailing in such a place as the Gascoyne will recognise the difficulty of getting a representative board. One of the members of the board lived about 60 miles away, another 30 or 40 miles south, and a third was also some distance away, and two belonged to the town. Consequently whenever there were any meetings—I believe many were held without a quorum being present, and that this Bill seeks to legalise those meetings—the affairs of the board were practically conducted by the town members and without the experience of the country members the fence was built at a most exorbitant rate. I am informed that no less than £200 per mile was paid for the erection of the fence, whereas it should have cost £125 and even less in some places, that being the cost of the Government fences. This heavy cost has landed these unfortunate settlers in a debt of £66,000. The up-

keep of the fence also proved to be most expensive, for it has cost £10 per mile, while on the Government fences the outlay is £2 per mile per annum. The manner in which the whole of the business has been handled has been most unfortunate. As far as I can gather, the Government exercised no control over the board or their expenditure, and I do not know that it was their duty to do so. The settlers did not bother about their representatives on the board, and some of those representatives were living too far distant to attend the meetings, so that the expenditure was incurred and the whole of the business was conducted by inexperienced men. It was arranged that every person within the area enclosed should pay 1s. per hundred acres per annum, and in the event of that being insufficient the board had power to assess settlers to the extent of another 1s., so that the taxation actually worked out at 2s. per hundred acres, or £1 per thousand acres per annum. A man owning a station of 100,000 acres is considered to be in a very small way, and under ordinary circumstances he would not keep more than 5,000 to 8,000 sheep. In the last few years he would not have been able to keep 3,000, and yet such a settler would have had to pay £100 a year towards the fence. It has been suggested that it would have been better to impose the taxation on the stock instead of on the area of the land, but the results would be almost parallel, because a large number of sheep can be carried only on a large area of land.

Hon. W. Kingsmill: What about the beginner?

Hon. Sir E. H. WITTENOOM: I have given an instance of a man in a small way; he has to pay, as well as the others, though, of course, on a proportionate scale. These rates proved to be so heavy that many of the settlers were unable to pay them, and on top of all they were overtaken by three years of the worst drought known in the district, in consequence of which many of them lost not only their sheep but other stock, and were unable to pay their contributions to the board. As a result some

eight or ten people in good circumstances have paid their rates, while the rest have fallen into arrears, and at present the arrears amount to something like £9,000 in addition to the cost of the erection of the fence, £66,000. This explains the history of the movement and shows the excessive cost at which the fence was erected. These men have worked very hard and have devoted many of the best years of their lives to developing that country, and now they find themselves saddled with a responsibility which they never anticipated when they agreed to the formation of the vermin district. I suggest that the Government should, to some extent, assist them. It has been said in another place in a most unfeeling and thoughtless manner that this is becoming a common sort of thing. A lot of people rush into a business of this kind, ask the Government for the money, get all they can, spend it as quickly as possible, and when it has gone ask to be relieved of the burden. Not one of these settlers has expressed such a sentiment. They do not wish to depart from their undertaking, and their desire is to repay every penny to the Government if the Government, by assisting them, will place them in a position to do so. There is no repudiation on their part; they are not asking the Government to let them off, but they desire to be placed in such a position that they will be able to pay off this money during a period of years, providing interest and sinking fund, so that the State shall not suffer any loss. They desire that the Government shall not unduly press them or impose too great a hardship upon them. The latest position in connection with the board is that an election was to take place. New candidates were nominated, whereupon the old members withdrew and the new ones were elected without opposition. These men have come to the conclusion that the board cannot run the business. They have no money, the fence is in disrepair, rains have washed it down in places, and unless something is done, it must in time become an utter wreck. There is not the slightest hope of the settlers or the board being able to do anything at present. Therefore, I suggest

that the Government should take over control of the fence, and maintain it in the same way as other rabbit fences in the State. There are miles and miles of rabbit fences in all directions maintained by the Government in an excellent condition, and fulfilling their object thoroughly. These settlers ask that the Government should take over the Gascoyne fence and maintain it in the same way.

The Colonial Secretary: At the cost of the general taxpayer?

Hon. Sir E. H. WITTENOOM: Yes, but I will refer to that point presently. They do not ask that any portion of the outstanding amount should be remitted. This request is concurred in by the recently elected board, for they have practically stated they are not prepared to act any longer, and, owing to a lack of funds, are not in a position to look after the fence. Under the Act the Minister has power, if the board are not acting, or if there is no board, to take over control of the fence and maintain it. I have two amendments to propose and I hope the Government will accept them. One is a matter connected with money, and the Council will be unable to insist upon it. The first amendment is that the Government take over the fence and maintain it, as they maintain other fences in the country, and the second is that the rates be reduced from 2s. to 1s. per hundred acres. If this is done, I am prepared to say that within 25 years—the term of the original arrangement was 20 years—the whole of this money will be paid off with interest. I do not suppose the Government could ask for more than 4 per cent. interest, and a sinking fund of $1\frac{1}{2}$ per cent. I have before me a statement by the secretary of the Gascoyne Vermin Board showing that a 1s. rate will produce £4,400 per annum. There are 39 settlers included in the area whose names are shown in the statement. Four per cent. on £66,000 will represent £2,640 a year in interest, and $1\frac{1}{2}$ per cent. for sinking fund, £990, will bring the annual contribution to £3,630. Thus over £1,000 per year will be available towards paying off the £66,000, and it is a matter for

actuarial calculation to decide how long it will take. Even if it takes 25 or 30 years it will not matter, so long as the Government are not out of pocket.

The Colonial Secretary: How far is this fence from the State rabbit-proof fence?

Hon. W. Kingsmill: The northern end runs into the southern portion of Exmouth Gulf.

Hon. Sir E. H. WITTENOOM: Yes, and the other end runs up from the Wooramel River. Had the previous Government run a fence from the Wooramel eastwards there would have been no necessity for this one, and it would have been in keeping with the general policy regarding these fences as the Government would have controlled and maintained it. The figures I have quoted show that under the proposal £1,000 a year would be paid off the principal. It seems to me this is a most reasonable and fair proposal and one which I hope the Government will accept. In reading the speeches on this measure in another place, I find the Minister for Lands stated that, while he is not anxious to take over the fence, if he finds he can manage it better than the board he is willing to do so. I think this showed exceeding good taste on his part, and his willingness to help the settlers out of their difficulty. To make it easier to give effect to that proposal I have an amendment which I hope the Colonial Secretary will accept. The effect of it is that the Minister shall forthwith take possession of the moneys and other property vested in the board and administer the Act in that district, and shall maintain and repair the fence, and all expenses of administration and such maintenance and repair shall be discharged by the Minister out of such moneys as may be voted by Parliament for the purpose. All moneys due to the board in respect of unpaid rates or otherwise shall be vested in the Minister for the purposes of the Act, and he shall exercise all the powers of the board and the chairman thereof for the recovery of such rates and money. That gives him

full power to take over and maintain the fence.

The Colonial Secretary: And collect the rates. But what about future rates?

Hon. Sir E. H. WITTENOOM: There would not be any future rates. Is it not right that they should expect their rabbit-proof fence to be carried on on the same terms as the others? The rest of the community have carried on with their fences out of the moneys voted by Parliament, and I do not think it is unreasonable for these men to ask for the same concession. They made a great mistake in putting this fence up at all. I do not think they could have understood what they were doing when they went into the business. It is not a question of saying, "Serve you right," but it is a question of whether the Government should not come in and help them. It is all very well to talk about recovering the rates and selling them up. I think there is enough loyalty among the squatters and the people in the Gascoyne district to cause them, if any attempt was made to sell the stock for the recovery of rates, to refuse to buy a single head.

Hon. H. Carson: Is this fence connected up with the State fence, or is it a separate one.

Hon. Sir E. H. WITTENOOM: It is a separate fence.

The Colonial Secretary: But they asked for it.

Hon. Sir E. H. WITTENOOM: The only thing that the Government did was to do everything they were asked to do. They were asked to advance money and to introduce a Bill, and they did both these things. Unfortunately, however, these settlers asked for more than they understood they were asking for. They went in for a large work which was quite beyond them and for which they were unable to pay. In a position of this sort, it is not the duty of the Government to try and get every penny back all at once, but to assist those men, many of whom have done a great deal to develop the country. They do not propose to repudiate any part of this debt, but they desire to pay off what they owe.

It is a large sum of money for 39 men to pay, and represents over £2,000 a piece. It would go very hard with them to have to pay this all at once, and some of them, of course, would have to pay more than others on account of the number of acres which they hold. I hope in the circumstances that the Government will look upon this as favourably as they can. The only other amendment I propose to introduce will be to amend Sections 47 and 49 of the principal Act by striking out the words "two shillings" and inserting in lieu the words "one shilling." If this amendment is carried, they would then have to pay to the extent of 1s. per hundred acres each. That would bring in £4,400 a year, which would enable them to pay their interest and sinking fund and wipe off the debt in 25 years. The late Minister for Lands (Mr. Bath) gave them 20 years in the first instance.

The Colonial Secretary: He extended it to 30 years.

Hon. Sir E. H. WITTENOOM: That is better still. I feel certain they will pay every penny of the money. In conclusion, I hope that the Government, through the Colonial Secretary, will regard this matter in as fair a manner as possible. This community is not even like the farming community. They do not ask for succour or to be given anything. All they want is reasonable time and reasonable conditions under which to pay the money.

The Colonial Secretary: And get rid of the fence.

Hon. Sir E. H. WITTENOOM: Of course they cannot keep up the fence, but if the fence is not kept up, it will become useless and they will have to pay the money without having the fence—which would be a pity. A fence like this must keep a certain portion of the Gascoyne district free from rabbits. It would be almost wanton destruction not to take over the fence and keep it in order. The request is a reasonable one. Many other parts of the State have these fences, which are kept up out of Government funds, and it is only reason-

able to ask that this fence should be maintained in the same manner. I have very much pleasure in supporting the second reading of the Bill.

Hon. J. J. HOLMES (North) [3.35]: This Bill proposes to deal with the whole of the vermin boards throughout the State. In effect, it is to deal with the Gascoyne vermin board which is the only board ever brought into existence, and I think from the experience that these people have had it will be the only vermin board which ever will be brought into existence. In view of this circumstance, therefore, we are quite justified in discussing this measure under the title of "The Gascoyne Vermin Board Amendment Bill." The settlers of the Gascoyne treated the matter somewhat too seriously at the onset. They were alarmed about the influx of rabbits and rushed to the Minister to ask that a fence might be erected. Instead of persisting with this application and bringing pressure to bear on the Government, as other squatters have done, to have the fence put up at the expense of the State, when they could not get satisfaction out of the Minister, so alarmed were they that they took upon themselves the responsibility of the fence. To repay the capital as well as to pay the interest and sinking fund, an extended period was given to them in which to do so. In the beginning this seemed to be all right. Every effort was made to get the money, which was subsequently provided. But a difficulty arose in regard to the expenditure of the money and the control of the expenditure. This fence protected an area of nine million acres held by the settlers. The settlers were spread all over the country. They had no opportunity of knowing what was going on with the finances or how the money was being expended. Unfortunately, the Government did not provide that accounts should be published in order that the settlers and others concerned might see exactly how matters stood. The scheme, therefore, resolved itself into this: it was everybody's business and nobody's business, until the settlers woke up to the fact that they were responsible for the payment of the £60,000 which was borrowed

from the Government. I would like to point out that these unfortunate people have been up against a drought for the last four years. It was one of the most serious droughts they have ever had in the State. The farmers in the southern portion of the State, however, have only been up against a drought of one year's duration, but every effort has been made and every point has been strained to give these farmers some relief. Surely it is reasonable to ask that these men, who have been afflicted with drought for four years, should be entitled to some consideration, and liberal consideration at that. The hon. Sir Edward Wittenoom has said that these people are quite prepared to pay every penny that they owe, but that they want time in which to pay it. These people are poor but honest, and if they have the money to pay they will pay it. I do not, however, think there is any possibility of a great proportion of these settlers ever being able to pay, at all events they will be unable to pay a considerable amount of what they will be asked to pay under this Bill. There are only 36 of them, whilst the liability is somewhere in the vicinity of £70,000 to £80,000, each of the settlers being liable to the extent of £2,000, more or less, according to the areas held. They are all fairly large holders. As I have said, they are poor, but honest. They are anxious to pay and would have paid if they had had good seasons, but they have got so far behind now that many of them, at all events, will find it difficult to meet this liability.

Hon. Sir E. H. Wittenoom: I am assured that they can pay.

Hon. J. J. HOLMES: I must differ from the hon. member on that point. The Hon. Sir Edward Wittenoom is probably in touch with the more wealthy men up there, whilst I have been in touch with the smaller men, the men who have gone up there in recent years. They are afflicted with drought and their stations have been depleted of stock, and this proposition is nothing more nor less than a nightmare to them. If the Gov-

ernment do not go to their rescue in some way or other, these men will be forced off their holdings. They were at this disadvantage from the beginning. Inside the fence the rental is 10s. per thousand acres. They are obliged to have holdings of from 100,000 acres to 400,000 acres to do any good. Inside the rabbit-proof fence, as I say, the Crown rental is 10s. per thousand acres, and outside the fence it is the same price, but there is this difference for the settlers inside the fence—the vermin board tax is £1 a thousand acres, or twice the amount of the rent. I have heard a great deal about taxation, but I cannot understand why a tax should be imposed which is twice the amount of the rental.

The Colonial Secretary: They imposed the tax upon themselves.

Hon. J. J. HOLMES: It was imposed upon them by an irresponsible board in town, who spent the money and saddled the responsibility upon the settlers. There are, approximately nine million acres of land held by 36 people within that area. There is a large amount of land available, but nobody will look at it whilst this nightmare in the shape of a tax of double the amount of the rent looms up in front of them. I fail to see how the smaller men could ever stand it. These people are paying the Government £4,500 a year by way of rent, and they have been trying to pay the board £9,000. If they are forced off their holdings, the Government will not even get the £4,500. The Government, instead of getting £4,500 a year rental, will probably only get half that amount, for half the settlers will leave their holdings and half the country will be abandoned. If that occurs, I do not know how the other half of the settlers are going to figure out a liability of this amount. The annual expenditure in administration by the old board was £9,000 a year for the upkeep of a fence 335 miles in length. The expenditure included repairs to the fence, repayment of loan, interest, salaries and wages and general administration. It was necessary for them to strike the maximum rate allowed under the Act in order to recover this £9,000. If the board had been able to

strike a rate of 4s. they would probably have spent the full £18,000 a year derived from it on upkeep and saddled this upon the unfortunate settlers. When I was there in December, 1913, the amount due to the Government by way of arrears—and I do not think there have been any payments since—was for repayment of loan £4,300, and interest £4,200, so that they were in arrears, at that time, to the Government to the extent of £8,500.

The Colonial Secretary: It is nearly £10,000 now.

Hon. J. J. HOLMES: That is the position. At that time the pastoralists owed the board £7,000 for arrears of rates. The board, I presume, have struck the 2s. rate for this year, representing a further £9,000; so that to-day the position of those 36 people is that they owe about £16,000 arrears of rates, or, roughly, £500 a-piece in addition to the £60,000 originally borrowed.

The Colonial Secretary: But they are doing all these things themselves. They appointed the board.

Hon. J. J. HOLMES: It is freely admitted that such is the position; but some of these men located 300 miles back do not get a mail for as much as two months. The election to the board takes place before they even hear of a vacancy. The whole thing is managed by a controlling section in Carnarvon—a section without responsibility but with enough power to get on the board. That section has been heaping liability on the unfortunate people out back. Let hon. members consider that aspect of the position, and I am sure they must admit that some relief has to be granted to these people. Whether the relief asked for by Sir Edward Wittenoom will suffice, is a point on which I am not able entirely to agree with the hon. member. It has to be remembered that, outside these 36 pastoralists, every other pastoralist in the State who has been protected from rabbits, has received his protection at the expense of the State, and not at his individual expense. All the big barrier fences of thousands of miles have been built out of loan funds; and the interest, the sinking fund, and the

upkeep represent a charge against general revenue. Moreover, these 36 unfortunate pastoralists, who could not get relief from the Government and took the responsibility upon themselves, are asked not only to pay their quota to the general barrier fences, but also to pay the whole of the principal, interest, sinking fund, and upkeep in respect of the particular fence which protects their area. To my mind the question resolves itself into this: what is to be done? One or two alternatives suggest themselves to me. The fence might be made one of the barrier fences of the State, the first cost to be charged to loan funds, and interest, sinking fund, and upkeep to be made a charge against general revenue. The adoption of this alternative would make the fence in question practically one of the barrier fences of this State. Possibly, it may be considered that this proposal goes a little too far and asks a little too much. Another alternative is that the arrears of rates be added to the principal, the pastoralists to pay interest and sinking fund, and the Government to take over the fence and arrange for its upkeep. The difference between Sir Edward Wittenoom's proposal and mine, I think, is that I propose to ask that arrears of rates amounting to between £10,000 and £15,000 be added to the principal, and that the people be asked to pay interest and sinking fund by instalments extending over a number of years, and not be called upon to pay now the huge sum of arrears.

Hon. Sir E. H. Wittenoom: It comes to the same thing.

Hon. J. J. HOLMES: Another point to be considered is that some of the bigger stations, and some of the wealthy stations in and about the coast, where there is a regular rainfall, have, even during the last period of drought, or for that matter during any period of drought, suffered to nothing like the same extent as the stations out back. The point is one that will have to come up for consideration at the expiration of pastoral leases in 1928. A classification of leases throughout the State must then be made, so that the men who have the best coun-

try near the coast shall pay one rent, and that as one gets further back into the drier and more treacherous areas people will be let in at lower rates. It is on those lines that the pastoral lands of this State will have to be dealt with at the expiration of leases in 1928. An area system will have to be adopted, so that the pastoralists in the well watered and safer zones along the coast shall pay a higher rental, and those in the back blocks developing treacherous country without artesian water shall be brought in at a lower rate. The question, to my mind, is whether it would not be possible in connection with this Bill to afford some relief to the settlers in the treacherous areas, whether we could not classify the areas and let those pastoralists who are in the well watered and safer country pay a higher rate than others less fortunately situated. I throw that out merely as a suggestion towards a way out of the difficulty. Another suggestion is that a stock tax be imposed, so that those pastoralists who are fortunate enough to have large numbers of stock would pay more than the smaller men pay. Instead of rating on the area held, we might rate on the number of stock held. A good deal is to be said in favour of that suggestion; but there is the adverse consideration that in adopting such a suggestion we shall be penalising the man who is working his country, whilst we shall be letting off the man holding large areas for speculative purposes. Against that, again, it may be urged that no man would be foolish enough to hold a large area in this particular district for speculative purposes, with a liability of £60,000 hanging over his head and over the heads of his unfortunate neighbours. From the experience I have had of that country, and from inquiries I have made, I am absolutely certain that unless something is done, a large number of leaseholds will be abandoned. In that event the Government will lose the rentals, as well as the right to rate these people for the upkeep of the fence; because if a man abandons his holding he is liable for rates, and so forth, only up to the time of the aban-

donment. In fact, he is liable for arrears only; and if half of this area is abandoned, the other half, the pastoralists remaining, would be called upon to meet existing liabilities. Goodness only knows when the liability would be wiped out under those conditions. The Minister who introduced the measure in another place admitted that the incidence of taxation under the Bill was altogether wrong, and he practically declared that he disliked it; but he said that the amendments proposed had been drawn by the solicitor to the board at Carnarvon. The Minister added, practically, that he was putting the amendments forward for what they were worth. His idea was that if the control of the fence came into the hands of the Government, some other system of taxation might be initiated. Now, if the Minister who introduced this Bill elsewhere considers the incidence of taxation unfair, I say, let us not postpone the evil day, but let us now deal with the matter and see if we cannot solve the problem. A suggestion has been made that the Bill be referred to a select committee. Something can, I think, be said in favour of that course.

The Colonial Secretary: There is not time.

Hon. J. J. HOLMES: At this season of the year a number of the pastoralists are in Perth, having come down, most of them, to see their bank managers.

Hon. W. Kingsmill: Perhaps the bank managers have invited them down.

Hon. J. J. HOLMES: Very possibly. Some of these pastoralists are anxious to appear before hon. members and explain personally the position and the pressing difficulties which will be forced upon the Gascoyne pastoralists unless relief is given. I should like the Bill to go to a select committee, in order that hon. members might see these people, and hear from those concerned what is going to happen unless some measure of relief is granted.

Hon. W. KINGSMILL (Metropolitan) [3.55]: It is my intention to support the second reading of this Bill, as representing a step, though but a slight and short step, in the necessary direction. The

history of the Gascoyne Vermin Board, as has been hinted by the two previous speakers, is a history of muddle and mismanagement. In the first place the board built a fence which protects but a very small portion of the district, instead of building a fence from Wooramel straight across to the Government rabbit-proof fence, and thus protecting practically the entire district. Secondly, the cost of the fence, as has been pointed out, is very nearly double what it should have been—very nearly double the cost per mile of the rabbit-proof fence erected by the Government. Again, the upkeep of the fence has been four or five times as high as it should be. The upshot of all this, with the bad seasons which have prevailed, has been that the vermin board unquestionably finds itself in difficulties, but, as I think, not for long. I feel certain that with the return of good seasons—and good seasons may be said, so far as the North is concerned, to have practically returned already—those gentlemen, the 36 ratepayers of this board, will be able, and we know they are willing, to meet their liabilities and to conform with the scheme which has been laid out by Sir Edward Wittenoom. I am inclined to think that this Bill represents a disappointment. The measure, I fear, has disappointed those who have been waiting for the Government to make some pronouncement in this direction. We know, of course, that there is a large amount of rates in arrear. I understand that rates in arrear on the 31st December last totalled about £8,620. Those arrears are extremely difficult to collect. Naturally the arrears are owed not by what are technically known as the best marks, but by the worst; and there is great difficulty indeed in collecting them. Now, what the Government have done, instead of affording some relief, instead of announcing their intention to take over this fence, is to render more complete the somewhat defective machinery contained in the parent Act for extorting from these sufferers the last penny of their rates. With the machinery which this Bill provides, I understand, there will be absolutely no refuge for

the unfortunate people to shelter under. Their last hope is gone. Up to the present, their one hope has been a somewhat defective Act; and now they are to be robbed of that. I trust the Government will assent to the course which has been laid out, although they have been expected for some time to do that and have not done it. When Mr. Bath was Minister for Lands, in April last, he received a letter written on behalf of the vermin board's ratepayers by Messrs. Burt and Butcher—two names which, I think, should command a high degree of respect, and should ensure to their owners that official courtesy which one would expect from the Lands Department. The letter in question was written to the Minister for Lands on the 22nd April last, and up to this day there has never even been an acknowledgment.

Hon. R. J. LYNN: It must have gone astray.

Hon. W. KINGSMILL: I think not. I do not believe the letter has gone astray, and there has never been even an acknowledgment of it. Undoubtedly, the communication is on the files of the department; and, so far from the request contained in it having been considered, it has never been acknowledged. That letter conveyed practically the request which has been put forward by Sir Edward Wittenoom. If the Government accede to this request they will be in a far better position in regard to this particular fence than all the rest of the fences, for this reason, that, so far as this fence is concerned they have what I consider a good guarantee that the capital cost of it will be paid. The maintenance, of course, will be the same as that of the other fences, but in regard to the North-West fence the capital cost is being paid for by an accumulating fund. Furthermore, there is a good deal in the contention that one of the functions of the Government is to protect the industries of the country as it best can. The pastoral industry is one of the most important, and in taking over the maintenance of these fences the Government will be protecting a large portion of the pastoral industry. If

the fence were not in existence, the Government might say, "We will not build it," but as it is in existence, I think the Government would be quite justified in acceding to the request which has been made. I, too, am inclined to think that the reference of this Bill to a select committee would be an admirable step to take. I know for a fact that there are men in town to-day who are willing, and indeed anxious, to give evidence before the select committee if it be appointed, and these men will represent the two classes of the community which have been referred to as the big and the small men. The appointment of the select committee would be justified also, if for no other reason than to settle once and for all the question as to which would be the better, even in this case or in future cases, a stock tax or an area tax. If the committee determine that, it will have performed a very useful work indeed. My sympathies are with a stock tax. The imposition of a tax on area must be, in the case of beginners, a most inequitable one. The beginner who goes into a pastoral country like the Gascoyne must look ahead. He goes there with perhaps 1,000 head of stock, so that in time to come he may have 20,000 head, and if he does not take up country for depasturing 10,000 or 20,000 head of stock when he first goes there, he will never get it afterwards. If the new man comes in, as he has to come in, he must have a decent area in order that he may have a station worthy of being called a station in time to come. Hon. members know that live stock is revenue so long as that stock remains alive. A stock tax is on the same principle as an income tax. It is a fair tax because you do not ask a man to pay it until you satisfy yourself that he has something to pay it with. An area tax is in the same category as a land tax. The lessee is often in the same position as freehold land. There is any amount of freehold land in Western Australia, and indeed all over Australia to-day, which is not an asset but which is a liability. Therefore, in my opinion, the imposition of a stock tax is very much to be desired. That, of course, is one of

the points which could be settled by the reference of this Bill to a select committee. If that is done the committee will have the remainder of this week in which to pursue its investigations.

The Colonial Secretary: When could they report?

Hon. W. KINGSMILL: On this day week. Representative witnesses are in town now, and if the committee got to work quickly, I know of many who would be willing to come forward immediately to give evidence. The result of the deliberations would be to produce a document which would be a useful guide to members in both Houses in dealing with the pastoral lands of the north which are intimately known to very few and about which so many erroneous ideas are expressed. The methods by which the Government could raise a little extra revenue is a matter too that might engage the attention of the select committee. The town of Carnarvon is provided with a large commonage, from which the municipality derive a considerable sum of money. There are hundreds of cattle, and many sheep depastured on this commonage and the municipality obtains a fair return, yet a peculiar thing is that when an effort was made to introduce an amending Bill to bring this municipality within the list of ratepayers—which, after all, would have been only a fair thing, because they are reaping a bigger return from their commonage than the pastoralists are getting from their holdings—the proposal was promptly turned down. The municipality undoubtedly should be included, and should be made to pay their share of the incidence of this tax. The vermin board appointed there—perhaps because of the immense distances which obtain in that country—has become a Carnarvon board pure and simple. We cannot expect men, especially under stress of bad seasons, when they have to keep not their heads above water, but their heads out of the dust so to speak—we cannot expect them to travel hundreds of miles to attend board meetings. We have to deal with things as they are, and I hope the Minister will be able to persuade his colleagues to take a sympathetic

view of the state of affairs which exists in the Gascoyne vermin board district. If the Government go to the assistance of that part of the State now, they will not regret it, because, with a return to normal seasons, they are not likely to lose a penny. The spirit amongst settlers is that they wish to repay every penny they owe, but they ask now that the Government should be reasonable and they make the request as ratepayers, not only of that area but of the State, that they should be placed in the same position in regard to their fences owned by the Government. I understand that the Minister for Lands is not averse to this, and I think it is no gross flattery to that gentleman to say that he will succeed in doing much better than the vermin board has done. I hope that the Government will be able to accede to the request. Personally if any action is taken towards referring this Bill to a select committee, believing as I do that that committee will be able to take valuable evidence in a very short time, the result will be entirely satisfactory. I beg to support the second reading of the Bill.

Question put and passed.

Bill read a second time.

Committee Stage.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.13]: I move—

That the Committee stage be taken at the next sitting of the House.

Hon. J. J. HOLMES (North) [4.14]: I move an amendment—

That the Bill be referred to a select committee consisting of Hon. Sir E. H. Wittenoom, Hon. C. F. Baxter, and the mover.

The COLONIAL SECRETARY: I must oppose the appointment of a select committee on the ground that there will not be sufficient time to permit them to prepare a report. But for that, I would not have the slightest objection to the appointment of a select committee.

Amendment put and a division called for.

Hon. J. J. HOLMES: It has been pointed out to me that to refer the Bill to a select committee may interfere with the consideration of the amendment of

which notice has been given by Hon. Sir E. H. WITTENOOM. Therefore, I ask leave to withdraw my amendment.

Hon. Sir E. H. WITTENOOM: As far as this Bill is concerned it simply perpetuates the old Act, and has nothing whatever to do with relieving those settlers. If we pass the Bill it will make no difference in the position of the settlers, and if we throw it out it will not do much harm.

The COLONIAL SECRETARY: I have given no assurance that the Government will accept Sir Edward Wittenoom's amendment. That is a matter upon which I shall have to consult Cabinet.

Amendment by leave withdrawn.

Question (that the Committee stage be taken at the next sitting) put and passed.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Hon. Sir E. H. WITTENOOM (North) [4.18]: Since the debate last night I have given this Bill very careful consideration, and I can see no good reason why the House should not agree to the second reading; but when it comes to Committee I shall support any amendment which may be moved for shortening the term of the Bill. The Bill goes back as far as 1899, and I do not think it should be retrospective for that length of time. Mr. Cullen gave admirable reasons why it should not be retrospective, and I do not think it will be out of place for me to read them. Mr. Cullen pointed out that dividends have been paid in the past in accordance with law, and that any reserve fund which has been built up has been built up in accordance with law. I consider it is unfair now for the any Government to come along and say, "We realise that we have made a mistake in not having taxed you all these years, but we are going to tax you now." I think that is unreasonable. Reference has been made

to the banks. So far as banks are concerned, this Bill can refer to only one. Because there is only one bank here which controls its own reserves locally; all the others are branches with their headquarters in other parts. Another point which should be well considered is whether accumulated funds or reserve profits have been made on the issue of shares. For instance, if the price of a share in an institution is fixed at £10 and issued at £25, and £15 of that is placed to reserve profits, it is a question whether that £15 becomes accumulated profit or not. Another point is that under the Bill companies are to submit reports and balance-sheets at the end of each year. Many institutions balance in September. Speaking generally I think we are all prepared to pay taxation on profits, but I think that some arrangement should be arrived at whereby dividends should not be treated as profits.

Hon. D. G. GAWLER (Metropolitan-Suburban) [4.20]: I do not propose to say very much on this Bill. One of the reasons put forward for the introduction of the Bill in its present form is that under the existing law combinations of persons forming their business into a limited liability company avoid taxation in a way they have no right to do. I would like to point out that the object of forming businesses into limited liability companies is not solely in order to avoid taxation, because there are various advantages accruing from the formation of limited liability companies. It enables them to deal more easily with interests in their businesses by the transfer of shares, and what is of great importance, it enables them to limit their liability. The object of the Bill is to seek to put those forming those limited liability companies on the same footing as other individuals in regard to income. I think that the position should have been made exactly the same, that companies should be placed on the same basis as individuals in all respects. If that were done, companies under this Bill should be placed in the position that they would be taxed at the same rate as an individual. At the present time individuals pay on a scale taxation up to 1s.

in the pound. If the Government are prepared to accept an amendment to the Bill to adopt the same scale as the present income tax I shall be glad to know, as it is my intention when in Committee to move that that scale be adopted. Members will recollect that under the Income Tax Bill incomes are taxed at 4d. in the pound up to £500 and the tax rises up to 1s. in the pound up to £5,000, and over £5,000, 1s. for every pound. The logical conclusion of the argument used in support of the present Bill is that we should adopt the same scale and apply it to companies. That is the chief point I raise against the Bill. Another point is the proposal to give the Bill retrospective operation—

Hon. J. W. Kirwan: That deals only with undistributed profits.

Hon. D. G. GAWLER: But when those profits were made it was never anticipated that such a Bill as this would be passed, and it is unfair to go back 15 years and tax back profits over all that period.

Hon. J. W. Kirwan: But during the time that the existing Act has been in operation those companies have not distributed their profits. Had they done so the principal Act would have operated.

Hon. D. G. GAWLER: I regret I cannot follow the hon. member's argument. Apart from the points I have mentioned I think the Government have every right to impose taxation on the profits made by companies; and subject to the reservations I have mentioned I will support the second reading.

Hon. A. G. JENKINS (Metropolitan) [4.25]: I had an objection to Clause 5 of the Bill, but the leader of the House told us last night that it is his intention to move to have that clause amended when in Committee. Objection has been taken to the proviso that accumulated profits become taxable on distribution. Why should they not be? Under the existing law taxation is not payable on profits, but is payable only on dividends. If that proviso were not in the Bill it would mean that any profits distributed as profits and not as dividends would not pay taxation at all. If that were so it would

be possible for the companies, by merely distributing accumulated profits, to escape taxation.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central—in reply) [4.28]: Sir Edward Wittenoom stated that under this Bill we are going back to 1899 and propose to collect taxation on profits since that year. That is perfectly correct, but that is similar only to what is being done now under the existing Act, under which we can go back 30 or even 40 years, and tax accumulated profits whenever they are distributed. I will give one instance, the Perth Gas Company, which recently sold out to the City Council. The Gas Company had been in existence and doing business for, I suppose, a quarter of a century, and there was a large accumulation of profits which, when the Company went out of existence, were distributed. They were called upon to pay taxation on the amount distributed, but they refused to pay. The matter went before the Privy Council and the Privy Council held that the tax was payable in respect of the accumulated profits of the institution. So that under the existing law, as soon as profits are distributed to the shareholders of a company the company has to pay dividend duties taxation. That goes back further even than 1899. So that under the existing law, as soon as profits are distributed among the shareholders the company has to pay dividend tax. It goes further than 1899, whereas in the Bill we are limited to 1899, the year of the introduction of our first Act. Mr. McKenzie interjected yesterday, "Why not amend the Land and Income Tax Act so as to bring about uniformity?" and Mr. Gawler approves of that course and says the same scale ought to operate in regard to private individuals and companies alike. But it has always been held that companies should pay a greater tax than individuals.

Hon. A. Sanderson: Held where?

The COLONIAL SECRETARY: Held everywhere. When a company is formed the members of that company are liable only for the amount of their shares, whereas if it is a partnership the partners are liable for the whole of the debts of

that partnership. Companies have far greater privileges than have firms. The hon. member asked where was it held. It was held by no less an authority than Sir John Forrest who, when introducing the Dividend Duty Bill in 1899 gave reasons why companies should be taxed more heavily than private individuals or partnerships. He showed that the first to be compelled to pay should be companies, and not private individuals, and while admitting the necessity for taxation, he decided that individuals and partnerships should be exempt for the time being. He said—

I take it the dividends of an incorporated company are in a better position to be taxed than the income of a private individual is. A private individual doing business risks the whole of his estate, and all he possesses in the world, whereas an incorporated company has as its shareholders the richest men in the province, whose property is only liable to a limited extent. Shareholders have not the same responsibility and do not run the same risks in business as an ordinary individual carrying on business on his own account does.

That is the view of Sir John Forrest, and a view which I have frequently seen stated publicly in connection with the question of taxation. I will await other objections which I will endeavour to meet in Committee.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. Kingsmill in the Chair, the Colonial Secretary in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of Section 7:

Hon. Sir E. H. WITTENOOM: The Minister should adjourn this. It is a thin Committee, and the Bill is of very great importance and should have the fullest consideration.

The COLONIAL SECRETARY: If Mr. Gawler intends to go on with his amendment I will move to report progress.

Hon. D. G. Gawler: I certainly intend to go on with it.

Progress reported.

BILL—BLACKBOY AND ZAMIA PALM LICENSE.

Second Reading.

Debate resumed from the previous day.

Hon. W. KINGSMILL (Metropolitan) [4.37]: On first glancing at the Bill I thought of opposing the second reading, but on looking at it again I am inclined to sympathise with the concessionaire. The Bill is to give the Minister for Lands power to enter into an agreement with Mr. Henry Rowley, to allow that gentleman to take and use all the zamia and blackboys growing on the waste lands of the Crown. It is a very large order indeed. I would prefer that the Bill had been prepared on the same lines as the Kingia Grass Tree Bill, which we passed last session, and that the concession should have been granted only in respect to a defined area. I have no doubt that if the kingia grass tree enterprise goes ahead as we all hope it will Mr. Rowley also will regret that this course was not taken. He has not any exclusive right, and he has to pay a pretty big royalty, unless indeed he can work in the moisture clause to the greatest possible effect.

The Colonial Secretary: He has patent rights over the process.

Hon. W. KINGSMILL: Quite so, but once the attention of the public is directed to a process of this sort, I understand it is very easy to apply other processes which do not infringe patents and which, nevertheless, show a considerable improvement thereon. Again, there are certain inconsistencies in the agreement. It appears the Minister is to have power to enter into an agreement allowing Mr. Rowley to clear, remove, and utilise blackboy and zamia palm growing on the waste lands for the time being of the Crown. With regard to other persons who may come in later the Minister may grant licenses, not being

exclusive licenses, to those persons to cut and remove blackboy and zamia on or upon any waste or other lands of the Crown. I do not know what is meant by that, nor do I know that those people should be encouraged to exploit the State to a greater extent than Mr. Rowley will be doing. No doubt there must be some reason for it, but I should like to know what it is. In Clauses 4 and 5 of the proposed agreement the Government give a chance to the concessionaire in that they are perfectly satisfied that statements in writing, verified by statutory declaration, and satisfactory to the Minister, should be handed in in regard to the amount of royalty to be paid. I presume that will be all right. I certainly hope it will be. These statements are to be prepared, apparently without check, by the licensee or his agent; and he is to give in the same manner, apparently without check, full information as to the sum expended on the provision of plant, machinery and appliances in connection with the said industry. These are very liberal clauses. No doubt the leader of the House will touch upon them in his reply. I do not like the lax manner in which this agreement deals with all waste lands of the Crown. It would have been better for all purposes if a certain area had been set aside over which the rights of Mr. Rowley would be respected. However, I suppose the Government and the concessionaire are satisfied. Another thing, there has been a certain amount of alarm created in the minds of many worthy people in regard to the question of whether or not this is an infringement of the kingia grass tree concession. I assume steps will be taken to see that the rights of those gentlemen who obtained the concession under the Kingia Grass Tree Bill are not infringed. It is very easy, of course, for the uninitiated to mistake the one tree for the other, and such a person might be pardoned if he mistook a kingia grass tree for a blackboy. I hope the Minister will be able to give some explanation as to why the Bill was brought down in its present form. I support the second reading.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.44]: I do not think we ought to rush this thing without some consideration. If Mr. Rowley can utilise this blackboy to commercial advantage it will be the first time in the history of the State. For some 80 years or more experiments have been made with these trees. In Mr. Landor's book, and in Mr. Moore's book, written in the early days of the history of the State, the Minister will see that the blackboy has been experimented upon on numerous occasions, and probably every settler has made some kind of experiment with it. I took a bit of it to the Kew Gardens in London on one occasion. This blackboy has proved of very great interest, and I hope it may prove of value to the State. I wish Mr. Rowley every success in his venture. When we think of the unfortunate disputes which have arisen in three cases that I can recall to mind over these agreements it makes one think that we ought to be careful how we handle them. We know what trouble there was over the Perth Gas Company's agreement as to what certain clauses meant. Then we had the Perth Tramway Company's agreement, involving as it ultimately turned out, a very considerable sum of money, and then there was the Midland Railway Company's agreement. I trust that hon. members will look at the schedule very carefully, and will clearly understand what they are giving away. I have only just glanced through it, but it does not seem to me to be very satisfactory from the point of view of the country, or even of Mr. Rowley. I shall reserve any further criticisms I have to make for the Committee stage. It is a pity that a Bill of this nature could not have been introduced earlier, and therefore, dealt with in a more satisfactory manner. I cordially support the second reading of the Bill.

Hon. J. CORNELL (South) [4.48]: When the previous Bill for the granting of a concession was before the House, I took exception to the large amount of territory which the concessionaire was granted. It is obvious, however, that my

remarks have had no effect upon the Government, inasmuch as this concession is one which involves the whole of the State. There is, however, a saving clause in the schedule which provides that other concessions may be granted. But I would point out that the first concessionaire who becomes firmly entrenched behind his concession, and who is to obtain the greatest benefit from it, will take all sorts of trouble that he is not interfered with by future concessionaires, and that any of these have a hard row to hoe. I believe this idea of granting concessions is entirely a new one, and it is the first time that a departure has ever been made from the principle of giving a certain amount of territory. It is all very well for us to take into consideration the point that others can come along. The leader of the House said in introducing the Bill that Mr. Rowley had patent rights, and that if these patent rights mature and he makes a success of the product he is going to operate on, it will be of very great benefit to the State. I may say that it would be of benefit to Mr. Rowley also. I would like to point out that if Mr. Rowley's hopes are realised and his patent rights come into operation, he will move heaven and earth to stop anyone else from embarking upon the industry. I do agree to a certain extent with Mr. Kingsmill that it is a greater safeguard in embarking upon any concession of this sort not to give all that you have, but only a part of it. In this case we are giving Mr. Rowley the right to traverse the whole of the State. I view the granting of the whole of the State to Mr. Rowley with a certain amount of suspicion. I hope that the industry will work out in the direction that he anticipates, and that the intentions of the Government, as embodied in the Bill as regards other concessionaires who may come along and endeavour to get a concession for themselves, will work out as the Government hope they will. That, however, is a problem for the future.

THE COLONIAL SECRETARY (Hon. J. M. Drew—Central—in reply) [4.50]: Mr. Kingsmill desires some explanation in reference to the operations of the

schedule of the Bill. With regard to the phrase "growing or being upon the waste lands for the time being of the Crown"—lower down it says "waste or other lands of the Crown"—the explanation is this: In the first instance where it has reference to "waste lands for the time being of the Crown," there is a lease given for ten years, to operate on a fixed term. During the process of that term some of the land may become no longer waste land of the Crown, but may become conditional purchase leases, and consequently Mr. Rowley would have no right to operate on them.

Hon. W. Kingsmill: Why the words "or other"?

THE COLONIAL SECRETARY: In the other case it simply deals with ordinary licenses. There is no necessity at all to make that distinction. I refer to the ordinary firewood licenses for people to take blackboy or zamia palm.

Hon. W. Kingsmill: What is the meaning of the words "or other"?

THE COLONIAL SECRETARY: There may be a Government reserve that is not regarded as waste land of the Crown at all. It is Government property and it is not classed under the Land Act as waste land of the Crown. This means land that the Government have to dispose of.

Hon. W. Kingsmill: Then Mr. Rowley does not get waste lands?

THE COLONIAL SECRETARY: Authority can be given by the Government for people to remove blackboy or zamia palm from reserves. Paragraph 4 of the schedule reads, *inter alia*, as follows:—

Statements in writing satisfactory to the Minister, and verified by statutory declaration, shall be furnished by the licensee, or his agent, to the Minister.

The statement must be satisfactory to the Minister. If not, it involves a breach of the agreement. Of course the Minister cannot adopt a pig-headed attitude and refuse to accept statements that are reasonable. If on the other hand, the concessionaire refuses to supply satisfactory information, or information that can be regarded as reasonably satisfactory, he imperils his license. The money which

the licensee has to expend in the provision of plant is pretty substantial, namely, £1,000 in twelve months and £5,000 in the next following twelve months. With regard to the kingia grass, this license will in no way affect the rights in connection with the concessionaire in that regard, because although they are very much alike they are different plants. Mr. Sanderson said that if Mr. Rowley could utilise this blackboy it would be of great benefit to the State, and that 80 years have elapsed since the Foundation of Western Australia, and that during that time no one has been able properly to utilise the blackboy. I paid a visit yesterday to Mr. Rowley's laboratory, my first visit. I wanted to know what commercial products could be obtained from blackboy and zamia palm. I was astounded by the number and variety of these products. I will give the House a list. From the zamia palm he has extracted starch, from which glucose, alcohol, cattle foods, gum, and motor spirit have been obtained. In regard to motor spirit, it has been put to a practical test, and Mr. Rowley tells me that it wins races every time.

Hon. Sir E. H. Wittenoom: How much does it cost to get it?

The COLONIAL SECRETARY: From the blackboy he obtains resin, varnish stains, tar, aqueous fluids, benzol, creosote, acetate of lime, ascectic acid picric acid, oxalic acid, disinfectants, cattle and sheep dip, fibre, sugar, charcoal fuel, pitch and pitch lacquer, methyl alcohol, pyroligneous acid, briquets, sanitary soap, stabling flooring, and creosote powders.

Hon. C. F. Baxter: He did not mention pink pills.

The COLONIAL SECRETARY: These are the products of the zamia palm and the blackboy under Mr. Rowley's treatment. There is also motor spirit, which wins races every time I am told. Mr. Cornell said that we were giving away the whole of the State to Mr. Rowley. That is not so. Mr. Rowley will have no exclusive rights. Anyone else can come in and obtain similar rights

from the Government, and no one will be restricted from obtaining blackboy and zamia palm if he has a firewood license. Mr. Rowley can go in any part of the State amongst any Crown lands and obtain his blackboy and zamia palm. But he has no exclusive right whatever. Seeing that he is expending something like £6,000, he will be able to put up any structure he desires where it suits his business best.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—STATE CHILDREN ACT AMENDMENT.

Received from the Legislative Assembly and read a first time.

BILL—LICENSING ACT AMENDMENT.

Second Reading.

Hon. A. G. JENKINS (Metropolitan) [5.3], in moving the second reading, said: This is a very short measure designed to amend the Licensing Act, 1911, to bring it into conformity with the law as it was in 1909. Section 2 of the Wines, Beer, and Spirit Sale Act Amendment Act of that year restricted the granting of any fresh licenses pending the passing of fresh legislation. That section set out—

After the commencement of this Act, and so long as this section shall continue in force, no publican's general license, hotel license, or wayside house license, and no provisional certificate shall be granted under the provisions of the Wines, Beer, and Spirit Sale Act, 1880, or any Act amending the same, for any premises not licensed at the commencement of this Act.

Then there are three provisos, and the third is the one to which I would call attention. This states—

Provided also, that the licensing magistrates shall have full power and

authority as heretofore to grant the transfer of any existing license to any new premises erected or in course of erection, or to grant a publican's general license to the holder of an existing wine and beer license, or to refuse the renewal of any license when an objection to such renewal has been duly taken and established.

This proviso gave power to the Licensing Court where it was thought desirable, to convert a wine and beer license into a publican's general license. When the Act of 1911 was passed, Section 45 practically adopted that, and it is evident that there was a mistake in the draftsmanship, and instead of putting in any of the provisos they were left out. It was generally thought that Section 45 as it was passed gave power to the Licensing Court to still, if they so desired, convert these wine and beer licenses into publican's general licenses, because it says—

No license to which Part V. of this Act applies shall be granted in any district for any premises not licensed at the commencement of this Act.

That follows Section 2 of the 1909 Act; and then the provisos are omitted. It was generally thought amongst members of the legal profession that that power still existed in the Licensing Act, but recently, at Broome, a case came before the Licensing Court in which a decision was given that the Act did not give them the power to make a conversion. The matter was taken to the Full Court, and the Acting Chief Justice said that although he had considerable doubt on the matter he would confirm the decision of the licensing bench at Broome.

Hon. W. KINGSMILL: Do you think it is a good thing to do?

Hon. A. G. JENKINS: I understand that there are only about four such cases in the State, and it would be very much better to convert them. This Bill is introduced simply to give the power which was conferred by the Act of 1909, and which by an oversight was omitted from the amending Act of 1911. I have submitted this measure to the Government, and I am authorised to state that the Govern-

ment have no objection to it. Practically it is not an amendment of the existing Act; the only object of it is to bring the Act of 1911 into conformity with what was the obvious intention when that measure was passed.

Hon. D. G. GAWLER (Metropolitan-Suburban) [5.8]: I desire to support the second reading of the Bill, and, while I should like to extend it to the other kinds of license included in Part V. of the Licensing Act Amendment Act of 1911, I have no desire to jeopardise my friend's measure. As my friend has stated, the holder of an Australian wine and beer license at Broome applied to be allowed to convert his license into a publican's general license. There was a technical difficulty under Section 45, which was upheld by the court. While I support the second reading of the Bill, my friend knows that I would have liked to see the draftsmanship of the clause slightly different, and when the Bill is in Committee I propose to add some words at the end of the clause to make it quite clear that compliance must be made with all the requirements of the Act in connection with any application which may be made.

Hon. J. E. DODD (Honorary Minister) [5.10]: So far as the Government are concerned, there will be no opposition to the measure, although the desire of the Government is to restrict as much as possible the issuing of licenses.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. Kingsmill in the Chair, Hon. A. G. Jenkins in charge of the Bill.

Clause 1—agreed to.

Clause 2—Power to grant publican's general license to holder of Australian wine and beer license:

Hon. D. G. GAWLER: I move an amendment—

That the following words be added to the clause:—"Subject to compliance with the provisions of the principal Act in regard to the application of such publican's general license."

That will make it clear that all the requirements of the Act must be complied with. There should be some such safeguard as this. A man may merely go to the bench without bringing forward evidence to show that his premises are fit to be licensed as a public house.

Hon. J. E. Dodd (Honorary Minister): The general provisions of the Licensing Act will compel him to do that.

Hon. D. G. GAWLER: It is merely a question of the draftsmanship of the clause.

Hon. A. G. JENKINS: The Bill was drafted by a leading K.C. in Perth, and it was sent to the Crown Law authorities, and returned by the Solicitor General as in order. I discussed the matter with the Solicitor General and he said that the Bill as sent by him to the Government Printer was quite in order. The clause only means notwithstanding anything contained to the contrary in the principal Act, as to the power to grant a license.

Hon. D. G. Gawler: Why does it not say so?

Hon. A. G. JENKINS: It does say so.

Hon. D. G. Gawler: You can say "Notwithstanding anything in Section 45."

Hon. A. G. JENKINS: It cannot be made any plainer; the words mean exactly what they say.

Hon. D. G. GAWLER: Before the Bill is submitted to another place, it might be again referred to the Crown Law authorities.

Hon. J. E. Dodd (Honorary Minister): They have seen it.

Hon. D. G. GAWLER: As they have no objection to the draftsmanship of the clause, I will withdraw my amendment. I am content with having uttered my protest against the manner in which the clause was framed.

Hon. J. E. DODD (Honorary Minister): The Crown Law authorities have seen the Bill, but I am not able to express an opinion as to whether they are agreeable to Mr. Gawler's amendment.

Amendment by leave withdrawn.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

MOTION—LAND AND INCOME TAX ACT, TO AMEND.

Debate resumed from the 28th January on the motion of the Hon. J. Cornell—"That in the opinion of this House the existing 'Land and Income Tax Act' should be amended so as to provide for a greater tax on incomes not earned by personal effort."

Hon. A. SANDERSON (Metropolitan-Suburban) [5.18]: I will ask the mover of the motion to consider this point: assuming this motion is carried and is put into an Act of Parliament as it stands what is going to be the result?

Hon. J. Cornell: It would have to be embodied in an Act of Parliament first.

Hon. A. SANDERSON: I am assuming all that. What does the hon. member think the result will be?

Hon. J. Cornell: What has the result been in Victoria and Great Britain?

Hon. A. SANDERSON: I am speaking of Western Australia. The hon. member does not propose to insert a clause in an Imperial Act or a Victorian Act, but he is dealing with the conditions here. The proposal is unfair and slightly chaotic. I want to find out what is the opinion of the hon. member, assuming his proposal is put into the form of an Act of Parliament.

Hon. J. Cornell: We have an Income Tax Act in force, and I gave a concrete example of the unjust working of it the other evening.

Hon. A. SANDERSON: I ask the hon. member when replying to tell me what the effect of his proposal will be. He must have some figures to place before us. I have had an opportunity of giving my views on taxation both here and elsewhere, and if necessary I am prepared to give them again, but it is not necessary to discuss the question of taxation in Western Australia now. Under the circumstances, I beg to move the previous question.

Hon. G. M. SEWELL (South-East)
[5.21]: I second the motion.

The PRESIDENT: The question is that this motion be not now put.

Hon. J. Cornell: Am I in order in moving that the debate be adjourned until the next sitting?

The PRESIDENT: In the face of the previous question being moved, the hon. member cannot move the adjournment of the debate.

Hon. J. Cornell: Have I not the right of replying to Mr. Sanderson?

The PRESIDENT: Yes, if the previous question is defeated.

Hon. C. Sommers: Am I in order in moving the adjournment of the debate until Tuesday?

The PRESIDENT: No, the hon. member will not be in order. Standing Order 143 says—

The previous question temporarily supersedes the original question and any amendment thereon, but in debating it the original question and any amendment may be debated.

I will now put the question that the motion be not now put.

Motion put and negatived.

The PRESIDENT: The original question is now before the Council.

On motion by Hon. C. Sommers debate adjourned.

House adjourned at 5.22 p.m.

Legislative Assembly,

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

QUESTION—TRAINING COLLEGE TEACHERS.

Mr. WILLMOTT (for Mr. Griffiths) asked the Minister for Education: 1, How many lady students have passed through the Claremont Training College for teachers since it was first opened? 2, How many male students have passed through during the same time? 3, How many lady teachers remained in the department for more than three years after concluding their two years' course of training? 4, How many of these lady trained teachers who came out of training before 1911 are now in the service of the department?

The MINISTER FOR EDUCATION replied: 1, 224. 2, 119. 3, 143 out of 166 trained up to end of 1911. 4, 66 out of 136.

QUESTION—AGRICULTURAL DEPARTMENT, ANNUAL REPORT.

Mr. SMITH asked the Minister for Lands: When will the annual report of the Agricultural Department for year ended June last be available?

The MINISTER FOR LANDS replied: Next week.

QUESTION—MODERN SCHOOL.

Mr. SMITH asked the Minister for Education: Are all the pupils attending