BILL—CONTROL OF TRADE IN WAR TIME AMENDMENT.

Council's Message.

Bill returned from the Legislative Council with an amendment, which was now considered.

In Committee.

Mr. McDowall in the Chair, the Premier in charge of the Bill.

The PREMIER: The amendment proposed by the Legislative Council is that a new clause be added to the Bill to stand as Clause 5 as follows:—"Section 3 of the principal Act is amended by adding the words, 'and shall continue in force until 30th September, 1915.'" As Parliament will meet again before that date, we might accept the amendment. I move—

That the amendment be agreed to.

Question passed, the Council's amendment agreed to.

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

BILL—BLACKBOY AND ZAMIA PALM LICENSE.

Returned from the Legislative Council without amendment.

House adjourned at 10.58 p.m.

Legislative Council,

Wednesday, 10th February, 1915.

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

QUESTION — RAILWAY DEPARTMENTS AND CUSTOMS DUTIES.

Hon. A. SANDERSON asked the Colonial Secretary: What is the total amount of cash paid by the Western Australian Government Railway Department to the Federal Customs from 1st January, 1901, to 31st January, 1914?

The COLONIAL SECRETARY replied: £306,847 0s. 8d.

QUESTION—STATE SAWMILLS AND STATE BRICKWORKS, EXPENDITURE.

Hon. H. P. COLEBATCH asked the Colonial Secretary: 1, Of the sum of £281,903 appearing in the Revenue and Expenditure returns for the six months ended 31st December, 1914, as expenditure on "Public Works and Buildings," what amount represents the expenditure on (a) State sawmills, (b) State brickworks? 2, Of the sum of £56,794 appearing on the Revenue and Expenditure returns for the month of January, 1915, as expenditure on "Public Works and Buildings," what amount represents the expenditure on (a) State sawmills, (b) State brickworks?

The COLONIAL SECRETARY replied: 1, Expenditure on sawmills to 31st December, 1914, £162,191; expenditure on brickworks to 31st December, 1914, £387. 2, Expenditure on sawmills for January, 1915, £39,774; expenditure on brickworks for January, 1915, £55.

BILL — INDUSTRIES ASSISTANCE.

Assembly's Message.

Consideration resumed from the previous day of the Message from the Assembly notifying that it had agreed to make amendments Nos. 5 and 7, requested by the Council, had agreed to make amendment No. 10 subject to a modification, but had declined to make amendments Nos. 1 to 4, 6, 8, 9, and 11, now considered.

In Committee.

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

No. 2—Clause 9, strike out paragraph (c):

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

The object of the measure is to place the relief to farmers on business lines, and to end the entirely free and easy method adopted in the past. Hence, this is regarded by the Government as a vital provision of the Bill. During the last three years the Lands Department have been practically over-riding Section 36 of the Lands Act, 1898, which requires forfeiture for non-payment of rent within 90

days. In hundreds of cases, rent has not been paid on conditional purchase lots for as much as three years; and yet the purchasers have been protected by the Government. This state of affairs cannot continue. Under the Bill each case will be investigated on its merits by the Assistance to Industries Board which is to be appointed. If the board come to the conclusion that assistance may wisely be given, an advance will be made to enable the applicant to pay rent due to the department.

Hon. J. F. Cullen: Why cannot that be done by a provision for suspension of payment of rent?

The COLONIAL SECRETARY: The payment of rent out of advances granted by the Government is no new feature, inasmuch as Agricultural Bank advances have been used for that very object. Further, the Government as mortgagee under this measure will ensure the regular payment of future rents. Henceforth, assistance will be rendered by the Government only in accordance with the terms of this measure to which the Government will strictly adhere. The Council's amendment cannot possibly be accepted by the Government.

Hon. H. P. COLEBATCH: I am not able to appreciate the Colonial Secretary's argument that the Government are going to place their business relations with the settlers on a sound basis by transferring loan money to revenue. To my mind, that proposed arrangement represents the direct opposite of a sound business basis. No doubt, under the Land Act as it stands at the present time, the indefinite extension of rents is not lawful. The obvious and proper course, then, is to amend the Land Act to meet the emergency. So far as the settlers themselves are concerned, I think it is an act of gross injustice that they should be penalised as proposed by the Government. It would be only a fair thing—not an act of grace or of generosity—to say to the settlers, "In view of what you have to put up with for the last three years, the Government are not going to charge you rent for those three years, but will put them on to the end of your period." To charge the rents with six per cent. interest is to place an intolerable burden on these unfortunate people. Last year a sum of £132,000 was spent in defraying the expenses of the State Implement Works, a State trading concern with a revenue of a little over £1,000 per month. Under the clause as it stands, it would be possible for the Government to finance the State Implement Works on a fictitious cash basis. I am quite prepared to accept the risk—having limited the operation of this measure to the 31st March, 1916; having said that this is a Bill to meet extreme cases of emergency—of now saying to the Government, "If you contend that in this abnormal period of war and drought you require this power, you may have it." Therefore, I do not press this particular amendment. Like Mr. Sanderson, I prefer to throw the responsibility on the Government.

Hon. J. F. CULLEN: The Minister was most unfortunate in his reasons, and would have done better not to give reasons at all. The reference to the Agricultural Bank is utterly inapplicable. The borrower from the Agricultural Bank receives a certain amount of money to use for certain purposes. He may get by that advance payment for work which he himself has done, and therefore can do what he likes with the money. For example, he may use it to pay wages. But the Agricultural Bank itself does not lend money to the Government. If the Minister wants past actions of the Government regarding lands placed on a proper footing, he need only take by this clause power to suspend. However, as repeatedly pointed out by Mr. Colebatch, the principle of advancing loan money to be paid into the revenue is wrong, inasmuch as it results in an improvement absolutely fictitious. The Government say, "The object is good and so it does not matter what means we adopt." The Government ought to be able to do it in a lawful way, instead of which they cut across all principle and say, "If you do not allow us to do a right thing in a wrong way, the farmers cannot be assisted."

Hon. Sir E. H. WITTENOOM: I understood that the Bill was for the as-

sistance of industries, but the leader of the House says it is to put the accounts of the Government on a sound footing. It is said that a sum of £750,000 is to be advanced to farmers for seed and manures, and I have seen it stated also that the farmers are £400,000 in arrears for rents or for something which the Government claims. Is this £400,000 to come out of the £750,000?

The Colonial Secretary: No, it will be additional. It is not £400,000, anyhow.

Hon. Sir E. H. WITTENOOM: If a sum of £750,000 is earmarked for the assistance of farmers and it is proposed to advance out of this the amounts to pay arrears of rent, I say it is an absolutely wrong principle. This is not the time to be advancing money for the payment of ordinary debts. It is a crude idea that the Government should make advances to applicants to enable them to pay rents to the Lands Department, when the money is required to help them in more legitimate ways.

Hon. A. SANDERSON: The Minister has told us clearly that if we do not pass the clause the Bill will be dropped. Members having accepted the second reading I do not see how they can take this responsibility. The Minister has told us that the Government insist upon this going through. To my thinking we should have rejected the Bill on the second reading; but we were told that the country was waiting for the Bill. After the clear statement of the position given by the Colonial Secretary, I do not see now how the Committee can reject the proposals of the Government.

Hon. H. CARSON: I hope the Committee will not press for the deletion of the clause. On a previous occasion I was not in favour of the clause, but since the Bill left this House Mr. Patrick and myself were requested to wait on the Minister for Lands with the object of securing temporary exemption from rent for the settlers on the Bowes area, and to endeavour to have the amounts added at the end of the term, thus making the lease 30 years instead of 20 years. The Minister told us it was impossible to get a Bill through giving effect to the proposal, and I hope therefore the Committee will not press for the deletion of the clause, if only on account of those settlers in the Bowes area. The Minister for Lands told us plainly that in the absence of a special Bill the relief could not be legally granted, that he would not act illegally and that therefore the lands would be forfeited.

Hon. W. PATRICK: The policy of the clause is entirely wrong. It is a dangerous system to introduce into the finances. Unlike Mr. Carson, I was not at all impressed by any threats used by the Minister for Lands that in certain events he would forfeit the leases in the Bowes area. I think it was an exceedingly unwise statement for the Minister to make. But, seeing that yesterday afternoon we passed an amendment limiting the time of the operation of the Bill, I agree to fall in with the suggestion made by Mr. Colebatch that we should allow the clause to pass; because, after all, it is one thing to introduce a vicious system for all time, and quite another to use it as an expedient for a limited period.

Hon. Sir E. H. WITTENOOM: What is the difference between paying the Lands Department and owing the amount to the Government through another department?

Hon. C. Sommers: The Government will get 6 per cent.

Hon. Sir E. H. WITTENOOM: The settlers have to owe it in one place or another, for they cannot pay it. They are to borrow it from the Government and pay it to the Lands Department. That does not improve anybody's position. The only remedy the Government have is to hold over the heads of the settlers this threat of forfeiture; but if the land is forfeited there will be no one willing to take it up.

The COLONIAL SECRETARY: Mr. Cullen said that instead of introducing this paragraph into the Bill we should submit a measure giving us power to suspend payment of land rents. We have no intention of doing anythig of the kind. Already there is over three years' land rents due by hundreds of individuals, and we do not wish to perpetuate that state of affairs by Act of Parliament. If a man fails to pay his rent

within a reasonable time, the Government will take the responsibility of protecting his block, even without special legislation; but this on a wholesale scale would be particularly ill advised. Sir Edward Wittenoom wants to know why the Government should introduce a paragraph of this description. The object is to compel those who have not paid their land rents to borrow from the Assistance to Industries Board at 6 per cent., so that if there is any liability to the Government it must carry 6 per cent. interest. Another object is this: the revenue of the Lands Department is rapidly diminishing, the rents are not being paid, and that state of affairs is becoming intensified every day. Under the Bill the rents will be paid. Some hon. members say it is to reduce the deficit. Surely it is on sound lines. This money is owing to the Lands Department, and we have had no credit for the sum, a sum, not of £400,000, but in the nature of £150,000. We have never had any credit from the public or from our opponents for that amount. In future, if a selector owes money to the Lands Department by way of land rents, it will be incumbent upon him to secure a loan from the Assistance to Industries Board and pay his rent, and he will have to pay 6 per cent. interest on the said sum. The hon. Sir Edward Wittenoom also stated that £750,000 was to be advanced to the farmers, and asked whether the £400,000, which had been mentioned by someone, was to form a portion of that £750,000. It will do nothing of the kind. The £750,000, I have been given to understand, is required for the purpose of cultivating the lands of Western Australia and making advances to the settlers in the way of providing seed wheat, fertilisers and the necessaries of life. There is also the question of the Agricultural Bank. It will be incumbent upon the farmer to borrow through the Industries Assistance Board in order to pay the Agricultural Bank interest.

Hon. V. Hamersley: And the water rates?

The COLONIAL SECRETARY: A large proportion of the money advanced is loan money. When that is repaid it certainly cannot go into revenue. I daresay there is probably £400,000 owing by the farmers to the Government, but a large proportion of that is loan money. If any land rents are paid they must go in as revenue. In the ordinary process, if the selector pays his land rents, the money is credited to revenue.

Hon. V. HAMERSLEY: I view with alarm that clause, and am rather pleased that the Committee appears to desire to see it deleted. I cannot see why these rents cannot be extended, or why the various schemes and requests which have been put before the Minister from time to time by the settlers should not be agreed to and the extension of time given to the settlers. It is senseless to borrow money to enable the settlers themselves to return it to the Government again. They may just as well continue under the loans they have already from the Government. There is no reason why, in many instances, these settlers should not be given an extension of time for the payment of these rents at the end of their leases in view of the fact that many owe moneys on valuations which the Minister for Lands and the Government have acknowledged are valuations which must be altered. It seems to me dangerous to enable the Government to allow these people to borrow money to pay off rates which have been incurred on valuations which have been acknowledged to be out of proportion to the true value of the land. A most important question is that of water rates. Many of the settlers, from the day that the water has been laid down on their properties, have paid no rates. It is well known that at the time the water was run out there people who had clamoured for it, and who had taken up land, had no interest in their holdings except from the point of view of the money that they could get advanced from the Government. There was no hope of their ever paying 4d. per acre water rate on land which, in many instances, was only sandplain. This clause would enable the Government to extract from these men the money which the land could never repay, and would enable them to finance areas of land which would never recoup to the settlers or to the Government what had been spent

upoh them. The deletion of the clause would save the position of many of the settlers.

Question put and passed; the Council's amendment not pressed.

No. 3.—Clause 12: Strike out paragraph (d):

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

Question passed; the Council's amendment not pressed.

No. 4.—Clause 14: In Subclause 4 strike out the word "six" in line 4 and insert "five":

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

It can serve no good purpose. On the other hand it will mislead many of the farmers, and will give them the impression that they can borrow money at 5 per cent., whereas that is impossible. It will not be possible for them to borrow at less than 6 per cent., and it may be necessary later on to charge more than that if the money costs the Government more. Suppose the Bill continues in operation for two or three years until after the war, the price of money in London may be to the Government even 6 per cent., and the Government would be obliged to charge the farmer probably 7, or even a little more, per cent. The amendment will cause no end of trouble with the farmers.

Question put and passed; the Council's amendment not pressed.

No. 8: Clause 15, Subclause 2—Strike out in line 8 the words "on the application of the Colonial Treasurer":

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

This is merely a consequential amendment.

Question passed; the Council's amendment not pressed.

No. 9: Clause 29—Add the following subclause:—(3) All regulations so made —(a) shall be published in the *Government Gazette*; (b) shall be laid before both Houses of Parliament within fourteen days after such publication if Parliament is in session, and if not, then within fourteen days after the commencement of the next session; (4) If either House of Parliament passes a resolution disallowing any such regulation, of which resolution notice has been given at any time within fourteen sitting days of such House after such regulation has been laid before it, such regulation shall thereupon cease to have effect, but without affecting the validity, or curing the invalidity of anything done, or the omission of anything in the meantime. This subsection shall apply notwithstanding that the said fourteen days or some of them do not occur in the same session of Parliament as that in which the regulation is laid before it:

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

I gather that while the Legislative Assembly objects to the whole of this they object particularly to the last portion of the amendment which imports new matter into the clause. It is totally different to anything already on the statute-book, and this latter portion of the clause does not occur in any Act at present on the Statute-book. In some cases both Houses can annul regulations, and in other cases one House can do so. It would be better to have one principle governing these regulations.

Hon. H. P. COLEBATCH: The Colonial Secretary would, probably, be interested to know that I, as mover of the amendment, copied it from an Act introduced by the Government this very session. I refer to the Grain and Foodstuff Bill. If hon. members will read Clause 20 they will find that it is in most respects, if not all respects, identical with the wording of the clause now objected to.

The Colonial Secretary: It was copied from the South Australian Act, I suppose.

Hon. H. P. COLEBATCH: I do not know where the Government got it from, but I copied it from the Government's own Bill. It was a reasonable provision in the case of the Grain and Foodstuff Bill. It was put there before the Bill came to this House. What does it mean?

It means that if the Government should frame regulations and place them on the table of Parliament the day we are about to rise, members will have the first thirteen days succeeding in which to give notice of their objection and provision is made that the disallowing of these regulations shall not affect anything which is done under them. We have had one or two experiences which we are not likely to forget. Hon. members will remember the regulations framed under the Act imposing water rates and charges. They were altogether different from what Parliament had been led to expect would be framed. Only a little while ago very objectionable regulations were made under the Electoral Act which require both Houses to disallow. Judging by the case of the Electoral Act, unless there is some protection the Government can make regulations which are outside the Act, and can simply say that the regulations are made for carrying out the objects and purposes of the Act, although it is for something not definitely expressed. The Education Act is another case in point. I hope that this House will insist on the amendment as it stands.

Hon. J. F. CULLEN: The arguments against this amendment are absolutely illogical. The matter has to be settled one way or the other. If this House can give way just now they would have, next time a Bill comes up requiring regulations, to resume the stand they have made now, and which has been made effectively on a number of earlier Bills—so effectively that the Government themselves have recognised the right of this House and put it into two or three of their Bills on their own motion. Both Houses are necessary to pass a Bill; the regulations have the force of law, therefore the consent of both Houses to the regulations is necessary. If either House refuses consent the regulations cannot stand. Take it the other way. Either House can reject a Bill, therefore either House can reject the regulations. It is necessary for the protection of the liberties of the people. Ministers may say that if regulations go beyond an Act they can be resisted in the courts of the country, but why should we put the public to the necessity of going to the courts?

Question put and negatived; the Council's amendment pressed.

No. 11.—Third Schedule (paragraph 8): Strike out the words after "error" in line 1:

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

Question passed; the Council's amendment not pressed.

No. 10.—Third Schedule, paragraph (3): Strike out, in the requested amendment, the words "to the whole of the vendor's lien," and insert the word "vendor":

The CHAIRMAN: The Legislative Assembly has consented to make amendment No. 10 with a modification. In relation to amendment No. 10, it was wrongfully transmitted to the Legislative Assembly because the correct words were not transmitted. The amendment as requested by this Chamber was as follows:—To add to paragraph 3 of the schedule the words "or to the holders of vendor's liens," whereas the amendment which the Legislative Assembly considered was to add in the same place the words "or to the whole of the vendor's lien."

Hon. J. F. Cullen: That is an absurd mistake to creep in, surely.

Hon. D. G. GAWLER: Shall I be in order as the mover of that particular amendment in moving that a modification of the original request be made?

The CHAIRMAN: The hon. member will be in order.

Hon. D. G. GAWLER: Then I move—

That the original request be modified by striking out all the words after "lien" and inserting "holders of vendor's liens."

The Colonial Secretary: Will the hon. member explain the effect of his amendment?

Hon. D. G. GAWLER: It was intended to put into the same place as mortgagees those who are in the position of mortgagees, but who have no mortgage. It was done largely to meet the case of the Midland Railway Co. Members will see that the words as appearing

in the message to another place, "the whole of the vendor's lien" is proof that it was a mistake in the phonetic rendering. I am simply asking to put an unpaid vendor in the same position as a mortgagee. In reality the other House has agreed to the principle.

Hon. J. F. CULLEN: Members should have no difficulty in accepting this modification, because evidently another place is quite willing to accept it.

The COLONIAL SECRETARY: The amendment made by the Assembly serves the purpose very well. It will have the same effect.

Hon. D. G. GAWLER: In some cases there may not possibly be a lien existing, therefore in that case we would be giving the one year's interest to the person who was not entitled to it. The Assembly's amendment does not put the person in the position that he ought to be. The man who holds the lien is entitled to the interest.

Question put and passed; the Assembly's amendment, as modified, agreed to.

Resolutions reported, and the report adopted.

BILL—LUNACY ACT AMENDMENT.

Assembly's Message.

Message from the Assembly notifying that the first part of amendment No. 4, dealing with Clause 8, was insisted upon, and disagreeing to the further amendment to No. 6 now considered.

In Committee.

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

No. 4.—Clause 8, strike out this clause:

The COLONIAL SECRETARY: I agree that if the Council's wishes were complied with the Bill would be a better one. As it is, however, we shall have all the power that will be necesary. The Solicitor General points out that the enactment of Clause 8 would mean that if proceedings were taken for informality the clause would be a bar to such proceedings, that is to say, that if our amendment were passed it would prove an effectual bar to any proceedings that might be taken. As it is, if they have to go into court, we have the power to ask the judge to make the orders and documents valid. It is necesasry that the Bill should pass, and I hope the Council will not insist on the amendment, although personally I think it is desirable. I move—

That the amendment be not insisted on.

Hon. D. G. GAWLER: I agree with the reasons which the Colonial Secretary has given why we should not insist on this amendment. I think the purpose would be just as well served under Clause 5, and everyone will be duly protected.

Question passed, the Council's amendment not insisted on.

No. 6—Add to the end of the clause the words "who must be a duly qualified medical practitioner":

The CHAIRMAN: The reason set out by the Assembly for not agreeing to this amendment is that it restricts the choice of visitors, and there may be times when it would prevent a lady visitor being appointed at all. This amendment is really a modification of the amendment of the Legislative Assembly.

The COLONIAL SECRETARY: If we agree to this amendment the choice will certainly be restricted to probably one lady medical practitioner, and if that one were to leave the State we would be in a peculiar position indeed. Then again, that lady might refuse to act. What position would we be in in such a case? I move—

That the amendment be not insisted on.

Hon. A. G. JENKINS: Restricted as the choice may be, I fail to see any good reason why we should allow the amendment to pass in the way it has been sent up by the Assembly. A male visitor must have certain qualifications; he must be a resident magistrate or a duly qualified medical practitioner. Why should we set a different standard in the case of the female visitor? I remember a few months ago a well-meaning lady visiting this institution and subsequently writing a letter to the newspaper in Perth, in which she villified that institution. The newspaper, thinking that the woman was

of undoubted reputation, did not question her veracity and published the letter. The result was that the newspaper had to pay substantial damages to the doctor in charge of the institution. If a lady without professional knowledge and a trained mind goes down there and walks about the institution, there is no knowing what incalculable harm she may do. This is the one institution in the State in connection with which we should insist that the visitors should be qualified people.

Hon. J. CORNELL: It is not often that I suggest a way out of the difficulty, but I intend to do so if I am not ruled out of order. May I move a further modification of the amendment?

The CHAIRMAN: The hon. member may do that under Standing Order 222.

Hon. J. CORNELL: I am as desirous as any other hon. member of seeing a woman on the board, but I am not desirous of seeing a provision inserted in the Bill which will place a restriction on the male members, and no restriction on the female members. Therefore I would suggest as a modification that the following words be deleted from Section 94——

The CHAIRMAN: I do not think that would be in order, because it would not be an amendment on this amendment. It would introduce new matter. I am afraid I cannot accept such an amendment. The hon. member might be able to get out of the difficulty by suggesting a further modification.

Hon. J. CORNELL: I intended to suggest that we should delete these words from Section 94, "one of whom shall be a medical practitioner and the other a police magistrate or a legal practitioner," and to insert instead a subclause to read as follows:—"the qualifications of the official visitor shall be as prescribed by regulation." It is provided that the Governor may make regulations, and by the elimination of the words I have quoted and insertion of the others the difficulty would be overcome, by the making of a regulation which would meet the position.

Hon. J. F. CULLEN: Could not the difficulty be got over by putting in the word "preferably," so as to provide that the female appointed might preferably be a medical practitioner? That would be an instruction to the Government to appoint a medical practitioner if available, and at the same time it would not tie the hands of the Government.

Hon. J. E. DODD (Honorary Minister): I have been making some inquiries into this matter, and I have ascertained that a letter was sent by Dr. Montgomery to the Women's Service Guild, in which he suggested that a professional lady should be appointed. That action is, I think, one of the strongest reasons why we should not accede to the request. When the head of any institution goes out of his way to write in the way I have stated, I think we are justified in taking an opposite course. We desire to be able to appoint a commonsense woman of tact who will do credit to the position. To limit the choice to a professional lady would make it impossible to appoint anyone.

Hon. W. PATRICK: To provide a way out of the difficulty, I move an amendment—

That the Council's amendment be further modified by adding after "practitioner" the words "or a member of the Australasian Trained Nurses' Association."

The COLONIAL SECRETARY: I cannot agree to the amendment. No reason has been given in support of it, and I do not understand its object. If inmates are ill, they are sent to the hospital and the services of a trained nurse would be of no advantage.

Hon. J. F. Cullen: Why appoint a doctor?

The COLONIAL SECRETARY: One doctor versed in lunacy would be quite sufficient. The choice should not be restricted.

Hon. C. SOMMERS: While the field for the choice of a lady medical practitioner would be limited, the amendment is one which the Government should readily accept. There are 300 women and children in the Hospital for the Insane, and it is only fair that a visitor in whom they would readily confide should be appointed to look after their interests. We should insist upon an appointee who

has knowledge of the medical profession or training in regard to women's ailments, and a trained nurse would be quite suitable. If a restriction is not imposed, any busybody might be appointed.

Hon. A. G. JENKINS: As a way out of the difficulty, I support the amendment. A nurse has experience in the ailments of women, and if we insist on a qualification for the man we should insist upon the same for a woman. The choice should be restricted to trained women.

Amendment (further modification) put and passed.

Question (modification as amended) put and a division taken with the following result:—

Ayes	16
Noes	4
Majority for	12

AYES.

Hon. C. F. Baxter	Hon. R. D. McKenzie
Hon. H. Carson	Hon. W. Patrick
Hon. E. M. Clarke	Hon. A. Sanderson
Hon. J. F. Cullen	Hon. G. M. Sewell
Hon. V. Hamersley	Hon. C. Sommers
Hon. J. J. Holmes	Hon. Sir E. H. Wittenoom
Hon. A. G. Jenkins	Hon. H. P. Colebatch
Hon. R. J. Lynn	(*Teller*).
Hon. C. McKenzie	

NOES.

Hon. J. E. Dodd	Hon. J. Cornell
Hon. J. M. Drew	(*Teller*).
Hon. H. Millington	

Question thus passed; the modification as amended agreed to.

Resolutions reported, the report adopted, and a message accordingly returned to the Assembly.

BILL—COAL MINES REGULATION ACT AMENDMENT.

Second Reading.

Hon. J. CORNELL (South) [5.58] in moving the second reading, said: The piloting of this short Bill through the House has been entrusted to me, and I crave the indulgence of hon. members as the effort is my first in this direction. The object of the measure is to correct a few anomalies in the Coal Mines Regulation Act of 1902. I agree with the hon. member who introduced the Bill into another place that a comprehensive measure on the lines of that in force in Great Britain should be adopted here. Time will not permit of such a Bill being introduced at present, but there are several such apparent anomalies that a short Bill to remedy them is necessary in order to do justice to those affected. No opposition was offered to this Bill in another place. Clause 2 of the Bill proposes to provide for reciprocity in the matter of certificates between this State, Great Britain and New South Wales. The present Act provides that a man holding a first-class certificate is entitled to have such certificate recognised in this State, but there is no similar provision in respect of persons holding second-class certificates. The position under the Act is that the holder of a first-class certificate coming from New South Wales or Great Britain, is immediately recognised in West Australia under the present Act; but a second-class certificate is not similarly recognised. The purport of the clause is to put the holder of a second-class certificate on the same plane as one holding a first-class certificate. I have very little knowledge of coal mining, though I know a good deal about gold mining. This Bill was introduced in another place by a member representing a coal mining constituency, and was supported by the leader of the Opposition, both of whom are thoroughly qualified to speak on the subject as to the necessity for this amendment. I propose, therefore, to accept the opinion of those hon. members as expressed in another place; consequently there is no need for me to speak at length on this Bill. Under the present Act it is provided that no person may be granted an inspector's certificate who has not for two years within five years immediately preceding his application had practical experience of mining. Anyone who knows anything of the mining industry whether coal or gold, will know it may happen that a man may have worked for 30 years at mining, but may have been for five years out of the coal mining industry. Under the present Act, if he has not had practical experience for two

years during the five years immediately preceding the date of his application for a certificate, such a man cannot be granted a certificate. Members will recognise that a man who has had 30 years' practical experience, even though he remains out of the industry for five years, would be more qualified to hold a certificate than another person who had been in the industry for six years only. Clause 4 of the Bill makes it legal for certain workers, check weighers, and inspectors to subscribe to and become entitled to benefits under the Coal Miners' Fund. That principle has been operating for many years, and check weighers have been getting benefits from the fund; but, if the question were legally tested, it would be found that they would not be entitled to benefit. Seeing that the principle has been in operation for 13 years there can be no harm in legalising it. It may be that at the time of the introduction of the Act the framers were not aware that there was a body of workers known as check weighers, which is the reason why they were excluded; or it may be that they have become an instiution in coal mining since the Bill was passed. There is no contentious matter in this Clause; it simply gives enactment to what has been done in the past. I beg to move—

That the Bill be now read a second time.

Hon. R. J. LYNN (West) [6.4]: As one of the representatives of the coal mining industry I desire merely to say that there is no objection to be raised against the principles embodied in this Bill. The Bill merely legalises something which has been the practice for many years past.

Hon. J. F. CULLEN (South-East) [6.5]: I do not desire to take any objection to the Bill, but to draw the attention of the hon. member who has introduced it to what, to my mind, appears to be an anomaly in Clause 2, owing to incorrect numbering of clauses. I would suggest that the Bill be transferred to the draftsman in order that the error may be ectified.

Hon. J. CORNELL (South—in reply) [6.6]: The Bill has been introduced in another place by the representative of a coal mining community, and it has passed another place without amendment. If the hon. member who originally introduced the Bill is satisfied with the drafting I am also satisfied. If there be the anomaly in the Bill outlined by the Hon. Mr. Cullen it has not been remarked on during the passage of the measure through another place, and I am not prepared to set myself up as an expert.

Hon. J. F. Cullen: It could be referred to the Parliamentary draftsman.

Question put and passed.

Bill read a second time.

In Committee.

Clause 1—agreed to.

Clause 2—amendment of Section 21.

Hon. J. F. CULLEN: I would again suggest to the hon. member that the Bill be referred to the draftsman.

Hon. J. CORNELL: Hon. members do not appear to appreciate my position in this matter. I move—

That progress be reported.

Question passed, progress reported.

Sitting suspended from 6.12 to 7.30 p.m.

BILL—STATE CHILDREN ACT AMENDMENT.

Second Reading.

Hon. J. E. DODD (Honorary Minister—South) [7.31] in moving the second reading said: This is a short amendment of the State Children Act, and really provides for, simply, the exercise by women of the functions of a justice of the peace in the children's court. The subsection of the principal Act to be amended reads as follows:—

> In the absence of the special magistrate or in places not within such areas the jurisdiction of a children's court may be exercised by any two or more justices of the peace.

The desire of the Government is to amend the section I have quoted by mak-

ing provision for the jurisdiction of the children's court to be exercised by any two or more justices of the peace or other persons, male or female, appointed by the Governor-in-Council to be members of the children's court. It is really a part of the policy of the Government to extend the functions of justices of the peace to women, but at the present stage we are not prepared to enter fully into that phase.

Hon. W. Kingsmill: I hope you will be very careful in your selection.

Hon. J. E. DODD (Honorary Minister): We have to be very careful also as regards men.

Hon. W. Kingsmill: Your carefulness does not always appear on the surface.

Hon. J. E. DODD (Honorary Minister): I do not think more care will be needed as regards the selection of women than as regards the selection of men. At all events, the object of the Bill is simply to give the Governor-in-Council the power to allow any other person, male or female, as distinguished from justices of the peace, to sit upon the bench of the children's court and carry out the duties of a justice of the peace for that particular court. I move—

That the Bill be now read a second time.

Hon. A. G. JENKINS (Metropolitan) [7.33]: I have much pleasure in supporting the Bill. The members of the Women's Service Guild have for a long time past been anxious for this amendment. It may do a great deal of good to have women on the bench of the children's court. A fear is entertained, however, by women that the clause as drafted will not vest in them the full powers which they desire. Therefore I will ask the Honorary Minister to agree to the postponement of the Committee stage until to-morrow, so that I may look more carefully into the matter and ascertain whether the ladies have anything to be dissatisfied about.

Question put and passed.

Bill read a second time.

BILL—VERMIN BOARDS ACT AMENDMENT.

In Committee.

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

Clauses 1, 2, 3—agreed to.

Clause 4—Amendment of Section 39:

Hon. Sir E. H. WITTENOOM: The wording of this clause hardly conveys what is intended. The desire is that Section 39 and the two proposed new sections shall apply to the owner of a holding, notwithstanding that his holding may be wholly or partly outside the district of a board. The particular rabbit-proof fence here concerned is not on the boundaries of the board's district. The district has been made very much larger, and the fence contains only the smaller part of it. The intention of the clause is that a person holding a certain area inside the fence and another area outside should be rated on the outside area as well as on the inside area. I move an amendment—

That in line 6 the words "boundaries of the district of the board" be struck out and "rabbit-proof fence" inserted in lieu.

The COLONIAL SECRETARY: The amendment might be entitled to some consideration if the principal Act dealt solely with the Gascoyne Vermin Board. That Act, however, applies to the whole of the State, being designed to meet the requirements of the whole of Western Australia. The object of Clause 4 is that the holder of a property partly or totally outside the Gascoyne Vermin Board's district who makes use of this particular rabbit proof fence, must pay to the owner of the fence, at the rate of 5 per cent. per annum interest on the cost of such length of the fence as he may use. Any owner who considers that he derives no benefit from the fence can proceed to arbitration.

Hon. Sir E. H. WITTENOOM: I do not think the leader of the House is quite right. On referring to the map which he laid on the Table, the hon. gentleman will see that this fence was not erected upon the boundaries of the Gascoyne Vermin

Board's district. In my opinion, the words of the clause have not the effect intended.

The COLONIAL SECRETARY: Section 39 of the principal Act, which this Clause 4 seeks to amend, provides that if any fence erected by or under the control of the board is, with the consent of the board, made use of by the owner of any holding in fencing his holding, such owner shall be liable to pay to the board an annual sum equal to 5 per cent. upon the value of such portion of the fence as the owner may make use of. The Government desire to add to that provision the two new sub-sections set forth in this clause.

Hon. Sir E. H. WITTENOOM: I repeat that this fence is not on the boundaries of the district. Were it on the boundaries, then Clause 4 would be applicable. I am quite in accord with the intention of the clause, since if a man has 100,000 acres outside the fence and 100,000 acres inside the fence, and joins the fence, he should pay in respect of the area outside, as well as in respect of that inside. The substitution of the words "rabbit proof fence" for "boundaries of the district of the board" would at once make the clause apply to that man.

The COLONIAL SECRETARY: It is simply a question of whether he should pay his contributions towards the fence if he is using it. It was a defect in the original Act that if a man were outside the boundary of the district he would escape payment, even though he used the fence as a boundary fence. It is now proposed that he should pay on a five per cent. basis for the use of the fence.

Hon. Sir E. H. WITTENOOM: I wish to withdraw my amendment.

Amendment by leave withdrawn.

Clauses 4 to 16 agreed to.

New Clause:

Hon. Sir E. H. WITTENOOM: I move—

That the following be inserted to stand as Clause 7, "Section 47 is hereby amended by striking out the words 'two shillings' and by inserting in lieu thereof the words 'one shilling.'"

Section 47 of the Act empowers the board to levy any rate not exceeding 2s., and Section 49 empowers them to make a second rate, but neither rate is to exceed 2s. for each hundred acres. It will be remembered that a number of settlers undertook to build a fence 330 miles in length, the Government lending them the money for the purpose. The original Act was then passed, providing among other things that the pastoralists in the Gascoyne district who undertook to build the fence should be rated for not more than 2s. on every 100 acres for the repayment of the capital. The fence cost £66,000—far more than it should have done—and in consequence the rate was found to be exceedingly heavy. Following on this, three or four years of severe drought overtook the settlers, with the result that they found it quite impossible to pay the 2s. rate, and have fallen into arrears amounting to £9,000. So their indebtedness to-day is £66,000 plus £9,000 arrears for rates. The object in asking for the reduction of the rate is that the settlers may be able to repay the Government. Originally the time for repayment was 20 years, a period that was afterwards extended by the then Minister for Lands (Mr. Bath) to, I think, 30 years. These settlers have no idea of repudiating their debt; they only ask to be put in a position to discharge it. The amendment will do that, and will return to the Government a revenue of £4,000 odd per annum. It must be remembered, too, that the settlers, while intending to pay up all they owe, offer to hand over the fence to the Government as a free gift if the Government will maintain it as they are maintaining hundreds of miles of other rabbit-proof fences. If the Government decline this offer, and if the amendment is carried, the settlers will in time repay the Government, and the fence will fall to pieces, because it is utterly impossible for the settlers to meet their present indebtedness and maintain the fence also. Hitherto the maintenance has cost £10 a mile, whereas the Government, I understand, can do it for £2. The Government may say "We will maintain it, provided you allow the 2s. rate to remain

so that we may get £9,000 per annum out of you instead of £4,000 odd." But those 39 settlers cannot possibly pay £9,000 a year in rates, and the only hope the Government have of getting their money back is to allow the settlers to pay at the rate of 1s. per hundred acres, and give them time. These men are of a most deserving type, and they should be given consideration equally with distressed people in other parts of the State. All they ask for is reasonable consideration. I understand the Minister for Lands is sympathetic, and I hope hon. members will assist these men who have done so much to develop the country.

Hon. J. J. HOLMES: I hope the House will support the amendment moved by Sir Edward Wittenoom, the effect of which will be that the State will ultimately have the full amount of loan, plus interest, repaid to them, but that the time of payment will extend over a longer period and the Government will be getting interest during that period. These unfortunate people, through no fault of their own,—at all events so far as the bulk of them is concerned—were led into this unfortunate position, and have now become liable for this enormous debt and are called upon to pay what there is but little hope of their being able to pay. Some of them would be ruined now but for the defect in the old Act. What the Government are seeking is power under the new Act which they do not possess under the old Act. Under the old Act it is not definite as to who shall pay the rates. As a result of a test case held at Carnarvon, the magistrate held that under the Act no particular person seemed to be liable to pay the rates. It is now sought to make these people, who are responsible for £4,500 a year in rent, responsible for £9,000 a year tax, which is twice the amount of the rent. There are nine million acres in that area and they have to pay 10s. per 1,000 acres for Crown rent and £1 per 1,000 acres for vermin rent. These people inside the fence are penalised to this extent that the men outside the fence are paying 10s. per 1,000 acres and the men inside are paying in all 30s. per 1,000 acres, and consequently are penalised to the extent of three times the amount that those outside the fence have to pay. The danger in giving the Government the right to enforce a tax of twice the amount of the rent will be apparent to hon. members. I would point out that there has been an effort on the part of the Government to collect this tax irrespective of the justice of it. The Under Secretary for Agriculture, Mr. McNulty, went up to Carnarvon a little time ago.

The Colonial Secretary: The Government could not collect the tax without superseding the board.

Hon. J. J. HOLMES: This officer evolved a scheme and some adopted it, that they should sign promissory notes for the amount of their rates, extending over different periods, plus five per cent. The section which refused to sign these promissory notes is not liable for a penny of the money, because of the defect in the Act, but those who have signed the promissory notes are liable for them. Assuming that the Act was defective the Government endeavoured to rectify this by taking promissory notes plus five per cent. on the money due. The Government can enforce payment of these promissory notes, but not the repayment of the loan under the old Act. This is the evidence of what the Government have done to one section of this unfortunate community.

The Colonial Secretary: Did not the board collect the promissory notes?

Hon. J. J. HOLMES: The whole thing was arranged under the advice of Mr. McNulty who went up, I believe, at the request of the Government. I am afraid that if we give the Government power in face of this evidence to penalise these people to the extent of £9,000 a year, it will be very hard upon them. What they are already paying is surely sufficient to ask of them. If the Government endeavour to collect £9,000 by way of vermin tax and their rent as well, they will probably not be able to collect either sum, but if they are treated liberally the Government will be able to collect both the £4,500 a year rent and the £4,500 a

year tax. Otherwise, the poorer section of the community will have to abandon their holdings, and when the leases cease to exist they cease to become liable for the vermin tax as well as for rent, and the difficulty will be to get anyone else to take up the land. The Minister for Lands said, in introducing the measure, that he did not believe in the system of taxation as suggested under this Bill but that the secretary of the vermin board at Carnarvon, who was charged with collecting the rates, had said that the old Act was defective and that this would meet the case. The Minister then said "Put it on the statute-book for the time being and if we get control of the fence we can probably come along later with a better proposal." I think this House should deal with the question now. These people have had four successive seasons of drought, and even now a good many of them have had no rain at all and some only a little. When we are giving so much consideration to the farmer who has only had one bad season, we should give consideration to these people and say that the maximum they should have to pay will be 1s. per 100 acres. I have much pleasure in supporting the amendment.

The COLONIAL SECRETARY: If the Government introduced legislation seeking to interfere to such an extent with the security of private financial institutions as proposed under the amendment of Sir Edward Wittenoom, there would be no one more loud in his condemnation than he. This, to my mind, is a deliberate interference with the securities of the Government. This board was not foisted upon the Gascoyne pastoralists. It was asked for and they sought out Sir Newton Moore and asked him to introduce a Bill. This Bill was introduced and provision was made for taxation on the basis of 2s. per 100 acres. That Bill having become law the Government on the strength of the measure loaned these 36 pastoralists something like £60,000 in order to erect a fence. There is an attempt to destroy this security. The rate was not fixed by the Government but by the pastoralists themselves. Even though they fixed the rate of 2s. per 100 acres, they have not been able to meet their liabilities. It is suggested, as a remedy, that the rate should be reduced from 2s. to 1s. per 100 acres. Sir Edward Wittenoom stated that the fence had been built at great cost. Whose fault was that?

Hon. Sir E. H. Wittenoom: We are not blaming the Government.

The COLONIAL SECRETARY: It is the fault of the 36 pastoralists who did not exercise proper supervision. The rating is heavy because the cost of the fence is heavy. There are 330 miles of fencing costing over £50,000 and they have to rate themselves in proportion. They were given a period of 20 years in which to repay the loan, and the present Government extended that period to 30 years, and now they want the general taxpayer to bear the burden.

Hon. Sir E. H. Wittenoom: We do not ask the general taxpayer to pay anything; we only ask for a little time in which to pay the lot.

The COLONIAL SECRETARY: A large proportion would fall upon the general taxpayer. Sir Edward Wittenoom states that the pastoralists have no idea of repudiating the debt. This is a repudiation. It is a serious interference with Government security. Mr. Holmes says that the Government are making these unfortunate people responsible for the interest. They undertook to provide interest on the principal. They made themselves responsible.

Hon. J. J. Holmes: For interest on the promissory notes.

The COLONIAL SECRETARY: They undertook to pay both interest and principal. Now, we are accused of making these unfortunate people responsible for the interest.

Hon. J. J. HOLMES: On a personal explanation, I would point out that these people having signed promissory notes were liable for the interest. The men who did not sign the promissory notes and were liable for arrears on rates were not liable for interest and the interest could not be collected when the rates were paid.

The COLONIAL SECRETARY: In regard to the promissory notes the board was responsible for them. Some of the pastoralists were not in a position to pay rates, and they asked the board to accept promissory notes. Some of those were dishonoured.

Hon. J. J. Holmes: The whole thing was illegal.

Hon. E. McLARTY: It seems to me an impossible position to expect 36 settlers to make up this enormous sum of money. Possibly when this arrangement was entered into they were having good seasons and they were in a flourishing position and did not regard a few thousand pounds' liability as a serious consequence. But since then they have had a visitation of four bad seasons, and no doubt they are in straitened circumstances. To ask these people to pay £1 a thousand vermin tax in addition to 10s. a thousand for rent is asking them to do what is an absolute impossibility. If the Government do not accept this amendment they will fall in the wet, to use a vulgar expression. The Government will act wisely if they extend the term and reduce the amount of the tax. The amendment will put the Government in the way of getting their interest and if they reject it they will never get it.

Hon. Sir E. H. WITTENOOM: I am not in any way trying to impair the security of the Government in connection with this reduction. I do not blame the Government; in fact the squatters are grateful to the Government for having gone to their assistance and having built the fence, but having found that they were misguided they now ask the Government to accept this reduction and help them through. There is not the slightest necessity for the Government to take over the fence.

Hon. C. SOMMERS: If the Government will do what they have been asked to do by the amendment they will only be doing what is done almost every day in commercial circles. A man calls his creditors together and says he is willing to pay 20s. in the pound and interest, provided he is given time to do so. The Government have previously done in similar cases what it is now proposed they should do.

The COLONIAL SECRETARY: If it is found that the present rate is too burdensome, and if the board go out and it becomes necessary for the Government to take over the fence, an investigation may show that it may be necessary to maintain the rate at 2s. The Government will not attempt to extract more than is reasonably necessary to cover the cost of administration.

Hon. J. J. HOLMES: All the other sections of the pastoralists have been protected at the expense of the State, and these 36 ratepayers have to pay the same as the other taxpayers, in addition to their proportion. They are willing to pay for their own barrier fence that they took upon themselves to build, and all they ask is that they should get longer time to pay.

The COLONIAL SECRETARY: The burden of the maintenance of the fence from coast line to coast line is a national affair. That fence was intended to serve, not a small section of the community, but the whole pastoral and agricultural sections of Western Australia, whereas this is a fence within a fence intended to serve three dozen squatters. If they have a legitimate claim on the Government to maintain that fence any body of farmers could get together, decide to erect a ring fence and then make a demand upon the Government to maintatin it.

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

Ayes	18
Noes	5
Majority for	13

AYES.

Hon. C. F. Baxter	Hon. C. McKenzie
Hon. H. Carson	Hon. R. D. McKenzie
Hon. E. M. Clarke	Hon. E. McLarty
Hon. J. F. Cullen	Hon. W. Patrick
Hon. D. G. Gawler	Hon. A. Sanderson
Hon. V. Hamersley	Hon. G. M. Sewell
Hon. J. J. Holmes	Hon. C. Sommers
Hon. A. G. Jenkins	Hon. Sir E. H. Wittenoom
Hon. R. J. Lynn	Hon. H. P. Colebatch (*Teller*).

NOES

Hon. J. E. Dodd	Hon. H. Millington
Hon. J. M. Drew	Hon. J. Cornell
Hon. J. W. Kirwan	(*Teller.*)

New clause thus passed.

New clause—Amendment of Section 39:

Hon. Sir E. H. WITTENOOM: I move—

That the following be inserted to stand as Clause 8:—Section 49 is hereby amended by striking out the words "two shillings" and by inserting in lieu thereof the words "one shilling."

This is consequential on the new clause just passed. Section 49 empowers the board to strike a second rate which is limited to 2s. and I wish to make the amount 1s.

New clause passed.

New clause:

Hon. Sir E. H. WITTENOOM: I move—

That the following be inserted to stand as Clause 14:—Notwithstanding anything in the principal Act the Minister shall forthwith take possession of the moneys and other property vested in the board of the Gascoyne Vermin District and administer the Act in that district, and shall maintain and repair the fence erected by such board, and all expenses of administration and of such maintenance and repair shall be discharged and paid by the Minister out of such moneys as may be voted by Parliament for such purposes. All moneys due to the said board in respect of unpaid rates or otherwise shall be vested in the Minister for the purposes of the Act, and he shall have and exercise all the powers of the board and of the chairman thereof for the recovery of such rates and other moneys.

The board find it impossible to act. No one is willing to carry on the work and no money is available for it. These pastoralists would like the Government to undertake the maintenance of the fence, in the same manner as they maintain all the other rabbit-proof fences in the State. The control of those fences is a credit to the Government. The 39 settlers concerned pay rates which are used for the maintenance of other rabbit-proof fences. If the Government decline to do this we shall have the spectacle of the fence going to ruin. Surely the Government will not permit this for the sake of an expenditure of £660 a year.

The COLONIAL SECRETARY: The new clause is one of the coolest propositions ever submitted to this House. From a constitutional point of view it is extraordinary. The object is that the Government should maintain the fence at the cost of the general taxpayer and not out of moneys contributed by the people benefited by the fence. There is no provision for taxing these people in future; the whole cost of administration must be borne by the general public. The pastoralists requested power to erect the fence and the Government advanced the money and now they want the State to bear the burden of its upkeep. Every consideration has been given to them; the time allowed for repaying the moneys advanced was even extended from 20 to 30 years. The complaints regarding the administration of the board concern those responsible for the construction of the fence. This proposal will not be considered by the Government for one moment.

Hon. J. J. HOLMES: The Government are not bound to maintain the fence. If they can administer the matter at one-fifth of the expense of the board, surely it would be fair, if they have money to spare, to devote a little to this purpose. I understand the Government will collect the rates.

The Colonial Secretary: No, only the rates now due.

Hon. J. J. HOLMES: The Government will administer the Act as it should have been administered by the board.

Hon. A. G. Jenkins: The Government will have power to collect future rates.

The Colonial Secretary: No.

Hon. A. G. Jenkins: Of course they will.

Hon. J. J. HOLMES: It is understood the board has ceased to exist and as no other board will undertake the responsibility, the Government must collect the rates, and if they do so, surely they should maintain the fence.

The CHAIRMAN: If the contention of

the hon. Mr. Holmes is correct the two clauses we have passed are distinctly out of order. The position as I view it is that the board collect the rates, but it is not proposed that the board should devote them to the purpose of maintaining the fence. If it is proposed that the rates should go into Consolidated Revenue the two new clauses we have passed are out of order. If on the other hand, the rates are to go into the funds of the board, the clauses are in order.

Hon. J. J. HOLMES: It has not been suggested that the money should go into Consolidated Revenue. If the Government take over the functions of the board they will collect the rates which shall be set off against the principle and interest due by the vermin district. Every fence erected minimises the danger from the rabbit. It is impossible to exterminate the rodents unless there is a fence to work to or from. The foresight of earlier administrators in erecting barrier fences has prevented the onrush of rabbits into our settled districts.

Hon. Sir E. H. WITTENOOM: I expected to receive the sympathy of the Minister and I was surprised at his attitude in regard to the rate clause. I would not think of attempting to force on the Government any duty which they would not be willing to undertake, and as the Minister is so hostile to my proposal, it would be bad taste to proceed with it. I hope I have conveyed the feelings of the pastoralists in the Gascoyne district, that they humbly ask the Government to take over and maintain the fence, a thing they themselves cannot do. In the circumstances I beg leave to withdraw the proposed new clause.

New clause by leave withdrawn.

Title—agreed to .

Bill reported with amendments, and the report adopted.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

In Committee.

Resumed from the 4th February; Hon. W. Kingsmill in the Chair, the Colonial Secretary in charge of the Bill.

Clause 3—Amendment of Section 7:

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

That the following words be added to the clause:—"and by omitting all words after 'duty' in line four of subsection (2) to the end of the subsection, and inserting in lieu thereof the following: "on the taxable amount of such profits—(1) at the rate of fourpence for every pound sterling thereof up to five hundred pounds; (2) at the rate of fivepence for every pound sterling thereof in excess of five hundred pounds up to seven hundred and fifty pounds; (3) at the rate of sixpence for every pound sterling thereof in excess of seven hundred and fifty pounds up to one thousand pounds; (4) at the rate of sevenpence for every pound sterling thereof in excess of one thousand pounds up to one thousand five hundred pounds; (5) at the rate of eightpence for every pound sterling thereof in excess of one thousand five hundred pounds up to two thousand pounds; (6) at the rate of ninepence for every pound sterling thereof in excess of two thousand pounds up to three thousand pounds; (7) at the rate of tenpence for every pound sterling thereof in excess of three thousand pounds up to four thousand pounds; (8) at the rate of elevenpence for every pound sterling thereof in excess of four thousand pounds up to five thousand pounds; (9) at the rate of one shilling for every pound sterling thereof in excess of five thousand pounds."

Under the Income Tax Act, 1914, taxation is collected on incomes on a graduated basis ranging from 4d. in the pound to 1s. in the pound. The effect of the amendment will be that instead of charging taxation at the rate of 1s. in the pound on profits it will be on the same scale as the income tax, up to £5,000, and thereafter on a graduated basis. I wish to refer to some remarks of the Colonial Secretary on the introduction of this Bill, in which he referred to the fact that the shares in a considerable number

of companies registered under the Companies Act are held by a few individuals and argued that that showed special benefits were derived from the registration of companies. The Minister pointed out that if those companies were trading as firms they would have had to pay income tax, but as companies they are exempt. Is it not logical, therefore, to treat these companies as individuals? Figures have been given to this House to show that the profits of companies other than mining amounted to £265,570 and mining companies to £162,000, and it was pointed out that those profits escaped taxation under the income tax. If these companies were taxed on the basis I suggest the profits would yield respectively £13,278 and £8,100, or a total extra taxation of £21,378. It is proposed that the Bill shall date back to 1899 and figures which have been given us show that the accumulated profits of mining companies in period amounted to £2,500,000, which, if, subject to taxation, would yield £125,000. The argument brought against the proposal by the Colonial Secretary the other night was based on some remarks made by Sir John Forrest, when introducing a Bill in 1902. The Minister pointed out that certain privileges were accorded to companies under the Act; but hon. members must understand that there are also advantages to the public gained by the registrations of companies. The public is enabled to know the number of the shares in a concern and the names of the shareholders, and there are various other advantages also. It may be argued against my proposal, that it will probably slightly decrease the amount of equitable tax, but under the very stringest provisions of the Bill companies are going to be taxed at the heavy rate of 1s. in the pound. If the amendment be agreed to it will make taxation of companies the same as under the Income Tax up to £5,000 and I think it will be more fair and lead to more business. It has also to be remembered that many deductions are allowed under the income tax to private individuals. For instance, if a person uses his own property for the purposes of his business he is allowed a sum for rent as a deduction. Companies, on the other hand, are not granted a similar deduction. I submit the amendment as a reasonable corollary to the introduction of this Bill. If the purpose of the measure is to reach profits which companies hide—one-man companies, in particular—why not follow the principle to its logical conclusion, and say to such companies, "Since we treat you as an individual, we will tax you as an individual?"

Hon. J. F. CULLEN: Mr. Gawler has done good service in suggesting the course which the Government ought to take; but the Government should take that course, if it is to be taken; and this House should not take it. For this House to go beyond its province, and trespass on the province of another place, by formulating a scheme of taxation would be undesirable. Mr. Gawler's suggestion is valuable as tending towards unification of our system of profit taxation, and I hope the hon. member will be satisfied with having expressed his views and will withdraw the amendment.

Hon. A. SANDERSON: Mr. Gawler has attempted the impossible, in seeking to place our system of taxation on some kind of fair and logical basis. It would not be difficult to show that his proposal fails to attain that end. I agree with Mr. Cullen that the formulation of a scheme of taxation is the Treasurer's business. As regards Mr. Gawler's suggestion, let us take the case of three widows, to adopt the hackneyed illustration. One widow draws an income of £100 from Western Australian Bank shares, on which income she pays dividend tax at the rate of 1s. in the pound. The second widow draws £100 per annum from Government securities, and she does not pay one single penny of taxation.

Hon. J. F. Cullen: She pays income tax.

Hon. A. SANDERSON: No. Let the hon. member question the Colonial Treasurer, or anyone else possessed of any knowledge of taxation; on that point

The third widow draws £100 per annum from a mortgage investment. She, of course, escapes taxation by reason of the exemption; but let her income rise to £300, and she will pay 4d. in the pound income tax.

Hon. D. G. Gawler: This amendment does not affect that case.

Hon. A. SANDERSON: Let the hon. member read his own amendment. He is attempting the impossible. The only proper system of taxation is the Imperial system of income tax, or the system obtaining in New South Wales. In order to arrive at a fair, logical, and unified system of taxation, we must sweep away the whole of our existing system, recognise Federal taxation, and remodel the entire system of State taxation. I hope the amendment will be withdrawn.

The COLONIAL SECRETARY: The Bill was introduced for the purpose of increasing taxation. The amendment would have the effect of decreasing it. It would deprive the Government of a considerable amount of revenue. It is a very serious amendment of Section 7 of the Act of 1902, which deals with the operations of companies doing business in Western Australia and elsewhere. Since 1902 all those companies have been paying on the basis of 1s. for every 20s. of profits assessed. They pay a dividend tax or, if no dividend is declared, they are taxed on their profits. The effect of the amendment would be that in the case of a profit of £500 the company would pay 4d. instead of 1s. Under the amendment they would have to be making a profit of £5,000 before being called upon to pay 1s. for every 20s. of profit. It would have been better if the hon. member had opposed the Bill on the second reading, because he must know that the amendment could not possibly be accepted. On the second reading I quoted Sir John Forrest as to the undoubted propriety of taxing companies more heavily than private individuals. Let me now quote Sir Thomas McIlwraith, who when introducing a Bill into the Queensland Parliament, many years ago, said—

> I do not think anything in this world can better stand taxation than profits, and I do not think there is anything that can better stand taxation than the profits of limited liability companies, or these big financial companies trading with capital in the colony. The fact that they have an immense advantage from the operation of the limited liability principle is seen by looking at the position of banking now as compared with its position before the Act embodying that principle came into operation. Why, Sir, individual efforts in banking are wiped out, private banking is obliterated, and the merits of the principle are seen in the advance and progress of banking institutions. Looking at the career of most of the banking companies, the land companies, and other companies employing large capital in the colony, mostly coming from England, and looking at the large profits that have accrued to them, I do not think it is an unfair thing to come down, at a time like this, when we want money so badly in the Treasury, and ask them to contribute. I do not think there is a fairer tax in this world than a tax upon banks, and when we see the progress banks have made in this colony, and their constantly increasing profits, it is a fair thing to say they should contribute a little more than they have done hitherto to the coffers of the State.

Hon. D. G. Gawler: There is not a word there about differentiating between private individuals and the banks.

The COLONIAL SECRETARY: Every word is in support of his contention that banks and other limited liability companies should be obliged to pay heavier taxation than the private individuals.

Hon. D. G. Gawler: He does not say that there.

The COLONIAL SECRETARY: It is clearly indicated in his argument. Five wealthy persons can easily form a limited liability company, which may fail for a tremendous amount, go into liquidation, pay something under sixpence in the pound, and the shareholders of the company, wealthy men, are absolved from

any liability except the amount due in connection with their shares. Several individuals holding shares in the Midland Railway Company, at a time when it was in a very shaky condition, transferred their scrip to others in order to escape liability.

Hon. J. W. KIRWAN: Members must have a good deal of sympathy with Mr. Gawler's object. A great deal of injustice is at present committed by reason of the differences of taxation which exist as between the dividend duties and the income tax. I know of two firms, one a limited liability company and the other merely a firm and not a company, both competing in the same line of business. The limited liability company has to pay 1s. in the pound under the Dividend Duties Act, while the firm next door pays a much smaller rate by way of income tax. I agree with Mr. Sanderson that very frequently injustice is done in consequence of this discrepancy between the two methods of taxation. Take the case of a person whose sole income is £200; if the £200 is secured by means of dividends that person has to pay £10 a year dividend duty, while if the money were drawn from any other source there would be no income tax to pay, because the amount would be within the exemption. That is contrary to the whole idea of taxation falling on the individual in proportion to his ability to pay. I do not think such inconsistencies would be met by the amendment, which indeed proposes to perpetuate some of the injustices in the original act. It must be remembered that it is the company that has to pay the dividend duty, and not the individual shareholder. If it were the shareholder, some arrangement such as that proposed might be satisfactory. It is easy to say that a uniform system of taxation ought to be introduced, but the moment one endeavours to devise a practical scheme he is beset by all sorts of difficulties. I hope the hon member will not persist with his amendment. It has served a useful purpose by inciting members to think out some satisfactory solution of the difficulty. I cannot accept the principle that companies ought to pay more than private individuals, because, after all, companies are but aggregations of private individuals.

Hon. D. G. GAWLER: I want it to be plainly understood that this is a direct jump from 1s. on dividends to 1s. on profits, which is a very different thing. It will make a serious difference to the smaller companies. The Colonial Secretary means that it is going to make a serious difference to the expected profits of the Government under this income. They anticipate an additional income of £21,000 with a prospect of getting £125,000 from back profits. It will make an inroad upon this insofar as there is a decreased amount to be paid up to £5,000, but even allowing for that I do not think they are going to lose on their present figures. Hon. members have expressed a certain amount of opposition to this question and I am not one to press any amendment in the face of such oposition. I will, therefore, beg leave to withdraw my amendment.

Amendment by leave withdrawn.

Clause put and passed.

Clause 4—agreed to.

Clause 5—Distributed profits:

The COLONIAL SECRETARY: I move an amendment—

That all the words after the first four lines to the end of the first paragraph be struck out, and the following inserted in lieu:—"distributed or otherwise applied as dividend, or converted into capital in any way, the amount of such profits shall, when so distributed, applied or converted, if duty has not already been paid thereon, be liable to duty under this Act as if such profits had been made during the year in which such distribution, application, or conversion is made."

Amendment passed.

Hon. Sir E. H. WITTENOOM: With regard to my amendment appearing on the Notice Paper as follows:—"In line 12, to strike out the figures '1899' and insert '1910' in lieu." after having listened to the Colonial Secretary I have not a single argument to bring forward. He fortified himself with the case of the Gas Company and the results of the appeal

to the Privy Council, and I feel that I have hardly a leg to stand upon. Therefore with the permission of the House I will withdraw my proposed amendment.

The CHAIRMAN: The hon. member simply does not move it.

Hon. J. F. CULLEN: I move an amendment—

That in line 12 the words "one thousand eight hundred and ninety-nine" be struck out and the words "one thousand nine hundred and nine" inserted in lieu.

I do not think that retrospective financial legislation should go behind the Statute of Limitations. I certainly think, too, that the period of six years is ample to go back upon. I am not at all affected by the arguments of the Colonial Secretary as applied to the years before 1909.

The Colonial Secretary: That is the law now.

Hon. J. F. CULLEN: I have no objection to the law whatever. It is a dangerous principle for legislation to be applied so far back. We have no right to go behind the Statute of Limitations.

The COLONIAL SECRETARY: It is evident that the hon. Mr. Cullen is not aware of the position. This amendment was moved in the Legislative Assembly with the object of restricting the retrospective effect of the present Act. The present Act, which has been in existence since 1902, has a retrospective effect, and any amount distributed in the form of profits by a company is liable for duty up to 40 years. In the case of the Perth Gas Company, which sold out to the City Council, it had been in business for a quarter of a century and for 14 or 15 years probably before the Dividend Duties Act was placed on the statute book. It had accumulated profits and reserves, but it had to pay duty on the amount distributed although the profits had been earned probably a quarter of a century before. When the Bill was introduced it was suggested that the Government should limit the retrospective operations of the existing legislation, and it was agreed that the Commissioner of Taxation should not go back further than the Bill of 1899 when the first legislation making provision for the imposition of duties on companies was introduced. I hope that Mr. Cullen will withdraw the amendment.

Hon. J. F. CULLEN: This does not touch the argument that I have put forward that a fair thing would be the Statute of Limitations. The Minister recognises that there ought to be a limit fixed.

The Colonial Secretary: No.

Hon. J. F. CULLEN: The Bill recognised that there should be a limitation and fixed 1899.

The COLONIAL SECRETARY: There should be a Statute of Limitation. After the expiration of six years there should be no dividend taxable on the duty accumulated during the period of the six years previously. All that the company need do would be to invest its profits for six years and after six years had expired they could escape taxation on them.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 6, 7—agreed to.

Bill reported, and returned to the Assembly with a request that the amendments be made; leave being given to sit again on receipt of a Message from the Assembly.

House adjourned at 9.43 p.m.

Legislative Assembly.

Wednesday, 10th February, 1915.

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