

only too anxious to get off sustenance. There will be failures. If any member finds a case in which he considers injustice is being done, and will inform me, it will receive the same sympathetic consideration that other cases are receiving from day to day.

Vote put and passed.

Vote—Council of Industrial Development, £1,450—agreed to.

This concluded the Estimates of Revenue and Expenditure for the year.

Resolutions reported.

House adjourned at 10.32 p.m.

Legislative Council,

Thursday, 15th November, 1934.

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

BILLS (2)—THIRD READING.

1, Road Districts Act Amendment (No. 2).

Returned to the Assembly with amendments.

2, Dried Fruits Act Continuance. Passed.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

Report of Committee.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.34]: I move—

That the report of the Committee be adopted.

Before doing so I should like to make an explanation. Yesterday afternoon there was a difference of opinion between Mr. Baxter and myself with reference to clauses in the Bill. I find I did not correctly appreciate the nature of the point raised by the hon. member. I submitted the question to the Commissioner of Taxation to-day, and the opinion he has supplied to me may be of interest to members. He says—

In confirmation of my verbal statements of this morning on the provisions of Clauses 8 and 10 of the Bill for an Act to regulate the assessment and collection of tax on profits of gold mining companies, I submit the following remarks:—

Clause 8: Companies subject to duty under the Dividend Duties Act balance their accounts at different dates throughout each calendar year. The majority balance at the 31st December and 30th June respectively. It is, therefore, essential that for the purpose of assessment of the gold mining profits under the proposed Bill, a commencing date should be fixed. This date is determined under Clause 8, namely, as from the 31st December, 1933, and onwards. There will, therefore, be no discrimination or disadvantage to any company assessed under the provisions of the proposed Bill.

Many of the gold mining companies have their head offices in London, and balance their accounts at the 31st December. It takes from four to six months for these companies to balance their books, furnish their returns to London, prepare their financial statements and have them passed by the shareholders and directors in general meeting and then forwarded to the department. Consequently, a gold mining company that balances its books at the 31st December, 1933, would not be assessed until June or July of the present year, and therefore would be assessed and pay tax in respect of the financial year ending the 30th June, 1935. The clause is in strict keeping with the section of the Dividend Duties Act.

Clause 10 is a precautionary provision and put into the Bill to compel companies to furnish returns and be assessed, notwithstanding any of the provisions contained in Subsection 9 of Section 6 of the Dividend Duties Act. This subsection, as you know, has relation exclusively to gold mining companies which are entitled to deduct their share capital paid up in cash after the 30th June, 1924, from their profits before they are assessed. Such companies will be assessed as set out under the

provisions of Clause 5, namely, on the same net profits on which they are assessed under the Dividend Duties Act.

Question put and passed; the report of the Committee adopted.

BILL—GOLD MINING PROFITS TAX.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.38] in moving the second reading said: The object of the Bill is to fix the rate of tax to be charged on the net profits made by companies engaged in the gold mining industry, as provided in the assessment measure which I have already submitted. As members are aware, it is necessary to submit a separate Bill to impose and fix the rate of any taxes provided for in assessment measures. I explained the proposals as fully as possible when submitting the assessment measure, and therefore it is not necessary for me to traverse the same ground again. The provisions of the Bill are that a tax of 1s. 4d. in the pound shall be imposed on the amount of the net profits of every incorporated company carrying on the business of gold mining in Western Australia. It shall be assessed on the net profits assessed from duty under the provisions of the Dividend Duties Act, and shall come into operation on a day to be fixed by proclamation. I move—

That the Bill be now read a second time.

On motion by Hon. G. Fraser, debate adjourned.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.42] in moving the second reading said: This is the usual annual measure, introduced each session, to ensure the continuance of the Land Tax and Income Tax Act. It is not proposed to make any alteration to the existing legislation. The Bill is identical with that of last year and the land and income tax provisions are the same. Although the prices received for wool last year showed an appreciable advance, they have, unfortunately, declined again this year. The world prices for other

primary products have not yet shown any appreciable increase. Consequently it is considered advisable to continue the exemptions to people engaged in pastoral, agricultural, grazing and horticultural pursuits and to exempt them from land tax. It is realised that the people engaged in such pursuits are still suffering severely from the effects of the depression and are not in a position to pay land tax. These exemptions represent the sacrifice of a large amount of revenue, but under existing circumstances it is necessary to extend relief wherever possible. There has been a consistent fall in land tax receipts since 1929. For the financial year 1929-30 the receipts from this source amounted to £219,000; by 1932-33 the returns had fallen to £130,000; last year, the collections amounted to £118,973 only. The estimate for this year is £120,000.

Hon. J. Nicholson: You more than made up that decrease under the financial emergency legislation.

The CHIEF SECRETARY: I know that. I am just explaining the position.

Hon. C. F. Baxter: Why bring that up?

Hon. J. Cornuell: Why embarrass the Minister?

The CHIEF SECRETARY: Income tax receipts for last year registered a slight improvement over the previous year, the relative figures being £169,010 for 1932-33 and £173,255 for 1933-34. But even the latter amount does not compare at all favourably with the receipts for 1929-30, which amounted to £340,500. It is confidently expected that this year's returns will again show a slight increase, owing to the undoubted improvement that is taking place in the economic conditions of the State.

Hon. G. W. Miles: They must show an improvement.

The CHIEF SECRETARY: Yes. As the measure provides only for the continuance of the present Act without alteration, I do not think it is necessary to give a detailed explanation of the clauses of the Bill. I move—

That the Bill be now read a second time.

On motion by Hon. G. W. Miles, debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 3).

Second Reading.

HON. C. F. BAXTER (East) [4.50] in moving the second reading said: It is customary each session for a Bill or Bills to be introduced to amend the Road Districts Act. It has become so habitual that members would be disappointed were it not so. That condition will continue until such time as the parent Act has been overhauled and amended to meet present-day conditions. It is a very old Act and has become obsolete with changed conditions. It contains quite a number of anomalies. The Act is administered by persons who work in an honorary capacity, and they should be in a position to operate under legislation in keeping with present-day conditions. There is no gainsaying the fact that no single Government is responsible for not amending the Act. The blame must rest entirely with local governing bodies themselves. On several occasions, Bills have been introduced that would have relieved the position and enabled the local governing authorities to operate far more satisfactorily. When that legislation has been introduced, it has gone before various local authorities, with the result that subsequently members of this Chamber were critical from the standpoint of the views of their particular road boards. In consequence of that, they fought the measures, and nothing has been accomplished. During the time I was Minister in control of local governmental matters, I endeavoured to prevail upon municipalities and road boards to arrive at an agreement amongst themselves as to what they desired. I required an assurance from them that if, in compliance with their request, legislation were prepared and placed before Parliament, they would stand by the amendments agreed upon. Nothing came of that move. It seems impossible to do anything along those lines. I hope the time will come when the local governing bodies will agree upon a measure suitable to their requirements, and that they will arrive at the unanimity that is necessary before such legislation can be placed before Parliament. The Bill I am dealing with now is a small one, and the

object is to strike out three words with a view to inserting four others in lieu. The legislation will apply only to newly-formed boards that have been in existence for not more than two years. The words to be struck out are "the net revenue," and those to be inserted, "the aggregate ordinary revenue." A road board that has been in existence for more than two years can borrow an amount equal to ten times the ordinary revenue without any Ministerial approval being necessary, whereas a board that has been formed for less than two years can borrow only to the extent of the amount of the net revenue. Even then, that board are allowed to estimate their revenue, but the approval of the Minister must be obtained before the loan can be raised. Subsection 3 of Section 289 of the Road Districts Act reads—

In the case of any new district, money may, with the approval of the Minister, be borrowed by the board for the purposes aforesaid at any time during the two years terminating with the balancing of the second year's accounts, to an amount not exceeding the net revenue of the board for the said two years, as estimated by the board.

The Act contains no definition of "net revenue." The Crown Solicitor has interpreted "net revenue" to mean what is left over after meeting overhead charges, maintenance and all works except construction, whereas other legal authorities contend that construction costs are also included. If the latter view should prevail, there can be but one conclusion, and that is that there will be no revenue at all. That would mean that a road board that has been in existence for less than two years cannot borrow at all because there will be no net revenue. As the decision to borrow can be given effect to only with the approval of the Minister, I do not think the House need worry about the position. No Minister would allow a board to go too far. Perhaps if I give members a specific instance, it may bring the necessity for the amendment home to them better than my words. Some little time ago the Mukinbudin Road Board was formed from portion of the formerly unwieldy Nungarin Road Board. The Mukinbudin board have very unsuitable premises within which to hold meetings and conduct business. A substantial rent has to be paid for the premises, and it is the board's desire to raise £1,000 to erect suitable premises. The board members find,

however, they cannot raise the loan, notwithstanding that the assent of the Governor-in-Council has been received. After July next the board will be able to borrow up to £7,000 without reference to the Minister. Prior to that date the board cannot borrow £1,000. It should not be necessary for me to say any more. Should members desire any further information when dealing with the Bill in Committee, I shall be glad to furnish it. The Bill will not only help the Mukinbudin Road Board, but any other new board that happens to be similarly situated. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 4.58 p.m.

Legislative Assembly,

Thursday, 15th November, 1934.

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

LEAVE OF ABSENCE.

On motion by Mr. Doney, leave of absence for two weeks granted to Mr. Griffiths (Avon) on the ground of ill-health.

ANNUAL ESTIMATES, 1934-35.

Report of Committee of Supply adopted.

In Committee of Ways and Means.

The House having resolved into Committee of Ways and Means, Mr. Sleeman in the Chair,

THE ACTING PREMIER (Hon. A. McCallum—South Fremantle) [4.35]: I move—

That towards making good the Supply granted to His Majesty for the service of the year ending 30th June, 1935, a sum not exceeding £5,584,095 be granted from the Consolidated Revenue Fund.

Question put and passed.

Resolution reported.

ANNUAL ESTIMATES—STATE TRADING CONCERNS.

In Committee.

Mr. Sleeman in the Chair.

Division—State Brickworks, £16,072:

Hon. W. D. JOHNSON: I understand, Mr. Chairman, that one cannot speak on any one division of the State Trading Concerns Estimates, but that one can speak generally on the first item. In the past there have been rulings which I have never been able to understand. I would like your ruling on the subject now, Mr. Chairman. I want to speak on State Sawmills. Can I speak on that division now, or later?

The CHAIRMAN: There has never been a general discussion on State Trading Concerns Estimates. I shall put each division separately.

Division put and passed.

Division—State Hotels, £10,813:

Hon. C. G. LATHAM: I wish to ask the Minister representing the Chief Secretary whether it is not possible to instal the septic tank system at State hotels which have a water supply. The Licenses Reduction Board compel all licensees over whom they have control—they do not control the State hotels—to instal that system. In the past the State hotels have been rather an example to other hotels, but their sanitary system be-