

in the State some of the money which from time to time, we regret to say, has to be sent to other parts of the world to obtain this product. I trust hon. members will view the Bill in a reasonable and kindly spirit and help to place it on the Statute book and so give these people an opportunity of prosecuting the industry they are engaged upon. The lake area is practically barren except on the fringes where there might be some feed for stock, but if the same area were leased, for grazing purposes, the State would not get the same rental which they are obtaining from the company in question. A reference to the agreement which appears as a schedule to the Bill will show that. In addition, a royalty has to be paid on the production. I understand that there can be no monopoly because there is an abundant supply of gypsum in various parts of the State. There is no reason at all why this lease should not be granted. The interests of the State are well safeguarded. I have much pleasure in moving—

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

Question put and passed.

Bill read a second time.

#### In Committee.

Hon. W. Kingsmill in the Chair; Hon. V. Hamersley in charge of the Bill.

Clauses 1, 2—agreed to.

Schedule:

Hon. J. NICHOLSON: Provision is made in the schedule for the payment of a rental of £10 per annum with a royalty of 1s. per ton on all plaster of Paris or manure manufactured. I think that provision should be made for an increase of the royalty. I do not know how that appeals to the mover of the Bill. Of course I do not want to do anything to discourage private enterprise but we might in this case increase the royalty, say, after 10 years.

Hon. V. HAMERSLEY: I hope the hon. member will not press the suggestion. I feel that this industry requires to be encouraged and the royalty is only being paid as a pepper-corn rental. When these people are inclined to put their capital into this concern, we at least might give them an opportunity of prosecuting the industry, and we can only hope that they will be successful in such a way as to encourage others to go in for it also.

Hon. E. M. CLARKE: These deposits have been lying in this locality for thousands of years. It would be a good thing for the State if all these things were developed and something made out of them. If there is no direct benefit to the Crown, there must be a benefit to the people of the State.

Hon. A. SANDERSON: I hope Mr. Nicholson will not press his suggestion. I believe that there are millions of tons of this material in other parts of the State which can be utilised, if these people can show us how to do so.

Hon. J. NICHOLSON: I made the suggestion merely by way of ascertaining whether the industry could bear some extra amount.

I do not intend to press the matter. I would point out that no provision is made for the inspection of books. It should be understood that the Government are entitled to inspect them and verify the quantities of material which are removed. I move an amendment—

“That the following words be added at the end of Paragraph (d) of the schedule:—‘with power to the Minister for Lands, or any officer appointed by him, to inspect the books of accounts or records of the lessees from time to time and to take extracts therefrom.’”

Hon. V. HAMERSLEY: I have no objection to the amendment, though I think it is hardly necessary in view of the powers already given in the schedule.

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

Preamble:

Hon. J. NICHOLSON: I move an amendment—

“That the word ‘grant’ in the sixth line be struck out and ‘lease’ inserted in lieu.”

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

Title—agreed to.

Bill reported with amendments, and the report adopted.

House adjourned at 9.55 p.m.

## Legislative Assembly,

Wednesday, 15th May, 1918.

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

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

### BILL—FIRE BRIGADES AMENDMENT.

Introduced by Hon. R. H. Underwood (Honorary Minister), and read a first time.

### LEAVE OF ABSENCE.

On motion by Mr. ANGELO, leave of absence for two weeks granted to the member for Claremont (Mr. Stewart) on the ground of urgent private business.

### BILL—RABBIT ACT AMENDMENT.

Select Committee's Report.

Mr. PIESSE (Toodyay) [4.47]: I move—  
“That the select committee's report be adopted.”

Question put and passed.

## BILL—VERMIN.

Introduced by Hon. F. E. S. Willmott (Honorary Minister), and read a first time.

## BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

In Committee.

Resumed from the previous day; Mr. Stubbs in the Chair; the Attorney General in charge of the Bill.

Clause 7—Amendment of Section 30 (further considered).

Mr. THOMSON: I move an amendment—

“That the following be added to the clause: ‘(13.) All rates and taxes, including State and Federal land taxes and Federal income tax, actually paid in Western Australia by the taxpayer during the year in which the income was received, but not including any State income tax paid under this Act.’”

The object of this amendment is to bring our law into conformity with the Commonwealth law, as expressed in Section 18, Subsection (d), of the Federal Act. Under their war time profits legislation the Federal Government are able to take as much as 75 per cent. of a man's profits, and it is but reasonable that he should pay income tax on nothing except the net income he actually receives. For example, if I had to pay—I have not—an income tax of £100 to the Federal authorities, it would not be fair to require me to pay State income tax on that £100. I leave the matter in the hands of the Committee.

Mr. DRAPER: I support the amendment because, firstly, I think it is only fair, and, secondly, because I think there is a growing desire on the part of the public to have the assessment of both Federal and State income tax placed upon the same lines. It does seem adding insult to injury to tax a man upon a sum of money which he can never for a moment dream of calling his own, seeing that it is going to be taken from him by public authority, either State or Federal. As the Federal Government exempt from Federal income tax all Federal and State land taxes and State income tax, the analogy is complete. Since the corresponding Federal Act deals only with income tax, and does not purport to exempt Federal income tax, it is necessary to include in this amendment the words “State income tax paid under this Act.”

Mr. HOLMAN: I think there is a great deal more in this amendment than appears on the surface; and, not being a draftsman, I should like to have the Attorney General's opinion on the matter. Under the amendment, some of our big land owners who have land in the Eastern States could claim exemption from Western Australian tax in respect of taxation paid on their Eastern States properties so long as they had paid that taxation here in Western Australia. To bring forward an amendment like this, which would be challenged on the first opportunity, shows

either great neglect or else a hidden motive on the part of those responsible for it. There is no member in this House more hostile to the working man than the hon. member who submitted the amendment.

Mr. Thomson: On a point of order, I think I am entitled to a withdrawal of that remark.

Mr. HOLMAN: I am absolutely justified in making that remark after the interjections which were made at yesterday's sitting by the hon. member. No interjections could have been directed against the wage earners more than those which were made by the hon. member. It is a question of fact and a fair statement to make, and as I am of that opinion, I have expressed it.

Mr. Thomson: I take exception to the remark and I request the hon. member to withdraw it. He made the statement that I was hostile to the workers.

Mr. HOLMAN: I said the hon. member was hostile to working people, so far as the taxation of the working people of this country was concerned, and that is a different thing altogether. We have had sprung on us an amendment which may have far-reaching effects. Take squatters of Queensland, or some other part of Australia, who may have property in Western Australia. If they paid their tax in Western Australia, they would be exempt for that amount. It is a disgrace to think that a member of this Assembly should try and get such an amendment put through. I am justified in entering a strong protest against it, especially when both the Attorney General and the member for West Perth say that I am right in my contention. I would strongly advise the member for Katingann to study what the working people of this country have to bear in the way of taxation, and the payments they have to make for sickness, etc., and then to extend to them a little of the consideration which he desires to show that section which would come under his amendment.

Mr. WILLCOCK: If the amendment is carried it will mean that the tax on war profits paid to the Federal Government will be exempt. The least that the State can do is not to exempt anything that is paid under the Federal war profits tax.

Hon. W. C. ANGWIN: The hon. member who moved the amendment has no desire to provide for an exemption where income tax is concerned. He only wants it in regard to land tax.

The Attorney General: This clause is just a reflex of the Federal clause.

Mr. Thomson: I am bringing it into line with the Federal tax.

Hon. W. C. ANGWIN: If the hon. member wants to exempt land tax he should also exempt income tax. So far as a land tax is concerned, I do not believe in an exorbitant tax, but it is a proper source from which to collect revenue. Why do not hon. members say straight away that they do not want a land tax at all? The man who pays the rates and taxes is the man who will have no exemption at all.

Mr. Thomson: Would he not get an exemption for the rent that he pays?

Hon. W. C. ANGIN: He has to pay more rent all the time, because the landlord puts it up for any increased charge that is made upon him. It all falls upon the occupier. I should like to have further information from the Attorney General in this matter.

Hon. J. MITCHELL: The intention of the clause is perfectly fair. I doubt if it will do other than protect the taxpayer, as we would have him protected. I would point out that we already deduct the roads board rates. Reference was made to the war time taxation, which it was thought should be exempt. It is not just that the State should continue to tax on the amount that is paid on the profits by the people to the Federal Government. The Attorney General should agree to the amendment. It is quite clear that the taxpayer should be relieved of the payment of taxes on the money he has paid to the Federal authorities. There can be no argument against that.

The ATTORNEY GENERAL: The Treasurer desires to get all that he can out of these taxation measures, and I should not be doing my duty, acting for him, if I did not oppose any cutting down of the amounts that it is proposed to bring in to the revenue. The Federal Act contains these words—

All rates and taxes, including State and Federal land taxes and State income tax, actually paid in Australia by the taxpayer during the year in which the income was received, but not including any tax paid under this Act, but including the amount of war-time profits tax payable in Australia in respect of any part of the income.

It also says—

Provided that when a taxpayer receives a refund of the whole or part of any of the taxes mentioned in this section the amount of such refund shall be brought into account as income in the year in which the refund is received.

That is to say that, between the landlord and tenant, the rates received have to be brought into account for the year in which they are received. Those who have to pay rates and taxes are allowed by the Commissioner to regard these as outgoings against their businesses. I must oppose anything in the shape of whittling down the taxes. The income tax has already been cut down considerably by the increase in exemptions for children.

The MINISTER FOR WORKS: I am not concerned about the matter in the way the Attorney General is. I would prefer to see our system of taxation, so far as income tax and land tax is concerned, brought into line with that adopted by the Federal authorities. There should be but one way in which these taxes should be put in as a formula. If the getting of these taxes into a form means that the resulting amount is insufficient for the State there is a way of dealing with the matter by altering the rates that are imposed. The business course, and the most satisfactory way for the people of the State, would be for the Federal and State returns to be as far as possible on the same lines. I should like to see a determined attempt to bring this about.

Mr. MONEY: The principle laid down in the proposed amendment is a sound one. Surely we are not expected to pay on the income that

we have not in our hands to spend. It is a legal obligation to pay the Federal income and land taxes. We have a perfect right in making up our income tax returns to deduct these amounts. The Federal authorities thought it a sound policy, or they would not have provided for the exemption in their returns of the State land and income taxes. I support the principle and agree with the leader of the House that if future taxation is required it is better to raise the rate and have the exemption on all-fours with the Federal exemptions.

Mr. THOMSON: I desire to alter my amendment by striking out the word "State" and inserting "Western Australia." I am somewhat amazed at the attitude of the member for Murchison. In the first instance he accused me of having sprung an amendment on the Committee, and secondly he accused me of oppressing the working man. I want to place it on record that my interjections last night had nothing whatever to do with the taxation proposals. The only interjections I made were in reply to the member for North-East Fremantle when he made a statement that the Government had been forced, practically bought, by the Country party, and compelled to do certain things. I stated that was inaccurate, and I interjected to that effect. The member for Murchison has no special virtue in regard to his representation of the working man, and I do not take second place to anyone in my representation of the working man. I resent the statements made by the member for Murchison, because I claim to have a knowledge equal to the member for Murchison or any other member on the Opposition benches of the position and difficulties with which the worker has to contend.

Mr. Munsie: We do not dispute your knowledge; it is your sympathies.

Mr. THOMSON: My sympathies are with the working man. I am satisfied that those workers who know me are satisfied to leave their interests in my hands. I had no ulterior motive in bringing forward this amendment. My desire is to bring the State Assessment Act into line with the Federal Act.

Mr. WILLCOCK: I move an amendment on the amendment—

"That after the word 'taxation' in line 2, the following be added, 'excepting taxation paid on any war times profit tax either State or Federal.'"

Even at the higher rate proposed under the amending Bill, which is 1s. 3d., no Federal income tax would amount to 6¼ per cent. on excess profits. I am against the amendment entirely, but if it has to be carried I desire to exempt all taxation paid on war profits.

Mr. THOMSON: I hope the Committee will not accept that amendment. As far as taxation is concerned the leader of the Opposition said clearly that we are not going to tax the country into prosperity, and I agree with him. Any new industry started here, unless permission is obtained from the Commonwealth authorities, is taxed under war profits taxation. We are desirous of having industries established in Western Australia, and I think it behoves us to encourage people

to come here if they have money, to start industries. The leader of the Opposition stated, and it is only too true, that our workers are going away. I regret that that is so. People with money are going away; that is true also. There is a danger of our taxation driving workers out, and it will prevent people coming here with money to invest. People can go to Victoria and New South Wales, where the taxation imposed is less than in Western Australia. Both those two States are hives of industry. The member for Geraldton says that we do not desire to be exploited, and I agree with him. But a business man will look to the place which will give him the best return and if he finds that in Western Australia he will have to pay more in taxation than in the other States, he will go to the other States. I hope the Committee will not accept the amendment.

Mr. NAIRN: We all agree unanimously that we have not any sympathy for the profiteer. But there are many classes of war profits taxed which are perfectly justified. Take the instance of a man who has increased the volume of his business tenfold. Not by an increase of his profits on the individual article produced, but on the collective profits of his increased business does he earn the larger income. That man is no more a profiteer than is any member of the Committee. By all means let us tax that man's war profits, but do not let us punish him, because, unlike the profiteer, he has earned his profit honestly. And it must be remembered that very many people in Australia are to-day making exceptional profits by sending their products away out of the Commonwealth. By no stretch of the imagination can it be said that, a man having paid his war profits tax, that sum can be in any sense considered part of his income. As a principle we tax a man's income. The amount paid in taxation cannot be regarded as part of his net income.

Hon. J. MITCHELL: People should be encouraged to do all the business they can. A great deal of the profits that will be taxed will not come out of the pockets of the people of Western Australia. Many people are making money out of the products, such as wool, which they ship away.

Hon. P. Collier: Exploiting the Old Country.

Hon. J. MITCHELL: No, because they sell to the Old Country at half the price which America would give. Take the case of the pastoralist. For three years before the war he suffered bad seasons, in which the profit was below normal. But during the last three or four years he has had better seasons and a good market, and in consequence he has made more than ordinary profit.

Mr. Willecock: Simply because of the war.

Hon. J. MITCHELL: Hon. members will say presently that the three years before the war were bad because war was coming. If we take 75 per cent. of the additional profit made by an individual and then tax him 2s. 6d. in the pound over the whole of that profit,

he will have nothing left, no incentive to go on. The amendment will work considerable unfairness. I believe the great bulk of the surplus profits taxation will have to be paid by the pastoralists.

Mr. Teesdale: They pay their taxes cheerfully.

Hon. J. MITCHELL: We cannot expect anyone to pay away 75 per cent. of his profits cheerfully. I hope the Committee will not agree to the amendment.

Mr. MUNSIE: It is astonishing to hear the defence put up by the hon. members in the interests of the profiteer. No man has a right to secure increased profits in war time.

Mr. Thomson: What about increased wages in war time?

Mr. MUNSIE: We do not want them. Any worker would rather have his pre-war wages, with the cost of living back to what it was in 1914. We have been told that there are no profiteers in Western Australia. I say there are many. I support the amendment because I see members interested attempting to point out what an injustice it is going to be on those people who are robbing the rest of the community. I would like to see a provision made to take from the profiteer every penny of his profit. Unfortunately, Western Australia is so situated that it must be many years before we shall have many secondary industries here. For a long time to come we shall have to depend on our primary industries. I shall support the member for Geraldton. I may say that in this connection I would support even an increase of 25 per cent. It is the business of Australian Governments to see that fewer war profits are made in the Commonwealth. The general public of this State have never had a fair deal since another place rejected the legislation for control of trade in war time.

Mr. PICKERING: It seems to me that if a man who is making war profits pays 50 or 75 per cent. of such profits to the Federal Government by way of taxation, it would be unfair for this State to tax him on such proportion of his profits as he does not possess. I would, however, favour imposing taxation on the proportion of war profits still remaining in his hands. Indeed, I would tax that remainder to any extent possible. However, the matter is really one to be dealt with by the price fixing boards.

Mr. O'LOGHLEN: It is rather difficult to approach the question of prices on a measure of this description. To get to the root of the matter, it will be necessary for the Government to bring down a specific Bill for that purpose. Recently I had the pleasure of listening to a clash of intellects on this subject. It was agreed that there was a big field apart from that covered by the Federal extra profits taxation. The Premiers of New South Wales and South Australia said that they would apply themselves to obtain the war profits which were not being scooped up by the Commonwealth. But the real difficulty arises from the fact that the Federal Government, who have unlimited powers under the war pre-

cautions regulations, are utterly unable, as Mr. Hughes himself pointed out, to follow all the ramifications of trade so as to discover where war profits start and where they end. He asked for suggestions as to control, saying he realised there were in Australia many men who did not care a damn how the war went because they were making profits out of the necessities of the people. He added that the Federal Government did not so much want extra revenue, as to prevent undue increases in prices. I support Mr. Munsie's statement that the workers of Australia are making demands for increased pay not from love of a scrap, but because of dire necessity, in view of the rise in prices as compared with four years ago. The Premier of Queensland, Mr. Ryan, put up a scheme which ought to commend itself to the conference of Premiers now sitting; and it is that the Federal Government take control of all imports into Australia. In such circumstances the Federal Government would know approximately what prices ought to be charged to the Australian public for indented goods. It was decided that that scheme should be gone into at the Premiers' conference, in view of the helplessness of the Federal Government notwithstanding their price fixing boards. There ought to be a way of stopping profiteering, and I believe a way will be shown. While the amendment under discussion may not meet the difficulty, and while it may inflict hardship in some cases, there is no reason why anything that the Federal or State Governments can do towards discouraging profiteering, as we understand it, should not be done. Human nature being what it is, every man in the world will try to get what he can. The question is simply whether the community generally should be exploited by the various individuals and companies placed in a position enabling them to exact an extra toll. I am quite convinced that the Premier of Queensland can put forward fertile suggestions towards that end. He has already submitted a proposal, which can be handled by the Federal Government, though not by the State Governments, to bring to book the persons who are waxing fat on the needs of the people. The State and Federal Governments should co-operate to prevent the making of extra war time profits at all.

Sitting suspended from 6.15 to 7.30 p.m.

Amendment (Mr. Willcock's) put and a division taken with the following result—

Ayes	..	..	..	11
Noes	..	..	..	18
				—
Majority against	..	..	..	7
				—

#### AYES.

Mr. Angwin	Mr. Locke
Mr. Davies	Mr. Verryard
Mr. Holman	Mr. Walker
Mr. Jones	Mr. Willcock
Mr. Mullany	Mr. Lambert
Mr. Munn	(Teller.)

#### NOES.

Mr. Angelo	Mr. Pickering
Mr. Broun	Mr. Pilkington
Mr. Brown	Mr. H. Robinson
Mr. Draper	Mr. R. T. Robinson
Mr. George	Mr. Thomson
Mr. Hickmott	Mr. Underwood
Mr. Maley	Mr. Willmott
Mr. Mitchell	Mr. Hardwick
Mr. Money	(Teller.)
Mr. Nairn	

Amendment on amendment thus negatived.

Mr. HOLMAN: I want to repeat again that if a person residing in Western Australia is drawing an income from the other States that income cannot be touched by our taxation Commissioner, but that person being a resident of Australia will pay Federal income tax in Western Australia. I venture to say that if he were sued for the amount of taxation in this State, he would secure a verdict. The State Taxation Commissioner cannot touch his income derived from another State. Owing to the fact that this person is a resident of the Commonwealth he pays his taxes as a resident of Western Australia and as a taxpayer of Australia he is exempt.

The Attorney General: If he has an income from both States, Western Australia and New South Wales, then there is something in your argument.

Mr. HOLMAN: That is exactly my statement. Take as an illustration the case of the Attorney General himself. He is a resident of Western Australia and his home is here. If he had an income from Victoria and he paid Federal income tax in Western Australia, the amendment of the member for Katanning would exempt him from being taxed on that amount, and if he had land in Victoria and paid the Federal tax here, the position would be the same. The Minister should see that an amendment is framed to meet a case such as that which I have mentioned.

The Attorney General: You mean that deductions should be only in respect of incomes derived in Western Australia from either land or income?

Mr. HOLMAN: Yes.

Mr. Thomson: I am agreeable to that being inserted.

Mr. HOLMAN: The hon. member expects others to assist him in framing his amendment, thus making it workable, and then he would be able to say, "Alone I did it." It is impossible to make any sense of a patched-up amendment like this. Will the Attorney General guarantee that it will not be added to the Bill without the safeguards I have indicated?

The Attorney General: I will see that the amendment that is asked for goes in.

Mr. DRAPER: The hon. member wants to limit the additional clause to the land which is situated in or to incomes derived from Western Australia. He would make the amendment quite clear if he made it read

this way: That all rates and taxes including Western Australian and Federal land tax and Federal income tax actually paid in Western Australia in respect of land situated in or income derived from Western Australia. If I am in order, I will move an amendment—

“That the amendment be amended by the insertion after the words ‘Western Australia’ of the following:—‘in respect of land situated in or income derived from Western Australia.’”

Amendment on amendment put and passed.

Mr. HOLMAN: I desire to enter my protest against the carrying of an amendment like this. It only affects a certain section of the community, who will, because of the fact that they have to pay Federal tax, be in a position to pay a higher tax to the State. There is a tendency to give a certain amount of protection to those who are in a better position than the workers are. When it comes to a question of getting extra taxation from a certain section of the community which is well able to pay it, we find that it gets no support from those sitting behind the Government, but they are quite willing to tax the working man. The taxation should be placed on the shoulders of those who are best able to bear it. This amendment is not going to relieve the ordinary wage-earner in any way at all, but will relieve people of responsibilities which they can well afford to shoulder. If an amendment was moved to relieve the ordinary wage-earner from taxation, I venture to say it would not receive any support from those sitting behind the Government, with the exception, possibly, of the member for Northam. The mover of an amendment of this sort should be in a position to tell the Committee exactly how far it will affect the finances of the State. We do not even know what the Federal taxes amount to from Western Australia.

Hon. J. Mitchell: Not very much.

Mr. HOLMAN: They may amount to many thousands of pounds. What class of people is this going to assist? Take a person who will pay a Federal tax on an income of £1,000. That will mean £35 3s. 1d. By looking through the interesting return given to us by the Treasurer, we are able to get at the amount which that would represent, which is £3 which this State would lose. We should not only talk about a spirit of fairness in times like this, it should be a spirit of self-sacrifice; but the tendency appears to be to sacrifice those who should be spared. I have entered my protest against the passing of this amendment in the absence of the Treasurer. I am surprised; never in the history of Parliament have I known of a taxation measure being passed or being dealt with in the absence of the Treasurer. It is really a reflection on the Treasurer himself. I am afraid the Treasurer will take some drastic action on his return. We ask for information as to how the Bill will affect the Treasury and in the absence of the Treasurer, it is impossible for any Minister to give members the infor-

mation. I think we ought to report progress until the Treasurer returns. I do not think the Treasurer would tolerate this amendment for one moment if he were present. If I were certain that the amendment would be defeated, I would not continue my protest. We are endeavouring, in the interests of the Government, to protect the Treasury by securing a fair return to the State. I trust the Minister will give us some idea of what reduction in revenue this amendment would involve. I hope the Committee will not agree to the amendment.

Hon. W. C. ANGWIN: I move an amendment on the amendment—

“That in the last line the words ‘State income’ be struck out.”

A large proportion of the taxes paid are paid by occupiers of property. The amount of the tax is charged in the weekly rental, and it is only right that the owner should transfer that collected tax to the State.

The Minister for Works: They have to take the rents they can get now.

Hon. W. C. ANGWIN: They are getting them.

The Minister for Works: They cannot get them. In the Public Works Department we have had to write off hundreds of pounds worth of rental.

Hon. W. C. ANGWIN: When a business man puts in his income tax return he is not allowed to make deductions for amounts owing, so the hon. member is in no worse position than a man in business. The tenant pays the tax to the landlord, and if we relieve him of that amount it will not find its way into the Treasury. My amendment is essentially fair. It means that taxes paid under this measure shall go to the State and not to the landlord. I am only asking the landlord to pay to the State what, in behalf of the State, he has collected from his tenant. Are we going to make the landlords a present of this taxation? I move an amendment on the amendment—

“That the words ‘State income’ in the last line of the proposed subclause be struck out.”

Amendment (Hon. W. C. Angwin's) put, and a division taken with the following result:—

Ayes	..	..	..	16
Noes	..	..	..	22
Majority against				6

# AYES.

Mr. Angwin	Mr. Mullany
Mr. Collier	Mr. Munsie
Mr. Davies	Mr. R. T. Robinson
Mr. Foley	Mr. Roche
Mr. Green	Mr. Walker
Mr. Holman	Mr. Willcock
Mr. Jones	Mr. O'Loghlen
Mr. Lambart	(Teller.)
Mr. Lutey	

## NOBS.

Mr. Angelo	Mr. Pickering
Mr. Broun	Mr. Plesse
Mr. Brown	Mr. Pilkington
Mr. Draper	Mr. H. Robinson
Mr. George	Mr. Teesdale
Mr. Griffiths	Mr. Thomson
Mr. Harrison	Mr. Underwood
Mr. Hickmott	Mr. Veryard
Mr. Maley	Mr. Willmott
Mr. Mitchell	Mr. Hardwick
Mr. Money	(Teller.)
Mr. Nairn	

Amendment on amendment thus negatived.

Mr. HOLMAN: While the division was being taken I have been able to get hold of a few figures. If this amendment is carried, it will mean the taking away of revenue from the Treasurer to the extent of £8,000 or £10,000 per annum. The 1916 returns show that in this State very nearly 1,000 people have incomes of considerably over £1,000 a year, incomes averaging about £2,500. A person receiving an income of £1,000 a year would, under this amendment, be relieved of £3 taxation. As regards the one thousand people with incomes averaging £2,500, the return to the Treasurer should be £6,000 at the rate of taxation for incomes of £1,000 a year. But, as the income rises, the taxation rises; and the amount is therefore considerably more than £6,000 a year. Let it be borne in mind that there was weeping and wailing from the plutocrats opposite when a proposal was made that the parents of this country should be relieved of a little taxation as regards their children. There are in this State 411 people receiving incomes of between £1,500 and £4,999; and yet fully £10,000 is to be taken from the revenue for their benefit. That proposal is supported by hon. members who violently opposed the granting of a little relief to the unfortunate worker with a family. As regards land, 494 people in Western Australia own land of a total unimproved value of £6,525,000. The amount of taxation imposed on that land is £53,000, or £56,000 per annum. Even on that basis the amendment would, in my estimation, mean a difference to the revenue of about £3,000. And the amendment is supported by hon. members opposite from whom we heard so much weeping and wailing when it was proposed to grant a little relief to all men with families, and not only the working men, in Western Australia. We find that this amount is going to be taken away from the State Treasurer. I would be only too pleased to pay my proportion. I trust hon. members opposite will not vote for what they must know is absolutely wrong.

The ATTORNEY GENERAL: It is only fair to hon. members to inform them the precise amount the State will lose if the amendment is carried. The Commissioner reckons, in round figures, in respect of deductions claimed here, that the State will lose £3,000. If we start whittling something away here and something away there, there will be no taxation and it will simply mean that the rates will have to be increased. Under the law as it stands, Section 31 provides—

No deduction shall, unless where specified in regard to Subsection 5 hereof, be made in respect of the following matters: (1) the cost incurred in the maintenance of any taxpayer, his family or establishment, (2) domestic or private expenses, (3) payments of any kind by husband to wife or wife to husband, (4) any loss or expense which is recoverable under any insurance or contract of indemnity, (5) income tax or land tax.

So that no income or land tax payable in any way has been allowed. But the amendment seems to open the door to a general deduction. Of course we can re-cast the scale. Our difficulty is that we come down with a scale and if we re-cast the deductions we upset the scale. My own idea about it is that we should re-cast the whole of our taxation. Personally I have always been in favour of taxing at the source, and taxing on profits made, and the first speech I made in this House was on those lines when I begged Mr. Scaddan to repeal the dividend duty tax, and to impose a tax on profits. I think the fairest tax is the tax on all income which comes to a man's hands irrespective of where it comes from. The Commonwealth differentiates between taxation from personal exertion and taxation from property. There are a number of proposals which might have been copied from the Commonwealth, and during the adjournment I would have been glad if it had been possible to re-cast our taxation, but that was impossible for the reason that we had passed the second reading of the measure in this House. Consequently in order to put ourselves on Commonwealth lines, we will have to wait for the Bill now before the Commonwealth Parliament to be passed. My suggestion is that this Bill, even with all its imperfections, should be passed in the way it has been presented, and the Government should be given an opportunity after the Federal legislation has been passed, to re-cast the whole scheme of taxation. My own personal view is that it should be re-cast on Commonwealth lines, so that if exemptions of this description are allowed, or other exemptions, we will cast our scale to suit the exemptions. As I have pointed out, the proposal of the hon. member will mean a loss to the extent of £8,000, and I am not prepared to ask hon. members to agree to that.

Hon. P. Collier: This is a matter, too, which will be cleared up at the Treasurers' conference in July.

The ATTORNEY GENERAL: They are in fact considering a uniform method now. I have no doubt that, as the leader of the Opposition has just come from the hub of the Australian universe, he has brought with him the latest information on the subject. I hope hon. members will support me in my protest against the amendment.

Mr. THOMSON: The Attorney General states that it will be necessary to raise the rates.

The Attorney General: I did not say that; I said re-cast the scale.

Mr. THOMSON: That means raising the rates. The Treasurer should have taken that into consideration when submitting the Bill to the House. I want to draw the Attorney Gen-

eral's attention to the fact that when the present Land and Income Tax Assessment Bill was brought into existence in 1907 there was no such thing as a Federal land tax or Federal income tax. Therefore, if the Federal taxation had been in existence in 1907 this clause would not have been in the Bill. It is all very fine to say that this matter is going to be dealt with at the Treasurers' conference, but whether they carry a resolution there or not it will not affect the Act which has been brought into existence by the Parliament of Western Australia.

Hon. P. Collier: Then we can amend it on the lines they agree upon.

Mr. THOMSON: I prefer to amend it now. I trust the Committee will not accept the nicely sugar-coated pill which the Attorney General has given hon. members to swallow.

Hon. W. C. Angwin drew attention to the state of the House; bells rung and a quorum formed.

Mr. GREEN: I fail to see the consistency of the hon. member's attitude. Last night he voted against the proposal to exempt children at a value of £26 per child, a proposal which meant a loss to the State of £7,000. Yet his proposal this evening, which does not assist those in receipt of low wages, will mean a loss to the State of £8,000. I can hardly understand what principle the hon. member stands for. He claims to be a member of the Country party, who are out to assist the primary producer. We are told that the party he belongs to and the people he represents are in a bad way, and if they paid to the Government what they owed they would be bankrupt. The hon. member holds a special brief for the people in receipt of high salaries. Under the war time profits tax the people in this State making war profits over £200 are exempt. Yet we find the hon. member is holding a brief, not for the farmers, but for the people who are making particularly big money because of the war. We find that the man who is receiving £3,000 a year will, under the present proposals, only have to pay an income tax of £187 10s. This is the class of people for whom the member for Katanning seems to hold a special brief. The member for West Perth amended this proposal, but anyone with a little worldly experience can see that the proposal of the member for Katanning was simply that of the member for West Perth.

Mr. Thomson: That is absolutely incorrect.

Mr. GREEN: If the hon. member is not in favour of the truth being brought out, why does he interject? A certain statement was made by him that something that was said was incorrect. His statement was that the Country party did not influence the Government with regard to their taxation proposals.

Mr. Thomson: Absolutely correct.

Mr. GREEN: Other members of the Country party have said that this was so. Either these members of the Country party are telling an untruth or the member for Katanning is.

Mr. Thomson: You are making an incorrect statement.

Mr. GREEN: On the horns of which dilemma does the hon. member place himself?

The CHAIRMAN: Will the hon. member confine himself to the question before the Chair?

Mr. GREEN: I trust that the Minister for Works will vote according to the professions we have heard from his lips, and that if the workers have to pay this tax he will not be a party to seeing that the wealthy portion of the community is exempt.

Amendment (as previously amended) put, and a division taken with the following result:—

Ayes	..	..	..	19
Noes	..	..	..	16
Majority for				3

## AYES.

Mr. Angelo	Mr. Pickering
Mr. Brown	Mr. Plesse
Mr. Brown	Mr. Pilkington
Mr. Draper	Mr. H. Robinson
Mr. George	Mr. Teesdale
Mr. Griffiths	Mr. Thomson
Mr. Hickmott	Mr. Veryard
Mr. Maley	Mr. Willmott
Mr. Mitchell	Mr. Hardwick
Mr. Money	(Teller.)

## NOES.

Mr. Angwin	Mr. Mullany
Mr. Collier	Mr. Munsie
Mr. Davies	Mr. R. T. Robinson
Mr. Foley	Mr. Rocke
Mr. Green	Mr. Underwood
Mr. Holman	Mr. Willcock
Mr. Jones	Mr. O'Loghlen
Mr. Lambert	(Teller.)
Mr. Lutey	

Amendment (as amended) thus passed.

Hon. W. C. ANGWIN: I move—

“That progress be reported and leave asked to sit again.”

The Minister for Works: Certainly not.

Mr. HOLMAN: The member for Beverley has just stated that there has been stonewalling. There has been none, and I ask that the statement be withdrawn as it is a reflection on the Chair.

The CHAIRMAN: I did not hear the hon. member make the remark.

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

Ayes	..	..	..	10
Noes	..	..	..	25
Majority against				15

## AYES.

Mr. Angwin	Mr. Lutey
Mr. Collier	Mr. Rocke
Mr. Green	Mr. Willcock
Mr. Holman	Mr. O'Loghlen
Mr. Jones	(Teller.)
Mr. Lambert	



## NOES.

Mr. Angelo	Mr. Munstie
Mr. Broun	Mr. Pickering
Mr. Browa	Mr. Plesse
Mr. Davies	Mr. Pilkington
Mr. Draper	Mr. H. Robinson
Mr. Foley	Mr. R. T. Robinson
Mr. George	Mr. Teesdale
Mr. Griffiths	Mr. Thomson
Mr. Hickmott	Mr. Underwood
Mr. Maley	Mr. Vervard
Mr. Mitchell	Mr. Willmott
Mr. Money	Mr. Hardwick
Mr. Mullany	

(Teller.)

Motion thus negatived.

Mr. HOLMAN: What action is the Minister going to take to relieve the ordinary wage-earner who has to pay 4s. to 5s. a week to reach his work? The ordinary worker has to pay this amount for his railway ticket. Is the Minister prepared to accept an amendment, or is he prepared to draft an amendment so that the workers may be relieved of the expense which they incur in travelling to their work? A man earning £4 a week may have to travel from Fremantle to Midland Junction and it may cost him 15s. to 16s. a month. This seems to me to be a reasonable exemption. A large number of men are affected in this way. This provision would not affect the people in my district, but it will affect the workers in the metropolitan area. I think the cost of travelling to work should be deducted from a man's income. Exemptions are not allowed to the ordinary worker but every kind of exemption is allowed to the boodler and his parasitic tools. When the country is over burdened with debt, when everybody is crying for reform, and everyone is talking about self-sacrifice, we find the Government are prepared to sacrifice anyone so long as they can save their own miserable selves and remain in office. Ministers allow the business to be taken out of their hands. They are not prepared even to stand by the measures which they introduce. They swallow an amendment which is moved on the spur of the moment by which the Government lost £8,000 a year, but when an amendment which will relieve the wage earners is carried against them they cry like whipped curs. I move an amendment—

“That the following be inserted as a new subclause:—‘All railway fares, tram fares, or any other payment of expenditure incurred in travelling to and from his place of employment and the cost of all tools of trade required by any workmen to earn his chargeable income.’”

It costs a hewer £15 a year for his tools of trade. Axe handles are now costing up to 3s. each and I have known many men break four axe handles in an afternoon. It seems to be a fair exemption to remit the cost of tools of trade.

Mr. Davies: You will not relieve those men at all, because they are already covered by the exemption.

Mr. HOLMAN: That is not so. We find the hon. member supporting any exemption

for the boodler, but none for the worker. The amendment will assist many people who deserve assistance.

The ATTORNEY GENERAL: Taking the latter part of the amendment first, I have no doubt that in fixing the rate of wage the Arbitration Court takes into consideration the fact that certain individuals have to purchase their own tools. As for the distance to be travelled, that really relates to one's own convenience, and not to the nature of his employment. Therefore, it seems to me almost an absurd proposition to say that because a man chooses to live far from his work, he should have special consideration. I do not think the time of the Committee should be taken up with an amendment of this sort.

Hon. W. C. ANGWIN: The expense a worker is put to in earning his income should be exempt from taxation. The Attorney General says the Arbitration Court takes into consideration the cost of tools. That is not so, as is seen in the fact that a bricklayer gets a higher wage than a carpenter, although the carpenter's tools cost far more than do those of a bricklayer.

Mr. Thomson: The bricklayer gets a higher wage because he has more broken time.

Hon. W. C. ANGWIN: Again, in regard to the distance of residence from work, it is not within the control of the worker, because he may be on a job at Claremont to-day and on another at Guildford to-morrow. It cannot be said that a man is earning £3 a week if out of that sum he has to pay 2s. in tram fares in going to and from his work. If all other classes are to have exemptions, why should not the worker? Even the farmer is allowed four per cent. for his outgoing, and the business man is allowed four per cent. on his rent in addition to his allowance for outgoing. The amendment is perfectly fair.

The Attorney General: Every taxpayer is allowed for his outgoing and expenses actually incurred in the production of his income.

Hon. W. C. ANGWIN: But it does not include fares for travelling and tools required. It is only fair that those should be included.

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

Ayes	..	..	18
Noes	..	..	18
A. tie	..	..	0

## AYES.

Mr. Angelo	Mr. Mitchell
Mr. Angwin	Mr. Money
Mr. Collier	Mr. Mullany
Mr. Davies	Mr. Munstie
Mr. Foley	Mr. Rocke
Mr. Green	Mr. Thomson
Mr. Holman	Mr. Willcock
Mr. Jones	Mr. O'Loughlin
Mr. Lambert	
Mr. Lutey	

(Teller.)

## NOES.

Mr. Broun	Mr. Pilkington
Mr. Brown	Mr. H. Robinson
Mr. Draper	Mr. R. T. Robinson
Mr. George	Mr. Teesdale
Mr. Griffiths	Mr. Underwood
Mr. Harrison	Mr. Veryard
Mr. Hickmott	Mr. Willmott
Mr. Maley	Mr. Hardwick
Mr. Pickering	(Teller.)
Mr. Piessé	

The CHAIRMAN: The Chairman will give his casting vote in favour of the Bill as it stands, in order to protect the revenue.

Amendment thus negatived.

Mr. THOMSON: I do not intend to proceed with the amendment I have on the Notice Paper, proposing exemption in respect of charitable contributions.

Mr. HOLMAN: I intend to oppose this clause as much as I possibly can. Every section of the community receiving higher incomes has been granted exemption, but a paltry exemption asked for on behalf of those earning the lowest incomes has been refused, on the ground that so much has already been given that no more can be spared. Therefore this Income Tax Bill should be opposed step by step and word by word, and this I intend to do. Exemptions totalling £20,000 have already been granted, and by this very clause grave injustice has been done to the State. With regard to business premises, a deduction of four per cent. is allowed to the holder of large premises. The exemption of £200 is gone, but that deduction of four per cent. by the holder of large business premises still remains. Moreover, taxpayers carrying on business, or with money invested, in Western Australia and elsewhere, or carrying on more than one business, or with money invested, in Western Australia, are allowed to deduct interest paid. The member for Leederville, in whose district almost the whole of the residents are wage-earners, has refused to support an amendment which would give those people some little relief.

The Attorney General: Are you moving an amendment?

Mr. HOLMAN: I am opposing the clause, as I have a perfect right to do. A worker is not allowed any deduction for his tools of trade while a business man is allowed to make deductions for the machinery he uses.

Hon. P. Collier: Tools of trade are essential to the workman who is earning his income.

Mr. HOLMAN: The timber fallers have to find their own tools and in addition they have to pay 30s. a year for the sake of earning a paltry living. That too is since the award was issued.

The Attorney General: They have always had to pay that. The license used to be 2s. 6d. a month, but they avoided it, and it was owing to their own suggestion that I made the annual fee 30s. and during the period of the war £1.

Mr. HOLMAN: It is an unjust tax on a man who has to earn his living hewing timber.

The Attorney General: It was at their own suggestion.

Mr. HOLMAN: To avoid a heavier penalty. These men are compelled to go out and cut in the

worst bush. They should be paid a premium for it instead of being made to pay a tax. The whole thing is unfair because a business man is allowed many deductions but the ordinary working man is not allowed any at all. The hewer is called upon to pay rent for the Crown lands on which he is cutting timber. The business man is given exemption for that sort of thing.

The Minister for Works: Section 30 of the Act provides exemption for expenses actually incurred in earning the income.

Mr. HOLMAN: A business man is allowed for rates, but the worker in the bush gets no consideration of the sort.

The Minister for Works: If it is outgoing it is provided for in Section 30 of the Act.

Mr. HOLMAN: If so it should be shown in the assessment form. I have not been able to find it.

The Attorney General: Give me the form and I will show it to you.

Mr. HOLMAN: I am reading it, but I cannot find the provision. If it is in the Act it should be in the assessment form.

The Attorney General: It is in the form. Look at Part A "other expenses, give particulars." Now will you sit down?

Mr. HOLMAN: No. I am going to show that he is not allowed to make a deduction. I will not give way unless I get an assurance that these deductions shall be put in the form.

The Attorney General: I will make provision that any loss, any outgoing, any expenses actually incurred by the worker in the earning of his income, shall be inserted in a column in the form.

Mr. HOLMAN: Well, I will accept that assurance.

[Mr. Foley took the Chair.]

Mr. MONEY: I move an amendment—

"That the following be added to stand as Subclause (e):—That Section 7 of the amending Act be amended by inserting the words 'interest on mortgage and loan' after 'outgoings' in Subsection 1, Section 30, of the principal Act."

These words are generally included in the taxation Acts of the other States. Anyone should be able to see from a perusal of the Act that these allowances are made.

The ATTORNEY GENERAL: This is practically the law of the land in decided cases to-day. If the amendment is going to make this any clearer I have no objection to it. The Commissioner for Taxation says that it has always been the practice to allow interest on sums used in a business.

Hon. W. C. Angwin: Can we insert this amendment? Is it in order?

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

Clause 8—Amendment of Section 32:

Hon. W. C. ANGWIN: I should like to have some explanation on this clause.

The ATTORNEY GENERAL: The present Act is defective in the manner described in this clause, for unless the Commissioner knows that a person is taxable he cannot demand a return. He can only demand a fuller and better return from a man who has already put one in. This also applies to a business where a person has been opening or closing stocks.

Hon. W. C. ANGWIN: I know of a man who, though not taxable, put in his return. Because his return was late he was summoned, and had to travel a long distance to answer the summons. I

cannot see why a person who is not taxable should have to send in any return.

The ATTORNEY GENERAL: This is intended to apply to persons who are taxable but do not send in returns.

Hon. W. C. ANGWIN: If a person is not liable for any tax he should not be put to the trouble of submitting a return. There is a possibility of persons being fined who should not be fined. I see no necessity for the alteration.

Hon. P. COLLIER: This power will be the cause of infinite annoyance to a large number of people who will not be liable to pay any tax.

The ATTORNEY GENERAL: I do not think the present Commissioner administers the Act in that way.

Hon. P. COLLIER: I feel sure that a general instruction will be issued if this clause is passed, and that thousands of men who will not be liable for taxation will have demands made upon them to explain why they have not filled in the necessary forms. I know of a case in point, in which explanations have been demanded year after year as to why forms are not filled up and sent in. Probably, under this provision, the Commissioner would issue a regulation calling upon everybody to furnish returns. Has any difficulty been experienced in connection with the existing Act, such as renders this amendment necessary?

The ATTORNEY GENERAL: Yes. This is a suggestion by Mr. Owen.

Hon. P. COLLIER: I perfectly understand that this is a machinery clause; but departmental officers are found anxious to take to themselves powers which, while easing the work of the department, cause great inconvenience and annoyance to the public.

The ATTORNEY GENERAL: We must give the officer the necessary tools of trade.

Hon. P. COLLIER: I agree; but are we here giving more power than is necessary? I do believe, however, that our Commissioner of Taxation exercises a great deal more discretion in collecting taxation than is exercised by the Federal taxation office.

Clause put and passed.

Clause 9—Amendment of Section 34:

Hon. W. C. ANGWIN: Explanation is required of this new department.

The ATTORNEY GENERAL: This comes from the Crown Solicitor. Under the existing law the Commissioner can only alter or reduce assessments. In working, the Crown Solicitor has found that the words need to be made a little more exact. Cases coming before the court of review have shown that difficulty arises owing to the looseness of the words. Therefore this clause proposes to replace "alter or reduce" by "increase, reduce, alter, or otherwise amend."

Hon. P. COLLIER: The point is that the Commissioner wants the word "increase" introduced. Would not the word "alter" have given the Commissioner that power?

The ATTORNEY GENERAL: Probably; but this amendment has been drafted by the Crown Solicitor and myself to meet the cases I have mentioned.

Mr. MONEY: The last words of the clause, "or otherwise amend," seems to me such covering words, and I do not think they should be allowed to stand. I move an amendment—

"That the words 'or otherwise amend' be struck out."

Amendment put and passed; the clause, as amended, agreed to.

Clause 10—Amendment of Section 44:

The ATTORNEY GENERAL: I shall not ask the Committee to pass this clause. Section 44 of the principal Act is sought to be amended by throwing the onus of proof on the appellant. That is contrary to the general principles of law.

Hon. P. COLLIER: I had this clause marked.

The ATTORNEY GENERAL: I marked it myself for consideration. It is a departmental suggestion. As soon as I saw it, I thought it should go out.

Clause put and negatived.

Clause 11—agreed to.

Clause 12—Amendment of Section 49:

The ATTORNEY GENERAL: The clause as printed provides that no appeal shall be heard unless the tax payable on the assessment, and any fines accrued thereon, together with any arrears of like tax and fines, are deposited with the Commissioner. I move an amendment—

"That in paragraph (a), after 'unless,' in line 2, there be inserted 'one-half of the amount of.'"

That amendment will allow any person appealing to pay only half of the assessment to which he objects, prior to the appeal being heard.

Mr. THOMSON: I hope, in view of Section 49 of the principal Act, that the Committee will accept this amendment.

Hon. P. COLLIER: I am glad the Attorney General has an amendment which modifies the clause, but I am not sure that we ought to accept the clause even with the amendment. At present, if one appeals against an assessment, one is not called on to pay the tax until the matter has been dealt with by the court of review. But here the Government propose that appellants shall be called on to pay half the tax before proceeding with an appeal.

The Attorney General: Councils and roads boards make appellants pay the whole of the rates before the hearing of appeals.

Hon. W. C. ANGWIN: No; half.

Hon. P. COLLIER: What is the object? Ultimately the payment of the amount will depend upon the result of the appeal. What advantage is it to the department to have half the amount paid beforehand?

The Minister for Works: It will prevent the making of appeals for the purpose of putting off payment for an indefinite period.

Hon. P. COLLIER: There would not be much object in making an appeal merely for the purpose of postponing payment, seeing that one knows one has to pay eventually. I have not heard of any imposition of that nature on the part of taxpayers appealing.

The Minister for Works: Under the Federal law one has to pay the whole of the tax in order to appeal.

Amendment put and passed.

Hon. W. C. ANGWIN: I see that public notice has to be given of appeals.

The ATTORNEY GENERAL: Section 49 provided that public notice had to be given of the time and place of the hearing of appeals, but now the word "public" will be deleted, and merely "notice" will have to be given.

Clause as amended put and passed.

Clause 13—Amendment of Section 52:

The ATTORNEY GENERAL: I move an amendment—

"That in line 4 after the word 'proceedings,' the words 'under this Act' be inserted."

The returns given will be *prima facie* evidence of the particulars.

Amendment put and passed.

Hon. P. COLLIER: I should like some information with regard to this clause. It states that a return shall, in any legal proceedings, be *prima facie* evidence of the particulars therein contained. Does that mean that the return will be accepted as absolute proof without further evidence having to be obtained?

The Attorney General: It will be evidence unless other evidence is given.

Hon. P. COLLIER: Does it mean that in proceedings before a court the Commissioner will be able to put in the return as evidence?

The Attorney General: The Commissioner may wish to prove against a taxpayer that he owns certain property, and if the taxpayer on his return says he owns it, that will be *prima facie* proof without calling for the deeds.

Hon. P. COLLIER: This subsection relates to salaries and emoluments. I would like to know whether all the Commissioner has to do is to give to the court the return furnished to him and that that return will be accepted by the court?

The ATTORNEY GENERAL: If a return is put in showing that a person is in receipt of £400 a year, that return will be evidence that the person in question is in receipt of that salary. Otherwise the employer will have to be called to prove that £400 is actually his paid.

Mr. MUNSE: Is it intended to assume that "the particulars therein contained" are correct? If the return were from the individual himself I would have no objection to it, but the return may be from an employer and may affect other people; therefore it should not be put in as *prima facie* evidence against another individual.

The Attorney General: I am not particularly wedded to the clause.

Clause as amended, put and negatived.

Clause 14—Amendment of Section 53:

Hon. W. C. ANGWIN: A taxpayer is often fined because the tax is not paid on a certain date and the notice given is sometimes very short.

The ATTORNEY GENERAL: The object of the amendment is to avoid the necessity of gazetting the due dates and to rely on the dates given in the notice to the taxpayer.

Clause put and passed.

Clause 15—Repeal of Section 56:

The ATTORNEY GENERAL: It is intended to strike out this clause. Section 56 of the Act which it was sought to repeal says that where the amount of tax payable by the taxpayer exceeds 20s. the same shall be paid in two half-yearly instalments.

Clause put and negatived.

Clause 16—agreed to.

Clause 17—Amendment of Section 71:

Hon. W. C. ANGWIN: Why not leave this to the discretion of the court as previously?

The ATTORNEY GENERAL: The magistrates have imposed such small penalties that they are not likely to act as a deterrent to others. The maximum penalty in the Act is £20 and if the amendment is carried the minimum penalty will be £1. Hon. members may say that £1 is too small for such an offence, but it will be observed that under Clause 24 it is provided that such offences will no longer come before the court. These small offences will be dealt with by the Commissioner and he will have the power to remit a fine.

Hon. P. COLLIER: I do not know that it is wise that we should take away the discretion of

the court in this matter. There is no warrant for assuming that a magistrate who is going to hear a case is going to be unduly lenient to any of those who are charged. If that were a point holding good in regard to this Act, it should hold good in all our Acts, and a minimum penalty should be provided in all. It is the tendency of all departmental officers to punish any man who has put them to the trouble of taking him before the Court.

Mr. MONEY: I cannot see the necessity for the clause. We should have confidence in our courts and magistrates. I am totally against the principle of limiting the court's discretion. I am opposed to the clause.

Clause put and negatived.

Clause 18—Amendment of Section 74 of the principal Act:

The ATTORNEY GENERAL: I was going to move that the clause be struck out.

Clause put and negatived.

Clause 19—negatived.

Clause 20—Taxation of certain income at its source:

The ATTORNEY GENERAL: I move an amendment—

"That after '(1)' the words 'Notwithstanding anything contained in this Act to the contrary, be inserted.'"

Without the amendment it is questionable whether the clause would really impose a tax, because we tax in one year the income earned in the previous year. The amendment is to make it quite clear that notwithstanding anything contained in this Act to the contrary the income tax shall be payable to the Commissioner. The amendment will make the clause effective.

Amendment put and passed.

The ATTORNEY GENERAL: I move a further amendment—

"That after 'income' in line one the words 'current income (whether payable weekly, fortnightly, monthly, or otherwise)' be inserted."

Amendment put and passed.

The ATTORNEY GENERAL: I move a further amendment—

"That after the first paragraph of Sub-section (1) the words 'such tax shall be at the rate then last in force if the rate of tax is not then fixed by law' be inserted."

Hon. members will understand that this is necessary to enable the tax to be collected on salary or wages as it is earned.

Amendment put and passed.

The ATTORNEY GENERAL: I would like to give some explanation of the effect of the clause as amended. The object of the clause is to enable a private employer if so requested by the Commissioner to collect the tax on wages and salaries on practically every pay day. The details of the working of the clause will be prescribed by regulation. Practice alone will determine the most convenient form both for employer and employees. It will be observed also that a proviso is to be brought into operation. The regulations will also prescribe the manner in which the tax shall be collected and recorded. I think the intention is to require the employer to affix on the pay-sheet stamps to the value required, or alternatively the employer may deduct the tax from his pay roll and remit it to the Commissioner. If in any case the tax is found by the Commissioner to exceed that which is payable by the taxpayer the taxpayer will be entitled to a refund on applica-

tion. It is the intention, if the clause is carried, to publish for the use of employers a short table showing the amounts that they will be required to deduct from their employees.

Hon. P. Collier: The whole thing is an outrage.

Mr. Jones: It is class legislation of the most violent kind.

The ATTORNEY GENERAL: This clause cannot be put into force on the 1st July next unless Parliament has already passed the taxing Bill prescribing the rates of income tax for the financial year that is to come. I do not think it is necessary for me to explain the clause further at this stage.

Mr. WILLCOCK: In my opinion the whole clause is impracticable, and the cost of administration will be out of all proportion to the results obtained. The working people are going to be taxed at a higher rate than they can afford, and the Government believe that the only way in which they can get the taxes in is to adopt this means. The employer will also be put to a lot of annoyance. Further, in order that the employer may determine whether or not his employee is taxable the latter will have to disclose all his private affairs, say how many children he has, what insurance he is paying, and so forth. Who is to be the judge as to whether a man will be able to earn for the whole year at the rate that he has been able to earn for any particular week? The Minister should have given the Committee some explanation as to what will happen in the cases of intermittent employment. If a man makes £5 in one week will it be presumed that his income will be £250 a year, although he may not make as much in any other week during that period?

The Attorney General: He will pay on the £5 in that one week.

Mr. WILLCOCK: Is it intended that the employer of a man earning £400 a year shall deduct so much a week from that man's wages? It has always been the custom to pay the income tax at the end of the year on the year's earnings, but under this provision a man may be taxed upon an income which at the end of the year he has not earned. It seems to me that in many cases the cost of administration will exceed the amount of the tax received.

The Attorney General: In that case no Government would go on with it.

Mr. WILLCOCK: In the case of a man who is only employed intermittently his earnings will vary from week to week. Some provision should be made so that the employer of such a man is not authorised to collect the tax. With regard to the exemptions for children, I would point out that a man earning £4 a week may have two children and be paying income tax week by week throughout the year. Just before the end of the year there may be an increase in the family which will render him exempt for the remainder of the period. Ordinarily he would have been exempt for the whole year with three children, but under these provisions he would have been taxed for most of the year. I intend to vote against the whole clause.

Hon. P. COLLIER: The clause is an absurd one and I appeal to the Minister not to waste the time of the Committee with it. The good sense of hon. members will surely cause them to reject it. The general application is simply impracticable. The provision could apply only to a very limited extent, to people in permanent employ, and principally to civil servants. It could not possibly apply to the large army of casual employees in

this country. Moreover, in the case of men permanently employed it is not necessary that the boss should deduct the tax, because they can be easily found. However, I am opposed to the provision on general principles. It is the most vicious and intolerant thing ever introduced into this Chamber. It has had its birth in the Taxation Department; it does not originate from the Government, who however have fathered it. Let us fire it out on to the rubbish heap.

Clause put and negatived.

Clauses 21, 22—agreed to.

Clause 23—Employer may be declared agent of employee when tax unpaid:

The ATTORNEY GENERAL: Clause 20 having gone, this clause must go. Even if Clause 20 had not been deleted, Clause 23 is open to various objections.

Clause put and negatived.

Clause 24—Additional tax for late returns and for omissions in returns:

The ATTORNEY GENERAL: The clause as printed includes many things which perhaps are objectionable. Paragraph (c), for example, might penalise any busy man whose returns are made out for him by clerks; and I intend to move that it be struck out. Again, I propose to alter the penalty from "one pound or ten per centum of the amount of tax assessable" to "not exceeding ten per centum." This will allow the Commissioner of Taxation the discretion advocated by the member for North-East Fremantle on a previous clause. The effect will be that the Commissioner will have power to exercise his discretion to fine in the case of minor matters, for which it is not thought necessary to bring people before the courts. He may be trusted to administer these powers; and, besides, he has discretion to remit fines. I move an amendment—

"That paragraph (c) be struck out."

Hon. W. C. ANGWIN: I hope the Committee will not pass the amendment. I wish that paragraph to remain in the clause. The Attorney General referred to the case of a man who has his returns prepared for him by clerks; but in the event of such a man furnishing incorrect returns owing to error on the part of his clerk the proviso empowers the Commissioner to remit the additional tax. The result of striking out the paragraph would be that in the circumstances mentioned by the Attorney General the taxpayer would be put to the heavy expense of proving to a court of law that the error was merely technical or accidental. According to the Attorney General, the taxpayer would still be liable if the amendment were carried. If that is so, let us leave the matter as it is, in view of the discretion granted to the Commissioner.

[The Chairman resumed the Chair.]

The ATTORNEY GENERAL: The clause brings taxpayers before the Commissioner, and if a person can prove that the matter is one of mistake the Commissioner will not punish him.

The MINISTER FOR WORKS: Most of us who have struggled with income tax returns have naturally put in what we thought we were fairly entitled to put in; but that may not be lawfully allowable. We are not all trained lawyers, and able to argue such questions with the Commissioner. If a man has spent £20 and he shows in his return that he has spent £30 he is stating what is a falsehood. But I will give an instance of what a taxpayer has to contend against, and

this occurred in my own case. My return was less than it was in the previous year so far as the horses I had been concerned, though I had more horses than I had before. I was treated as if I had been a criminal, but I soon brought the officer in the Taxation department to his bearings. I lost by death three valuable mares. Their value was £150 and in the same year five mares foaled. The foals were worth £5 each. That accounted for the greater number of horses and the lower value of them, and I was called upon to make that explanation. There is no man who would be fool enough to put himself knowingly under the operation of a clause like this.

Hon. W. C. ANGWIN: My desire is to try to save the taxpayer from going into court through an error which he may have made. If he can prove that he has made an error he should be saved the expense of going to court. If the paragraph is struck out a man may be prosecuted. I would leave the paragraph as it is because it protects the taxpayer more than it would if it were struck out. I think the penalty is too large.

Mr. MALEY: In these taxation returns the Commissioner seems to go on the assumption that there is no hereafter in regard to assessable income. The wool-grower is receiving only 90 per cent. of the value of his wool—the balance being held by the pool—notwithstanding which the Commissioner requires him to pay tax on the full 100 per cent. The same thing is required of the wheat-grower, who is similarly situated.

Hon. W. C. ANGWIN: Under the clause the Commissioner has power to fine a taxpayer double the tax if he puts in his return only 90 per cent. of his income. This clause is designed to avoid the necessity for going to court: but if paragraph (c) is struck out the delinquent will have to go to court. I am merely trying to protect the taxpayer.

Amendment put and negatived.

The ATTORNEY GENERAL: I move an amendment—

"That in lines 14 and 15 the words 'one pound or' be struck out and 'not exceeding' inserted in lieu."

Amendment put and passed.

The ATTORNEY GENERAL: I move a further amendment—

"That all words from and including 'which-ever' in line 16 to 'greater' in line 21 be struck out."

Instead of differentiating in the punishment for the three offences the Commissioner will then have power to impose up to 10 per cent. in every case.

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

Clause 25—Requirements of Commissioner to be complied with:

Mr. MUNSIE: Will this give the Taxation Department power to demand returns from people who are not eligible to pay a tax?

The ATTORNEY GENERAL: This is only a demand for information to enable the Commissioner to complete an assessment. The clause has been recommended by the Crown Solicitor, and there is nothing behind it.

Mr. Munsie: I accept that explanation.

Hon. W. C. Angwin: Is the clause necessary in view of the provisions of the Act?

The ATTORNEY GENERAL: The Act imposes a penalty, but does not say that the person shall answer the questions which are put by the Taxation officers.

Clause put and passed.

Clause 26—Proof of knowledge:

The ATTORNEY GENERAL: It is intended to strike out this clause.

Clause put and negatived.

Clause 27—Manner of showing amendments:

The ATTORNEY GENERAL: A number of consequential amendments will have to be made to this clause, and will be made in the ordinary course by the Parliamentary draftsman.

Clause put and passed.

New Clause.

The ATTORNEY GENERAL: In deference to the wish of the member for Geraldton, I move—

"That the following be inserted to stand as a new clause: 'Section 2 of the principal Act is hereby amended by inserting the following definition:—"Dependant" means a relative of a taxpayer by blood, marriage or adoption towards whose maintenance the taxpayer has contributed at least £26 during the year in which his taxable income was derived.'"

Mr. MUNSIE: I hope the Attorney General and the member for Geraldton will agree to make the amount £20, the same as the allowance for a child. The single person who contributes £20 to the maintenance of a dependant should be similarly considered.

The Attorney General: The two amounts of £26 in the Federal Act, although they are the same, do not relate to each other.

Mr. MUNSIE: I do not share the Attorney General's view. The member for Geraldton desires that a single person with dependants should receive an allowance in the same way as a married man. The latter is allowed only £20 in respect of each child he has to maintain.

The Attorney General: That is additional. Because he has a wife he is on the £156 line; because he has a child he is on the £176 line.

Mr. MUNSIE: But the single man or single woman is only on the £100 line. If the single person expends £20—the amount allowed to the married man in respect of a child—on a dependant, the single person should receive the same consideration. I hope the Attorney General will agree to the reduction to £20; otherwise I must move an amendment.

Mr. WILLCOCK: I am perfectly willing to allow £26 to go, because a married man cannot be expected to keep his wife for £26 a year. The amendment represents a substantial concession, because it places the single man with only one dependant—on whom he need spend only £26—on the £156 line, in the same way as a married man. I am prepared to accept the Attorney General's amendment.

Mr. LUTEY: Would the single man with one dependant on whom he is spending £26 per annum be granted the same exemption as the married man, under the amendment?

The Attorney General: Yes.

New clause put and passed.

New Clause:

Mr. THOMSON: I move that the following be added to stand as Clause 19A:—

"A section is inserted in the principal Act, and shall have effect as follows:—17A. Whenever any person is assessed for income tax on profits derived from any of the following businesses, namely, (1) Agricultural and Horticultural; (2) Pastoral; (3) Grazing; (4) Mining; and (5) Manufacturing; then such person may claim and shall be allowed an abatement of so much of the amount payable for income tax on the profits derived solely from such businesses as equals twenty per centum of such income tax."

We want to encourage the primary industries. Personally, I would like to see it graded according to how a man earned his income. For instance, a worker should be taxed a smaller rate than a man who earned his income from profit. Therefore in moving the amendment I do so with the desire to establish a principle, more particularly as I wish to move a further amendment later on which will have the effect of increasing the tax on the industries which in my opinion are non-productive, and which are being carried on the shoulders of other industries. The agricultural and horticultural industries are creating wealth for the people engaged in them and the same thing applies to those who are engaged in mining and again so far as manufacturing is concerned. We have not too many industries in this State, and we should do all we can to encourage them. It is difficult to discuss a subject of this description at such an early hour of the morning as members are tired, but the principle which I am advocating is sound. We should do all we can to assist the industries and this is the way in which the assistance can be given.

Mr. FOLEY: I trust hon. members will not support the amendment, especially as the hon. member wishes to strike out the words "pastoral" and "grazing." The people engaged in the industry have no desire to approach us cap in hand and say, "We want you to give us everything." The agriculturalists should be satisfied with what they have in the Bill and I am positive that they are satisfied. If they are not satisfied, they are not of much use to the State because they want the State to do everything. So far as mining is concerned, I know the men who are engaged in it and I know that they do not want charity or differential treatment regarding taxation. Therefore, no other section of the community should get it.

The MINISTER FOR WORKS: While I appreciate the motive which has actuated the hon. member, I suggest that this is hardly the place in which he should endeavour to secure the assistance he desires for the industries he has referred to. So far as agriculture is concerned, the Government have had to assist it to a considerable extent and I am sorry to say that even more assistance will have to be given to it. With regard to mining, we know that it is not doing as well as we should like. Some mines have been closed down and others have to closely consider their expenses, and it will be a question for the Government to deal with as to whether by means of the goldfields water scheme it will be possible to give such assistance to those mines as to enable them to continue operations. The Government recognise that it is better for the State to lose somewhat than that the mines should close down. The proposed new clause is an ill-advised way of endeavouring to assist them. The hon. member might withdraw the proposed new clause and bring it forward next session as a substantive motion.

Hon. W. C. ANGWIN: I think the hon. member is to be complimented on having moved the proposed new clause. Even if carried it will affect the taxation returns very little, if at all, because with but very few exceptions those concerned in the industries named are not paying income tax. Those who really need assistance have been carefully omitted from the proposed new clause. In view of this I cannot see why there should be any opposition to the proposed provision.

Mr. THOMSON: I appreciate the sentiments expressed by hon. members. I am quite prepared to be laughed at. Many other propositions have

been ridiculed when first mooted, but cordially adopted when their merits came to be more clearly seen. The day will come when even the Legislative Assembly of Western Australia will consider taxation proposals on the lines I have indicated in the proposed new clause. The primary industries included in the amendment require every assistance at our hands.

[1 o'clock a.m.]

Mr. PICKERING: I regret that the member for Katanning has seen fit to particularise industries in this way. We must all realise that we are living in abnormal times and must do something to help the country. We should be content with the concessions which have already been given.

New clause put and negatived.

New Clause:

Mr. THOMSON: I move—

"That the following be added to stand as Clause 19 (b):—So far as the income chargeable of a taxpayer is derived from the business of a brewer, wholesale wine and spirit merchant, licensed victualler under a publican's general license, gallon license, hotel license, wine license, or wayside house license, or the rent and ingoing (if any) of premises licensed under 'The Licensing Act, 1911,' the taxpayer shall pay additional tax on such income equal to twenty per centum of the ordinary tax payable on such income. (2) So far as the income chargeable of a taxpayer is derived from horse-racing, the business of a bookmaker, or any public entertainment, including theatrical and operatic performances, concerts, cinematograph shows, and athletic contests, the taxpayer shall pay additional tax on such income equal to twenty-five per centum of the ordinary tax payable on such income."

The CHAIRMAN: I must refer the hon. member to Standing Order 387, which is as follows:—

It shall not be competent for a private member to move the House into a Committee of Supply, or of Ways and Means, nor into a Committee of the whole House, for imposing any tax, indent or impost, nor shall it be competent for a private member in any such committee to propose increases on the amounts proposed therein. Under this Standing Order I must rule the proposed new clause out of order.

Mr. THOMSON: If a member has not the privilege of moving in this direction the sooner the Standing Orders are amended the better.

The CHAIRMAN: If the hon. member thinks that the Standing Orders should be amended he has his remedy. I cannot allow him to discuss the matter further unless he wishes to dissent from my ruling.

Mr. MONEY: May I point out that we are already in Committee and that the hon. member has not moved the House into Committee.

Dissent from the Chairman's ruling.

Mr. Thomson: I desire to disagree with your ruling, Sir, on the ground that I am not moving the House into a Committee of Supply nor of Ways and Means, for we are already in Committee.

The Chairman: The member for Katanning has handed me the following written reason for dissenting from my ruling:—

I dissent from your ruling on the ground that I am not moving the House into Committee.

I shall now refer the matter to the Speaker. My ruling is that it is not competent for the hon. member to place on the Notice Paper an amendment which proposes to increase taxation.

[The Speaker resumed the Chair.]

The Chairman: The member for Katanning desired to move to add a new clause. I have refused to accept the proposed new clause on the ground that it is a contravention of Standing Order 387. The member for Katanning has dissented from my ruling, on the ground that he is not moving the House into Committee. He bases his claim to move the proposed new clause on that ground.

Mr. Holman: I would like the member for Katanning to explain what he means by stating that he is not moving the House into Committee.

Mr. Speaker: I understand that the member for Katanning has disagreed with the ruling of the Chairman of Committees, and that he takes Standing Order 387 to justify his position. Is that so?

Mr. Thomson: That is so.

Mr. Speaker: The member for Katanning holds that he is not moving the House into Committee of Supply or of Ways and Means. I desire to draw the hon. member's attention to the custom, which has obtained ever since I have been a member of this House, that no private member can impose a burden of taxation on the people. That is a duty which belongs to Ministers. I certainly must uphold the ruling of the Chairman of Committees.

Mr. Money: I take exception, Mr. Speaker, to your ruling in this particular matter. If we are to follow strictly the wording of the Standing Order, the intention of the language used in the Standing Order is to prevent any private member from moving that the House be formed into Committee for the purpose of imposing any fresh impost or tax. I am speaking of the wording of the Standing Order, "nor shall it be competent for a private member in any such Committee to propose increases on the amounts proposed therein." Surely that must be the Committee which it is proposed the House shall be formed into.

The Minister for Works: No.

Mr. Speaker: Does the member for Bunbury dissent from my ruling?

Mr. Money: Yes, Sir. I feel that the Standing Order to any member of the House is misleading. It wants straightening out. I take exception to your ruling, Mr. Speaker, entirely on the wording of the Standing Order. This Standing Order cannot apply unless a private member of this House first moves that the House resolve itself into Committee.

Hon. P. Collier: But he is not permitted to do that.

Mr. Money: The member for Katanning did not move that the House resolve itself into Committee, for we were already in Committee.

The Minister for Works: Although it is not competent for a private member to move the House into Committee of Supply, there was no necessity for the member for Katanning to do so. The House has been in Committee of the whole House. That is sufficient. The remainder of the Standing Order says, practically, that when the House is in Committee of the whole House it shall not be competent for a private member to propose increases in the amounts proposed. I have had a good many years' experience of this House, and I have not known a question of this kind to arise before. It has always been considered that any increase of this sort must be dealt with by Ministers in the proper course. To my mind, the Standing Order is perfectly clear.

Mr. Money: The reference to "such Committee" in the Standing Order could be read in two ways.

However, with the leave of the House I wish to withdraw my motion to dissent from your ruling, Mr. Speaker.

Mr. Speaker: The hon. member's motion, not having been seconded, is not before the Chair.

Mr. Thomson: May I say a few words?

Mr. Speaker: Not unless the hon. member desires to dissent from my ruling.

Mr. Thomson: I have no option but to submit to your ruling, Mr. Speaker. That is the unfortunate position.

Mr. Speaker: As the member for Katanning does not propose to dissent from my ruling, he may resume his seat.

Hon. P. Collier: If the member for Katanning really wishes to speak, there is a means by which he can do it. The member for Bunbury moved to dissent from your ruling, Sir.

Mr. Speaker: But the motion was not seconded.

Hon. P. Collier: It need not be seconded. If the member for Katanning wishes to oppose the withdrawal of that motion, he can do so, and can speak to that.

Mr. Speaker: The motion moved by the member for Bunbury was not stated by the Chair. Therefore it is not before the House and there is no need to withdraw it. I have given my ruling and unless any other hon. member wishes to dissent from it, I shall leave the Chair.

Mr. Thomson: I think it is regrettable that private members should not be in the position—

Mr. Speaker: Order! I will leave the Chair.

Committee resumed.

Title—agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments, and the report adopted.

## BILL—HEALTH ACT AMENDMENT.

### Council's Message.

Message received from the Council intimating that amendments 1, 2, 3, 4, 6, and 7 made by the Legislative Assembly had been agreed to and that amendment No. 5 had also been agreed to subject to it being set out as a separate clause at the end of the Bill in order to comply with Standing Order 174 of the Council.

## ADJOURNMENT—SPECIAL.

The MINISTER FOR WORKS: I move—

"That the House at its rising adjourn to 4.30 p.m. Thursday."

Question put and passed.

House adjourned at 1.24 a.m., Thursday