

along right lines. Still, those who will miss him most will be his widow and relatives. I am sure they will find comfort in the fact that they can look back over a life that has been well spent. They will find comfort from the example he has set, and that will go a long way towards consoling them in the deep grief they face to-day. I support the motion.

**THE PRESIDENT** [4.58]: In putting this motion, I would like to endorse everything that has been said regarding the late Dr. Saw—a man high of purpose, zealous in public welfare, a clear thinker, a lucid speaker, and one of the brightest brains in the public life of our State. It was but in accordance with his high public spirit that immediately there was a call to arms, he unselfishly, as Mr. Cornell has pointed out, sacrificed his home life, his position as Minister for Health, and his lucrative profession, in order to serve his country. My earliest association with him in public work was as a member of the first Senate of our University. That was early in 1912. He applied himself with great zeal to the immense difficulty of starting the University on correct lines. It is only those of us who were associated with him in that work who know how great those difficulties were and what invaluable service he rendered. In 1921 his fellow senators elected him Chancellor, a position for which as a graduate of Cambridge and as the possessor of high educational and professional attainments, he was well suited, and which he adorned. He will be much missed, because far too few professional men of his standing are prepared to make the sacrifices and endure the unpleasantness that public work entails. Too few of them are ready to enter the hurly-burly of elections and politics, and engage in the thankless work of spending long hours in Parliament and out of it studying Bills, investigating administrative work and attending to countless other duties of which the public have no knowledge. We all knew that Dr. Saw was seriously ill. No one knew it better than himself, and I feel that his determination to keep on working for the public, despite warnings to the contrary, must have had much to do towards hastening his end. Only a few days ago, as Mr. Lovekin has said, he delivered in this Chamber a most informative speech, a speech that bore evidence of having occasion him considerable thought, and for the

production of which he must have engaged in a great deal of research. He has left behind an impression of devotion to duty and useful public service that from the minds of us who knew him well will never be effaced. I ask members to pass the motion by rising in their places.

Question passed; members standing.

*House adjourned at 5.4 p.m.*

## Legislative Council.

*Tuesday, 3rd December, 1929.*

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

### ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills—

- 1, Dried Fruits Act Continuance.
- 2, Industries Assistance.
- 3, Agricultural Products.

### METROPOLITAN-SUBURBAN PROVINCE.

*Seat Declared Vacant.*

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

That this House resolves that owing to the death of the Hon. Athelstan John Henton Saw late member for the Metropolitan-Suburban Province, the seat be declared vacant.

It is necessary for the House to pass a motion in this form to enable the President to issue his warrant to the Clerk of Writs to arrange for an election for a member to take the place of the late Dr. Saw. Section 66 of the Electoral Act provides that when a vacancy occurs while the House is sitting, a resolution must be passed in this form. It has seldom happened that a vacancy has occurred while the House has been sitting. In most instances vacancies have occurred when the House has not been sitting, and in those circumstances the President, without such preceding resolution, can issue his warrant to the Clerk of Writs to hold an election to fill the vacancy.

Question put and passed.

### MOTION—STANDING ORDERS AMENDMENT.

HON. A. LOVEKIN (Metropolitan)  
[4.37]: I move—

That the Standing Orders Committee of this House be requested to consider the operation of the existing Standing Orders, with a view to recommending any amendments thought desirable.

I do not think there will be any objection to the motion. The Standing Orders Committee have not met for two years and there are several matters that might be considered.

Question put and passed.

### BILL—LAND TAX AND INCOME TAX.

*Second Reading.*

Debate resumed from the 27th November.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [4.40]: I must say that, if it were another subject, I would have been surprised at the speech delivered by Mr. Yelland in advocacy of a reduction of the tax proposed in the Bill and endorsed by this House from 1924 onwards. Mr. Yelland is of a studious turn of mind, and he generally devotes much thought to a question before he ventures to discuss it publicly. In the present instance he appears to have made up his mind to attack the Bill, and he then busied himself about discovering reasons for the attitude he had decided

to adopt. Whatever may have been the motives which impelled him to undertake the task, it seems to me that neither his assertion nor his argument was presented with that care and caution which one would have expected him to exercise. Indeed some of his statements were rash and many of them misleading. What Mr. Yelland's object was, in referring to a return asked for by the late Mr. Holman, in regard to the travelling allowances of Ministers from the 30th June, 1908, to the 30th June, 1917, I have not been able to discover. He said, however, that "the present party in power were a little concerned about the extravagance of the Lefroy Government in connection with the travelling expenses of Ministers." Seeing that the Lefroy Government had been only one month in office when Mr. Holman asked for the return, and seeing also that the great bulk of the period to be covered by the return embraced the régime of a Labour Ministry, it must be difficult for anyone to arrive at the conclusion that it was intended as a reflection on the Lefroy Ministry, or on any particular party. The statement, which has no bearing on the matter under discussion, shows, however, that Mr. Yelland has handled his subject with extraordinary carelessness, especially for one who took the leading part in a discussion on an important matter. Mr. Yelland said—

Since the present Government have been in power the land tax has increased tremendously. The tax was doubled. On top of it there have been re-assessments. Also there were various advantages which have been removed. For instance the producer had to pay either the income tax or land tax, whichever was the higher. Now he has to pay both and consequently his taxation has increased four or fivefold during the régime of the present Government.

In the first place the tax was not doubled let alone increased four or fivefold. Simultaneously with the increase of rates from a halfpenny to a penny and from a penny to twopence, there was the removal of the supertax as a result of a compromise arrived at when the Bill was before the Managers of both Houses in 1924.

Hon. H. J. Yelland: But the supertax refers to the income tax.

**THE CHIEF SECRETARY**: But it was removed from the land tax also.

Hon. A. Lovekin: That is right.

**THE CHIEF SECRETARY**: If Mr. Yelland will work a simple sum in arithmetic,

he will find that the increase has been only 74.8 per cent.

Hon. G. W. Miles: What about the increased values?

The CHIEF SECRETARY: We will come to that aspect a little later. In the second place, the Government enjoyed no advantage from the new rates. All revenue in excess of what would come in under the old rates was used as a set-off against reduction in railway freights made in the interests of the people of the country districts. The policy of the Government sprang from a desire that the city and the towns should bear their share of the burden of reducing these rates; and, according to figures supplied me by the Commissioner of Railways, the outcome has been a loss to the Treasury—

Estimated amounts required to cover reductions in railway revenue due to revision of rates—

Year ended 30-6-1925 (2 months)—£7,000.

Year ended 30-6-1926—£45,000.

Year ended 30-6-1927—£56,000.

Year ended 30-6-1928—£60,000.

Year ended 30-6-1929—£65,000.

Mr. Yelland is well aware of this. He was in the House at its origin, and he has been reminded of it several times. Yet he ignored it in the course of his speech. The hon. member may also have forgotten the class of goods to which the reductions apply, and the proportion of the burden which is borne by the metropolitan area without any direct return. Here are some further figures supplied by the Commissioner of Railways—

Class of goods and reduction made:—

First-class—5s. per ton, irrespective of distance.

Second-class—5s. per ton, irrespective of distance.

Third-class—5s. per ton, irrespective of distance.

Explosives from third to first class.

Cyanide from first-class to "C" class.

Lubricating oil from first-class to "C" class.

Mining machinery from "C" class to "B" class.

Flour for export—12½ per cent.

The increased revenue has been largely the result of advances in land values both in city and country. The re-assessments to which Mr. Yelland refers, and for which he might be understood to mean the present Government are responsible, were undertaken as a result of an agreement entered into by the previous Administration with the Federal Government, through which the valuation of

land was raised from £21,278,000 to £31,696,000, or an increase of 10½ millions. The previous Government not only agreed to the revaluations, but agreed to this State bearing a share of the cost of making them. I do not say there is anything wrong in that, but I do say Mr. Yelland should put the saddle on the right horse.

Hon. H. J. Yelland: I did not accuse the Government. I merely said they had the advantage of that.

The CHIEF SECRETARY: The hon. member seemed to imply what I stated.

Hon. H. J. Yelland: I am sorry if I conveyed a wrong impression.

The CHIEF SECRETARY: Our predecessors undertook, in 1922, to bear a proportion of the cost of the revaluation; and it was made by reason of their agreement with the Federal authorities. "Taxation has been increased four or five fold during the regime of the present Government," says Mr. Yelland. However, he does not in any way attempt to prove his words. As a matter of fact, he cannot prove them. Income tax has been reduced first by 15 per cent. and then by 33 1/3 per cent. during the regime of the present Government. The statement that a farmer pays both land and income tax does not convey a correct impression. Mr. Yelland should know better. He has been told so before, and every year he is told so by the Commissioner of Taxation in his annual report. Coming back to the statement that the land tax has been increased four or five fold let us get down to figures. For the year ended 30th June, 1925, the tax, which was still collected on the old rate, totalled £113,867. For the year ended 30th June, 1929, the amount was £196,301, showing an increase of £82,434. Over 36 per cent. of this increase was contributed by the metropolitan area. But if we deduct the advantages derived by the country people through reduced freights—£65,000 for last year—we find that the effective increase is only £17,434, and that is a burden of which the metropolitan area bears 36 per cent. without getting any direct benefit at all. It is quite correct, as stated by the Auditor General, that interest was charged at 5¼ per cent. on £2,400,000 of Group Settlement expenditure; but no mention is made by Mr. Yelland of the fact that no interest was charged on the balance of the expenditure. There is a sum of £3,814,227 on which no interest has been charged at all.

It was no condition of our agreement with the British and Federal Governments that the undertakings on which the money was spent should benefit by their contribution towards the payment of interest. These contributions were made with the object of enabling the Government to recoup themselves for any losses which might occur in connection with great schemes. And it was a wise arrangement, as has been proved, for here we have the Government unable to charge interest on £3,814,222. Does Mr. Yelland imply that the group settlers, the valuations of whose lands have been enormously reduced, should be charged only 1 per cent. interest on their new capitalisation, and that the taxpayers of Western Australia should bear the whole of the huge burden of losses? That could only be done, almost needless to say, by substantially raising the present land and income taxation, which, to judge from the tenor of Mr. Yelland's speech, is the last thing he would desire us to do. And let it be borne in mind that the 6¼ millions I have alluded to does not represent the whole of the money spent on group settlement. Up to 30th June, 1928—I have not had time to get the figures up to the end of last June—£717,000 was spent on drainage, £561,000 on railways, and £1,027,000 on roads. The interest and sinking fund on this expenditure have also to be found, and found for the time being by the Treasury. They are, therefore, a burden on the general taxpayer. Then the hon. member makes a charge of extravagance and recklessness without any attempt to support it. It is astonishing that any member of Parliament should imply that because revenue has increased substantially, the ledger should show a fine credit balance, and taxation should be reduced. Everyone should know that almost every public work completed means increased revenue and increased expenditure in administration. Every railway opened brings in new revenue, but in nine cases out of ten, in the early stages, the expenditure is in excess of the income. We have opened several railways since we have been in office—I believe 13. Included in the increased revenue to which Mr. Yelland refers are the Federal Disabilities Grants, which were appropriated for special purposes, and which, among other things, were used for a reduction of income taxation. There is also the money coming to us under the Financial Agreement, which we have scarcely handled yet. There is £249,000 increased expenditure for free ser-

vices, including education, medical, charities, police, lunacy and gaols. There are increases under awards and agreements to all classes of State employees—police, teachers, civil servants, railway employees, etc. These awards are outside Government control. There is the increase in our interest bill from £2,833,977 in 1923-24 to £3,335,710 this year—an increase of over half a million—and the loans have been used in the development of the country. At the suggestion of Mr. Lovekin, Mr. Yelland read from the Auditor General's report the reference at the bottom of the page, but he did not explain what it meant. The Auditor General pointed out that—

In the case of two of the works (railways) the revenue fund had been recouped within the year with interest considerably in excess of the amount which it had to meet, but in the third instance (Agricultural Group Settlement) the reverse applies, and the under recoup from the Loan Fund on this work considerably exceeds the excess of the recoup on account of the two railways.

This means, in every-day English, that while revenue benefited by utilising cheap money for the building of railways that come under the migration scheme, and by charging the normal rate of interest, revenue suffered not only the loss of this advantage, but, as stated by the Auditor General, considerably more by getting no interest at all on a lot of the expenditure on the groups. If the Auditor General is right—and Mr. Yelland quotes him as an authority—then Mr. Yelland should be applauding instead of condemning the Government. The hon. member tells us the Auditor General's report indicates that the gross revenue of the State is two millions in excess of what it was six years ago. One would think from such remarks that the Auditor General had set himself out to make a comparison between the financial administrations of ourselves and our predecessors. Of course he does nothing of the kind. He publishes a statement, signed by the Treasurer and Under Treasurer, of the revenue and expenditure from 1st July, 1913, to 30th June, 1929. But it is quite unnecessary for me to go into detail. A contention which rests on the basis that the mere handling of more money should mean more profits is, in the case of a Government, which must undertake work of a developmental character without prospect of immediate gain, too unsound to merit more

than passing attention. Mr. Yelland, in referring to the fact that interest has been charged against loan in connection with certain railways, stresses the statement of the Auditor General that there is no statutory authority to do so. The hon. member harps on this and other matters recorded by the Auditor General as though that official were censuring the Government. He forgets that it is the duty of the Auditor General simply to mention anything of this nature which comes under his observation, and having done so, his work is ended. Hundreds of things have been done by all Governments without statutory authority and which were not illegal. If Acts of Parliament were needed for every alteration in the system of accountancy and every new process of expenditure, the Legislature would be sitting all the year round turning out Bills like bullets out of a mould. But the chief point that a Government must concern itself about is not to do anything which is forbidden by statutory enactment. The method of accountancy, to which the Auditor General in his report made passing reference, and which Mr. Yelland treated as a revelation, has been mentioned by the Auditor General in previous reports. It was not introduced by this Government; it was introduced by the Mitchell Administration, of which the hon. member was a strong supporter. And there is nothing wrong with it so far as I can see. It means that the interest on the expenditure on public works during the period of construction should be paid out of the money raised for the public work and added to the capitalisation. It must not be overlooked that if the work were let by contract the successful tenderer, when submitting his tender, would have taken into consideration the fact that he would have to pay interest on his overdraft for his expenditure in excess of his progress payments and for the period which would elapse between one progress payment and the other. Hence the estimated interest which a contractor would have to pay to his banker would be added to his price when making out his tender. However, whether the system is right or wrong—and the Government thinks it is a sound one—the credit or blame for its introduction does not rest with the present Ministry. It rests with its predecessors. Mr. Yelland is confused over the Government Property Sales Fund. He says “the Government re-

ceived from the Fund £184,913 in 1928 and the previous Government did not enjoy that amount.” He further says that this year the Government receives £154,935. Neither of those statements is correct. Mr. Yelland is confusing expenditure with revenue. And it is wrong to insinuate that the previous Government did not enjoy the benefit of the Government Property Sales Fund. That fund has been in active operation since 1904, and has been drawn upon by every Government that has been in power since then as was contemplated when the Act was passed. Mr. Yelland informs us that “a large amount of migration money has been used for the development of water supplies in the agricultural areas.” These, he says, have been constructed with cheap money, but the works have been charged up at the higher rate of interest. This is without foundation. In the first place, migration money can be used only for purposes connected with new settlement, and with the approval of the Migration Commission. In the second place no interest at all has been charged on water supply undertakings carried out with such funds. The hon. member states that the Commonwealth Government through taking over our sinking fund liabilities, have relieved the State of the necessity of paying £360,000 per year. And he then adds: “That money has also gone into the hands of the Government.” He implies that it is money the Government can play with, and it is one of the grounds on which he seeks a reduction of the land tax. It has been repeatedly published—and I thought everyone was aware of it—that this money was not used by the Government. It was placed in suspense pending the ratification of the Financial Agreement, and is being appropriated on this year's estimates towards losses on group settlement. Mr. Glasheen treated very lightly the reduction of railway freights which was intended as a set-off against the increase of the rate of the land tax. He declared that the freights were reduced to fractional points, that they did not reach the man who paid, and that it simply meant additional profits for the storekeeper. To be logical, Mr. Glasheen would have to admit that if there were an increase to a similar degree no one would be hurt; that it would not reach the man who paid, and that the man who paid would not complain. That was not the experience when our predecessors put up the freights twice in brief succession to cover increases in wages. There was an outcry

from one end of the State to the other. I was anxious to know the exact amount of each of those increases, and I asked the Commissioner of Railways to supply me with the information. He did so, and I have it here:—

Dec. 1919: There was an increase of 1s. per ton on all goods up to "A." From "A" to "C" the increase was 2s. per ton. 3s. per ton was put on first, second, and third-class goods.

Sept. 1920: 1s. per ton went on all goods up to "A." 2s. per ton on "A," "B," and "C," and 3s. per ton on first second and third-class goods.

Note.—The increases on first, second and third-class goods on both occasions totalled 6s., and the reduction now operating amounts to 5s.

It will be seen from this that the Minister for Railways of the day, in his two efforts, increased the freights on 1st, 2nd and 3rd class goods to a total of 6s. a ton, and this Government brought them down 5s. a ton. They cover groceries, drapery, flour to the mill, and pastoral and agricultural requisites.

Hon. C. F. Baxter: The increases were so small that they could not be passed on.

The CHIEF SECRETARY: According to Mr. Glasheen the reduction back almost to the old figures has done no good to anyone but the small trader in the country. If Mr. Glasheen's reasoning is sound, it would be folly to make any but enormous reductions in railway freights for someone else would filch the benefit from the man whom it was intended to reach. It is apparent that while it is a sin and a shame to put up railway freights a total of 6s. a ton on the three classes of goods most used in the country, it is no relief at all to bring them back again almost to their former level. A finer instance of special pleading it would be difficult to meet. Mr. Glasheen considers that, with all the good seasons, good prices, etc., the Government are still unable to reduce taxation. I may tell him that this is the only Government that has ever reduced taxation. In the days of the Scaddan Government the maximum rate of income tax was 1s., the Lefroy Government increased it to 2s. 6d., and the Mitchell administration raised it to 4s. 7d., while the present Government reduced it to about 2s. 8d.

Hon. H. Stewart: That increase was in the war period.

The CHIEF SECRETARY: It was after the war when the present Government reduced it to 2s. 8d.

Hon. C. F. Baxter: The increase was made to catch up Scaddan's million deficit.

The CHIEF SECRETARY: The deficit had increased to over six millions then. What Mr. Glasheen and everyone else has to ask himself is this—should that reduction continue? To my mind nothing should be done to make it impossible to continue it after the Disabilities Grant has ceased. The expansion of industry depends upon decreased income taxation, and, although we may lose one way, we shall get it back indirectly and much more besides. Heavy income tax may be all right as a temporary expedient, but its perpetuation has harmful effects on our economic conditions. We have had spirited investment of capital since industry was relieved of the staggering burdens imposed on it, and that condition must be maintained if enterprise is to be stimulated. Mr. Stewart says: "Since 1924, by the doubling of the land tax, the position of the man who did not improve his land has been relatively more favourable as compared with the man who did improve his land. The exemption of £250 was wiped out while the rebate allowed against the land tax was only 50 per cent. of the tax." Let me quote the Commissioner in reply. He writes:—

When the Land and Income Tax Assessment Act was amended by the Land and Income Tax Assessment Act, No. 36 of 1924, the general deduction of £250 unimproved value which was allowed to all taxpayers deriving an income from agricultural land, was deleted. This certainly meant a loss to taxpayers deriving income from the land, but Mr. Stewart fails to point out that while taxpayers now pay land tax on the amount of the exemption of £250, they receive an abatement of one-half the amount of that land tax as a deduction from their income tax.

Hon. H. Stewart: I did not fail to point that out.

The CHIEF SECRETARY: The following illustration will make the position clear:

Before the Land and Income Tax Assessment Act was amended by the Land and Income Tax Assessment Amendment Act, No. 36 of 1924, a taxpayer (a farmer) was assessed as under:—

Assuming firstly that the settler has 1,000 acres of agricultural land producing income, and that the unimproved value of the land is

£1 an acre. He will be assessed for land tax as follows:—

1,000 acres at £1 = £1,000 unimproved value.

Less general deduction, £250 unimproved value.

Balance, £750 taxable.

£750 at 1½d in the £1 = £1 11s. 3d.

Let it be assumed that his income tax amounts to £5. He is assessed for income tax as under:—

	£	s.	d.
Amount of income tax ..	5	0	0
Less abatement of land tax ..	1	11	3
Net amount payable as income tax .. .. .	3	8	9
Total tax payable—			
Land tax .. .. .	1	11	3
Income tax .. .. .	3	8	9

At the present time the taxpayer is assessed as under:—(i.e., assuming that his income is the same and that there has been no increase in the unimproved value of his land)—

	£	s.	d.
Amount of income tax ..	5	0	0
Less abatement of one-half the amount of land tax ..	2	1	8
Balance payable as income tax .. .. .	2	18	4

Hon. G. W. Miles: How does he arrive at the increase in the unimproved value of land?

The CHIEF SECRETARY: I will come to that later:

	£	s.	d.
Land tax £1,000 unimproved value at 1d. in the £1 =	4	3	4
Total tax payable—			
Income .. .. .	2	18	4
Land .. .. .	4	3	4
Total .. .. .	£7	1	8

It will be seen that on a thousand-acre block of land worth £1 an acre, and where £5 in income tax is payable, a taxpayer under the old order of things would have to pay £5, whereas to-day he has to pay £7 1s. 8d. That means an increase of £2 1s. 8d. The holder of 1,000 acres of similar land, unimproved, would have to pay £8 6s. 8d. land tax and his income tax as well. Mr. Stewart is not correct in his statement when he says "When the Taxation Department are re-

valuing land they endeavour to estimate what is being got from it and they take into account all sales."

Hon. H. Stewart: If they do not take into account productive value, they ought to. They told me definitely they did so.

The CHIEF SECRETARY: The Department do not make estimates nor do they rely on them. According to the principle laid down by the courts, the department must rely on the average sales of land in arriving at the unimproved value of land for land tax purposes. This principle applies to both Federal and State and has never been departed from since the amalgamation in 1921. They go on to say:—

It is true that the productivity of the land both in respect of wheat and the carrying capacity of sheep and cattle is taken into consideration to some extent but buyers themselves take these facts into consideration when they are purchasing a property and it is therefore not always necessary for the Department to consider the question of the productivity of the soil or its carrying capacity.

Hon. H. Stewart: It is a pretty good quibble.

The CHIEF SECRETARY: In regard to appeals against land values, the Commissioner says: "Every consideration is given to taxpayers and they are assisted by the departmental valuers when dealing with their objections, and the fact that only very few cases have gone before the court is evidence, I think, that the department has been fair and equitable in its treatment and consideration of all objections and appeal."

Hon. C. F. Baxter: It is useless for the land owner to appeal.

The CHIEF SECRETARY: Mr. Seddon is anxious to know whether the Government have any scheme for relieving unemployment. The hon. member is aware that a stabilisation committee has been appointed to handle the question and offer advice. Whether work can be found to go all round and to meet the needs of the large numbers of men who are coming here from the Eastern States is another matter. No one has been able to show the extent of a Government's responsibility in this respect, and no one has been able to offer suggestions as to how the position can be met. The only member who has made a suggestion as to how this shall be done is Mr. Seddon, who

has advocated increased taxation. Mr. Seddon would like to know why in 1926-27, which was an election year, the expenditure increased by no less than £815,279 and the estimated revenue for that year also increased by £958,000. I asked the Under Treasurer to put up a statement in reference to the matter, and he has done so. I will read it to the House:—

Two different bases of comparison have been taken. In the case of expenditure the actual results for the two years are used; in revenue the estimated. Both comparisons should be on the same lines. Actual results will be used in both cases, therefore, the excess of revenue will be £16,213, less than the amount quoted.

#### Taking expenditure first—

	£
1926-27, actual expenditure ..	9,722,588
1925-26, actual expenditure ..	8,907,308
Difference ..	<u>£815,280</u>

The appropriation of the special Commonwealth grant was dealt with in 1926-27, increasing the expenditure by £365,905.

#### Principal increases of expenditure were—

Appropriation of special Commonwealth grant referred to above .. .. .	365,905
Increase of interest and sinking fund .. .. .	10,177
Amount placed in suspense on account of Financial Agreement which would otherwise have been charged up as interest and sinking fund ..	150,000
Public utilities .. .. .	187,818
Education (reclassification) ..	51,852

There were minor increases under many other heads.

#### Revenue—

	£
1926-27, actual receipts ..	9,750,833
1925-26, actual receipts ..	8,808,166
	<u>£942,667</u>

#### The principal increases were:—

	£	£
Special Commonwealth grant .. .. .	365,905	
Less rebate of tax ..	200,000	
		<u>365,905</u>
Public utilities .. .. .	330,151	
General departmental receipts ..	235,141	

Whilst income taxation was reduced, there has been no increases of charges.

In 1927-28 revenue fell off in comparison with the increase for the previous year, largely on account of receipts from the Commonwealth.

	£
These were in 1926-27 ..	1,153,132
In 1927-28 .. .. .	809,061
Decrease ..	<u>£344,071</u>

Departmental collections fell off, principally due to smaller recoups of interest.

Mr. Hall starts out by telling us that the Government have again singled out the men who are acknowledged by all, from the Premier down, to be the backbone of the country. There has been no singling out, as Mr. Hall should know. Everyone who owns land, whether in country or town, is called upon to pay the tax. I assume the statement was a slip of the hon. member. Mr. Lovekin has submitted a scheme under which the rate of tax on pastoral and agricultural lands can be reduced if the Hospital Fund Bill be passed. The Government, however, do not propose to take up the Hospital Fund Bill, and therefore what could be got under that measure cannot be seriously considered. Reference was made to expenditure in the development of the land. Let me show what the Government have done in the interests of the people of the country districts. I have here a statement of loan expenditure for the past five years outside the Metropolitan area, and it will give a good idea of what this Government have done in the pursuance of their policy of decentralisation.

# RETURN OF LOAN EXPENDITURE FOR THE PAST FIVE YEARS—OUTSIDE THE METROPOLITAN AREA.

Item.	Year 1928-29.	Year 1927-28.	Year 1926-27.	Year 1925-26.	Year 1924-25.	Total for the 5 years
Railways ...	29,247A 489,829	472,544	432,937	373,950	323,340	2,121,847
Harbours and Rivers generally	130,460	137,691	128,535	152,764	124,576	674,026
Water Supply ...	2,109A 291,938	245,052	125,409	177,509	100,312	942,329
Development of Agriculture	127,446	67,091	51,238	127,326	100,626	473,727
Assistance to Settlers	59,929A 92,907	110,959	84,960	10,784	192,710	552,249
Agricultural Group Settlement	739,971	1,122,829	1,428,486	1,335,009	1,124,252	5,750,547
Land Settlement for Soldiers	116,914	170,484	176,921	326,247	598,649	1,389,215
College of Agriculture ...	10,305	5,371	25,859	5,043	15,598	62,176
Agricultural Bank (Working Capital)	704,445	221,170	105,678	229,511	257,072	1,517,876
Purchase of Wire Netting for Settlers	...	25,650	132,854	...	...	158,504
Public Buildings ...	25,821	39,219	36,420	24,115	28,253	153,828
Roads and Bridges ...	289,901	287,584	175,930	96,683	81,633	931,731
Loans to Local Authorities for erection of Country Hospitals, etc.	9,115	10,379	21,625	13,765	16,844	71,728
Totals ...	3,120,337	2,916,023	2,926,852	2,872,706	2,963,865	14,799,783
Grand Total—Loan Expenditure	4,466,557	4,680,260	4,113,054	4,078,686	4,099,121	21,437,578

## (A) From Loan Suspense.

NOTE:—The railways and public buildings expenditure must be taken to be approximately correct. The former does not include expenditure on rails and fastenings, and rolling stock. Expenditure on rails and fastenings is not incurred within the State. The rolling stock expenditure is common to both country and metropolitan and cannot well be dissected.

Here we have £14,799,783 out of a grand total of £21,437,578 spent mainly in the development of the agricultural industry.

Hon. G. W. Miles: Where has the other £7,000,000 been spent?

The CHIEF SECRETARY: I have been drawing attention to the money that has been spent outside the metropolitan area.

Hon. C. B. Williams: And still the country people grow!

The CHIEF SECRETARY: No Government ever before in power in this State put up such a record as that. Yet there is an effort on the part of some hon. members to deprive the Government of taxation necessary to finance the operations of the State. I will ask hon. members to go through the Loan Estimates and then to express their opinions honestly regarding the position. This year's Loan Estimates show to what an extent this is being done. Of £921,000 set down for railways, less than

£100,000 directly affects the metropolitan area. Almost the whole of the £205,000 for Harbours and Rivers is for outer harbours—Fremantle being for the trade of the whole State. Development of Goldfields, and Development of Agriculture absorb £1,387,000. Country roads are responsible for £356,000, and the bulk of the money received from the Commonwealth under the Federal Aid Roads Act, is spent there also. Country Water Supplies get £142,000. In no other State is loan money so freely devoted to the development of primary resources. Nowhere else have farmers received assistance to the extent given by our Agricultural Bank. Our Industries Assistance Board has been much more liberal in its dealings with farmers in financial difficulties than any similar institution elsewhere—if one can be found. I do not believe there is another such institution in the world. Reference has

been made to the taxes paid by farmers. These are on the same basis as for all other sections of the community, except that farmers receive a rebate from their income tax of 50 per cent. of their land tax, and get the benefit of reduced railway freights. Farmers in 1925-26 were assessed for income tax, £107,172, out of a total assessment of £524,169. The average amount of each farmer's assessment was £22 7s. The amount of land tax paid by farmers annually is £72,000. This is calculated on the value of land liable to tax as shown in the Commissioner's last annual report. Of this, 50 per cent. is subject to abatement from the income tax payable by farmers. I do not begrudge the farmer all the legitimate financial help he can get from the Government. At the same time, he should realise that the State has not overlooked his interests. There is a substantial concession on the carriage of fertilisers. The Railway Department claim that the loss on this amounts now to £200,000 per annum. No outward wharfage is charged on wheat, of which 463,936 tons were shipped during last financial year. I do not wish to stress any of these concessions. It behoves us to encourage an industry that is doing so much for the State, and no one recognises that more clearly than I do. My only desire in pointing out all that has been done, and is being done, for agriculture, is to show the aim of all Governments has been to foster primary industry. It is estimated that should the tax be reduced to the extent asked, the loss to the Treasury will be £80,000. The loss would have to be made good from somewhere. As the reduction—if it took place—would be due to the opinion of Parliament that taxation was too high, fresh taxation could hardly be submitted. Charges in other directions would have to be increased. The freight concession would have to disappear. On top of it all, any hopes we might have had of a continuance of the 33 1/3 per cent. reduction in income taxation after the Disabilities Grant is ended, would vanish, and we would be faced with a revival of the old impost.

Hon. G. W. Miles: What proportion of the land tax is paid by the residents of the cities?

The CHIEF SECRETARY: Approximately 36 per cent. No case has been made out for the further reduction of taxation at the present time. Some hon. members set

out to convince the House that the Government with an expenditure from loan funds during the last six years of 21¼ millions—nearly 14¾ millions of which have been spent on developmental work in the country—should be deprived of one of the means of financing that portion of the expenditure which will not give a return for some years to come. They have failed in their effort. It could not be otherwise. The financial obligations of the Government must be met if not by one form of taxation, then by another. That much is due to those from whom money has been borrowed, and it would be a breach of faith with the people who lent the money, if we were to remit any taxation until we were sure that the finances would not suffer severely as a result.

Hon. G. W. Miles: What about the 89 per cent. of the people who do not pay taxes?

The CHIEF SECRETARY: I am not aware that there is such a large percentage of people who do not pay taxation.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Grant of land taxation and income taxation for the year ending 30th June, 1930:

Hon. H. J. YELLAND: I move an amendment—

That in line 1 of Subclause 1 "twopence" be struck out, and the words "one penny" inserted in lieu.

The Chief Secretary has spoken at length against any reduction of the land tax of twopence in the pound, but that does not get away from the fact that the land tax has been doubled during the last few years on top of which the new assessments have increased land taxation as well. The increase of the tax was quite unwarranted, notwithstanding which it has been maintained from year to year. Mr. Rose on several occasions has moved amendments requesting a reduction of the tax, but so far we have not been able to get back to where we were a few years ago. In spite of what the Chief Secretary has said, it must be

admitted that certain additional moneys have been coming into the Treasury which were not available when the land tax was increased. In view of that, a continuance of the increase in the land tax is not warranted.

Hon. A. LOVEKIN: If ever there was a time when the producers of the country should have some relief, this is the occasion. And it has arisen from circumstances over which we in this State have no control whatever. Therefore we should make some effort to reduce this land tax, which must be a burden, because although the rate has not been very greatly increased, yet the land valuations have been increased threefold and fourfold, the effect of which has been to double and quadruple the tax. I am not so much concerned about the land tax in the metropolitan area and the towns; it is the agricultural and pastoral lands with which I am concerned, because it is upon primary production that the prosperity of the State must depend. But I should like to know from those supporting the amendment how far they are prepared to go. Merely to make a request to another place means nothing beyond a waste of time. I should like to know whether members supporting this amendment are prepared to carry it to a finish, which, being interpreted, means jeopardising the whole of the Bill. I can see no great harm even in that; because in that event both the income tax and the land tax will be in the pockets of the people, who will be able to apply the money to better advantage than can the Government, while the effect on the Government will be merely to increase the deficit by £400,000 or £500,000. I do not want to support the amendment unless we are prepared to go the full length. I do not wish to deprive the Government of any revenue. On the second reading I put forward a scheme by which the Government could not only give some rebate of the land tax to the pastoralists and the farmers, but could also find additional money for the hospitals and still have a larger amount in the Treasury. We had a Hospitals Bill here. It has not fructified, owing to the fact that the Government are not anxious about bringing down their own Bill. But take it that the Hospitals Bill and this Bill were both in force at the same time, and see how the scheme works out: On the debit side the receipts from the hospital tax would be £217,762. Those are the Gov-

ernment's own figures. From the land tax they would get £210,000, and from entertainments tax £36,690. So £464,452 would be their total receipts under those measures. On the other side, the Government are paying out to the hospitals at the present time £145,146. According to their own estimate it would cost them £9,000 to collect the hospital tax. If they had the Hospitals Bill in force they would require more money, for they would have to provide for subsidies to be paid to patients in private hospitals. I put that down at £120,000. If they were to rebate the land tax so far as it applies to agricultural and pastoral land, approximately one-fourth of the whole of the returns from this source, the rebate would be £52,500, being one-quarter of £210,000. That would leave in the hands of the Treasurer a balance of £137,806.

Hon. G. W. Miles: How are you going to reduce the land tax in the country without reducing it in the city?

Hon. A. LOVEKIN: We can apply it to agricultural and pastoral lands alone, not to metropolitan and town lands.

Hon. J. Nicholson: What about country towns?

Hon. A. LOVEKIN: They would stand in with the metropolitan area. I would reduce the tax only on lands used for production, agricultural and pastoral. I have shown that we could pay the same amount to the hospitals as is paid to them to-day; we could pay £9,000 for the collection of the tax; we could rebate the primary products £52,500; we could add £120,000 to the hospitals; and we could still leave the Treasurer with an additional £137,806. That is one side of the picture. Now I take the other side. To-day there is no hospital tax at all, and we are to be dependent on the land tax for the maintenance of our hospitals. So we reach this state of affairs on the debit side, land tax £210,000; entertainments tax £36,690, or a total of £246,690. We have the present payments to the hospitals, £145,146; then we must provide an other £20,000 for the hospitals to save them from bankruptcy. I understand the Government propose to provide that out of sandalwood. I do not favour that proposal. However, that would leave to the Treasurer £81,544 from the land tax only, and he would not be affording any relief to the farmers, nor assistance to the hospitals for

the construction of intermediate wards and in the payment of subsidies.

Hon. J. Nicholson: How do you get £81,544?

Hon. A. LOVEKIN: That is the difference between the land tax plus entertainments tax, and the £145,000 they must pay to the hospitals plus the £20,000 I suggest they will have to pay in addition. Some such scheme as I have suggested would be of very great benefit to the country, a benefit greatly needed in view of the imposition of the new Federal tariff proposals on agriculturists and pastoralists.

Hon. G. FRASER: Mr. Lovekin wants members to carry this amendment and see the thing through to a finish. But there is another side to it. The Government themselves may desire to see the thing through to a finish, and, in view of the financial position of the State, might decide that the position which would be set up by the carrying of the amendment was serious enough to go to the country upon. If that were to eventuate, possibly they would go to the country on our present electoral boundaries.

Hon. E. H. Harris: Is that a threat?

Hon. G. FRASER: No, but I want to put that side of the picture before members.

Hon. A. Lovekin: Well, they are going to the country in March, anyhow.

Hon. G. FRASER: But in March they will go to the country on the new electoral boundaries. It is quite possible that if in the meantime there is any interference with the finances the Government may decide to go to the country immediately.

Hon. A. Lovekin: Is that why Mr. Brown crossed the Chamber the other night?

Hon. G. FRASER: I am not concerned about what Mr. Brown did the other night. Money is badly needed by the Government, and doubtless the lengthy discussion of this Bill has delayed the sending out of the assessments.

Hon. H. J. Yelland: If the Government went to the country on the old boundaries they would not accept their return as a mandate from the people?

Hon. G. FRASER: I should think they would do so.

Hon. G. W. Miles: Oh, no; the Government are not as bad as that.

Hon. H. Stewart: Is not there plenty of time to pass a Hospitals Bill?

Hon. G. FRASER: I am not discussing that. To reduce the amount of land tax

would be a serious matter for the Government?

Hon. A. Lovekin: A sum of £50,000?

Hon. G. FRASER: Yes. It would be a serious reduction. I hope the amendment will be defeated.

The CHIEF SECRETARY: I hope the Committee will not support the amendment, but not for the reasons stated by Mr. Fraser. Two months ago we were under the impression that we could secure all the loan funds required, but that is impossible, and we shall have to restrict the expenditure severely. The effect will be that receipts from income tax will be seriously reduced, because revenue increases in sympathy with the expenditure of loan funds. If there is a limited amount of loan money in circulation per medium of the construction of public works, every business must suffer to some extent. When business suffers, income tax receipts decline. Therefore the Government will be in need of all the funds available.

Hon. G. W. Miles: What do you think of Mr. Lovekin's proposal to raise a bit more?

The CHIEF SECRETARY: It is a very involved proposal. Is it intended that the income tax reduction of 33½ per cent. should expire or continue? It should be our object to retain the reduction. Farmers pay an average of £22 per head by way of income tax. If the 33½ per cent. reduction were abolished, they would have to pay £33 per head. If the land tax rate be reduced, where are the reductions going to end?

Hon. J. Nicholson: You mean the Government could not continue the income tax concession?

The CHIEF SECRETARY: We could not possibly continue it. I am anxious to maintain it because it has a beneficial effect.

Hon. J. Nicholson: Can you give any assurance that it will be continued?

The CHIEF SECRETARY: I cannot give any assurance.

Hon. V. Hamersley: We shall get that reduction in any event.

The CHIEF SECRETARY: When we had an opportunity to utilise some of the money from the disabilities grant, we applied it to a reduction of income tax, and that has had a good effect. If we have to abolish that reduction, on top of the increased taxation of the Commonwealth, a heavy burden will be imposed on the com-

munity. I hope the Committee will not act hastily.

Hon. H. STEWART: For one reason I regret having to support the amendment, because it is something I do not like, but I blame the Government for my having to support it. When they doubled the land tax and removed some of the alleviations previously granted, the man using his land to produce income was placed in a less favourable position than the man who was holding his land out of use. The present Government will not bring down a measure to amend the Land and Income Tax Assessment Act, and thus provide an opportunity to remove anomalies, and so, to get some relief, I am compelled to support a principle with which I disagree. I have no wish to reduce the tax to the man who is not improving his land. I would rather he were charged 3d. than 2d. The whole basis of land taxation should be altered and there should be separate assessment Acts for land and income.

Hon. A. LOVEKIN: The Government would not agree to that.

Hon. H. STEWART: In New Zealand there are separate Acts, and there is no reason why land and income taxation here should not be dealt with in different measures.

Hon. A. LOVEKIN: The Chief Secretary remarked that revenue rose or fell in sympathy with the amount of money borrowed. That seems to be a very good reason why we should endeavour to secure some reduction of land tax. There is a good deal of difficulty in getting butter from the country to Perth, and the Commissioner of Railways is considering the manufacturing at Midland Junction of properly refrigerated cars, not ice boxes, but cars in which the refrigeration is promoted by power. On the necessary machinery there is a tariff duty of 45 per cent. We borrow money to carry out the work, and 45 per cent. of the value at once goes into the Federal Treasury. The Minister said that some money would go to the State Treasury. How will the farmer be able to market his butter profitably when he is handicapped to the extent of half the money we borrow?

Hon. J. Nicholson: The Big Four spoke against the application of money in that way.

Hon. G. W. Miles: What Mr. Lovekin suggests is a fact, but the Government take no notice of it.

Hon. A. LOVEKIN: One can sympathise with the Government, because it is bearing as heavily on them as on the individual farmer, but as the Government can claim from the Federal Government some recompense for disabilities suffered under Federation, they in turn should give something to the farmer. That is what we should strive for. The point I stress most is that the Government should not claim that it is necessary to take this money from the farmers when it is paid away for the benefit of the sick, as funds could be provided for the sick by making those contribute who benefit

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. V. HAMERSLEY: The amendment has my hearty support. The Minister said the Government had the greatest difficulty in obtaining funds, even by way of loan. Farmers experience the same difficulty in a much higher degree. Income tax is not charged unless there is income upon which to pay the tax. Land tax however, is charged upon the capita with which the land owner hopes to earn income; and he has to pay land tax even if he makes no income. Where money is spent on improving land, special consideration should be shown. The original land tax was only one penny. With the high valuations, the land tax has become extremely heavy; and there are also local and vermin rates, and in many cases Federal land tax as well. Such impost threaten to bankrupt farmers in these hard times. The Western Australian Government must reduce their expenditure in the same way as Western Australian land holders have had to do. Farmers cannot pass on the tax burden, their prices being those obtainable in the world's markets. Certainly the Scullin Administration's increased duties represent no benefit to agriculturists.

Hon. H. STEWART: To-day's wool sales afford an example of what is happening to many small farmers who are partly dependent on sheep. West of the Great Southern railway, income is derived almost entirely from sheep husbandry. Those farmers will not pay income tax—having no income—but will be called upon to pay a land tax much higher than in 1924. The

could pay land tax only by increasing their indebtedness, which in many cases is not feasible.

Hon. H. SEDDON: I cannot accept Mr. Yelland's contention, as I have advocated that the Government, rather than diminish taxation, should increase it, with a view to meeting the State's liabilities. My suggestion was in view of results from previous taxes, as against anticipations. Reduced loan expenditure means decreased revenue, and the harvest not being up to expectations will adversely affect departmental receipts. Had income taxation extended to the 80 per cent. of the population who are exempted, it would have meant an additional £60,000, even at the rate of £1 per assessment. This would more than cover the suggested diminution of £50,000 in land tax. From the evidence that is available it appears, however, that the Government will need every pound of income they can raise, both departmentally and by way of taxation. No Western Australian Government could contemplate such a loss as £50,000 with equanimity.

The CHIEF SECRETARY: Mr. Hamersley said farmers did not pay income tax.

Hon. V. Hamersley: I said that many of them do not.

The CHIEF SECRETARY: According to the Commissioner of Taxation, Western Australian farmers pay on the average £22 per head income tax. Therefore they must receive fairly substantial incomes, having regard to the proportion who do not pay income tax.

Hon. H. Stewart: Only 2,200 farmers pay income tax.

The CHIEF SECRETARY: Apart from soldier settlement, the farming community of Western Australia have borrowed £800,000 through the Agricultural Bank alone. Therefore the farming community can, in point of fact, borrow money. Agricultural Bank clients may not be able to raise money from private institutions, and that will be a good argument to use on another Bill.

Hon. H. STEWART: The report of the Commissioner of Taxation states that for 1928-29 2,241 farmers paid £32,947 in income tax, an average of £14.7 per farmer. That figure contrasts with the £22 mentioned by the Chief Secretary. I do not think 25 per cent. of the people engaged

in farming here pay income tax. In 1927-28 3,286 farmers paid £26,340 income tax, an average of about £8. A year earlier the average was £11, and I am not sure what the number of farmers is.

Hon. V. Hamersley: About 10,000.

Hon. H. STEWART: There must be that number amongst the wheat growers. At any rate, there is a wide difference between the figures supplied by the Commissioner of Taxation to the Chief Secretary, and the Commissioner's figures in his official report.

Hon. W. J. MANN: I support the amendment. If my memory serves me rightly, last session we gave a definite lead to the Government on a similar amendment which was moved and pressed up to the conference stage when 2d. was allowed to remain. To-day the landowner has not a very rosy time ahead. He is being assailed by Federal taxation and taxation in many other directions. He has also to accept a lower price for his produce generally, and the Government should realise all these facts and agree to the reduction being made.

The HONORARY MINISTER: I would like to refer to the inconsistency of Mr. Lovekin in his remarks on this subject. First he said we should give to a certain section of the community, the primary producers, some relief from the payment of land tax; next he said it would be a good idea to impose a special tax to be levied on all incomes for a special purpose, namely hospitals. Then we should take portion of that tax and apply it to the relief of the primary producers. The argument is so illogical that it is hardly worth while taking any notice of it. On the main issue as to whether the land tax should or should not be reduced, the Chief Secretary has pointed out that any reduction at the present time cannot be agreed to by the Government. The position is such that it is absolutely necessary that all obligations should be met this year, particularly in view of the position of the loan market, and consequently it is quite impossible to agree to any reduction in taxation. I hope the Committee will not take any action that will embarrass the Government.

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

Ayes	..	..	..	..	13
Noes	..	..	..	..	7
					—
Majority for	..	..	..	..	6
					—

## AYES.

Hon. C. F. Baxter  
Hon. J. Ewing  
Hon. V. Hamersley  
Hon. E. H. Harrie  
Hon. G. A. Kempton  
Hon. W. J. Mann  
Hon. J. Nicholson

Hon. E. Rose  
Hon. H. A. Stephenson  
Hon. H. Stewart  
Hon. C. H. Wittenoom  
Hon. H. J. Yelland  
Hon. G. W. Miles  
(Teller.)

## NOES.

Hon. J. R. Brown  
Hon. J. M. Drew  
Hon. G. Fraser  
Hon. E. H. Gray

Hon. W. H. Kitson  
Hon. H. Seddon  
Hon. J. T. Franklin  
(Teller.)

Amendment thus passed.

Hon. H. J. YELLAND: I move an amendment—

That, in line 2 of the proviso "twopence" be struck out, and "one penny" inserted in lieu.

This is consequential on the amendment we have just agreed to.

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

Clauses 3 to 6—agreed to

Bill reported with amendments and a message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a message from the Assembly.

**BILL—SANDALWOOD.***Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

**BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.**

Received from the Assembly and read a first time.

**BILL—MAIN ROADS ACT AMENDMENT.***Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to Nos. 2, 3 and 6 of the amendments made by the Council, had disagreed with Nos. 1, 4, 7 and 8 for the reasons set forth in the schedule, and had agreed to No. 5 subject to an amendment.

**BILL—APPROPRIATION.***Second Reading.*

Debate resumed from the 14th November.

**HON. H. SEDDON** (North-East) [7.57]: Dealing with the question of appropriation, one is naturally inclined to criticise the proposals of the Government in order to find out to what extent those proposals are intended to meet the situation in which the State finds itself. Before dealing more particularly with the provisions of the Bill, I should like to correct an impression formed by Mr. Hall in regard to certain remarks of mine on the Land Tax and Income Tax Bill. Mr. Hall alluded to the statement in which I said that 89 per cent. of the citizens of the State were evading the payment of income tax, and it is evident he formed an impression of the word "evade" that I did not intend to convey. He seemed to gather the idea that I told the House certain people who were evading taxation were justly entitled to pay. That was not the line on which I was arguing. At the same time I should like to refer the hon member—

Members: Who, as usual, is not here.

Hon. H. SEDDON: Then I shall say for the information of the hon. member who is absent, and the hon. members who are present, that the Commissioner of Taxation in a previous report has drawn attention to the fact that a considerable number of people in this State are evading the payment of taxation, and he has indicated the necessity for assisting him to catch those people. It is well known, for example, that persons engaged in casual work frequently change their names in passing from one job to another, and so it is very difficult for the Commissioner to track up and catch those people.

Hon. E. H. Gray: It is only a very small number.

Hon. H. SEDDON: Yet the Commissioner has thought it necessary to refer to it in the course of his report. The sense in which I used the word "evading" was that there were people who should be contributing to taxation, but who through the incidence of taxation are not doing so. Taking the last year for which we have the complete figures, namely, 1927-28, there were of the total people in the State not quite 12 per cent. paying income taxation in that year. Now if we take the ratio between those who are paying income taxation and those who are

regarded as salary or wage earners, we find the figures are very different. Of 119,000 wage and salary earners, only 48,000 are paying income taxation. The others are not. It is from that standpoint I wish to stress the necessity for spreading the incidence of taxation; because the only way in which we can bring home to people a sense of their responsibility to the State and to the Government is to make them pay their fair share of taxation.

Hon. J. Nicholson: You did not mean to suggest that the tax rate should be increased; you only meant that the incidence of taxation should be stressed.

Hon. H. SEDDON: That is so. And there is also the incidence of taxation in the way it is applied to various occupations. For instance, no one could say that a tax levied on a bookmaker is going to be as heavy in its incidence as is the tax on a farmer: or that a tax levied on a picture show would have the same pressure as the tax on a manufacturer or on any persons engaged in other forms of direct production. So I contend that the whole of our taxation principles should be reviewed with the object of altering the incidence, and making those industries and occupations pay which, after all, are more or less parasitic on the community. While on the question of taxation, I instanced this idea in order to introduce the principle of a special tax to be provided for the purpose of dealing with the problem of unemployment. Those were the remarks that were so unfavourably received in this Chamber. Incidentally I should like to stress this important fact: we have, and have had for a considerable time, a very serious unemployment problem. Surely members do not think that position is going to continue and even increase without pressure being brought to bear on the Government, or any Government, with a view to seeing what they can do in the way of meeting it. If they think this unemployment problem is going to be met in any other way than by finding funds with which to meet it, all I can say is they have not fully appreciated all that is connected with the problem. Up to the present the unemployed have been more or less doped with the teaching that unemployment is incidental in every country and therefore there is no special remedy that this State can be expected to find for it. On the other hand, here we have a State in which our work has scarcely begun, and so if we are unable to employ our people

there is something radically wrong with the whole of our system of financing and with our system of administration. Reference was made by the Minister in speaking a little while ago, to the fact that the Government had instituted an industrial stability committee. That committee was recommended in the report of the Development and Migration Commission in 1927. Following on that, attention was drawn to it last year and again this year; yet only at this late hour have the Government taken steps to form such a committee. There can be no doubt there is a great deal of work for such a committee to carry out; in fact the solution of the problem of unemployment is intimately connected with the volume of statistics and information that such a committee can acquire. In my view the first and most important step to be taken in dealing with unemployment is to appoint such a committee and direct their first activities. We are faced with the fact that our national policy, which we have operated for many years, will have to be seriously revised. We have concentrated almost entirely on the expenditure of loan funds in the direction of encouraging agricultural development. The greater part of our loan money has been spent in that direction, and we are continually hearing advocated the necessity for increasing and encouraging our agricultural production. All will admit that we have arrived at a stage in the history of the world when the agricultural industry is about to pass through a very serious time. Prices for agricultural products are falling, and therefore any further expenditure of money along those lines will have to be made only after carefully considering the unpalatable fact that returns from agriculture must necessarily be less than they have been in the past. Our imports are high, far too high, and anybody who has investigated the conditions and nature of our imports will realise that we are importing many things that either we could do without or we could take steps to manufacture for ourselves. I do not wish it to be understood that I am advocating State trading. There is nothing further from my mind. The experience we have had of State trading concerns has been so disastrous that nobody could advocate the initiation of any further State trading concerns until there has been a most radical change in the operation of those already in existence. The question we have to confront is just exactly how far the Government have

appreciated the new position that has arisen, and what steps they are taking to change the direction of our policy. It is remarkable that the one class of people who seem to have appreciated the position, and who are doing their best to improve that position, are those who are fostering production in the South-West, and through the butter factories supplying our requirements; and those others who are doing their utmost to encourage manufacturing in Western Australia. In support of that I draw attention to this publication, "The Workshop," issued by the Chamber of Manufactures. Here will be seen an enormous list of things being manufactured in Western Australia at the present time in order to meet our requirements. Yet these are only a few of the things that are well within the practicability of manufacture in our own State. What we have to do is to get down to two simple principles, and realise that any success to be attained in meeting the unemployment problem can only be attained by encouraging the introduction of scientific management into the manufacture of our requirements. In this direction the Chamber of Manufactures is engaged in a great work. I should like to instance the Albany Woollen Mills, which are so constituted that they can produce, at any rate the greater part of our requirements in woollen goods. I have not heard any criticism of the quality of the product; turned out from those mills which are giving us goods of just as high a class as can be obtained anywhere else in the Commonwealth. Those are the lines along which we shall find the best opportunities to meet the unemployment problem. Agricultural development not only involves very high expenditure per unit, but it also involves us in a comparatively slow development of migration. On the other hand, we have to recognise that the manufactories employ a very much larger number of people in proportion to the capital used than does the agricultural industry. In advocating that, we have to bear in mind that manufactories, to be successful, must be based on the principles of scientific management so successfully exploited in America. Remarks have been made from time to time that unemployment is not restricted to Western Australia, that it is a problem associated with every country. That is a fact. One can go to a free trade country like England and find a large percentage of unemployment; one can go to a highly protected country

such as the United States of America and still find a very high percentage of unemployment; one can go to a country highly individualistic in its policy like the United States, and again find unemployment just as great as it is in the socialistic Soviet Republic of Russia. It is clearly indicated that those facts show that we have not yet located the fundamental principle upon which unemployment exists. Unemployment is associated with civilisation; because it is the logical outcome of the application of the first principles of wealth production. When there was recognised in Great Britain the principle of the division of labour, say 100 years ago, and when there was instituted in Great Britain the use of machines they immediately created tremendous unemployment; and it existed until markets were established and developed in the cotton and cloth industries to such an extent that they were able to take up the output of machine production; and it was only as those markets extended that the then unemployment problem was practically solved. Between the institution of the machinery and the extension of the markets, unemployment in Britain was very severe, and starvation was no uncommon thing. That is the standpoint which has coloured the attitude of the Labour Party whenever they have been discussing the question of the employment of machinery. Their idea is that you counteract the increased production resulting from the employment of machinery by reducing the number of hours worked. Of course in the long run their argument is unsound. The introduction of machinery does make for increased wealth production, and increased wealth production is ultimately always to the benefit of the community. But unfortunately, in one industry after another, we have had the application of machinery and the introduction of more and more improved machinery, with the inevitable result that unemployment has been caused largely because adjustments have not been made quickly enough to absorb the employees. There, I think, is indicated the solution of the unemployment problem, provided we could get a group of people to study the problem from the standpoint of the requirements of the community. Something along the lines of the old idea of production for use instead of production for profit indicates what I think offers the best possible solution of unemployment. We have to recognise that it is undoubtedly

characteristic of trade and of every avenue of production that an economic cycle operates. An industry may offer opportunities for high profit. The result is that people engage in that industry. They can see a chance of making good returns and they naturally rush into it. Capital is sunk until production in that industry exceeds the absorbing power of the community for that commodity. We find a large number of works have been established to supply a certain commodity and it is turned out in quantities greater than the public can absorb. Depression in the industry follows and continues until the market increases or the inefficient people engaged in the industry have been driven out and sufficient works have been closed down to reduce production once more to something near the demand. This occurs in every avenue of production, and though that cycle has been recognised, no attempt has been made so to govern and control production as to endeavour to keep it somewhere near the requisite balance. I contend that this is the only line upon which we can attack unemployment and handle it with a view to establishing permanent employment for our people. That is where I hope to see the activity of the Industrial Stability Committee extended. May I give an illustration. In Western Australia at present there are something like 10 or 12 flour mills. I am given to understand that one of those mills could supply the whole of the flour requirements of the State. Unfortunately we have so far been unable to establish abroad a satisfactory market for our flour. Australian wheat is particularly suitable for mixing with other wheat to produce a high standard of flour, but the people who want our wheat do not want our flour, so there is an instance of an avenue of production having been developed without due regard to the market that exists. If the development of production were controlled by a committee who recognised that there was a certain market existing, and that any question of providing equipment to supply other than that market was simply moving in a wasteful direction, not only would production be kept within bounds, but we would be able to absorb gradually, as production became more highly organised, people who at present are looking for work. In that direction research work needs to be undertaken, and I think I am safe in saying that no country in the world has tackled the question of controlling production in this way

save one, and that is the Soviet Government of Russia. Unfortunately, the Government there have other serious problems confronting them, but they have recognised this problem and are endeavouring to organise production in the manner I have indicated. In the Appropriation Bill there is nothing to show that the Government have appreciated their responsibility in the matter of encouraging our manufacturers, or encouraging production to supply our requirements. When we consider the work of the Chamber of Manufactures and the work being done by other people to establish factories in this State, we must admit that they have realised the position and are doing their best within their limited scope to grapple with it. When I advocate the institution of secondary industries, I wish it to be distinctly understood that I do not advocate it except on the lines of industrial efficiency. Some of the most remarkable results have been obtained in various industries in America through the application of the principle of scientific management. The principle of scientific management really involves not only the provision of high-class machinery, but also the inauguration of absolutely scientific methods in controlling the activities of the men engaged in the industry. The whole question of making a machine is studied from the standpoint of the motions employed by the men, and the greatest increase in efficiency has been obtained by regulating and controlling the motions of the workmen. The well-known example of bricklaying has been instanced again and again, because it is one of the most startling of all. A man named Galbraith studied the question of bricklaying. He found that the bricklayer normally lowered 1 hundredweight of man to pick up 9 lbs. of brick and uselessly handled the bricks to lay them in position. He found that the same man could make the movements with one hand instead of two, and could cut down the movements and thereby decrease the amount of labour to himself and utilise the whole of his energy in the laying of bricks. The result was that men attained an average of something like 1,000 bricks per day. That was made possible simply by studying the mechanics of the bricklayers' movements. The principle has been extended to various industries with remarkable results. A man named Taylor is recognised as the father of scientific management in America. Taylor was a man who went into the workshops and

studied the way in which machines were operating. He found machines operating at any old speed that happened to meet the ideas of the workmen employed. He studied the requirements and worked out a table of different speeds for different classes of material, and the result was he was able to increase the speed of lathes in one particular workshop to twice or three times the previous speed, and consequently the work was turned out so much faster.

Hon. A. Lovekin: The same thing operates in England.

Hon. H. SEDDON: But it is in America that the principle of massed production and the principle of controlling the movements of workmen have been carried to the highest scientific point. We have the most startling figures from America of the increased production per head for the last 15 or 20 years, as compared with the increased production in other countries. Incidentally, it is recognised that the increased production is bought at a fairly high cost, because invariably it has meant incurring a heavy penalty in the way of providing standard machinery. It is such machinery that assists the American workmen to obtain the high results characteristic of their work. The motor car at the present price costs something like one-fourth what it would, had it been produced under the old-fashioned engineering conditions of 20 or 25 years ago. Along these lines I hope to see advance made in Western Australia during the next few years. The application of the principle of scientific management and the application of the equally important principle of the control of production will, I think, offer a way out of our difficulties. To me it seems to be most promising way open to us at present.

Hon. H. Stewart: Is it necessary to introduce piece-work to achieve such results?

Hon. H. SEDDON: It has been found, of course, that the best results have been obtained by the introduction of piece-work. By the Labour Party in this country a very strong objection has been raised to piece-work. Incidentally I should like to point out that in the matter of controlling production, there is no reason why the Arbitration Court, which fixes the rate of pay for a man in any given industry, or a man engaged in even part of the work of an industry, should not at the same time fix what is recognised to be the standard production for that man. If we had, accompanying the wage fixed.

the output also fixed, the immediate result would be a tremendous increase of production per head of the people employed in our industries. When the question of scientific management was first approached in America, it was found that there were more faults on the part of the management than on the part of the workmen. It was no uncommon thing to find men in the workshops actually wasting time through no fault of their own. It was due to the management having failed to appreciate the actual time occupied in carrying out a certain operation. In the most up-to-date shops of America the whole of the work is scheduled and a man knows exactly how much time he is expected to take on a given job. If he exceeds that time, he is immediately brought to task. It is often found that the man himself is only too anxious to maintain his production, he being adequately paid for it, and if anything interfered with his production, he was generally able to account for it by pointing out some defect in the machine, or some slip in supplying material. In support of my argument, I would recommend to the attention of members the book being widely read in Western Australia at present, entitled "The Ford Methods in the Ford Shops." The Ford shops afford a remarkable example of the way in which scientific principles have been applied to manufacturing, and a perusal of the book will show how the handling of machinery has been reduced to a fine art, with the result that the whole series of operations can proceed like clockwork. To such an extent has efficiency been carried that nowhere in the Ford shops is there three days' supply of material ahead, so closely do they work to their requirements. They have men engaged in following the material through the workshops in order to ensure that the amount of capital locked up in material is kept down to the minimum. By such methods as these has America attained her present high standard of production.

Hon. J. R. Brown: That is why Ford is worth so many millions.

Hon. H. SEDDON: Exactly; by applying his principles he has made millions for himself, but he has also organised a team of workers who are everywhere acknowledged to be receiving and earning very high wages, simply from the fact that they have attained a high standard of production. Along these lines I should like to see the Govern-

ment of Western Australia deal with the important problem of unemployment, and from that standpoint I wished to advance my remarks on the Appropriation Bill. May I in conclusion quote an illustration to show how the application of scientific management has advanced the standard of a present-day worker? Let me take a bank clerk as affording an average example of the way many of us live in 1929. He wakes with his head on a feather pillow and covered with a cotton sheet spread over a wool or fibre mattress supported by springs. He steps out of bed on to a piece of carpet, looks at his watch, takes a cup of tea prepared with heat from a gas or electric heater. After washing himself with soap and cleaning his teeth, he puts on his clothes in a matter of 5 minutes, thanks to bone and metal buttons, and goes down to breakfast. He takes tea, coffee or cocoa as he fancies, sweetened with sugar, swallows a mouthful of marmalade, sometimes dropping some on the table cloth. He puts on a mackintosh, and armed with an umbrella in one hand and gloves in the other, sets out for the city. On the way he buys newspaper, matches and tobacco. He makes the journey in a train, tram or 'bus on a road paved and drained, and then he begins to do a day's work that in almost every detail was not thought of 200 years ago. At night he has a currant cake or chocolate cake with his tea, and a supper of frozen meat, after which he tends his lawn or his roses, reads a novel or plays a game of bridge. Before retiring he writes to a friend to arrange a cycle ride for the following Sunday and then gets into his pyjamas. Study of this simple story shows that there is scarcely a thought or action or thing in the whole of it that would have passed through the mind or been done or existed 200 years ago. That is an illustration of the way in which the standard of living of the ordinary worker has advanced through the application of scientific principles to production. It is an illustration showing what can be done in the way of increasing that standard in Australia.

Hon. E. H. Gray: The lumper has not quite such an easy life as that.

Hon. H. SEDDON: Perhaps not. I will finish by quoting from another book, which has an important bearing upon the attitude of workers in Australia. At the time when a Commission was sent by the Federal Government to America, to study American in-

dustrial conditions, a journalist of the name of H. G. Adams accompanied that body. He made a close study of American methods. With some of these he found very serious fault. He pointed out that many of those who had been given to us as representative of conditions in that country were not all that they were made out to be. He used these words—

If only the Australian worker could be made to recognise how fortunate he is by comparison (with America), there would be an end to most of his grumbling and discontent and stupid little revolts. He would put up the biggest fight the world has ever seen to prove that industry can give him all the things he has a right to enjoy and still prosper; that a country that conducts its industry so as to give the worker the independence that the Australian worker demands, will get from him a higher sense of his responsibility and better and more honest work than from workers anywhere else under the democratic system. He would set his teeth and start in to make the Australian trademark stand for the highest quality of workmanship in the world. He would give Australia honest effort to the last ounce; for Australia is giving him incomparably more of the really precious things of life than any other country has begun to give its workers.

I will finish with these words, because I think they indicate the position in Australia to-day, and the way out for us in our financial and industrial troubles, more clearly than any words I have read for a long time.

On motion by Hon. A. Lovekin, debate adjourned.

## **BILL—HOSPITAL FUND.**

*Order Discharged.*

Order of the day read for the resumption from the 19th November of the debate on the second reading of the Bill.

**HON. A. LOVEKIN** (Metropolitan) [8.33]: After the statement of the Chief Secretary this afternoon I do not think it is wise to keep this Order of the Day on the Notice Paper. I move—

That the Order of the Day be discharged from the Notice Paper.

Motion put and passed; Order of the Day discharged.

## **BILL—PREMIUM BONDS.**

*Order Discharged.*

Order of the Day read for the second reading of this Bill.

**HON. A. LOVEKIN** (Metropolitan) [8.35]: I move—

That the Order of the Day be discharged from the Notice Paper.

Question put and passed.

## **BILL—GERALDTON SAILORS AND SOLDIERS' MEMORIAL INSTITUTE.**

*Second Reading.*

**HON. G. A. KEMPTON** (Central) [8.37] in moving the second reading said: The object of the Bill is to provide for a change in the control of the Geraldton Sailors' and Soldiers' Memorial Institute, from committee control to control by trustees. Not many words of mine are required to show the necessity for the measure. In 1918 the Mayor of Geraldton convened a meeting of ratepayers, at which it was decided to form a committee to provide a memorial institute for returned men. After a good deal of hard work that committee decided to buy certain buildings at a cost of something like £3,500 for use as a memorial institute, and to furnish and renovate them at a cost of about another £1,500. This meant that the committee had to provide about £375 a year for interest and sinking fund, and another £200 a year for general upkeep. It was a big thing in a town like Geraldton. The members of the committee, however, persevered. They bought a picture show and conducted entertainments, and eventually in 1928 found that their work was finished. They then asked the mayor to call the council together to discuss ways and means by which the institute should be handed over to the municipality in trust for returned soldiers. It was then found not possible for the committee to hand over the property without the passing of an Act of Parliament. The Geraldton municipality leased the institute to returned soldiers for a year on the understanding that the matter should come up for review at the end of that time. When the year was up the Returned Soldiers' League asked for a conference. They desired that the institute should be handed to them. Eventually Colonel Collett and Mr. Benson, the President and General Secretary of the Western Australian branch of the Imperial League of Australia, visited Geraldton and met the old committee and the Municipal Council, and dis-

cussed the whole matter with them. It was eventually decided that the establishment should be handed over to five trustees, the mayor of Geraldton for the time being to be chairman, he to have the right to nominate two trustees, and the Geraldton sub-branch of the Returned Soldiers' League to nominate the other two. It is a matter of handing over the deeds of the property, which is paid for, and also a credit balance of about £1,113. The trustees feel that they can do better work than the old committee, because the matter will be handled by the returned soldiers' section more particularly, with the mayor of Geraldton in charge. I have letters from the mayor and the President of the Geraldton sub-branch of the Returned Soldiers' League. The mayor writes—

I have perused the draft copy of the proposed Bill dealing with the Geraldton Sailors and Soldiers' Memorial Institute, and I am quite in accord with the Bill as drafted. Yours faithfully, G. E. Sewell, Mayor of Geraldton.

Mr. Sewell is not now the mayor. The new mayor who was elected a week ago is, however, a returned soldier, and is also in favour of the transfer of the property to trustees. I have another letter from Mr. A. Green, the President of the Geraldton sub-branch of the Returned Sailors and Soldiers' Imperial League which says—

We have perused the enclosed document (the Bill), and agreed to all the conditions contained therein.

I think I have proved to the satisfaction of members that all the parties interested are in favour of the Bill becoming law as soon as possible, so that the deeds of the property and the cash in hand may be passed over to the five trustees. I move—

That the Bill be now read a second time.

**HON. J. CORNELL** (South) [8.42]: I hope the Bill will be passed at this sitting, and that another place will also pass it at the first opportunity. I could go into the history of this institute, but will content myself with saying that after much negotiation a satisfactory conclusion has been arrived at by all the parties concerned. The outcome of those negotiations is this Bill. It will be the final and happy consummation of the sterling efforts of citizenship on the part of the people of Geraldton.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [8.44]: I desire to express my complete sympathy with the Bill, and endorse the hope expressed by Mr. Cornell that it may pass through this Chamber at the present sitting, and subsequently through another place. I am acquainted with all the circumstances connected with this valuable property. Some years ago there was a considerable difference of opinion as to who should control it. At one time we almost despaired of a satisfactory conclusion being arrived at, but eventually there was complete unanimity, and it was agreed that the best way to settle the question was to give statutory authority for the appointment of trustees who would control the property. I hope the Bill will pass through all stages to-night, and become law at the earliest possible date.

Question put and passed.

Bill read a second time.

#### *Remaining Stages.*

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

Read a third time, and transmitted to the Assembly.

### **BILL—VERMIN ACT AMENDMENT.**

#### *Assembly's Message.*

Message from the Assembly disagreeing to the Council's amendment in the Bill, and giving reasons, now considered.

#### *In Committee.*

Hon. J. Cornell in the Chair; Hon. H. J. Yelland in charge of the Bill.

Clause 2.—Insert at the end of the proviso the following words:—"Unless such holding is used for agricultural or pastoral purposes."

The **CHAIRMAN**: The Assembly's reasons are—

That the proposed amendment largely destroys the value of the Bill. That the principle of exemption from tax of religious, charitable, and educational institutions is generally recognised.

Hon. H. J. YELLAND I move—

That the amendment be not insisted upon.

The amendment effects the reverse of the mover's intention. It will exempt large areas which are not used, while penalising areas that are producing; that is to say, producers are to be penalised. An institution keeping property in its virgin state will be exempt under the amendment.

Hon. V. HAMERSLEY: The object of the amendment is to ensure that the lands in question, like any other lands, shall be kept free from vermin. The whole burden of vermin eradication should not be thrown upon producers. In this respect fish should not be made of one and flesh of the other.

Hon. C. F. BAXTER: The clause exempts holders of such land only from paying vermin tax, and not from clearing the land of vermin. If funds for vermin destruction were short, something might be said for the amendment; but the reverse is the case. Charitable institutions merit every consideration.

Question put and passed; the amendment not insisted upon.

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

### **BILL—ABORIGINES ACT AMENDMENT.**

#### *Personal Explanation.*

Hon. G. W. MILES: I desire to make a personal explanation. In my remarks on Clause 9 I referred to the age of the half-caste "child" being raised from 14 years to 21, and the Honorary Minister interjected that the clause would not prohibit half-castes from being employed at the age of 21. The Honorary Minister added—

If the hon. member desires to be fair, he will admit that.

I want to be fair. I admit that I was wrong and that the Honorary Minister was right.

#### *Second Reading.*

Debate resumed from the 27th November.

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West—in reply) [8.57]: Before replying to members' criticisms I wish to correct certain figures appearing in "Hansard," which place the subject in a light different from that which I intended. I

understand from the Chief "Hansard" Reporter that the error is typographical, and that it will be rectified in the bound volume of the session's "Hansard." Meantime hon. members who were not present when I spoke and who have read my remarks in "Hansard," will have derived an entirely erroneous impression, which I desire to correct. On page 1521 I am reported as saying—

Therefore, of the full-bloods, 1,358 are children under 12—

The figures "1,358" should be "13.58 per cent." The sentence from which I have quoted continues—

—while of the half-castes 18 per cent. are children under 12 years of age.

That "18 per cent." should read "80 per cent." Hon. members will recognise how great a difference the correction makes. Practically the whole of my arguments on certain phases of the Bill were based on the fact that our problem of to-day is utterly different from the problem existing when the first Aborigines Act was passed. In those days there were very few half-castes indeed. To-day they are increasing so rapidly as to become the most difficult problem facing us with reference to our natives. I pointed out, further, that the position was becoming extremely difficult in the southern or south-western portion of the State. Between Perth and Albany there are numerous half-castes, the greater proportion being children, and the larger percentage of the children being females, who will in a few years' time create a problem most difficult to deal with unless the House is prepared to accept the amendments which the Bill proposes. Most hon. members who have criticised the measure have criticised it from two points of view. The first is that, in their belief, the native problem is confined to the far North. The severest critics of the Bill have quoted the far North without even mentioning the South, where the problem mainly lies. I shall reply as briefly as I possibly can, but I must show that the points which I endeavoured to make on second reading, and which apparently have been misunderstood by most critics of the measure, are really important points, and in each instance are fully justified. Indeed, I believe I can justify each amendment up to the hilt. I admit straight away that this is one of those Bills which are better discussed in detail in Committee. Therefore I

shall not deal at great length with the points raised on the second reading. When the Bill is being considered in Committee, I shall be prepared to give all the information and details any hon. member may desire. I was pointing out that this Bill had been discussed from the point of view of the native problem being almost exclusively centred in the far North. Most hon. members who criticised the Bill did so without really knowing what the Bill provided. I was astonished to find that men supposed to have a knowledge of the native question in this State extending over many years, and, in some instances, for practically a lifetime, apparently did not know the provisions of the parent Act. They displayed an ignorance of the conditions that have prevailed in Western Australia since 1905. One hon. member severely criticised the Bill, and then concluded by saying, "These are just a few points that have occurred to me when glancing through the Bill." Most other hon. members who criticised the measure along the same lines, apparently assumed that the statements made by the hon. member I have referred to were correct. As a matter of fact, each point mentioned by that member was absolutely wrong, and misrepresented the phases he dealt with. First of all, there was the interpretation of the term "aboriginal," which was criticised. From explanations tendered to me since I moved the second reading of the Bill, I believe most of the hon. members who spoke were unaware of the actual position to-day, particularly as compared with other States of the Commonwealth. For instance, in the New South Wales Act, "aboriginal" includes full-bloods and half-castes; no exceptions are made there at all. The Acts in other States go further than we propose in our Bill. Our original Act did not provide any interpretation of the term "aboriginal." As to the interpretation of "half-caste," apparently most hon. members did not understand the position either in Western Australia or in the Eastern States. In Western Australia so far, the meaning of "half-caste" has been defined to a limited extent only. The position has been unsatisfactory, particularly in view of the fact that a decision given by a magistrate in 1922 that a child of two half-caste parents was not a half-caste, has caused a tremendous amount of trouble for the department. Those to be dealt with now are in the second and third

generation of half-castes, and while the decision of the magistrate stands, other magistrates have acted on it and it is impossible for us to handle the half-caste problem as we should. Consequently the amendment in the Bill has been proposed. A lot of capital was made out of the amendment which seeks to increase the age of a male half-caste from 14 years to 21 years in respect of the employment conditions. Some hon. members said that we would make it necessary for a half-caste boy between 14 and 21 years of age to apply for a permit before he could be employed. Others, including Mr. Lovekin, contended that we were prohibiting the employment of those half-castes. That was not correct. It is not necessary for a half-caste boy to apply for a permit, but what is necessary is that any person who desires to employ such a half-caste must apply for a permit before he can employ the boy. The general rule is for a man to apply for a permit to employ aborigines. He does not apply for a permit to employ an individual aboriginal; the application is a general one. The application is usually granted unless the department has strong objections to raise.

Hon. V. Hamersley: What does the permit cost?

The HONORARY MINISTER: The applicant has to pay 5s. This provision has applied ever since the Act was passed. That Act limited the age of the half-caste to 14 years, but we are desirous of raising the age to 21 years. The reason for that is that we are training large numbers of these half-castes to be useful citizens. We are putting them out to work as soon as it is possible to find situations for them. We realise that it is between the ages of 14 and 21 that the greatest difficulty confronts these natives.

Hon. G. W. Miles: And white children, too.

The HONORARY MINISTER: The department desires to have more control over them. The amendment sought will also give us the right to refuse to allow these young natives to be employed by individuals whom the past has shown to be unsatisfactory. Practically the only ground upon which we refuse a permit is that past experience has shown the individual concerned is not a fit and proper person to have charge of natives. I could quote a number of instances in support of that statement and I can assure hon. members that the action taken is merely in

the interests of the aborigines themselves. Another clause in the Bill that seemed to raise the ire of some hon. members was that requiring applications to be made to the Chief Protector in order to secure permission for the marriage of certain natives. Hon. members seem to be under the impression that the amendment was sought with the object of compelling natives themselves to apply to the Chief Protector for a permit, or license, to get married. That is not the intention of the clause at all. It merely sets out that those desirous of conducting marriages shall apply to the Chief Protector for a permit to do so. To a limited extent there is some such provision in the original Act. The main reason for seeking the additional power embodied in the Bill is that we may have more say with regard to proposed marriages between natives and Asiatics and other people who, we know, are not prepared to honour their legal obligations. The clause has nothing whatever to do with native marriages, and does not affect that position at all.

Hon. H. J. Yelland: Then why delete the words "other than an aboriginal"?

The HONORARY MINISTER: If the hon. member will read the section, he will understand the position. I am referring to Christian marriages. We have had a number of instances in which missionaries have desired to marry two natives who, in accordance with tribal customs, would not be permitted to marry. That will just show why we want some control over this phase of native life. I can quote instances where such marriages have been contracted and have led to great trouble. As a rule, the natives are keen upon seeing that their tribal laws are obeyed. When we find people, who do not understand native customs, desiring to perform ceremonies of this description, the obligations of which are recognised by Christians, hon. members will realise that the sequel may be evident from two standpoints. In the first place, the legal obligations of marriage may not be recognised, with the result that the offspring are left for the State to look after. In the second place the probable result will be that one or other of the tribes concerned will take exception to the marriage, and that will lead to strife between the two tribes. That sort of thing has led to a lot of trouble from the departmental point of view. Another point was stressed by hon. members. For instance, Mr. Lovekin suggested that the Bill would bring the

natives within the scope of the Workers' Compensation Act. Mr. Lovekin must have given a very casual glance at the Bill to enable him to express such an opinion. Other hon. members seemed to think he was right, and spoke along similar lines. At the present time the aborigines come within the scope of the Workers' Compensation Act if they are employed and rewarded with money or in kind.

Hon. J. R. Brown: Do they get full wages?

The HONORARY MINISTER: That does not matter. If an aboriginal is rewarded in any shape or form for the labour he performs, then, in accordance with a decision given by the Crown Law Department, that native is brought within the scope of the Workers' Compensation Act, and, in the event of injury, can make a claim against his employer.

Hon. G. W. Miles: That was not the intention when we passed that legislation.

The HONORARY MINISTER: I am not concerned with that; I am pointing out the position and the difficulty that confronts the department.

Hon. E. H. Harris: Are not all the native black trackers employed by the Government, already insured?

The HONORARY MINISTER: All the employees of the Government are insured, so far as I know. Not only do the Government recognise their responsibility, but the majority of the employers of natives have them insured under the provisions of the Workers' Compensation Act. Hon. members may be surprised to hear that, but I can assure them that is the position.

Hon. E. H. Harris: Are any employed who would come under the Third Schedule?

The HONORARY MINISTER: The hon. member knows that very few are likely to be employed in that direction.

Hon. E. H. Harris: There may be some.

The HONORARY MINISTER: There have been instances of employers refusing to recognise their responsibilities and liabilities when their native employees have met with serious accidents. As a result the Aborigines Department has had to spend considerable sums of money to provide the natives with the necessary attention, transport, and hospital accommodation. These payments have run from £20 to £50. Although some of those employers have had the services of the natives for a lifetime, they have repudiated their responsibilities.

Hon. G. W. Miles: But there are not many like that.

The HONORARY MINISTER: There have been numerous instances, but the great majority of the employers have treated their natives very well indeed. I know of a number of stations where the treatment meted out to the aborigines is such that no one could wish for better. Unfortunately we have to face the position that has arisen in other parts, and we have to cater for the natives throughout the State. When Mr. Baxter was speaking, he said something about a Government department being set up to see the natives got the treatment they should receive in the event of an accident. The hon. member was apparently unaware that a duty is thrust upon the department under the provisions of the parent Act.

Hon. C. F. Baxter: Those were not my words!

The HONORARY MINISTER: If the hon. member reads his remarks in "Hansard," he will find that what I have said is substantially correct. I want hon. members to realise that the Aborigines Act was passed for the protection of our aborigines. Very often the Chief Protector comes in for criticism, sometimes severe criticism, simply because he has to give a decision in accordance with the Act under which he is working, a decision that may not meet with the approval of the people in the district affected. However, the real point is that under the old Act we have no power to take proceedings for the recovery of expenses of that kind, and under the Employers' Liability Act, we were also advised, it would be extremely difficult to secure a conviction. And we were advised that the only Act under which we could be successful was the Workers' Compensation Act.

Hon. A. Lovekin: What would the Protector do with the moneys he recovered?

The HONORARY MINISTER: As a matter of fact, we have found it necessary to take proceedings under the Workers' Compensation Act in several cases, but in each case, although we have put in our claim in accordance with the Act, we have compromised so long as we could secure a verdict that would carry the bare expenses involved. We have only used the Act as a means to an end; because if we were to recover any substantial amount on behalf of the natives, since they do not realise the value of the money it would be practically useless to them. We have taken those steps

in the interests of the natives, and if members knew all the circumstances of the cases in which we have acted in that way, they would say we were quite justified in taking action. There have been other cases where we have refrained from taking action, but have paid the money out of the departmental funds believing that, with the proposed amendment of the Act, we would be able to get away from that position. So we have inserted in the Bill that provision which will allow us to take proceedings against any employer who does not do the right thing in that way. It applies only to accidents where the employer does not recognise any liability.

Hon. G. W. Miles: If Clause 17 is agreed to, do you propose eventually to amend the Workers' Compensation Act?

The HONORARY MINISTER: Yes, but we are not prepared to bring down the Workers' Compensation Act just now to effect that one amendment. We have no desire to use the schedule in the Workers' Compensation Act for this purpose, and so we have inserted that clause in the Bill. Mr. Nicholson has on the Notice Paper an amendment which he thinks will make the position clearer and define a little better the limits to which we should go. I am quite prepared to accept that amendment.

Hon. J. Nicholson: It is a perfectly reasonable one.

The HONORARY MINISTER: Some members dealt with the question of cohabitation as though it was something new. As a matter of fact, practically the same provision is contained in the parent Act, the only difference being that in the new provision we include half-castes. Some may hold views different from those I have expressed, but I want members to understand there is not in the Bill any amendment which is not the result of the experience of the department over a number of years. Certain members seem to take delight in criticising me on the score that, since I have spent but a short period at the Aborigines Department, I cannot know very much about it. However, I think I have made myself fairly well acquainted with all the details, and I have come to the conclusion that those members most severe in their criticism know the least about the subject. One member so far forgot himself as to make a personal attack on the Chief Protector. For my part I believe the Chief Protector to be

most efficient in his position, a position he has occupied for 15 years. He is recognised by other authorities in the Commonwealth as being at least the equal of themselves. One member criticised the Chief Protector because, as that member said, he would not lower his dignity to call upon a fellow officer from another State. But that statement was scarcely correct. Dr. Cook, the visiting officer concerned, is a personal friend of our Chief Protector, who has never been in Dr. Cook's territory without calling on him. Dr. Cook, I may say, was associated with our own department before he secured the position he now occupies.

Hon. G. W. Miles: Did the Chief Protector call on Dr. Cook during his last visit?

The HONORARY MINISTER: Yes, and I did also. I had quite a long interview with him and got a lot of useful information from him. I have made that explanation because the Chief Protector is not in a position to reply, and I do not think the hon. member desired to do him any harm, although, on the other hand, I really think he was a bit severe in his strictures. Should there be any other points that I have missed in my reply, I shall be only too pleased to furnish any information required when in Committee.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

Hon. G. W. MILES: Does not the Minister think this gives altogether too much power to the Chief Protector? How can he decide whether an aboriginal is capable of managing his own affairs?

The HONORARY MINISTER: Although there will not be many natives come within this category, yet from time to time we find them incapacitated and unable to manage their own affairs. So it is advisable that this power should be given to the Chief Protector. The same provision appears in the Northern Territory Ordinance.

Hon. G. W. MILES: I understand that half-castes, some of whom are very intelligent, can apply to the department for ex-

emption from being treated as being aborigines. Is that so?

The HONORARY MINISTER: Yes, there is in the original Act a section providing for exemption under certain conditions. Quite a number of half-castes have been exempted from the Act. I move an amendment—

That after "person," in line 6 of paragraph (c), the following be inserted:—"and the lineal half-blood descendants of such person."

Hon. V. HAMERSLEY: Does not paragraph (a) include every male half-caste? In my view the word "and" in line 7 of that paragraph is unnecessary and should be deleted.

The HONORARY MINISTER: The line reads all right, and has been approved by the parliamentary draftsman. This provision does not apply to all half-castes, but only to those incapable of managing their own affairs. There will be no difficulty about it.

Hon. J. NICHOLSON: I have an amendment on the Notice Paper to insert before "offspring" in the third line of the definition of "half-caste" the word "immediate."

The Honorary Minister: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn

Hon. G. W. MILES: Has the Minister an explanation of paragraph (b) dealing with the interpretation of "district"?

The HONORARY MINISTER: Western Australia is a big country and "district" within the meaning of the Act means magisterial district. It has been found difficult for protectors to administer districts so defined. Long delays and inconvenience have ensued, and where such difficulties arise, we desire power to proclaim a given area as a district within the meaning of the Act.

Hon. J. NICHOLSON: I move an amendment—

That before "offspring," in line 3 of the definition of "half-caste," the word "immediate" be inserted.

The HONORARY MINISTER: The object of the definition in the Bill is to enable the department to deal with all half-castes and particularly children. With the second and third generation we have experienced difficulty in covering completely all we desire to do. Mr. Nicholson's amendment was considered by the Crown Law Department

who thought my amendment would better meet requirements.

Hon. J. NICHOLSON: If the Honorary Minister moved to strike out "offspring" and insert in lieu "lineal half blood descendants" it might meet the position. The Minister does not wish to retain control forever of persons who have more white than black blood in their veins. It would be hardly fair to keep them under the scope of the measure. Such people do not like to be classed as aborigines.

The Honorary Minister: Do you think we should insert your amendment as well as mine?

Hon. J. NICHOLSON: I think my amendment would be the better one, but the Minister might ask the Crown Law authorities to give the question further consideration.

The HONORARY MINISTER: I wish to make progress with the Bill in order that it might be sent to another place. If we can agree to an amendment now, I undertake to have it further considered.

Hon. J. NICHOLSON: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

The HONORARY MINISTER: I move—

That in line 3 of the definition of "half-caste" the word "offspring" be struck out, and the words "lineal half-blood descendants" inserted in lieu.

Amendment put and passed.

Hon. H. STEWART: I should like an explanation of the proviso to the definition of "half-caste."

The HONORARY MINISTER: According to the Act, a half-caste who is living with an aboriginal, becomes an aboriginal.

Clause, as amended, agreed to.

Clause 3—Amendment of Section 3:

Hon. A. LOVEKIN: How does the last paragraph of Section 3 read?

The HONORARY MINISTER: The section provides that the term "half-caste" shall include any person born of an aboriginal person on either side, and the children of any such person.

Hon. H. STEWART: I should like some further information concerning this clause. Why is it necessary?

The HONORARY MINISTER: I think I have already supplied the hon. member with the necessary information.

Clause put and passed.

Clauses 4 to 11—agreed to.

Clause 12—Amendment of Section 22:

The HONORARY MINISTER: I move an amendment—

That the words "twenty-one" be struck out and "twenty-two" inserted in lieu.

This amendment is necessary because of a misprint in the Bill.

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

Clause 13—Amendment of Section 35:

Hon. H. STEWART: Under the Act the term "half-caste" has a restricted meaning, but under this clause it is proposed to class a half-caste with an aboriginal.

The HONORARY MINISTER: Under the Bill a half-caste will include a male half-caste up to the age of 21. An aboriginal, however, will remain one no matter how old he is. The clause is consequential upon others which have already been passed. This deals more particularly with the employment of half-castes.

Clause put and passed.

Clause 14—agreed to.

Clause 15—Amendment to Section 28:

Hon. V. HAMERSLEY: This refers to the appointment of officers by the Chief Protector. Should such appointments not be under the control of the Minister?

The HONORARY MINISTER: This does not deal with the appointment of new officers, who would of course be employed subject to the Public Service Commissioner. The clause merely gives the Chief Inspector power to appoint one of his own officers to inspect the permits under which half-castes or aboriginals may be employed.

Clause put and passed.

Clause 16—Amendment of Section 33:

Hon. G. W. MILES: Why is it necessary to give all these powers to the Chief Protector? Apparently he can force employers to submit accounts to him.

The HONORARY MINISTER: Complaints are constantly being received from natives that they have not been paid all that is due to them. We have at present no power to request employers to render accounts in such cases. Unscrupulous

persons have been known to take advantage of the ignorance of these people in money matters, and it is deemed advisable to give the Chief Protector the powers laid down in this clause. I move an amendment—

That the paragraph commencing "an instrument in writing" and ending with the word "effect" be struck out.

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

Clause 17—Liability of employer in case of personal injury to employee:

Hon. C. F. BAXTER: I move an amendment—

That the words "arising out of or in the course of his employment not attributable to his serious or wilful misconduct, and such employment was not of a casual nature, any expense incurred by the department for hospital charges for treatment and maintenance or in case of death the cost of internment of such aboriginal or half-caste or for medical or surgical attendance, shall be payable by the employer to the Chief Protector, and shall be recoverable by action at the suit of the Chief Protector" be struck out and the following inserted in lieu:—"in the course of his employment not attributable to his serious and wilful misconduct and such employment was not of a casual nature the employer shall provide treatment and where necessary and practicable, medical attendance and, in the event of death arising from such injury, bear the cost of internment of such employee. For the purposes of this section an employer of aboriginals and/or half-castes shall have in his possession an adequate and sufficient supply of first aid materials and medicines."

Whereas the department may carry out various things irrespective of the employer and make what charges they please, the employer is to be compelled to do certain things. Now, owing to departmental ramifications, work done by Government officials always costs more than work done by private persons. Thus the clause involves employers in greater expense. Moreover, the amendment not only throws on the employer the onus of caring for the aboriginal in the circumstances contemplated, but also requires him to keep a supply of first aid materials and medicines.

*Point of Order.*

Hon. A. Lovekin: I rise to a point of order. Recently, Mr. Chairman, you ruled out of order certain amendments I desired to have included. You held that their proper place was in the Criminal Code. The pre-

sent amendment really deals with a matter provided for in the Workers' Compensation Act, and an amendment of that Act should not appear in this Bill. I am sorry to have to raise the point, as I agree with the intentions expressed in Mr. Baxter's amendment and in that placed on the Notice Paper by Mr. Nicholson. It appears to me that the clause and also the amendments are out of order.

The Chairman: Does the hon. member ask for my ruling on the clause as it stands?

Hon. A. Lovekin: Yes.

The Chairman: I can only take the Bill as it appears before me. I cannot say whether the Bill does or does not amend the Workers' Compensation Act, because it makes no reference to the Workers' Compensation Act.

Hon. A. Lovekin: Yes, Sir; it does. It quotes that Act.

The Chairman: I will not accept any amendment purporting to amend the Workers' Compensation Act. If hon. members consider the provisions of this clause amply covered by the Workers' Compensation Act, the remedy lies in their own hands; they can vote against the clause.

Hon. A. Lovekin: An amendment is one thing, and an amendment by implication is practically the same thing. Moreover, every one of us is supposed to know the law. Instead of mentioning the Workers' Compensation Act straight out here, the draftsman uses the words of the Act with an air of their being something else. However, if we know the law, we know that it is the Workers' Compensation Act that is in question here. The clause cuts out the death portion of that Act. I do not want to see the point taken in another place.

The Chairman: I only decide from the Chair on the Bill as it appears before me. Were I on the floor of the Chamber, I could probably add to what Mr. Lovekin has said.

The Honorary Minister: While as regards the amendment of which Mr. Nicholson has given notice, there may be something in Mr. Lovekin's argument, I do not think it has any application to the clause itself. There is no mention whatever in the clause of the Workers' Compensation Act, nor is there any suggestion that that Act is involved in any way. If the Bill does not contain a provision of this nature, we shall be faced in future with the same difficulty as

has confronted us in the past; namely, that recourse must be had to the Workers' Compensation Act. If hon. members believe that to be the better method, they had better delete the clause.

Hon. C. F. Baxter: If the clause is carried, recourse will not be had to the Workers' Compensation Act?

The Honorary Minister: No. The clause is inserted with the object of affording the Government some means of dealing with people who do not recognise their obligations and liabilities when natives employed by them meet with accidents. Nobody could argue against that. Should the Committee delete the clause, the department would be compelled to utilise the provisions of the Workers' Compensation Act on behalf of natives, or else the natives would have to take action themselves. The Pastoralists' Association are concerned about the application of the Workers' Compensation Act, and I was surprised at the remarks of Mr. Wittenoom when dealing with the clause. We have no desire to use the provisions of the Workers' Compensation Act, but unless some power is given to the department, it cannot continue to pay large amounts when an accident takes place far away from civilisation. Notwithstanding that some of the natives concerned have, during their lifetime, been in the employment of squatters, the latter have evaded their responsibilities.

Hon. A. Lovekin: You are arguing on the merits, not on the point of order.

The Honorary Minister: That is so.

Hon. V. Hamersley: Have the incidents you referred to occurred in the North or in the South?

The Honorary Minister: In the North, the South and the Middle North, but principally in the South-West. The department is finding it difficult to provide the blankets and rations necessary for the increased number of natives who have to be cared for, and is hard put to it to find the money necessary to meet expenditure due to unscrupulous employers refusing to carry out their responsibilities. As to the point of order, I submit there is nothing in the clause to affect the Workers' Compensation Act.

Hon. A. Lovekin: The Honorary Minister has given his case away. He told us that if the clause were agreed to, the Government would later introduce an amendment of the Workers' Compensation Act. He said it would not be justifiable to bring down a Bill to amend the Act on one small point

only. What does that connote? The clause is more or less an amendment of the Workers' Compensation Act. What are we doing?

Hon. C. F. Baxter: Do you disagree with the Chairman's ruling?

Hon. A. Lovekin: I do not know that the Chairman has given his final ruling. If it is right that the clause means we will amend the Workers' Compensation Act, I will accept the Chairman's ruling, but I would point out that it will create a precedent that may be very useful in future.

The Chairman: I have ruled that, owing to the absence of any specific reference to the Workers' Compensation Act, the clause is admissible. If the Committee are of the opinion that the subject matter of the clause is, in effect, an amendment of the Workers' Compensation Act, the remedy is in their own hands, and they can vote against the clause.

Hon. J. Nicholson: I think Mr. Lovekin has advanced his contention without regard to the provisions of the principal Act.

The Chairman: Order! Mr. Lovekin has accepted my ruling; the hon. member need not proceed.

Hon. J. Nicholson: I have an amendment on the Notice Paper.

The Chairman: We can deal with that when we come to it.

Hon. A. Lovekin: I have accepted the Chairman's ruling because it will be useful in future.

Hon. J. Nicholson: The circumstances are entirely different from those that ordinarily apply. The Act gives great powers to the Protector, including those set out in Section 33 of the Act.

Hon. A. Lovekin: But this is a new clause.

Hon. J. Nicholson: The clause will follow on. The powers given to the Protector are almost absolute.

Hon. C. F. Baxter: Yes, regarding property.

Hon. J. Nicholson: The powers go further than that.

Hon. H. Stewart: But those powers cannot be exercised without the consent of the aboriginal or half-caste.

Hon. C. F. Baxter: At any rate, Mr. Lovekin has accepted the Chairman's ruling.

Hon. J. Nicholson: Then I shall not proceed with reference to it.

*Debate resumed.*

Hon. G. W. MILES: I understand that if the clause is passed, the Government later will set about amending the Workers' Compensation Act with the object of removing the natives from the operation of that Act.

Hon. J. Nicholson: Unless those words I have suggested are added to the clause, the position will be worse than ever. It would be better to delete the clause altogether.

The HONORARY MINISTER: I hope no alteration will be made to the clause. I have already explained the position at considerable length. One of the conditions under which permits are granted for the employment of natives is that the employer shall provide reasonable and proper medical facilities for his native employees. I cannot agree that it will cost more if the Government do what is proposed under the clause, as against the employer.

Hon. C. F. Baxter: Of course it will. It always does. You ought to know that.

The HONORARY MINISTER: This is to apply only to accidents in respect of which the employer does not recognise his responsibility. The department has certain contracts at a much lower rate than any private employer could get the same services for. We have special rates for the treatment of any natives requiring it. There can be no doubt the employer would have to pay considerably more than the department pays. Last year 681 permits for employment were issued covering 4,279 natives. Unfortunately a number of employers do not seem to recognise their responsibilities, and it is becoming almost impossible for the department to meet all the claims shouldered on to it. Consequently this clause is necessary, and if it is not passed we shall have to use the Workers' Compensation Act.

Hon. H. STEWART: The clause does not carry the purport the Minister claims for it.

The CHAIRMAN: It is Mr. Baxter's amendment that is before the Chair.

Hon. H. STEWART: That amendment provides that the employer shall provide proper services for the natives. But the Minister said the object of the clause was to deal with the employer who shirks his obligations. The clause as printed takes no cognisance of the employer who does deal properly with his natives.

Hon. V. HAMERSLEY: I support the amendment. I understand claims have been made by those protecting the aborigines, and

that many of the station owners are somewhat nervous as to what might be the attitude of the department if recourse is had to the Workers' Compensation Act. If that be done, the whole of the natives will quickly find themselves unemployed and cast upon the department. Many of the station owners are supplying large numbers of natives with food and clothes and so helping the department, but all this will cease if action is to be taken against the station owners under the Workers' Compensation Act. Wherever necessary, station owners would see to it that medical treatment was provided for the natives long before the Chief Protector could come into the picture at all. I cannot see why all these cases should have to go through the Department, thus making the Chief Protector a policeman over all the station owners, who have done so much for the natives. I am satisfied that station owners on the whole will carry out their obligations. The Chief Protector should not be empowered to sit in the saddle over the whole of the station owners.

**THE HONORARY MINISTER:** Mr. Hamersley is mistaken if he thinks the clause will apply to all accidents. It will apply to accidents only where the employer does not accept the responsibility.

**Hon. H. Stewart:** The department should have the right to claim against such an owner.

**THE HONORARY MINISTER:** Yes. We are trying to meet the wishes of the Pastoralists' Association. When a deputation from the association waited on me, I mentioned some cases I was handling, and the deputationists were astonished. The persons mentioned did not happen to be members of the association. A great majority of station owners do the right thing, but the department must have power to deal with unscrupulous people. Mr. Hamersley spoke of an accident that occurred hundreds of miles away from the Protector. The last case I had to deal with concerned two aborigines who were severely injured at a place 115 miles away from a township, and a doctor had to travel that distance to attend to them. Although the natives had been employed on the station for a lifetime, the employer refused to do anything for them. The doctor inquired whether he should go out, and when told that the employer was not prepared to accept responsibility, the

doctor travelled there out of goodness of heart. One of the natives was suffering from a broken thigh, and the other from a dislocated shoulder. They were conveyed to the Kalgoorlie Hospital and remained there for a lengthy period. After leaving the hospital they had to be kept, and the policeman and his wife looked after them. Because the employer would not accept any responsibility, the department paid the bill, which was fairly considerable. The doctor was kept out of his money for something like six months, and no doubt he would think twice before attending a similar case. I could quote instances from the North, the middle North, and the South-West. One native lost an eye; another was killed and his gin was turned off the station. All of them had been employed on the station for a lifetime. With an accumulation of such cases, it is necessary to have power to recover the actual expense incurred, rather than resort to the Workers' Compensation Act.

**Hon. C. H. WITTENOOM:** The Honorary Minister said that 600 or 700 permits had been issued for the employment of natives. Are not conditions attached to the issue of permits stipulating the liability of the employer in the event of accidents? Are the permits written; are they in the form of an agreement, or are they straight-out documents entitling a man to employ natives?

**Hon. J. Nicholson:** It is necessary to have the power under a statute, and it is not in the present Act.

**Hon. C. H. WITTENOOM:** I hope members will support the amendment. In spite of the Minister's statement that a station owner has not to put a case in the hands of the Chief Protector, I consider the owner might well be in a quandary as to whether he should deal with it or communicate with the Chief Protector. The amendment will achieve all that the Minister desires as it will compel employers to accept responsibility for any expense incurred.

**THE HONORARY MINISTER:** Mr. Baxter's amendment would not go very far. The employer would have to provide treatment and, when necessary and practicable, medical attendance, and in the event of death arising from injury, to bear the cost of interment. What would happen if the employer did not provide medical attendance and the native did not die? What would happen in the case of the accident I

instanced, where the department had to foot the bill? There is nothing in the amendment to meet such cases. The clause does not provide that every accident shall be referred to the department, but it does stipulate that any expense incurred by the department shall be recoverable. Only in cases where the employer neglects to do his duty, is any expense likely to be incurred by the department. Such expense should be recoverable without reference to the Workers' Compensation Act.

Hon. H. STEWART: The Honorary Minister can ensure the employer fulfilling his obligations by inserting a proviso to that effect. The clause, as drafted, does not fully cover the position. If we want the natives removed from the operations of the Workers' Compensation Act, we should amend the clause accordingly.

Amendment put and passed.

The HONORARY MINISTER: If the clause stands as amended without further addition, we shall be no better off than we were before. There is nothing in the amendment to give the department the right to recover costs. The clause is useless without such power. "Reasonable medical facilities" do not include hospital treatment, etc., which is necessary in cases of serious accident.

Hon. C. F. BAXTER: Something is necessary to safeguard the position; but is it practicable to draft the safeguard to-night?

The HONORARY MINISTER: The clause should not be passed until it has been made more definite. Mr. Stewart's speech shows that he does not understand the position. The words proposed by him for inclusion appear already in the parent Act. The department now have power to do certain things, but not until the employer has failed to do them. If they are done by the department, the department should be reimbursed any expenses incurred.

Clause, as amended, put, and a division taken with the following result:—

Ayes	..	..	..	..	7
Noes	..	..	..	..	10

Majority against	..	..	3
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#### AYES.

Hon. C. F. Baxter		Hon. H. Stewart
Hon. V. Hamersley		Hon. C. H. Wittenoom
Hon. G. A. Kempton		Hon. H. A. Stephenson
Hon. E. Rose		(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. J. Nicholson
Hon. J. M. Drew	Hon. H. Seddon
Hon. E. H. Gray	Hon. H. J. Yelland
Hon. E. H. Harris	Hon. G. Fraser
Hon. W. H. Kitson	
Hon. G. W. Miles	

Clause thus negatived.

Clause 18—Amendment of Section 34:

Hon. G. W. MILES: What material corroboration of the mother's evidence is required?

The HONORARY MINISTER: The provision, unfortunately, is necessary to enable the department to recover maintenance from some fathers of illegitimate children. The proviso is considered desirable. It requires some evidence additional to that of the mother. It is taken from a Northern Territory Ordinance, and will enable the department to recover maintenance which now they are debarred from securing in certain cases.

Clause put and passed.

Clause 19—agreed to.

Clause 20—Amendment of Section 42:

Hon. H. J. YELLAND: In referring to this clause on the second reading, I mentioned that the parent Act allowed natives to marry within their own class without the permission of the Chief Protector, and I suggested that this amendment would prevent them from doing so in future. The Honorary Minister has informed me that I misinterpret the clause. I still hold to my original view. The provision is not fair to either the half-caste or the aboriginal.

The HONORARY MINISTER: It is essential that the clause shall be retained to deal with the marriages of half-castes. When it comes to the celebration of what may be described as Christian marriages, then the missionary or minister who is to celebrate them, will have to secure the permission of the Chief Protector. The reason for that is that extreme difficulty has been experienced in preventing the marriage of half-caste or native girls with Afghans and other Asiatics. Difficulty has also been experienced in preventing the marriage of aborigines belonging to different tribes, thus leading to tribal warfare. I suppose there is no bigger mixture to be found elsewhere than is apparent in the progeny of our natives, and some legislative provision is essential to deal with the difficulty.

**Hon. H. J. YELLAND:** The Honorary Minister has more than ever convinced me that it is unnecessary to delete the words "other than an aboriginal." He has pointed out that there is no objection to marriages between natives within the four corners of tribal laws. It is quite right that some of the marriages referred to by the Honorary Minister should be prevented. For that reason I think the words it is proposed to delete should be retained.

**Hon. G. W. MILES:** The Honorary Minister is right in his contention that the Chief Protector should have power to prevent objectionable marriages. Instances have been known of Koepangers and Manilamen giving £5 or £10 to monks to marry them to native women. The men then leave the country, and the State is saddled with their progeny. One of the first acts I did when I went North arose out of a prospective marriage between a white man and a native woman. I telegraphed to the then Government and the heads of the Anglican and Roman Catholic Churches and indicated that the Government were as bad as the individual concerned, because they assisted him to degrade himself in a weak moment. In fact, I think the so-called Christianising of natives is a farce. If the Chief Protector has power to prevent the marriage of natives of different tribes, it will tend to stop inter-tribal warfare.

**Hon. H. STEWART:** The purpose of the department would be better served if the section were left as it stands to deal with aborigines. Then a new subsection could be added to deal with half-castes, as suggested by the Honorary Minister.

**Hon. G. W. MILES:** I do not think that would be suitable. In my opinion the clause in the Bill is all right.

**The HONORARY MINISTER:** I understand the idea Mr. Stewart has in view, but his suggested amendment will not carry us any further than the clause. Half-castes are under the care of the department, no matter how old they may be. Surely it is only right that the Chief Protector, who is the guardian of female half-castes, should have some say in connection with their marriage.

**Hon. H. Stewart:** I propose to give you all that in.

**The HONORARY MINISTER:** I realise that, but why alter the clause when the two things mean the same?

**Hon. H. STEWART:** It is the intention of the department to prevent semi-civilised natives from intermarrying with natives of other tribes. That is quite desirable. The only point that might arise is that we are making it illegal for native marriages within the tribe unless the approval in writing of the Chief Protector is given. There should be a proviso exempting native marriages within the tribe.

**The HONORARY MINISTER:** Section 42 of the Act provides that no marriage of a female aboriginal with any person other than an aboriginal shall be celebrated without the permission in writing of the Chief Protector. There have been a sufficiently large number to cause a lot of trouble and some expense, of natives marrying when not eligible to marry under tribal customs. This proviso will allow us to prevent that. Certainly none but the Chief Protector will protect the half-caste.

**Hon. H. J. YELLAND:** The position has been cleared by the discussion. We have a somewhat similar restriction amongst ourselves, in that the banns of a proposed marriage are posted for a prescribed time.

Clause put and passed.

Clause 21—Amendment of Section 43:

**Hon. G. W. MILES:** Is it necessary that the penalties provided in this clause should be so severe?

**Hon. J. Nicholson:** Under the Licensing Act the same penalty is prescribed for the supplying of liquor to natives.

**Hon. G. W. MILES:** Then there is the latter part of paragraph (a), which declares that a man travelling accompanied by a black woman shall be presumed to be cohabiting with her. I do not know whether the Minister has any further arguments in support of that provision.

**The HONORARY MINISTER:** This has given me a great deal of concern. There have been many men to all intents and purposes habitually living with native women, but we could not proceed against them. The Solicitor General has given a ruling that cohabiting, as referred to in Section 43, has a particular meaning and is very difficult to prove; in other words, the two parties must be living together as man and wife. Of course, those people do not do that, and consequently we

have been unable to take action. This sort of thing constitutes the chief cause of hostility between the natives and the whites. When native women are detained for immoral purposes, sooner or later the tribe are bound to rise up and demand restitution. The police have reported cases in which it was thought we could successfully take proceedings, but owing to the ruling of the Solicitor General it has not been possible. As for the penalties, they do not seem to me to be too severe.

**Hon. V. HAMERSLEY:** It is a very serious thing to presume that because a man is travelling accompanied by a black woman, he is cohabiting with her. Mr. Holmes on the second reading told us that very frequently a man accompanied by an aboriginal woman has to travel from one part of a station to another, and move from camp to camp. That is because the native women are particularly smart in rounding up stock and thoroughly enjoy the work. To me this provision seems very dangerous, for under it certain persons could make themselves highly officious.

**The HONORARY MINISTER:** Mr. Hamersley need have no fear that the provision would apply when natives were travelling with their gins to round up stock. We know of instances of a man having travelled with a gin or half-caste woman, the pair living and camping together, and sometimes the woman dressed as a boy in order to render evasion of the law easier.

**Hon. H. STEWART:** I move an amendment—

That after "accompanied," in line 13, the word "only" be inserted.

Later on I shall move further amendments to make the paragraph refer to one or more female aborigines or half-castes.

**The HONORARY MINISTER:** Mr. Stewart's proposals would not meet the position. There might be two men travelling with two native women, or there might be three or more men travelling with three or more or fewer women, and it would be impossible to apply the amendment to them. Complications would ensue, especially in those parts of the country where this sort of thing was likely to occur. No action could be taken unless the Chief Protector were satisfied that a case would lie. Consequently the evidence would have to be conclusive.

**Hon. H. STEWART:** The paragraph in the Bill is not satisfactory. It is not the only portion of the Bill that is unsatisfactory. I am prepared to help the Minister, but the provisions of the measure should be made definite.

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

Ayes	..	..	..	8
Noes	..	..	..	6

Majority for .. 2

#### AYES.

Hon. V. Hamersley	Hon. H. Stewart
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. H. J. Yelland
Hon. H. A. Stephenson	Hon. E. Rose

(Teller.)

#### NOES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. J. Nicholson
Hon. E. H. Gray	Hon. J. R. Brown

(Teller.)

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

Clauses 22 to 26—agreed to.

Clause 27—Amendment of Section 59B:

**The HONORARY MINISTER:** I move an amendment:

That after the word "subsection," in line 1, the following be inserted "(1) of section."

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

Clause 28—Insertion of new Sections; poison not to be sold or given to aborigines:

**Hon. G. W. MILES:** This clause may be all right in the case of natives who are at large, but should not be made to apply to those who are in employment on stations. It is likely to affect the position of those natives who may be working for pastoralists.

**The HONORARY MINISTER:** Carelessness has been apparent on many occasions in the issue of poisonous substances to natives. This has sometimes resulted in their death or serious disability to other people. While arsenic has been given to aborigines, and sometimes poisoned baits. Every native is not a fit person to handle such things. The local protector ought to say whether such and such an aboriginal should have the right to use poisons.

**Hon. V. HAMERSLEY:** Apparently pastoralists are looked upon as a lot of idiots. If a man is qualified to be allowed to employ a native he should be deemed to have sufficient sense to use his discretion in other directions. That portion of the clause should be struck out.

The **HONORARY MINISTER:** The paragraph in question is important. It is only a matter of the local protector giving the necessary authority. The employer will not suffer as a result of this provision.

**Hon. V. HAMERSLEY:** I would be more inclined to trust natives than I would some white people when it comes to a matter of handling poison. There is no saying what harm may be done if we pass this.

**Hon. G. W. Miles:** I think the paragraph should come out altogether.

**Hon. V. HAMERSLEY:** I move an amendment:

That paragraph 59e be struck out.

The **HONORARY MINISTER:** This provision appears in the Dog Act, and the Solicitor-General considers it should appear in this Bill.

**Hon. V. Hamersley:** It should be removed from both measures.

The **HONORARY MINISTER:** Though it does not matter much, I would rather have the provision retained here.

**Hon. G. FRASER:** The provision ought to be retained. I have no personal experience of the North-West, but on an earlier measure I had a conversation with a North-West member who quoted to me several instances of damage to livestock through natives having free use of poison.

**Hon. G. W. Miles:** Was that a member of another place?

**Hon. G. FRASER:** Yes. If the provision is needed in the Dog Act, it is needed here also.

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

Ayes	..	..	..	..	9
Noes	..	..	..	..	6

Majority for	..	..	3
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#### AYES.

Hon. V. Hamersley	Hon. H. Stewart
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. H. J. Yelland
Hon. E. Rose	Hon. A. Lovekin
Hon. R. A. Stephenson	(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. J. Nicholson
Hon. G. Fraser	Hon. E. H. Gray

(Teller.)

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

Clause 29—Amendment of Section 60:

**Hon. G. W. Miles:** I welcome the new paragraph as to regulations for mission stations. I hope no more permits for establishment of mission stations will be granted in Western Australia, and trust that regulations will be made with regard to existing missions.

Clause put and passed.

On motions by the Honorary Minister, the following new clauses were added to the Bill:—

5. Section nine of the principal Act is amended by substituting the words "twenty-one" for the word "sixteen," in the first paragraph thereof.

16. Section twenty-seven of the principal Act is amended by substituting the words "twenty-one" for the word "sixteen" in the second line thereof.

22. Section thirty-eight of the principal Act is amended by inserting the words "or half-caste" after the word "aboriginal" wherever the same appears therein.

23. Section forty of the principal Act is amended by inserting the words "or female half-caste" after the word "aboriginal," in the first line thereof.

24. Section forty-one of the principal Act is amended by inserting the words "or half-caste" after the word "aboriginal," in the first line thereof.

Title—agreed to.

Bill reported with amendments.

*House adjourned at 11.48 p.m.*