

by that excuse, they might easily get away with it.

Hon. A. Thomson: But the sheep must bear a wool brand.

Hon. J. J. HOLMES: All travelling sheep are required to have a brand on them. But I am dealing with the gentleman who perhaps sold me some of his sheep to-day with his wool-brand on them, and two days afterwards he may be found taking them back, and on being challenged he may say he is taking them from one of his properties to another.

The CHIEF SECRETARY: This does not seem quite clear. I will postpone further consideration of the clause and submit it again to the department.

Clause postponed.

Clause 12—Amendment of Section 15 of the principal Act:

The CHIEF SECRETARY: I move an amendment—

That after "amended" in line 1 the following be inserted:—

(a) by striking out the words "and no sheep under the age of six months" in lines one and two;

(b) by adding a proviso at the end of the section as follows:—

"Provided that no sheep under the age of six months shall be deemed unbranded by reason of the fact that no registered wool-brand has been placed thereon."

Hon. J. J. Holmes: How is it proposed to verify the age of a sheep?

The Chief Secretary: The owners of the sheep may have a record of it.

Hon. C. F. BAXTER: On the second reading I mentioned the branding of lambs, and said they were supposed to be branded when weaned. But who is to say that the age of a lamb is six months?

Hon. L. Craig: They are branded off shears as a rule.

Hon. J. J. HOLMES: On small agricultural areas rams are put in at a certain date and taken out again at a certain date, and so the age of lambs can be practically arrived at. But some of the squatters in the North put in their rams at all times of the year and take them out in the same way. What I am concerned about is the passing of legislation which we cannot enforce. How are we to arrive at the age of a lamb? Perhaps if we had a more descriptive term, such as "sucker," it would meet the case.

Hon. C. F. BAXTER: May I suggest that the Chief Secretary get into touch with the department and ask them to frame a more workable amendment?

Progress reported.

House adjourned at 5.57 p.m.

Legislative Assembly.

Thursday, 19th September, 1935.

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

QUESTION—METROPOLITAN WATER SUPPLY, METERS.

Mr. NORTH asked the Minister for Water Supplies: 1, What type of meter is fitted at No. 2, Clive-street, Cottesloe? 2, How long has this type been in use in the Department? 3, Is it possible for this type of meter to speed up at irregular intervals, thus recording an excessive consumption?

The MINISTER FOR WATER SUPPLIES replied: 1, Departmental Frost. 2, Over 20 years. 3, No.

QUESTION—AGRICULTURE, PEA WEEVIL.

Mr. SEWARD asked the Minister for Agriculture: 1, What regulations will be put into force this year to prevent the spread of pea weevil? 2, Will he give immediate and full publicity to those regulations so as to permit sellers of seed to complete their contracts for the coming season?

The MINISTER FOR AGRICULTURE replied: 1, Regulation 48B under the Plant Diseases Act was gazetted on the 28th of

April, 1933, and is at present in force. This regulation reads as follows:—

48B. No person shall sell, supply, distribute, deliver, or dispose of any field peas (whether produced within or imported into Western Australia) to any other person unless and until such field peas have been fumigated with carbon-bi-sulphide in such manner as effectively to render the same free from the disease of Pea Weevil (*Bruchus pisorum*).
2, Yes.

BILL—LAND TAX AND INCOME TAX.

Read a third time and transmitted to the Council.

BILL—TRAFFIC ACT AMENDMENT.

Reports of Committee adopted.

ANNUAL ESTIMATES, 1935-36.

In Committee of Supply.

Debate resumed from the previous day on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Sleeman in the Chair.

Vote—Legislative Council, £1,742:

MR. WILSON (Collie) [4.35]: I join other members in expressing pleasure at the improvement which has taken place generally. I also join other members who have so well expressed their sympathies for the relatives of the two members who died since the previous session. I particularly desire to refer to the late Mr. John Seaddan, who joined the great majority while the House was in recess. To his relatives we can extend the most sincere regrets and sympathies of members of this Chamber. I accord a hearty welcome to the new members, namely, the member for South Fremantle (Mr. Fox), the member for Avon (Mr. Boyle), and the member for Katanning (Mr. Watts). I am sure we shall all appreciate their work amongst us. I join in expressing my regret at the illness of the Minister for Employment. With others, I shall be only too pleased to see him back with us again. There is no doubt that the strain of his work has been largely responsible for his illness. I wish him a

speedy and complete recovery. Of all the questions of public interest, that connected with unemployment plays the biggest part. I have been a member of this Chamber for 27 years, and I will say that the member representing an industrial centre like Collie, or any other centre of that kind, has during the last three years led a life that has been more or less a little hell, in the endeavour to obtain redress and work for the poor devils who have been numbered amongst the unemployed. Some four or five years have passed since the unemployment crisis first occurred. I am glad indeed to note that we are gradually emerging from that condition of affairs, and are making strides towards better times. Those people who have neither homes nor work are entitled to every consideration. We must all give credit to the Minister for Employment and his staff for the efforts they have made to place these men in work. Mr. Macartney and his staff have been a power for good in endeavouring to provide for needy cases. When the present Government came into office the standard of wages for those in receipt of Government relief was in the case of married men 14s. a week plus £1. Immediately the Labour Government took office they arranged a new scheme of employment whereby men were enabled to get additional work and receive additional remuneration. Part of this scheme allowed for margins for skill, and other qualities incidental to a man's work. As I have said, under the previous scheme a man, his wife and one child received 14s. a week plus £1, and nothing more. The Minister for Employment altered all that as soon as he could. The man who was receiving only 34s. a week altogether, went up to £2 2s. For every additional child 3s. per week extra was allowed. A single man could hardly get more than 7s. a week, and that was for sustenance. The amount was increased first of all to 21s., and then to 25s. a week. The Minister for Employment, however, found it possible to increase the figure to 30s. a week. I wish to compare the position in Western Australia with that in some of the other States. We have never had very much money with which to provide for unemployment relief, but for the most part the conditions here have been infinitely superior to those in other parts of the Commonwealth. I am unable to say whether there

have been any recent increases on the figures I have obtained. In New South Wales an adult receives 5s. 6d., a man and his wife 9s., and with one child the amount is 14s. The scale is increased by 2s. 6d. per child after the first child. In Western Australia the Government have been able to maintain the following rates:—A single person 7s. per week for sustenance only and when on relief work he gets fully 30s. per week; a man and his wife receive 14s.; a man, wife and one child 21s., with two children 28s., with three children 35s., with four children 42s., and with five children or more 49s. With the exception of single men all these rates are plus £1 per week. In Victoria an adult receives 5s. 9d., a man and his wife 9s., and with one child 11s. 6d., with 2s. 6d. for each additional child. Of all the Eastern States Queensland maintains the best scale. The adult receives 10s., a man and his wife 14s. 6d., with one child 18s., with two children 21s. 6d., with three children 25s., proceeding to a maximum of 42s. 6d. In South Australia an adult receives 5s. 1d., a man and his wife 10s. 2d., with one child 12s. 8d., with three children 17s. 9d., and 2s. 6½d. for each additional child. In Tasmania an adult receives 7s. 6d., a man and his wife 10s., with one child 12s. 6d., with two children 15s., with three children 17s. 6d., proceeding to a maximum of 32s. 6d. In all the States except Western Australia relief is paid by means of orders for rations, but in this State the Government pay 2s. in cash in every unit of 7s. There are two classes of workmen who seem to have been left out of what may be referred to as a mixed deal. Let me take the case of a man with a big family. I know of one man who has six or seven boys ranging in age from 16 to 27. Because he earned the value of the unit payments, the man himself was unable to get anything. The Minister for Employment inquired into the matter and I understand that two or three of the boys have now been given employment. The other class to which I would refer are those who are either limbless or maimed, as a result of accidents when at work or accidents in their youth. These unfortunate people are having the worst time of all. I know of three men, each of whom has lost a leg. They applied to the Pensions Department for a pension, but the department said they could not expect to receive one because they were not totally incapacitated for work.

Each was told he could get a job as a lift-man, a caretaker or a shopwalker. Such jobs, however, are not readily available, but meanwhile these men have no work and no income. They cannot get work because the employers want able-bodied men. These men should be assisted. The Federal authorities have never tried to help them. The man who lost a leg at the war receives a big pension, but if a man has suffered a similar loss in his youth or at some subsequent employment, he can get neither work nor a pension. I suggest that the State and Federal authorities should endeavour between them to provide some special scheme of support for men of this type until better times come along. I could give the names of three men whose ages range from 21 to 26 years, who are not in positions, and have had some trouble to get 7s. 6d. per week. Those men should receive more assistance than that. The Pensions Department have no time for them, and it remains for us to endeavour to help men in that unfortunate position. With reference to forestry matters, I noticed an advertisement some time ago calling for applications for the position of workmen's inspector. That position was inaugurated years ago, but at about the time the late Mr. Scaddan became Minister for Forests, it was decided that workmen's inspectors were not required. If it is not too late, I would like to see reinstated the men who previously held positions as workmen's inspectors. I am pleased that the Government have again agreed to appoint men to those positions, and, in fact, an appointment was made 18 months ago on the Collie coalfields. If it is possible, I would like those inspectors to do what they can to help those whom I would describe as the "under dogs" in the timber industry. The member for Nelson (Mr. J. H. Smith), when speaking on the Address-in-reply, dealt with the position of the timber industry, and he questioned whether the Government were giving the workers a fair deal. In my opinion, the Government have given the men a fair deal, but the contractors have not done so. He mentioned prices being given of up to £1 per load, and I interjected that 26s. a load had been given. He replied, "I have never heard of 26s. but I have heard of 25s. per load." I will present the position as I know it, and will give a case in point. A contractor tendered for timber and got the contract on the basis of a royalty to the Government of 12s. 6d.

per load. The contractor paid the cutters £2 a load. Another area was thrown open in the same district, and the same contractor submitted a bid at 26s. per load. The man got the contract. If he could pay only £2 to the cutters when he was paying a royalty of 12s. 6d. to the Government, what inducement was there to him to spend another 13s. 6d. as royalty to the State? He continued to give the cutters the same rate. That clearly shows that the contractor was exploiting the Government in the first instance, and certainly that the Government were not exploiting the men. I admit that in respect of some of the land the Government could well allow the royalty to lapse, but the question arises as to whether the cutters would reap any benefit. On the other hand, I am afraid the advantage would go into the pocket of the contractor. In my opinion, 75 per cent. of present-day cutting is carried out on private land. In those circumstances, how could we make the contractors pay? If the Government have to pay, the private people should also be made to pay, so that justice could be extended to the cutters. There is no doubt the under-paid cutters are not getting a fair deal. I entirely agree with the reforestation policy of the Government, particularly as it has been applied in the Collie district. Experimental work has been carried out there with success. Reforestation work has been carried out at Kirup, East Kirup and Collie, and this has assisted the unemployed position in the metropolitan area. The work has absorbed between 400 and 500 men. They are employed in establishing an asset from which the State will derive some benefit. I thank the Government for what they have done regarding the unemployed in the Collie district and also for the assistance they have rendered those who are unemployed in other parts of the State. The previous Government also did something along these lines, but during the past three years the present Government have advanced the work considerably. We have been able to supply the workers, and the forests have supplied the opportunity. In that way, 200 or 300 men have been employed. Additional work was started in the Wellington area, where upwards of 200 men were engaged on a dam. Then there is the railway deviation between Collie and

Fernbrook, which now absorbs over 200 men. That deviation will be of immense benefit in connection with the railing of timber and coal. Although the distance will be only half a mile less, the gradient will be such that the rakes will be able to take double the load that was hauled previously. That has provided work for over 200 men. Other road work has been undertaken and I trust the Government will be able to continue those operations. With regard to the Mungilup dam, diversity of opinion arose regarding the rate that would be struck for water supplies. When the Hon. A. McCallum was Minister for Works, a deputation waited upon him and we came to an understanding regarding what the cost would be. I speak subject to correction when I say it was then agreed that the Government would go on with the work and that the cost would not exceed £33,000. Unforeseen circumstances, for which no one could be held blamable, resulted in that estimate being exceeded. Borings were taken, and afterwards when the work was commenced, various soft fissures were struck, with the result that it was necessary to go down an extra 30 feet in order to get a sound base for the work. That necessitated extra expenditure amounting to about £14,000. The local residents are concerned as to whether they will have to bear the whole of the added cost, and have approached the Government with a request that they shall decrease the burden. I trust the Government will be able to help them. I congratulate the Commissioner for Railways and his officers on the good work that has been carried out by the railways. They are endeavouring to use local fuel exclusively. For years we approached various Commissioners with that object in view, but they did not seem to have much time for Collie coal. It may not be the best coal and, in fact, it is not. On the other hand, it is the best we have, and, in the circumstances, we should make use of it. There are two or three ways of utilising Collie coal, but previously no attempts were made to use it in the most advantageous manner. I noticed a report in the paper that Mr. Taylor, the manager of the Electricity Department, has returned and is to instal a new unit at the power station. I agree that Mr. Taylor is a smart man and I hope he will live up to his repu-

tation for smartness in connection with the machinery he is to put in. I hope he will see to it that sufficient power is made available to keep the metropolitan area fully supplied with current. If plenty of electric current is available, work will follow the current, and Mr. Taylor is the best engineer for that undertaking. The Government have embarked upon a proper course in determining to increase the supply of current. The Electricity Department uses a large quantity of Collie coal, the boilers being fed under the pulverised system. Last year the Government took more Collie coal than during the previous seven or eight years. Government orders totalled nearly 300,000 tons, which is the third highest figure reached since the Collie coalfields have been in existence. The Commissioner of Railways (Mr. Ellis) and the manager of the Electricity Department (Mr. Taylor) are to be complimented upon their recognition of the quality of Collie coal. There is one small matter I desire to mention. I do not like criticising people who are not here to answer my criticism, but what I shall say will be in the best spirit. I will refer to two awards issued by the Arbitration Court—the coal miners' award and the gold miners' award. From the inception of coal mining at Collie, away back in 1900, the coal miners have had the advantage of a sliding scale that governed wages. If the price of coal went up, instead of the companies reaping the whole of the advantage, a proportion of it, in accordance with the scale, was paid to the workers. Members can easily see what would happen if, unfortunately, war should break out between Abyssinia and Italy. The cost of everything would go up and the price of coal would probably rise enormously. Under the latest Arbitration Court award, the wages of the Collie miners may remain stationary. Of course, they may secure some small benefit because of any increase in the basic wage, but if the price of Collie coal should increase from 16s. a ton, which is what the Government pay now, to 25s., the companies will reap nearly the whole of the benefit. That arises from the fact that the Arbitration Court, in their latest award, did away with the sliding scale. The sliding-scale method of dealing with the wages of coal miners has been in operation for over 70 years. It is now 60 years since I first went into the coal mines in the Old Country, and yet the

system is still operating there. It was in operation at Newcastle when I landed there in 1886, and, I believe, it still operates there. But three or four years ago the Arbitration Court in this State dispensed with the sliding scale respecting Collie coal miners' wages and prices. What concerns me is that although the court deprived the Collie coal miners of the advantage of the sliding scale, they have included that system in the recent goldmining award. Now where is the consistency in that? There is no consistency in taking a sliding scale which has been in existence for 50 years from one set of coal miners and giving for the first time a brand new sliding scale to another set of gold miners.

Mr. Marshall: It was not too much; it was not over-liberal.

Mr. WILSON: No, that is so, but I want to know why the one sliding scale was taken from the one set of miners, and a new sliding scale given to another class of miners. The coal miners' sliding scale was—

In the event of the employers getting an increase or decrease in the maximum selling price of coal, then the employer shall increase, or may decrease, the wages of every worker of the age of nineteen years and over, one penny per day for every penny increase or decrease in the selling price of coal.

The sliding scale given to the gold miners provides that every increase or decrease of 10s. per oz. in the price of gold represents to the men an increase or a decrease of 4d. per shift or 2s. per week. It is not much, but it is there and I want to know why a sliding scale that had been in existence for 50 years was taken from the coal miners and a new sliding scale given to the gold miners. I suggest also that under the Miners' Phthisis Act, or under an amendment of that Act, an examination should be made on other mines in the State as well as the gold mines. I remember that years ago there was a great fire in the Perseverance gold mine, Kalgoorlie, and in order to find employment for the men thrown out of work some of them were sent to Collie, where they proved to be very good miners. But a few of them are still there and they have the latent disease which they brought with them from the goldmining areas. Those men are excluded from getting any compensation under the Workers' Compensation Act. I think if it be possible the Government should investigate that position in the hope of doing something for those men. Not all the strata in the area of Collie

coalfields is soft material. Indeed, some of it is very hard crystallised stuff which will set up miners' disease just as do the reefs and lodes in the goldmining areas. My point is that since the men on the goldfields have to be examined the men at Collie too should be examined and entitled to get redress under the third schedule of the Workers' Compensation Act. Another point: I had the Minister for Education at Collie some time ago, and of course he had a look through the schools. There are about 700 children in one school, for we have a big population down there. It is a very good school, but the class of education provided is not the best that could be got for the young people there. I understand that the Government have recently considered the position and are improving matters in that connection. However, there is one point which has been passed over, namely, that the quarters are not fit for any teacher to live in. I suppose they are about the worst quarters in Collie. And if a teacher decides to live elsewhere than in the quarters provided for him he still has to pay his rent for those quarters. I suggest to the Minister that in order to make those quarters habitable they should be renovated up to the requirements of a highly paid teacher. In conclusion, I think this House should consider whether it is not possible to induce members of another place to share some of our work in the electorates. Some of us have our time fairly occupied with questions of pensions and taxation on behalf of our constituents, but so far as I know members of the Federal Parliament rarely undertake any work of that sort, and after the State member has spent a lot of time and energy in getting some postal or telephonic service established in his district, you hear that a vote of thanks has been passed over you to the Federal member for your district. So if there is to be any alteration made in the Constitution of another place, I think it should be possible to define some of our activities that might reasonably be placed on members of that House.

Mr. Marshall: Just to keep them out of mischief.

Mr. WILSON: I can say that during the depression for two or three years the life of an Assembly member in an industrial district in the South-West was hell. I had in my own electorate a mine closed down and six or seven timber mills closed up,

and I do not know how many the member for Forrest had in the same position in her electorate. Thank goodness things are better now, for the timber industry is looking up and so is the coal mining, and I hope that the near future will provide full time work and better wages for those now on relief work.

MR. NORTH (Claremont) [5.10]: One of the points I wish to deal with briefly is the balancing of budgets. Much is being said nowadays of the necessity for balancing the Budget. That is only too obvious to all of us, for individuals have to balance their budgets, and the States are also expected to do it. But it is most unfair that the States should be expected to balance their budgets while the Federal Government are able to show a surplus, for they are in control of the monetary supplies. It is very obvious that it should be the other way round; the Federal Government should be showing deficits if necessary, but every State Government should be in a position to balance its Budget year after year. Actually the relations between the States and the Federal Government should be those between individuals who have to balance their budgets. When we as a State run into deficits we get into an impossible position, since the Federal authorities control our monetary supplies. If we were in the position of controlling our own monetary supplies, an unbalanced Budget would not be so important. The best reason I can give for saying that is that Sweden has now definitely accepted an unbalanced Budget. Sweden apparently is now prepared to unbalance its Budget yearly, instead of raising loans.

Mr. F. C. L. Smith: How long is that to last?

Mr. NORTH: It is going to keep running on. Sweden is the first civilised nation to make this new departure. If the Federal Government were in a position to finance us sufficiently to balance our budgets, then the question of their showing any deficit themselves would be their own affair, because they are in control of the money supplies and could increase their new money each year as they needed it. What seems difficult to those not interested in the subject is that no nation can increase its new wealth if it has not kept measuring that

new wealth. We here think that because we increase our new wealth we have to keep on balancing the Budget.

MR. RODOREDA (Roebourne) [5.14]: It must be very gratifying to all members to have such a Budget as that before us. In spite of the restrained optimism of the Premier, I think we ought to congratulate ourselves that such a marvellous result was shown in the finances last year and that there is an entirely hopeful outlook for the current year. The member for Katanning (Mr. Watts) last night mentioned the need, in his opinion, for monetary reform, and said there was no doubt that the brain of man, which has solved the problems in regard to preventive measures against disease, etc., could solve the problem of monetary reform. I agree with him, with this reservation: There is no doubt that the brain of man could solve the question if those investigating the problem were allowed to act without restriction. But every possible restriction is placed in the way of those who advocate monetary reform and who submit any concrete scheme to that end. In relation to other matters, the brain of man is given all possible scope. His efforts are stimulated in every way and he receives all possible assistance, but when it comes to an investigation of the problem of monetary reform, every obstacle is thrown in the way. People who have charge of the finances and of the financial system undoubtedly wish to retain their hold, and that is the main trouble confronting all monetary reformers—to secure control of the financial system from those who exercise it at present. All that, however, is talking about money in the abstract. I desire to bring before the notice of the Premier a matter regarding money in the concrete—a definite entity. I refer to taxation and the method of assessing taxation in this State. According to his Budget Speech, the Premier anticipates receiving from income tax this year about £230,000, or roughly £5,000 less than the actual receipts for last year. I sincerely hope that he will not be disappointed in his estimate, but I wish to point out one avenue from which I believe he will not receive the revenue he anticipates in the current financial year. I should like to explain the position of most of the people engaged in the pastoral industry in this State. Their invidious position has been caused by the

State method of assessing income tax as compared with the Commonwealth method. There is a provision in the Income Tax Assessment Act whereby losses for previous years may be deducted from the income for the year for which the return is furnished. In the Commonwealth, provision is made for five years preceding the year of assessment, but in the State, provision is made for only three years preceding the year of assessment. The whole point involved is the definition of the term "year of assessment." That term, of course, means the year after the year for which the return was furnished. When we allow taxpayers to deduct losses for three years preceding the year of assessment, we really allow them to deduct losses for only two years preceding the year in which the return is being assessed. That is obvious to everyone because there have been so many rulings from the Taxation Department on the point, but I doubt whether the point was appreciated by Parliament when the amending legislation was passed. It is quite clear from a perusal of the debates on that occasion that members did not understand the meaning of the term "year of assessment." Let me traverse briefly what occurred on that occasion. The amending Bill was introduced into this Chamber and was transmitted to another place. There a select committee was appointed to consider the provisions of the Bill. The select committee recommended that a period of five years preceding the year of assessment should be granted for the deduction of losses, that is, losses incurred in any one or more of the five years. The amendment was passed by another place, and when it came up for consideration here, the Minister in charge of the Bill, the late Mr. Scaddan, made some remarks which are reported in "Hansard" of 1921-22, pages 2978-82. The amendment was No. 3 affecting Clause 7 of the Bill and the portion in question reads—

(2) (a) Net trading, prospecting, or business losses incurred in one or more years during the five years preceding the year of assessment. (b) Net losses arising over a like period from the loss of stock in trade, crops, and live stock due to droughts or other circumstances or conditions over which the taxpayer had no control or was unable to protect or insure against.

Mr. Scaddan said—

The Council have made only a few alterations, the principal one being in Subclause 2, which, as it left the Council, read as follows:—

Net trading, prospecting, or business losses incurred in one or more years during

the five years preceding the year of assessment.

The effect of that amendment will be that if a man makes a profit of £1,000 this year, but has made a loss of £1,000 in one or any year during the five years preceding the year of assessment, he shall be able to set the loss against the profit and thus pay no income tax.

Further on he said—

An individual could make profits for four years and yet go back to the fifth year, when he made a loss, and deduct that from his income this year, and perhaps pay no income tax.

That statement was quite wrong. He could not go back five years; he could go back only four years. The Minister was confusing the year of assessment with the year for which the tax was furnished. No one at all during the course of the debate, which was very lengthy, drew attention to that point. The Minister continued—

I move a modification to the Council's amendment—

That in Subclause 2, paragraph (a), the words "in any year during the five years" be struck out and "in the year immediately" be inserted in lieu.

That meant that he would allow losses to be deducted for the year immediately preceding the year of assessment. That, of course, was the year for which the return was furnished and was an absurdity. It meant that a taxpayer could deduct a loss for the year for which he furnished a return showing a profit. There is no doubt that the Minister did not want to make an absurdity of the amendment; he wanted to allow some deduction, if only one year's losses, from one year's profit, but he did not do it by that amendment. The amendment shows that the Minister did not understand the meaning of the term "year of assessment." Although the point was debated, no mention was made of the meaning of the term or that the effect of the amendment would be an absurdity in that it would allow no deduction. Further on the Minister stated—

The Committee might consider the desirability of reducing the five years to three or one. I do not like the three years' provision, because it leaves it open to traders to take advantage of one bad year to make a sudden reduction in their incomes when they have had a good year and are in a position to pay the tax. To test the feeling of the Committee, I move a modification—

That the words "one or more years" be struck out.

If that is agreed to, I shall then move a further amendment to insert the words "the year immediately preceding."

That has the same meaning.

Hon. P. D. Ferguson: The year of assessment is always the year after.

Mr. RODOREDA: Yes. The income for the year ended June, 1935, is assessed this year. To provide that a taxpayer may deduct losses for the year preceding the year of assessment is absurd. It means nothing. Later on, according to the report, there was argument about the Council's amendment, and Mr. Pickering said—

It is possible that a serious loss might be sustained in one year which cannot be counteracted by next year's income. Therefore, I think the Council's amendment is right.

Anyhow, the amendment allowing taxpayers to deduct losses for three years preceding the year of assessment was passed. Anyone who has read that debate can come to only one conclusion, namely that Parliament intended to allow business people to deduct losses for three years from one year's profit. There is no doubt that that was the intention of Parliament, but the legal interpretation is that they may deduct only two years' losses from one year's profit. The interpretation that the Commissioner of Taxation has placed upon the amendment is unquestionably the right one. There is no ambiguity at all in the Commonwealth legislation. Under the Federal Act taxpayers are allowed to deduct four years' losses—if they have sustained losses in the four years—from one year's profit. I should like to show members what a difference this makes in a specific instance. I do not say that the instance is typical of the experience of pastoralists. It certainly is not the worst one, but I would not say it is an average one. Still, all of the pastoralists are being hit more or less, owing to a peculiar combination of circumstances which might not recur for goodness knows how long. The figures I am about to quote were supplied in taxation returns to the department and have been verified by an accountant. They concern the income tax return of a pastoral company, not a limited company, for the year ended June, 1934; that is, the last year's assessments which have just come out. Let us go back five years. For the year ended 30th June, 1929, a loss of £392 was shown; for the year ended 30th June, 1930, a loss of £1,393—both these being mainly depression and drought years; for the year ended 30th June, 1931, a loss of £6,265 was shown; for the year 1932, a loss of £1,514; for the year 1933, a loss of £545; or a total loss for the five years of

£10,109. For the year 1934, a highly favourable year during which an unexpected rise in wool prices occurred, the same property showed a profit of £12,714. The actual result for a period of six years was a net profit of £2,605. Roughly, £50,000 of capital has been put into the property. Allowing a reasonable return of 5 per cent. simple interest, the company would have netted over the six years about £15,000, instead of the £2,605 of profit actually shown. Now I come to the taxation. State income tax payable for the year 1933-34, which showed £12,714 profit, was £1,945, and financial emergency and hospital taxes amounted to £532; a total State taxation of £2,277. This means that the actual profit for the period of six years was less than £350. The Federal tax for the same year is calculated on a profit of £1,150. I have not available the exact figure of the tax imposed, but hon. members can form some idea of it. The Federal tax, I repeat, was calculated on £1,150, or far less than the amount of State tax payable and due. The company had an enormous increase in stock; and the large profit shown is mainly due to the fact of their possessing a great deal of extra stock at a set valuation, which may not be realised upon disposal of the stock. However, the company must adhere to that valuation. So the profit shown is not a cash profit at all. To put their country in good enough order to carry that large increase of stock, the company have had to borrow money. Now they are up against it. They cannot borrow more on the property, which is practically mortgaged to the hilt. They have received from the State a bill of £2,277 for income tax, and they cannot get the money anywhere. Therefore I suppose they will approach the Commissioner of Taxation with a request for time to pay, making some arrangement about instalments or whatever other arrangement the Commissioner may be good enough to grant. I suggest to the Treasurer that he do all in his power to persuade the Commissioner of Taxation to be as reasonable as possible with these people.

Mr. Marshall: Do you think that if time for payment were allowed, the taxation would be fair?

Mr. RODOREDA: That is another point altogether, to which I am coming now. The principle of taxation which allows such a

thing as this to occur is, in my opinion, utterly wrong and unscientific. By merely investing their money at 3 per cent. and sitting back and doing nothing, the company would have had at least a few thousand pounds profit. Then they would have created very little employment, and would not have created any big asset for the State, nor would they have produced anything of exportable value. All in all, the matter seems to me one requiring the Government's earnest consideration with a view to arriving at some more equitable method of taxation for an industry in which the fluctuations of the value of the product are so wide—one year up to the sky, and the next year down very low indeed.

Hon. P. D. Ferguson: How long is it since the assessment measure was before Parliament?

Mr. RODOREDA: The Act was before Parliament in 1922. I do not blame the present Government for the position. The provision in question has operated for 14 or 15 years. But I do ask the present Government to consider the matter seriously and see what can be done to make the taxation more equitable. I am aware that negotiations are proceeding for a uniform taxing measure covering both Commonwealth and State taxation. With that in view, the Government should investigate this position thoroughly, in order to be able to put up their arguments for or against what I suggest, when the uniform taxation proposals take concrete shape. After the Government have investigated not merely the case I have quoted, but hundreds of similar cases, they will, I think, agree that the present method of taxation is utterly unscientific. Had the company been able to go back even three years beyond the last year for which they had furnished a return, they would have been able to deduct £6,000 odd loss from the profit they showed for that last year. It is the unusual combination of circumstances—four years behind the year of assessment having been the years of greatest loss—that has prevented the company from getting an allowance for the loss. In the year in which they could have got that allowance, they showed a loss also. I trust the Government will take note of my remarks

and look into the question. Undoubtedly the intention of Parliament has not been expressed in the Act. The intention of Parliament must be carried out. If the Act does not do that, this Parliament should amend the measure as soon as possible. There is another matter on which I desire to touch, more with the idea of giving information to the public than in the hope of getting anything done to remedy the trouble. I refer to the big expense under which North-West members labour as compared with other members of Parliament. I suggest that the Government take into consideration the question of furnishing some sort of travelling allowance for members representing North-West constituencies. The fact that we do labour under a disadvantage is recognised in the Income Tax Assessment Act, which allows us to deduct £100 from taxable income for travelling expenses.

The Premier: I get that allowance, too.

Mr. RODOREDA: Metropolitan members are allowed to deduct £50.

The Premier: I am on the same scale of deduction as you are.

Mr. RODOREDA: That is absolutely wrong. The relief which the deduction of £100 from taxable income represents to the North-West members is infinitesimal. However, there is a recognition that we do labour under a disadvantage as compared with metropolitan members and, I would even say, country members representing southern electorates. In the Assembly there are only four North-West members, and nearly all of us have to spend five or six days in getting to our constituencies. We have no railways to take us to them. We have to go either overland by car, or travel by steamer. In our own electorates we have to rely entirely on our own resources to get about. We have to hire motor cars, or travel by the mail cars and pay for it, or take our own motors up; and thus we are under continual expense when visiting our electorates. I have made it a practice to visit my electorate once every year. It takes me about three months to cover the area, and I have to travel 4,000 or 5,000 miles to visit even the principal centres in the electorate. Hon. members know what it costs to be away from home and travelling for about three months in every year. The member for Kimberley (Mr. Coverley),

I believe, has been away travelling for five months this year—travelling by motor car, packhorse, camel, donkey, lighter, lugger, and in fact anything that enables him to get about. The hon. member has to go through that process every year in order to visit his constituency adequately. Taking those things into consideration, some concession might be made in the way of a travelling allowance. The matter can be safeguarded. Undoubtedly, if it is left in the capable hands of the Treasurer, it will be safeguarded.

The Premier: You have made out a very good case, and I will see what I can do.

Mr. Moloney: The hon. member had better let well alone now.

Mr. RODOREDA: If I have an assurance from the Premier that he will look into the matter, I have no more to say.

Progress reported.

House adjourned at 5.44 p.m.

Legislative Council,

Tuesday, 24th September, 1935.

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

QUESTIONS (2)—ELECTORAL.

Circulars to Council Electors.

Hon. J. J. HOLMES asked the Chief Secretary: 1, Is it a fact that communications have been sent by the Electoral De-