days a good geographical position. I thoroughly approve of the zone system on the railways, and I would like to see it carried out to its fullest extent. I do not intend to delay the House much longer, only to ask members to take a note of the remarks that the member for West Perth made, although based on figures that were hardly correct. I would like to say I do not appreciate the Minister for Railways giving figures to the country that are absolutely misleading. He says there was a profit last year of £109,957 when really it was only £22,744.

THE TREASURER: He explained.

MR. HOLMAN: I do not think the Minister of Railways made any explanation whatever. We all know there was a certain amount placed toward capital expenditure. It was explained in the report, but I maintain if the Labour Government had done what they might have done and placed the £87,000 to capital expenditure—it could have been placed from loan funds—a different position would have been shown; but the Labour Government insisted on showing the true state of affairs. They could have shown a deficiency of £40,000 instead of £128,000 as they did. We knew the exact position when we were in power; but rather than mislead the country we desired to show the exact state of affairs. I would like to see the Government do exactly the same thing. There is another matter we shall have to look into, and that is in connection with the Estimates on Railways last year. We all know there was a total amount of £50,000 or £60,000 less on the Estimates last year than previously. Take for instance an amount which we always provide for new works and improvements, £25,000. That was knocked off the Estimates and placed with other items. An amount of over £62,000 in wages alone made a reduction of something like £65,000. There were several other large reductions, and in face of that the railways only came out this year with a profit of £100,000 above working expenses and interest. Now, because the railways show a profit, we are asked by the timber companies, who think this a good opportunity, for a reduction in freight to give nearly the whole of the amount to them. It would be far better to show the exact position of the railways and not give any reduction until we are in a position to do so. If the Government are determined to give concessions to the timber industry, I hope these will be given under the recommendations of the timber inquiry board.

On motion by MR. TROY, debate adjourned.

ADJOURNMENT.

The House adjourned at 10·41 o'clock, until the next day.

Legislative Assembly,

Thursday, 23rd August, 1906.

THE SPEAKER took the Chair at 4.30 o'clock p.m.

PRAYERS.

QUESTION—BATTERY BOARD REPORT.

MR. JOHNSON having asked, the MINISTER FOR MINES replied that the report of the Royal Commission in connection with Public Batteries would be laid on the table towards the end of the next week.

PAPERS—RAILWAY WORKSHOPS INQUIRY.

MR. BOLTON'S MOTION—A REPLY.

THE MINISTER FOR MINES AND RAILWAYS (Hon. H. Gregory) said: I desire to move that certain papers in

connection with the motion carried last night, which was moved by the member for North Fremantle (Mr. Bolton), be laid on the table of the House; and in doing this I ask for permission to make a short statement. I may say that I have not yet been able to peruse the papers myself, nor have I been able to peruse this letter I am about to read to the House, and which I have asked for from the Commissioner of Railways, dealing with the statements made in the House yesterday by the member for North Fremantle (Mr. Bolton). The Commissioner's letter says:—

Commissioner's Office, Perth,
23rd August, 1906.

The Hon. H. Gregory.

(1.) I have read with much pain the remarks published in this morning's newspapers used by Mr. Bolton, M.L.A., in the Assembly last evening. As you are aware, I am laid up at home with a severe attack of pleurisy, otherwise it would have been imperative that I should have seen you at once. I have instructed my office to send to you at once every paper we have that deals with the question raised. There is no reason to my knowledge why anything should be kept back or withheld, and it is pretty well known through my staff that I should severely deal with any attempt to do anything of the sort. I hope Mr. Bolton will therefore feel assured on that point.

(2.) Now as to the general matter touched upon by that gentleman, I ask the Government to relegate the matter to be inquired into by some judicial authority before whom Mr. Bolton can be fairly asked to make his specific charges and support them so far as is within his power. I shall be pleased to assist in such an inquiry to the utmost. The State has a right to know whether its officials are rogues or not, and to me, at any rate, it appears to be a duty devolving upon the State to afford to such officials an opportunity of refutation and defence. The history of this State affords instances where high officials have been hounded to death by the statements made in the newspaper Press, and in every place. The rewards of painstaking duty should be neither death nor disgrace, and it is not too much to ask that there should be a possibility of the State being proud of the integrity of those whom, perforce, it must trust.

(3.) During my term of office I have held many inquiries into statements which have appeared; in every instance where proof has been forthcoming, I have taken action, and have been severely criticised for doing so. In the majority of cases, inquiry has shown that "tittle-tattle" has been the main point, and disappointment on personal grounds the motive. It is out of the question with me—and I am disappointed to find that anyone who knows my career should doubt it—to deal other than by direct simple means with either high or lowly persons or affairs. The file will show that searches were made in the house of one high official with his consent; had he withheld it, I should have issued a search warrant. The file shows the result.

(4.) It is farther necessary to draw the attention of the State that on January 20th, 1906, *The Railway News*, which it is understood is the official organ of the Railway Association, of which Mr. E. Casson is the secretary, published some statements affecting the strange subject, and I at once wrote and asked them to assist me by giving me farther information. Although no fewer than three repeats were sent to that paper, no reply in any shape or form has been received. May I suggest that if members of Parliament or members of the public have information within their suggestion, they would be assisting the Commissioner in the government of the Railways if they imparted such particulars as would enable enquiries to be made. Such a course at any rate would have an element of fairness in it. It may be urged that probably the matter would be "hushed up" or "faked up" if that were done. If that is really the opinion held, then the true course should be to impeach the Commissioner before the House and give him his manhood's right of defence. The State cannot afford to have at the head of its great earning concern a man whose honesty of purpose and action, justice, and integrity are doubtful; on the other hand, it cannot afford to allow of a doubt to be cast without an opportunity being given as I have said. I therefore ask the Government to appoint some high judicial authority to hold an enquiry without delay; and while every paper will, I believe, be sent with this letter, as soon as I can get about again I will personally go through same. I want everything exposed to the the light of the day, and I have no fear of the result either for myself or for my officers.

(5.) Every care should be taken of these papers. The issue will not allow of any possibility of any paper being mislaid.

(Sgd.) W. J. GEORGE,
Commissioner of Railways.

I want to say that when speaking last night I stated I would not grant an inquiry into this matter, because if I did so I would perhaps be creating an impression that I believed one word of what the member stated. But after thinking over this matter, knowing these aspersions have been cast by a member of the House, there can be no other course for the Government to adopt than to have a Royal Commission appointed; and I wish to give members to understand that, with the consent of the Premier, we intend to appoint a Royal Commission to deal with the charges made. The member for North Fremantle will therefore be put to some extent on his defence. He has

made charges in the House, and when a Commission is appointed I hope he will come forward and give evidence, and show that these officers are not guilty of an offence, and if that is not so, I hope he will assist to sheet the charges home.

MR. H. E. BOLTON (North Fremantle): I wish to say that I shall give every assistance to the Royal Commission. My endeavour was to get it appointed, and with every possible pleasure I shall assist the Commission. But I ask the Premier, is there to be any indemnity to the workmen?

THE MINISTER FOR MINES AND RAILWAYS: I assure the member that if any officer of the service comes forward with a truthful statement he has nothing to fear, and I am sure members of the House will see that fair play is given. But if we have men coming forward trying to sustain charges, tittle-tattle, or the sewage picked up in the street, then I think short shrift is better for them.

MR. JOHNSON: Do you usually have that kind of thing before a Royal Commission?

BILL—STAMP ACT AMENDMENT.

COUNCIL'S MESSAGE (REVISED).

Two amendments suggested by the Legislative Council were now considered in Committee; MR. ILLINGWORTH in the Chair; the TREASURER in charge of the Bill.

No. 1—Clause 2, paragraph (*a*), after the word "exempt," in line four, add the words "by proclamation published in the *Government Gazette*"—agreed to.

No. 2—Clause 2, paragraph (*b*), add the words "for goods exceeding half a ton, 6d.":

THE TREASURER moved that the amendment requested by the Council be made.

MR. HEITMANN: The Committee, after considerable discussion, decided to adopt something different from this amendment. Why was the Treasurer now so ready to adopt the recommendation of another Chamber?

THE TREASURER: The member for Gascoyne (Mr. Butcher) had moved an amendment in the direction of having the stamp duty fixed at 3d.

MR. BATH: That would be one charge.

THE TREASURER had objected at the time, and the Legislative Council now suggested that we should charge double that amount for goods exceeding half a ton, coastwise. Bills of lading were subject to a shilling duty stamp. We passed an amending clause which provided that shipping receipts in lieu of bills of lading, coastwise, for any goods up to half a ton weight or measurement might be stamped with a 3d. stamp. That left bills of lading for everything above half a ton at 1s. He had pretty good authority for stating that owing to the ambiguity of the old Act with regard to the stamping of bills of lading, the words "to be exported" created some uncertainty. It was thought they did not refer to goods shipped coastwise, and there was some ground for that conclusion. Therefore, the habit had been, he understood, not to stamp these shipping receipts. Representations had been made to him that if we instituted a charge of 1s. for every shipping receipt—and there were hundreds of them issued, he understood, by any steamer of magnitude trading along our coast—the course would be adopted of grouping the shipments, so that under one shipping receipt agents would group perhaps 20 or 30 different shipments of goods. If we now agreed to make the charge only 6d., which seemed a reasonable stamp duty, each consignment of goods would have its separate shipping receipt in lieu of a bill of lading, and therefore the revenue would derive some benefit.

MR. BATH: Was not the Minister's intention to have 1s. all round, whether on half-a-ton or over? This provision was carried by amendment, and the Minister opposed the amendment of the member for Gascoyne.

THE TREASURER: Yes; but that was to make the sum much lower than 6d. We should get more revenue by adopting this suggestion of the Upper House, and he hoped members would agree to the amendment.

Council's suggested amendment put and passed.

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

BILL—PUBLIC WORKS ACT AMENDMENT.

SECOND READING.

Debate resumed from the previous Tuesday.

MR. T. H. BATH (Brown Hill): On a perusal of this measure, I see no objection to either of the proposals embodied in the Bill as submitted by the Minister for Works. It will only improve a number of the sections sought to be amended, therefore I have no opposition to offer to the second reading.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the MINISTER FOR WORKS in charge of the Bill.

Clause 1—agreed to.

Clause 2—Acquisition of underground land:

MR. BATH: Had the Minister taken into consideration how the Public Works Department would be affected by the work that had already been carried on in relation to underground work, by which probably private property had been affected.

THE MINISTER FOR WORKS thought compensation had been made in only one case, that being in connection with the Mount Bay stormwater drain; but this Act did not propose to do away with compensation where there was any damage at all. This measure would affect certain drains which the department proposed to construct in the near future, and that was one reason why it was desirous to get the Bill through at an early date, because no damage would be done by the work, yet at the same time under the present conditions owners had the right to claim compensation.

MR. JOHNSON: The Minister stated that one claim had been put in and compensation paid. Were we to understand that there were no other claims pending?

THE MINISTER FOR WORKS: There were no more claims pending, but he was not a lawyer, and was not in a position to give a legal opinion. He did not see how we could make an Act of this kind retrospective.

MR. JOHNSON: Yes.

THE MINISTER FOR WORKS: It could be done, but he did not think it would be exactly a fair thing. The Government had not received and did not expect to receive any complaint. Everything had been arranged with perfect satisfaction so far, and there was no prospect of any claim for damage in the future.

Clause passed.

Clause 3—Amendment of Section 2:

MR. JOHNSON could not quite understand the idea of including stock route in the definition of public works. He did not know whether there was a desire to get the whole of the stock routes under the control of the Public Works Department. If that was the idea, he would oppose it.

THE MINISTER FOR WORKS: The object of the clause was to relieve a doubt as to whether the word "work" included stock route.

Clause passed.

Clause 4—agreed to.

Clause 5—Amendment of Section 94:

MR. JOHNSON wished to know whether the Minister had any particular bridge in view when he moved this addition to Section 94.

THE MINISTER FOR WORKS: The Act dealt with all bridges erected before the passing of the Public Works Act of 1902. It was desirable that the power to maintain and repair bridges and culverts should be applicable to bridges and culverts erected either before or after the passing of that Act.

Clause passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—STOCK DISEASES ACT AMENDMENT.

SECOND READING.

Debate resumed from the previous Tuesday.

MR. T. H. BATH (Brown Hill): Of course this is a matter with which I am not very familiar, but on looking through one of the clauses of the Bill I see an alteration of one section which I do not think makes it clearer. Section 11 of the old Act provides that every owner of infected stock or of stock suspected to be infected has to keep them from coming into contact with other stock until otherwise ordered by the inspector; and such

owner has to give written notice to the nearest inspector within 24 hours of the time when he shall have discovered or suspected such stock to be infected. This Bill provides that "every owner of infected stock, or of stock suspected to be infected shall forthwith give written notice." It strikes me that the provision in the old Act, "when he shall have discovered," is preferable. This means that an inspector may be able to punish a stock-owner for not having given notice to the inspector of the prevalence of disease in his stock when the owner himself had not discovered it. I do not think the alteration is one that is desirable. At least it should be proved that he himself had discovered the disease before he could be punished for not reporting it to the nearest inspector. The words in the old Act "when he shall have discovered or suspected" protect him from punishment or fine in that respect.

THE HONORARY MINISTER (Hon. J. Mitchell): It seems to me that this is perfectly clear. It would be impossible to give notice until he had discovered or suspected that stock had become infected.

MR. BATH: But it is not impossible for him to be punished for not having given notice.

THE HONORARY MINISTER: I think it would. If you will read the clause you will see it says:—

> Every owner of infected stock, or of stock suspected of being infected, shall forthwith give written notice thereof to the nearest inspector, and shall thenceforth keep such infected or suspected stock from coming into contact with other stock until otherwise ordered by the inspector.

It would I say be impossible for him to do that if he had not discovered that the stock was infected, or suspected of being infected.

MR. SPEAKER: If the Minister is going to reply now, it will prevent anyone else from speaking on this subject.

MR. W. J. BUTCHER (Gascoyne): The only difference I can see between this Bill and the principal Act is an alteration in the time originally allowed within which notice has to be given of the presence of disease among stock. Under the present Act the time is 24 hours from the discovery by the owner that disease is among his stock; in this Bill it is proposed that an owner shall give notice forthwith. That is not a great difference, so far as I can see; and as a stock-owner I can find no objection to the Bill. In fact, I think the new provision is rather an advantage to stock-owners, for it is decidedly to their advantage to keep their stock clean and to see that their neighbours do the same. I support the second reading.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the HONORARY MINISTER in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 11:

MR. BATH: The Honorary Minister had not grasped his meaning. While agreeing with the member for Gascoyne that it was to the advantage of a stock-owner to separate infected stock from others, yet the clause as printed would render it possible for an owner to be punished for not reporting disease when he might have no knowledge of it among his stock. The wording of the Act was preferable to that of the clause.

THE HONORARY MINISTER: It was surely clear that an owner could not be punished for not reporting disease before he was aware of its existence among his stock. However there would be no objection to reinstate the words now omitted.

MR. MALE moved an amendment—That after "shall" in the second line the words "as soon as it is discovered they are infected" be added.

Amendment passed; the clause as amended agreed to.

Clause 4—Amendment of Section 12:

MR. HARDWICK: This was giving rather too much power to inspectors. He moved that the clause be struck out.

Question passed, the clause agreed to.

Title—agreed to.

Bill reported with an amendment.

BILL—LAND ACT AMENDMENT.

SECOND READING.

THE PREMIER AND MINISTER FOR LANDS (Hon. N. J. Moore): In

submitting this measure for the consideration of members, I need offer no apology if I briefly refer to the development of our land laws up to the present date. I will not detain the House at length in doing so; but on an occasion of this kind I think it is as well that we should look back on what has been done in previous years. Lieutenant Roe, of the Royal Navy, was appointed Surveyor General and to administer the land laws of Western Australia, his commission being dated December, 1828; and as members know, the colony was founded on the 1st June, 1829. In those days the Land Regulations consisted practically of printed circulars issued to the Governors successively administering the Colony.

Land Grants in Early Days.

The land was granted at a nominal fee; and there were cases of large grants of land being alienated on consideration of the selector or settler having a certain amount of capital. In the case of a man investing £3 cash in the Colony, he was entitled to 40 acres of land; and many of our largest estates were alienated in those days on the understanding that certain location duties were to be performed. In many instances those location duties were not performed at all, and at a later period in the history of the Colony that condition was waived, in consideration of the holders paying a fee of 9d. per acre. That was done in connection with several large estates, notably the Peel Estate of 240,000 acres; Wellington Location No. 1 is another instance; and Wellington Location No. 26, now known as South Bunbury, is another. This was granted to Sir James Stirling in the early days, and is a property the unimproved value of which at the present time is something like £120,000 or £130,000.

Land Regulations, a Beginnnig.

This provision for waiving the location duties was contained in the first printed Land Regulations in the history of the colony, issued on the 28th January, 1841. And the document is rather interesting, as showing the difficulty which was experienced then in obtaining labour, with the result that the condition or location duties—which consisted mainly in many instances of residence on the land either personally or by deputy—had to be waived and a consideration of 9d. per acre paid. The first ordinary Regulations, as we now know them, were issued on the 30th June, 1843. Those were supplemented by Regulations issued in 1851, when what were known as pastoral and tillage leases were introduced for the first time, and these remained practically in force till 1860. These Regulations, and all other Regulations dealing with the alienation of the waste lands of the Crown in Western Australia, were made under an Imperial Statute intituled "An Act to repeal the Acts of Parliament now in force with respect to the waste lands in the Australasian Colonies, and to make other provision in lieu thereof." Under the Regulations of 1860, the price of country lands was fixed for the first time at 10s. per acre; and provision was then for the first time made for dealing with mineral and timber lands. These regulations remained in force until practically 1870, when Captain Roe retired after 40 years of faithful service as Surveyor General. He was succeeded by Mr. (afterwards Sir) Malcolm Fraser, who for many years represented the colony as Agent General in London. Mr. Fraser's first work was to prepare a fresh code of land Regulations in 1873, providing for the appointment of a Commissioner of Crown Lands, under which title the head of the Department of Lands and Surveys was known until 1898, when the new title of Minister for Lands came into use for the first time. These Regulations made provision for conditional purchase leases of blocks from 100 to 500 acres in extent. These were termed "special occupation licenses." They provided that the land should be disposed of at 10s. per acre, spread over 10 years. Poison leases were then for the first time provided, and as members are no doubt aware, it was a simple matter in those days to acquire poison lands, which were practically alienated at 1s. per acre. The procedure then was simple; it was that on the certificate of a neighbour or two neighbours or other gentlemen resident in the district, certain lands were declared as poison lands; and consequently members

will understand that in many instances, although there was a limited amount of poison on those lands, yet in very many instances a considerable amount of first-class land was alienated under those conditions. These Regulations practically remained in force until 1878, when others were substituted. The Regulations of 1882 differed very slightly from those in force at the time. In 1884, Regulations were made dealing with auriferous lands; but nothing of importance was done under those Regulations, as the draft had been prepared in great haste in consequence of a reported rich gold discovery at the Blackwood, which was afterwards proved to be a hoax. The then Governor, Sir William Robinson, when dealing with those Regulations returned the file with this minute attached: "These papers may now be filed; but they will be wanted some day." In 1883 Mr. John Forrest succeeded Mr. Fraser as Surveyor General and Commissioner of Crown Lands. In March, 1887, the Land Regulations under the Imperial Statute before referred to, were proclaimed. These special Regulations were to a great extent Mr. John Forrest's, just as the previous ones had been Mr. Fraser's. The leading feature of these Regulations provided for an extension of the period for which leases of land could be held from ten to twenty years, and the reduction of the rent to 6d. per acre. They also provided for a difference of conditions as between residence and non-residence, also a limitation as regards the age of a selector, also in regard to the amount of land which could then be held. Direct sale without improvements was done away with, and practically the present clause dealing with that was introduced. The minimum area was 100 acres. These are broadly the features of our land legislation to-day.

Homestead Farms, Grazing Leases.

In 1893 the local Legislature for the first time exercised the power to make land laws by amending the Regulations of 1887. Parliament subsequently passed the Homesteads Act, which provided for a free gift of 160 acres to every person not possessed of any land, and provided for grazing leases over second and third-class lands. The term "grazing lease" is a misnomer, because grazing leases are merely maturing leases. They were disposed of at 6s. 3d. and 3s. 9d. per acre; the payment spread over a period of 30 years. In 1898, the previous Acts and Regulations were consolidated, and these with certain amendments are what we are working under to-day. Admirable as they were when they were adopted, owing to the rapid expansion of land settlement going on at present the necessity for certain alterations in this regard is apparent to all, and has become increasingly pronounced during the last few years. When the Act of 1898 was introduced, it was undoubtedly a well-thought-out measure, and to a very large extent it met the needs and requirements that were existing at that time. The land that had been alienated was a very small area as compared with what we have at the present time, amounting to about thirteen million acres alienated or in process of alienation.

Alienation, more Stringent Conditions.

It is now imperative that we should give the most serious thought to the question of the alienation of our land. It is essential that some stringent conditions should be introduced, and that the area that can be selected by one person conjointly or individually must be restricted to a very large extent. Under the existing Act it has been practically possible for one individual to obtain under conditional purchase with residence 1,000 acres, under conditional purchase without residence 1,000 acres, and also by direct payment 1,000 acres. Provided that the rent is paid up and certain conditions have been completed, the land can be alienated within five years. It is also provided that 3,000 acres of second-class and 5,000 acres of third-lass land, or a maximum of 4,000 acres of grazing lease of mixed classes can be granted. Thus one individual could become possessed of something like 7,000 odd acres of land.

Repurchase of Large Estates.

It is our duty at this stage of our history to benefit by the mistakes of the past, and to see that no one individual can become possessed of a very large area. Otherwise, in the near future we will need to repurchase some of these estates. It may interest members to know that no less than 16 estates have been repurchased

from individuals who acquired the land at a very nominal figure. These estates represent 165,331 acres. The land was acquired for about £100,000; but adding interest and the cost of survey and other work in connection with these estates, they will have cost the country £183,931. With the subdivision of these estates we have no less than 529 settlers where we only had 14 previously; and they hold a total area of 136,426 acres, or an average of about 2,000 acres per settler as against practically 11,000 acres when the estates remained in the hands of their original holders.

Grazing Leases, how to be Classified.

At the same time, if we are to reach the highest development in agriculture it is essential that we should do something in connection with our grazing lands to work them in connection with our agricultural lands. As members know, second and third-class grazing leases have been held back for 2½ years. It was found necessary, owing to the ease with which valuable blocks were alienated from the Crown, that some steps should be taken in order to allow time to make the closest classification in regard to these blocks. The fault of classification to a large extent has been that it has been expensive, and that it has been impossible to keep the classification up to date. After mature consideration, I have decided to reintroduce grazing leases, but in a different form. I propose to divide the rural lands into two classes, that is cultivable land and grazing land. The cultivable land will be practically first-class and second-class land. The grazing land will be what is known as third-class land, including sandplain, poison country, and inferior country generally. To avoid first and second-class land being granted at bedrock prices for grazing leases, we have decided that all land shall be deemed cultivable until the applicant applies for grazing land, and if it is found that so-called grazing land contains cultivable land, the applicant will have to pay for the cost of classification. That will reduce the cost of classification to a minimum, and it will at the same time render inferior lands available to those who desire them. [HON. F. H. PIESSE: Do you propose to do that by Regulation?] Yes. Against the granting of this sandplain country as third-class land, it has been argued that in many instances sandplain country has proved a success for growing cereals. We all recognise that in some cases it has; but there are several kinds of sandplain, and it seems to me that it is very problematical if sandplain land is going to stand wheat-growing for more than two or three years. I do not think we shall be doing much harm if we allow sandplain country to be alienated as grazing land at 3s. 9d. per acre. In any case, if it is proved that it is worth more than we consider it is worth now, it will be possible for us to increase the price, because it is provided here only as a minimum price. We have been mistaken in the past in regard to land. The member for Katanning is with me when I say that many years ago we classed land as second and third-class that now, owing to the aid of superphosphates and other artificial aids, is producing good crops of cereals. So the time may come when some of this sandplain will be regarded as excellent agricultural land. When that time comes we will be able to increase the price.

Prices for Land—Maximum Area.

The minimum prices will remain practically the same as now, being—cultivable land 10s. an acre, and grazing land 3s. 9d. per acre. Land which is surveyed before selection will be classified, and each separate block will be dealt with specifically, though under free selection cultivable land will be 10s. per acre and grazing land 3s. 9d. We are carrying that principle out now. Some of the land to the east of Wagin and to the west of Kojonup has been cut up, and each individual block has been classified and the prices range from 7s. and 14s. to 18s. per acre. The question of the maximum area has been dealt with in this Bill, and it is indeed a very difficult question to deal with, having regard to the various districts of this State; because what might be termed an excessive area in one district would probably be in another district inadequate for a man to make a livelihood on. At the same time I think the maximum I have allowed will be found sufficient in most districts of the State. It is a point, however, that can be well threshed out in Committee, and I shall be glad to avail

myself of the knowledge of hon. members in regard to this question. The maximum is fixed at 2,000 acres of cultivable land with an equivalent of grazing land in the proportion of five to two, but with a maximum of 5,000 acres of grazing land. I have also decided that a married man shall be able to select 50 per cent. in excess. This I think is only reasonable, and possibly may encourage those matrimonially inclined.

Progressive Improvements.

One of the most important features in this Bill is in regard to progressive improvements, and it is done in order to block speculative selection. Under the conditions that have been in force to the present time it is practically not necessary for any clearing or cultivating to go on for the first 10 years on a man's lease. It is interesting to note how easy it is for the speculator to acquire land. At the present time, notwithstanding the very stringent inspection instituted within the last few years, there is no less than 12,380,035 acres of land alienated, while the land improved amounts to 2,470,965 acres. Of the latter 1,692,322 acres is ringbarked and partially cleared, leaving 778,643 acres that has been cleared, and of this 219,418 acres has been cropped and is now used for grazing, leaving 559,225 under crop and fallow. It means that only 4·3 per cent. of the land alienated is now under crop. The effect has been that genuine settlers in many instances have been forced back from the railway lines, or else they have had to buy their land from the original holders at an excessive price. Of course the way to reach these gentlemen in my opinion, though possibly the member for Katanning will not agree with me, is through a land tax; and I hope that before we get through the Committee stage of the Land Tax Bill the hon. member will realise that.

Hon. F. H. Piesse: You should make your land conditions more stringent.

The PREMIER: We must look at the experience of the past, and as we cannot make the law retrospective we must get at these people in another way.

Mr. Foulkes: Many selectors do not improve their places owing to want of capital.

The PREMIER: With a view to stopping action of this nature in the future, I maintain that progressive improvements will have a very good effect. We will insist that a man shall spend one-fifth of the value of the land every two years for ten years. Thus the land cannot possibly be held for any lengthy period without improvement. At the same time this will not be hard in any way on the genuine settler. At the present time if we take a 500-acre block which the man acquires at 10s. an acre, for the first two years it is held the only condition is to fence one-tenth of the area, and at the end of the tenth year the whole of the fencing must be done. The man is not required to spend money on the other improvements until after that period. Consequently he may practically sit on the land for ten years without doing anything but fencing. I propose in this Bill that the man shall spend on his 500-acre block in the first two years £50; in the first four years, £100; in the first six years, £150; in the first eight years, £200; and the first ten years, £250. He will not spend any more than he is required to at the present time, but he will spend it straight away; and instead of insisting on his doing fencing, we provide that he can spend the money in any way he thinks fit. In many cases it has proved a hardship, especially in the South-West districts where a man has a small area of good land, to insist on the fencing of the whole area. Possibly a man has no money to provide stock; he has expended his all in fencing the land, when the money could have been devoted to better uses—to clearing and getting a return from the land at an early date. Members will agree that this is a very wise provision in the measure. At the same time, as I said before, this provision, if adopted, will not prove a hardship on the genuine settler, but it will be an irresistible weapon to wipe out the efforts of the land speculator.

Decentralising the Administration.

The next important matter is the decentralisation proposals. These are contained in the Bill from Clauses 7 to 14 onwards. The idea is to give effect to certain proposals I have made in regard to decentralisation. In the first instance the Bill proposes to appoint two district land com-

missioners, who it is proposed shall have their headquarters, one at Katanning and one at Northam. These officers will to a large extent carry out the functions of an under secretary, and will have the various land agents in their district under their jurisdiction. It will be the duty of the officers to visit the various land agencies, in many cases once a week, and practically to act as the Minister's representative in the district. Power will be given to these commissioners to approve of applications received at the various local agencies. Each district will still have its local land agent, and it means that there will be two additional officers appointed, and these officers will visit each district, and will probably be able to deal with every application for land in that district. If the application is of a purely formal nature, and it is straightforward, the officer will be able to give approval right away. A man makes an application to-day, and he may be able to get his approval notice the same day. If it is found that the application clashes or overlaps other applications, it is proposed to have a board, constituted of the land commissioner, the local land agent, and a reputable local resident, who will deal with the simultaneous applications. An applicant can therefore go to the local office, and see if his application is granted or refused; instead of, as at present, when he makes an application which clashes, having to go to Perth and appear before the land board. If the application is refused, he will have an opportunity of putting in another application, and getting finality the same day. This will do away with a lot of delay existing at the present time. Under the present system obtaining in the department, the fact of a man sending a wire to expedite his application has often the opposite effect. The original application may have gone from the correspondence room and possibly reached the under secretary's table. A wire is sent by a person in the country asking why his application is not approved. The papers are taken from the under secretary's table, and have to go down to the correspondence clerk again. Then these papers have to climb up to the under secretary's table a second time. The very fact of a man sending a wire to expedite his application has the opposite effect. [MR. FOULKES: Cannot you remedy that?] I propose to remedy it by decentralising the work of the department. If the work of these two great districts is taken out of the head office, it naturally follows that the officers in the head office will have more time to deal with the correspondence from other districts of the State. I hope members will consider this matter thoroughly, and I am sure that if the decentralisation policy is effected, it will do great good. [MR. FOULKES: Each district could keep it own records.] As far as that is concerned, at the present time duplicate records are kept. In regard to plans, there will be no alteration in that respect, for the original plans are kept at the head office and duplicates at the local office. Under the present proposal, the originals will be kept at the local office and the duplicates at the head office. There are many things which we want altered, but we cannot do them all at once: other provisions can come in at a later date. At present we cannot issue survey instructions from the local office, for the necessary data is not there; but this may be gradually built up, and eventually it will be possible to issue survey instructions at the same time as the approval certificate is given. In the case of simultaneous applications, the officer, if he has a knowledge of the district, will know who is the most suitable person to receive an approval. It is decidedly more satisfactory to have a man who has a local knowledge of the district which he has to administer.

Pastoral Rents.

The next important proposal in the Bill is that dealing with the raising of rents of pastoral leases. I think it will be generally recognised that the pastoral rents are rather low. The member for Gascoyne himself realises that at present they could well be raised. I have included an amendment providing for an increase of rents in leases in the Western, North-Western, and Kimberley Divisions. The increase is from 10s. per 1,000 acres to £1 per 1,000 acres. In the new Central Division the rental will be 10s. per 1,000 acres. I have brought a plan to the House for members interested to see the new divisions. We have made six different divisions and altered the boun-

daries. In the Eastern Districts the rent will be 5s. per 1,000 acres, instead of 2s. 6d. during the first term of the lease; and the rent in the South-West will remain at £1 per 1,000 acres; while in the Eucla Division it will remain the same as it is now. Bearing in mind the fact that the rabbits have been a bit hard on the settlers in the Eucla Division, it is thought inadvisable to increase the rent there in any way.

MR. BUTCHER: Of late, the rabbits have not been so bad; they have eaten one another out.

Stocking Conditions.

THE PREMIER: It is proposed to alter the stocking conditions, and make it compulsory for pastoral areas to have one head of large stock or ten head of small stock per 1,000 acres within two years, instead of within five years as at present. And a farther provision is made reducing the term of notice to pastoral leases, if resumption is necessary, outside the South-West division from twelve months to six months. This is necessary in order to make the lands available in the North and North-West for agricultural settlement, so that we can do that in a shorter period than is possible at present.

Timber and Sawmilling.

The Bill does not to any extent deal with the timber question. That is a question which was very comprehensively dealt with in a Bill introduced in December, 1904, by the Daglish Government, a Bill to which I had pleasure in giving my support. It was then provided that there should be another and better system of leasing, and that the old system should be done away with—that if persons acquired land they should spend £20 per square mile there, and that a new system of sawmilling permits should be introduced instead. These sawmilling permits provide that a certain area shall be granted, in proportion to the cutting capacity of the sawmill plant; and also it is proposed that resumption shall be undertaken on timber leases, and land on which there is no marketable timber growing can be made available for selection. At present there is a considerable area of land being surveyed in the various districts with a view of throwing the land open for selection at an early date.

Power to Resume Land.

One member has referred to Clause 3, which states that "the Government may acquire the land by purchase or exchange." I think the clause pretty well explains what is really intended. It is a clause adopted from the Queensland Act. The Agricultural Land Purchase Act provides for purchasing land for subdivision for agricultural purposes, a provision for agricultural land which should be subdivided and sold at the present time. This Bill provides for the Government purchasing land for other than subdivisional purposes. For instance, if we want to purchase land for an experimental farm or anything of that kind under the Land Purchase Act, we cannot do it. If we acquire land under the Land Purchase Act, we must subdivide it and sell it; consequently this provision is inserted to enable land to be purchased or exchanged, so that the land thus acquired, or (if members prefer it) purchased, can be made available for settlement. The idea of "acquiring" is in case of exchange. The word "purchase" would hardly express what is required.

MR. FOULKES: If the owner of the property refuses to sell, can you compel him to sell?

THE PREMIER: There is no compulsory resumption at all.

MR. FOULKES: It can be made clearer in Committee.

THE PREMIER: That may be done. Provision is made in the following clause for power to resume pastoral land for agricultural settlement. This Bill gives power to resume land for any purpose whatever; that is to say, for horticultural settlement, mining, or any purpose whatsoever. When certain resumptions were made some years ago in the Northampton district, the Crown law authorities thought there was a doubt as to whether resumptions could be made for other than agricultural areas; and it is essential that the department should be able to deal with such land as ordinary Crown land.

MR. BUTCHER: Does that apply to all leaseholders or to the various districts?

THE PREMIER: It will apply to those throughout the State. This is inserted in the Bill in view of the case that occurred at Northampton.

Amending Provisions.

There are various other questions dealt with in the Bill. Clause 5 deals with the signature to instruments. At times questions are raised as to the validity of documents signed by the Under Secretary or officers of the department on behalf of the Minister. An effort should be made to settle this matter definitely. The following clause repeals the section of the principal Act providing for the balloting of blocks. In the amending Act of 1900, provision was made for the constitution of a board to deal with applications, which provision has proved an unqualified success. Certain power is given also under Clause 20 to enable Ministers to transfer the holdings of a deceased person where there is no administration. This will make the section more complete. It also provides for the transmission of the title without probate or letters of administration in certain cases where a holding is not of the value of more than £100. Instances have very often cropped up where land has been held for three or four years, and the widow in order to obtain possession of the land, has had to take out letters of administration, which have cost more than the land was worth. This clause is introduced in order that this may be done away with. Another clause gives power to the Minister to waive forfeitures, and is adopted from the Queensland Act. The present system simply means that the Minister really has the power; for although it states that the Governor-in-Council has power, it really means that the Minister forwards on the application for extension of time for improvements, and it is simply passed *pro formâ* by the Executive Council. The Council have not time to go into these matters in detail, and consequently we may just as well save the expense and formality of putting on one or two additional documents; it may very well be left in the hands of the Minister.

HON. F. H. PIESSE: The practice is already in force in connection with mining.

THE PREMIER: It is. I have referred to the various districts with the alterations made in regard to the pastoral leases. At present the divisions are the South-Western, the North-Western, the Western, the Kimberley, the Eastern, and the Eucla. The divisions now proposed are the South-Western, the North-Western, the Kimberley, the Central, the Eastern, and the Eucla. A new division is created, the Central, which includes portion of the present Eastern Division and the Central Goldfields. I have made the rabbit-proof fence the eastern boundary to two of the divisions. Outside of that will be the Central Division and the Eastern Division.

Residence Condition, also Non-Residence.

Members will notice also that I have provided in the measure that the residence of the wife, parent, or child over the age of 16 years, shall be accepted in lieu of the personal residence of a holder.

MR. BATH: That is in connection with any holder?

THE PREMIER: I have included this in the Bill with a view of meeting the case where the holder of a block is forced to seek work elsewhere. It has often been brought under my notice that a man has had to leave his holding and perhaps work on a timber mill. Under this provision if any of his relatives reside on the block, that will be deemed residence under Clause 28. I think this is a proposal which will commend itself to members. As to the question of non-residence, members will notice that we have provided for 50 per cent. extra improvements. This, in view of the progressive improvements, should be ample to insure that the land is worked. I have done this with a view of encouraging those individuals who possibly, at the present time, are not able to go on the land, but who would be prepared to put a portion of their savings into the improvement of their holdings. Say a man has a 500-acre block; in order to do double the improvements and comply with the Act it would seem he would have to spend £37 10s. per annum on the block. There are many men perhaps on the goldfields who would be anxious to invest their savings in those improvements, so that eventually, when they have finished with their work on the fields, they may have a home ready to go to; and the same with civil servants. I think we should en-

courage them to put their savings into the land, and in my opinion if we get 50 per cent. additional improvements the case will be very well met.

Poison Leases.

Clause 39 refers to the question of poison leases, and provides for the repeal of the poison lease sections of the existing Act. It seems to me that the time has arrived when the State should refuse to part with its estate at a shilling per acre, even though on some portions of the land poison plant is in evidence. It has been proved that if dealt with systematically, the poison plant can be eradicated cheaply, and in future these lands will be treated as grazing lands at 3s. 9d. per acre. It is also considered advisable to include in the Bill provision for dealing specially with poison leases granted under the old Land Regulations. The 1887 Regulations provided that leases granted under those regulations should be safe for depasturing stock for two years before the expiration of the leases. These leases expire on the 31st December next, so that the holders who did not have the poison eradicated and the leases stocked before the 31st December, 1904, could not obtain the Crown grant. During last month I forfeited one lease of something like 40,000 acres, where the conditions had not been complied with and could not possibly be complied with. But I have two cases in my mind which I wish to bring before members, so that they can realise the position which these two holders are in at the present time. Unless some provision is made, therefore, for modifying this condition, as far as the land being capable of depasturing stock two years before December this year is concerned, the result will be that the parties interested in certain poison leases will suffer a very heavy financial loss through no fault of their own. I refer to the leases held by the executors of Towns' Estate and by John Wilkie. In the former case, Mr. Towns some years ago acquired 37,903 acres under poison lease, and subsequently expended over £6,600 in carrying out the necessary improvement conditions. In September, 1904, this gentleman died, and the Curator of Intestate Estates was called upon to administer the affairs of the estate pending the arrival of a representative from America of the beneficiaries under the estate. Although so large an amount of money had been expended on these leases, some of them were not safe for depasturing stock, and in order to safeguard the interests of the legatees, the Government, through the Curator, attempted to complete the work in time to allow of the necessary conditions being carried out by utilising funds from the estate to the extent of about £4,000. This was found impossible, and the position now is that unless provision is made to enable the Minister to accept the improvements already done as a sufficient compliance with the Act, the beneficiaries will not only lose the money that was expended by Mr. Towns on the property, but also the amount that was spent by the Curator. The member for Guildford (Mr. Johnson) and I think the Leader of the Opposition are both acquainted with this particular case. It is a great hardship indeed, and I think if it can be proved to the satisfaction of the Minister in December this year that no poison absolutely exists on that estate, we may very well waive the condition that it should have been free two years before the expiration of the lease. The idea of specifying two years was simply to have proof ensuring the eradication of the poison plant from the area of lease.

MR. GULL: It is not so easy to eradicate the poison as you said just now.

THE PREMIER: In these cases it is a question of time. They did not get to work on it in time; that is the trouble. This is a particularly hard case. The representative of the widow was sent out here to make inquiry, and I know they are watching with great interest the result of the proposal we have made with regard to this Bill. In the case of Mr. Wilkie, that gentleman purchased 87,218 acres of poison leases less than three years ago, and the improvements effected by him on the land are valued by the departmental officers at no less a sum than £25,000. Despite the expenditure of this large amount of money in really *bona fide* improvements, the fact remains that some of the leases have not been rendered safe for depasturing stock. As Mr. Wilkie only secured these leases one year before the time by which the leases should have been stocked, namely 31st December, 1904, it can readily be seen that he has made very

strenuous efforts to comply with the conditions, so that if some relief is not granted this selector will be involved in most serious financial losses. In these circumstances it was deemed only fair that provision should be made in the Bill to allow of a title being issued in these cases, when the Minister is satisfied that the poison is eradicated and the full purchase money paid.

MR. GULL: Approximately, how much of that has been cleared?

THE PREMIER: I cannot say.

MR. COWCHER: They have been over it twice, to my knowledge. It is a tremendous amount of work.

MEMBER: Much of it is worthless.

THE PREMIER: I would not give 1s. 6d. an acre for it.

MR. COWCHER: Some of it is wretchedly poor country.

Homestead System to be Extended.

THE PREMIER: An amendment of Section 73 provides for an extension of the homestead leasing system to the Eucla and Central Divisions. At present it is limited to the South-Western Division and within 40 miles of the railway line. There is Grass Valley, and there are other places out Esperance way, where there is a fair area of good land; so that it is only reasonable those people should have opportunity of taking up blocks, the same as people in other parts of the State.

Pastoral Leases and Surrenders.

Clause 57 provides:—

> Every pastoral lease granted under Section 104 of the principal Act, on the surrender after the 21st day of August 1906 of a lease held under the Land Regulations in force at the commencement of the principal Act, shall from the commencement of this Act be held at the rent and subject to the conditions prescribed by the principal Act as amended by this Act.

That is to prevent any application received for conversion of 1887 pastoral leases from coming under the 1898 Act with the view of evading increased rent. I would like to say this is very important, looking at it from a financial point of view, because by the adoption of this clause people will be prevented from altering a lease, and at the same time we shall be securing something like £6,288 of additional revenue. I have a list of pastoral leases held under the old regulations up to date. In the South-West Division there are—under Clause 63, 17 leases of 47,700 acres; and under Clause 66, 403 leases of 2,313,105 acres; in the Western Division, under Clause 67, 113 leases of 4,272,906 acres; in the Eucla Division, under Clause 68, 37 leases of 1,044,160 acres; in the North-West Division, under Clause 69, 65 leases of 3,047,148 acres; in the Eastern Division, under Clause 70, 125 leases of 4,799,380 acres; and in the Kimberley Division, under Clause 71, 72 leases of 5,777,520 acres, or a total of 832 leases of an area of 21,301,919 acres affected. The present rents from these lerses amount to £5,162, and the proposed rents would mean an estimated increase in revenue of £6,288; so it is very necessary from the Treasurer's point of view that this clause should be given effect to.

Improvements on Pastoral Leases, how Valued.

Another important provision in the Bill is that dealing with Section 148. Clause 67 provides a better method of determining the value of improvements; it defines the procedure in regard to arbitrations in respect to conditional purchases out of pastoral selections. The procedure now is that if a selector considers the value placed on the improvements by the pastoral lessee too high, two arbitrators are appointed, and in the event of the arbitrators not agreeing, the matter is referred to the resident magistrate as umpire. This clause will to a large extent simplify the procedure in the direction of permitting the selector and lessee to appear in their own behalf before the referee, who will probably be one of the district land commissioners or some officer of the department. By this measure it is hoped that many of the mistakes of the past with regard to the value of improvements on pastoral leases will be obviated by having an experienced lands officer in the position of arbitrator in these cases. It will then be possible in many cases for these questions to be decided on the spot, instead of involving the parties in heavy legal expenses, as has occurred more than once in the past, especially in the Blackwood District.

Residential Leases, Working Men's Blocks.

Clause 69 I have already referred to on several occasions. This clause makes

provision for the conversion of residential leases into working men's blocks; and as this is a matter which will no doubt create a considerable amount of discussion, I shall reserve any farther remarks on it until the Bill gets into Committee.

Special Settlements for the Landless.

Clause 72 provides that the Governor may declare lands open as "special settlement lands." This is necessary in order that effect may be given to certain proposals I have made in regard to special settlements; and it will enable these reserves to be set aside, and at the same time enable us to frame regulations which will allow of land being acquired under certain conditions. I propose in connection with some of these reserves that the qualification of a selector shall be that he is absolutely landless; so that much of this land which has been subdivided will be available not only for those who come to our shores, but also for those who are resident here but do not possess any land.

Miscellaneous Provisions.

There is one other clause which I propose to introduce into the Bill during the Committee stage. It deals with selections on which ringbarking, clearing, and other improvements have been done before they are thrown open for selection, and it will be necessary to make certain provision whereby the cost of the work done on the land is to be added to the original price of the land, the expenditure thus incurred being spread over 20 years, at the rate of 5 per cent. on the original cost. Clause 75 and the remaining clauses call for no comment, and are intended purely to supply omissions which have been found in the principal Act, regarding the lodging of caveats. It is simply provided that the Under Secretary's name shall be substituted for that of the Commissioner of Titles under the Transfer of Land Act, and is practically word for word with the Transfer of Land Act. The existing practice is really an improper one—[MEMBER: And most unsafe]—and is most unsafe and irregular. The present practice is simply to make a note opposite the number in the Registry-book of the equitable interest, for what it may be worth; but we have no power to deal with it, and as one hon. member says, the practice is irregular and unsafe. These are the main features of the Bill—there are a few other consequential amendments, but they are unimportant—and if any member desires additional information in regard to the Bill, I will be pleased to give it during the course of my reply or in Committee. In conclusion, I would only like to say that I feel sure members will realise that in this Bill we are dealing with a very important matter, and that it is a question which all sides of the House can look at from a purely national point of view. I trust members will as far as possible assist the Government to achieve its desire to deal with the important matters of land selection and the disposal of our lands on the fairest and most equitable basis. We have a large estate comprising millions of acres entrusted to us to develop; and I am satisfied every member of this Chamber is actuated with a desire to see that our land laws shall be equitable. Therefore, I feel assured that in dealing with this measure, hon. members will be willing to give me the benefit of their knowledge and experience; and I on my part will be pleased to accept any suggestions which may be of value in perfecting this very important measure.

On motion by MR. BATH, debate adjourned.

On suggestion by Mr. Bath, the PREMIER promised to have provided for the use of members during the subsequent stages of the Bill copies of the existing Land Act (as far as available) and copies of the Land Regulations.

BILL—FREMANTLE JOCKEY CLUB.

IN COMMITTEE.

Clause 1—agreed to.

Clause 2—Empowering payment to Mayor and Councillors of Fremantle:

MR. JOHNSON asked why power was given under Clause 1 to the trustees to expend moneys, while Clause 2 also provided that it should be lawful for the trustees to pay over the moneys to the Mayor and Councillors of Fremantle. This seemed to be a double power.

THE MINISTER FOR WORKS: The Government were advised that the method adopted was the proper legal course for enabling the trustees to pay the money.

Clause passed.

Clause 3—agreed to.

Clause 4:

THE MINISTER FOR WORKS: On the second reading he had assured the House that he would ascertain the amount of legal costs in connection with the preparation of the Bill. He was advised that the costs would not exceed five guineas; and the Government was prepared to accept an amendment of the clause limiting the costs to that sum, if any member wished to move.

MR. DAGLISH moved an amendment that the following words be added:—"Providing that such costs and expenses shall not exceed the sum of £5."

MINISTER: Make it five guineas.

MR. DAGLISH did not deal in guineas, and preferred pounds.

Amendment passed; the clause as amended agreed to.

Title—agreed to.

Bill reported with an amendment.

BILL—LAND TAX ASSESSMENT.

MACHINERY MEASURE.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the TREASURER in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

HON. F. H. PIESSE Moved an amendment that in the definition of "improvements" the word "drains" be inserted. It was well to be specific, to prevent difficulty in the future.

Amendment passed.

HON. F. H. PIESSE: In the paragraph dealing with "improvements" it was provided that clearing the land from noxious weeds should be deemed an improvement. Under the Noxious Weeds Act the Governor-in-Council could gazette certain noxious weeds, but there should be specific mention in this paragraph of poison plants.

THE PREMIER: The clearing of poison could be allowed as an improvement, provided the benefit was not exhausted.

HON. F. H. PIESSE: Poison was generally regarded as a noxious weed, but was not included in the Noxious Weeds Act, and was not gazetted as noxious.

MR. FOULKES moved an amendment—

That in the paragraph dealing with "improvements" the words "or poison plants" be inserted after "scrub."

There were many poison plants which could not be called noxious weeds; and if a man cleared country of poison plants which were not gazetted as noxious weeds, then under this Bill he would get no benefit from this "improvement" in the shape of a rebate of the land tax.

THE PREMIER: They could be gazetted as noxious weeds.

MR. FOULKES: We should not depend on a *Gazette* notice. Poison plants should be specifically mentioned in this Bill.

THE TREASURER: There was no objection to the amendment.

HON. F. H. PIESSE: Administration would be made easier by the amendment.

Amendment put and passed.

MR. BATH: What was the meaning of the words "improvements the benefit of which is unexhausted at the time of valuation," the concluding words of the paragraph dealing with improvements?

THE TREASURER: If scrub or noxious weeds had been cleared off land and allowed to grow there again, the benefit of the improvement was exhausted.

THE PREMIER: Where timber had been ringbarked and neglected, and suckers had sprung up, the land would be worse than before; consequently, such ringbarking could not be accepted as an improvement.

INCIDENCE OF THE TAX—OPINIONS.

MR. BATH: In the definition of "owner," according to paragraph (*b*) an owner was a person "entitled to land for any leasehold estate or interest granted under the Land Act 1898 or any amendment thereof, or under any Land Act thereby repealed, with or without the right to acquire the freehold." It practically meant that the incidence of the land tax would be applied to those leasing land from the Crown. If we were to regard the land tax as imposed to secure portion of the unearned increment, it would be unjust, when those who leased land from the Crown were paying the economic rent on the unimproved capital value, to impose a fresh burden on them

in the shape of a land tax. If they were paying the annual economic rental on the land they held, there would be no justification for the State imposing any addition in the shape of a tax on the unimproved capital value. There might be justification for imposing a tax if the rent was less than the actual annual value represented by some percentage on the unimproved capital value; but even if that were the case the proper method would be to fix the rental at a fair annual rental on the actual unimproved value of the land.

THE TREASURER: It was quite right. If a lessee were paying the full value of the land in rental, he would not be taxed; but if he were paying less, he was not paying a rack rental; so it was just that he should be taxed to the proper proportion.

THE ATTORNEY GENERAL: This matter presented a complicated appearance, but was really simple. The hon. member talked of the economic rental. He (The Attorney General) would call it the rack rental. Assuming it was a rack rental, as distinguished from a peppercorn rental the leasehold had no value for the purpose of this tax, because no one would pay anything to go into the shoes of the lessee paying a rack rental, and we could not arrive at the unimproved value for taxation. If a man were paying all that the lease was worth to the Crown it had no surrender value. If he asked anybody to buy him out he would get nothing, because if another would step into his shoes the other would have to pay full value to the Crown. With a rack rental there could be no taxation, but there were many leases where a lower rental than a rack rental was paid. In those cases the leases had a value and could be sold, and that would be the basis on which this tax would be assessed. The lessee paying the full rental value of the land would not be affected. On the other hand, the lessee paying a portion of the full rental he should pay would be called upon to pay a tax in proportion to the amount his rent was to the full rent the land should bear.

MR. BATH: No clause in the Bill gave that interpretation. If we took for instance a pastoral lessee paying £1 per 1,000 acres, representing five per cent. on the unimproved capital value, the capital value of the pastoral lease would be £20 per 1,000 acres. By this Bill the lessee would be assessed at 1½d. in the £ on an unimproved capital value of £20 per 1,000 acres. Seeing that the pastoral lessees were paying rent to the Crown and seeing that the Crown owned the land, it was unjust that these people should be called upon to pay an additional tax: because at £1 per 1,000 acres, representing five per cent. on the unimproved capital value, they were already paying the full economic rent to the State, and there was nothing in the Bill to the contrary.

THE PREMIER: The hon. member had overlooked an amendment on the Notice Paper to the definition of "unimproved value," providing that for the purpose of taxation the annual rent should be deemed to be 5 per cent. on the unimproved capital value until there was an opportunity of assessing the lease. At present the pastoral lessee paid so much per 1,000 acres irrespective of the locality of the lease. Consequently some basis was needed on which to arrive at the valuation to fix the tax. This provision had been adopted from the New South Wales Local Government Act, which provided that for the purpose of taxation the annual rental should be deemed to be 5 per cent. on the unimproved capital value of the lease. The proviso was to hold until an assessment could be made, when possibly leases would be classified and their actual value arrived at.

At 6.30, the CHAIRMAN left the Chair.
At 7.30, Chair resumed.

MR. DAGLISH: Was there any provision in the Bill that would impose a tax on a mortgagee?

THE ATTORNEY GENERAL: Not if he was not in possession.

MR. DAGLISH: There was to be a tax on persons in possession, whether the registered owner or the mortgagee was in possession, but there was nothing that touched in any way the mortgagee. It

seemed absolutely an unfair thing to tax only the man in possession of a fee simple of an estate, or to tax only the mortgagee when he had taken possession of an estate. Two persons or joint owners of a property, each of them being the proprietor of an undivided moiety of a property, were equally liable to pay the tax. In the event of one failing to pay his share, the other could recover, after having paid the tax to the Government, the share from his partner. If instead of taking a partner the individual first acquired the possession of the property, and mortgaged it to the extent of 50 per cent., he was no more proprietor of the whole than if he had taken a partner. He was in fact in a worse position than if he had taken a partner, because during the whole of the time the mortgage existed he had to pay interest whether rents rose or fell, whether the land was productive or unproductive. But in addition to paying the interest on the amount borrowed, he had also to pay the tax on the amount borrowed, and the mortgagee who was getting an assured income from the land, and who, if the income was not paid by the mortgagor, became the sole proprietor of the estate, contributed nothing to the requirements of the country. In the meantime the mortgagor was paying the tax while he was deriving nothing from the land, and the unearned increment in that land, if it ultimately became the sole property of the mortgagee, went entirely to the mortgagee. So far as the mortgage existed the mortgagee should be the person liable to pay the tax. There was no practical way in the measure of dealing with this class of owner. Virtually the mortgagee was owner to the extent to which he had advanced money and was drawing interest from that property. If in the Bill there was no means of taxing the mortgagee, a provision should be introduced or a special Bill passed if necessary for that purpose. He objected to class taxation. He was anxious to help the Government in passing the measure, because as far as it went it was a righteous measure. But at the same time if the tax was only on the registered proprietors, or the persons in possession of the land, it was but a partial land tax, and did not meet the case equitably. He found from the statement of the Treasurer the definitions in the clause made no provision in regard to the taxation of mortgagees, and he wanted to know from the Treasurer or Attorney General whether it was practicable to introduce a definition that would meet the cases he referred to, and if not whether the Government, recognising the force of his contention that all persons interested in land should be equally taxed—assuming they recognised that—were willing to introduce a Bill for that purpose. If they did not recognise the force of the contention, he would be glad to learn the reason that actuated the Government in coming to a decision adverse to the opinions he had expressed.

THE TREASURER: The object of the Bill was to place the burden of taxation primarily on the owner, who was the person obtaining any unearned increment on his property. A mortgagee, a man who advanced money on land under a mortgage, certainly got interest on his money; but as soon as the mortgage lapsed, any increased value in the property reverted to the original owner.

MR. DAGLISH: Whom did it revert to in the case of the leaseholder?

THE TREASURER: To the owner.

MR. DAGLISH: The Government?

THE TREASURER: On that principle we maintained it was right. The owner, or in the case the member had been referring to the mortgagor, should pay the land tax. If the mortgagee entered into possession he virtually took the place of the owner, and must then pay the tax. If he did not foreclose or seize the property or sell it, he had recourse against the owner for the tax he paid on account of the land. If he foreclosed he became the possessor, and virtually the owner to all intents and purposes. Members would see farther on in the Bill that Clause 13 specified how the burden of taxation should fall. If there were two or more persons interested in an estate, either as owners or as leaseholders, then the clause showed how the burden of taxation would be distributed. They must take the value of the estate of both individuals in the

land. The owner had a reversionary interest; when the lease expired the land came back to him. He had a value in it, and he had the estate of the rentals he received. The leaseholder himself had an estate to the extent of the value of his lease if it had any value on the market. If he was paying full rent, rack rental, for the whole term, it would be interest. Perhaps he might be paying for the first few years of the lease the full rental, and his interest then was of no account; but if the land went on increasing in value from a rental point of view, he would have an estate in that land which was worth something, and of which he should bear his proportion of taxation. That was clearly set forth in Clause 13, and Clause 51 had some reference to it. There might be others having estate in certain land. There might be a sublessee. A man might have a lease of land for 99 years, and that man had a certain estate in that property and sublet it for a shorter period. The sublessee would have an interest in that land, and the same thing would apply. This would have to be proved before a court. They would have to adjust the relative values, or they would have to ask the court to decide the question between them. The same thing applied in New South Wales and elsewhere he understood, and caused very little trouble. The provision was held to be good in New South Wales and elsewhere for several years past. With regard to the matter raised by the Leader of the Opposition, that member had some just grounds for his argument that the lessee of Crown lands was not quite the same as owner.

MR. BATH: The State was the owner.

THE TREASURER: No doubt; but take the case of a long lease such as a pastoral lease let at a nominal rent, and most of the Crown lands leased were leased at practically a nominal rental.

MR. BATH: Not always a nominal rental.

THE TREASURER: It was generally taken at one-twentieth of the estimated value of the land.

MR. BATH: Five per cent. could not be called nominal.

THE TREASURER: The lessees owned the land to all intents and purposes for from 21 years up to 30. They were the owners in 99 cases out of a hundred at a very low rental. These people should pay a land tax as laid down by this measure. If we were going to exempt people of that description, what would we do with a person who had a lease of 99 years or 999 years? Should we exempt people of that description? Surely not. A man who had a 99 years lease of Crown lands was virtually the owner, and had to be treated as such. The Government had laid down certain conditions under which these leaseholders could be equitably taxed.

MR. BATH: Instances were known to him in which the rental upon leases from the Crown was by no means nominal. And if rental was charged, that should be taken into consideration when estimating the unimproved value upon which the tax should be levied. With regard to leaseholds on the goldfields, during the time he was Minister for Lands a general rental of 10s. for blocks, irrespective of their position, was levied on residential leases. At that time the leases were for a term of 21 years; but he altered the system to a perpetual lease of 999 years with the provision for a periodical re-appraisement of the rentals according to the value representing the unearned increment. He also provided that the rental should be not a specified sum of 10s. a block irrespective of the position, but five per cent. on the estimated unimproved capital value. In an instance like that the State was absolutely the owner of the block and was getting from the rental levied what might be termed an economic rental. The State had no right to step in in a case of that kind and levy a tax on the unimproved value, because the leaseholder was paying in the shape of rent an annual tax representing five per cent. of the capital unimproved value. In respect to pastoral leases he would not exempt them altogether, but the amount of rent paid should be taken into consideration. Supposing the rent was £1 a thousand acres and the unimproved capital value was put at £20, whereas its real value was £40, the tax should be on the difference between the two. Under the amendment proposed by the Treasurer

the Bill would inflict the injustice he was speaking of.

THE ATTORNEY GENERAL: The matter put forward by the Leader of the Opposition had a fair amount of merit, and he had pointed out to the member during the interval that the original draft would really have arrived at exactly the same result as the hon. member had arrived at. When the Committee reached the stage of dealing with the unimproved value the Treasurer would, he was sure, entertain the proposal made by the Leader of the Opposition and assess the tax in respect to leasehold interests on the difference between the actual rental and the fair rental. A more important matter raised by the member for Subiaco related to mortgagees. A mortgagee was not called upon to pay, for the simple reason that this was a Bill to impose a tax upon land, and the mortgagee had nothing whatever to do with the land. It was true that if default was made by the mortgagor the security came into operation. The mortgagee must sell if the security was such as to leave a margin, and if the security was not sufficiently large to do so that security went into the mortgagee's possession. This being a tax on land and not on incomes, the position of the mortgagee should not be taken into consideration unless he became the mortgagee in possession. The hon. member pointed out that in the case of the Crown it fell upon the leaseholder to pay the tax under this Bill. The Crown was undoubtedly the owner of the land, but the Crown could not ask itself to pay taxation.

MR. DAGLISH: The Crown should pay for itself.

THE ATTORNEY GENERAL: Only that portion that could be legitimately taxed would be taxed under this Bill. If a mortgagee lent money on land and the value of the land increased, that mortgagee was, according to the suggestion of the hon. member, a partner. But he was no such thing.

MR. DAGLISH: He was in a better position, for he had not the liabilities of a partner.

THE ATTORNEY GENERAL: Neither had a bank. A bank might advance a very considerable sum and would have possession of the title deeds, but was it to be liable to the tax under a Bill of this class? If we began to invade that class of security we must go as far as that. Presuming we did that, how was it possible to say on what proportion of the unimproved value the money lent was advanced? The money was advanced on land as it stood, with all its improvements. There was one system under which a mortgagee could be called upon to pay taxation, and that was by a tax on incomes.

MR. DAGLISH: Why should we not have an income tax? Why not make it a fair and general tax?

THE ATTORNEY GENERAL: If we had an income tax, we should have to impose it on all incomes.

MR. DAGLISH: Quite so.

THE ATTORNEY GENERAL: Therefore this question about the position of the mortgagee was only a small fraction of the subject. The time had not arrived when it was required to impose a tax on incomes. If it were necessary he could give reasons why a land tax was preferable to an income tax. Briefly, they were that the former was a tax on a man's industry, energy, and thrift; whereas in the other case the tax was imposed on the unearned increment of value which resulted from the progress of the State consequent on the efforts of the community.

MR. DAGLISH: But when a man invested the accrued savings of his thrift, he was to be taxed.

THE ATTORNEY GENERAL: It must be apparent that the Bill only provided for the taxing of the unimproved value of the land. There was no intention of taxing anything which could be said to be the result of a man's individual industry or energy, but merely the value which had been given to the land by the progress of the community.

HON. F. H. PIESSE: Then you should only tax the original value of the land, not its present value.

THE ATTORNEY GENERAL: The tax was proposed to be levied on the unimproved value of the land at the time the taxation was introduced; and that value might have been considerably increased from the original value of the

land as a result of the progress made by the State. Could the necessity for both taxes be shown? Until it was shown that there was need for farther revenue, the Committee must decide between these two forms of taxation; and in his opinion a tax on land would be more equitable than a tax on incomes.

MR. DAGLISH: The argument of the Attorney General was entirely wrong. Take a concrete example. Assuming that a man had £1,000 in the bank or lent on mortgage, he would be drawing an income from the bank or from the mortgagor, and on that income there would be no taxation. If, however, that £1,000 were invested in an unimproved estate, he would be liable to pay a tax on that estate of 1½d. in the £. Where was the distinction? One was not opposing the principle of taxation of unimproved land values, but taxation should be made to apply equally to all sections of the community. The Attorney General had admitted that if it could be shown an income tax was now necessary for the purposes of revenue, he would support it. That attitude could not be justified, for instead of throwing the whole burden of fresh taxation on to those who held land it should be distributed and a portion borne by those who lent money on mortgage or invested it in other channels. If that were done, while the burden would fall more lightly on the landowner, the amount raised by the Government need not be any less, if it were not greater.

THE ATTORNEY GENERAL: The £1,000 lent on mortgage or lodged in the bank would at the end of a term of years remain at the original amount of £1,000. [MR. DAGLISH: Plus interest.] The interest derived in the meantime would be for the use of the money loaned; but if the £1,000 were invested in land and the community progressed, the capital value of that land would be increased every year, and at the end of a term of years the investor instead of owning land worth £1,000 would own a property worth probably many thousands of pounds.

MR. DAGLISH: In other words, you capitalised the land, but not the interest.

THE ATTORNEY GENERAL: The hon. member's argument might be of avail had he said we would deduct from the present assessed value of the land the amount which the holder originally paid for the land.

MR. FOULKES: The Attorney General, and also the Treasurer when introducing the Bill, had said the reason for the imposition of this taxation was the unearned increment attaching to land. But there were other positions in life which had their unearned increments also, such as a man's business or his profession, which might increase in value or in earnings with the increase of a town or a community, and without increased efforts on his part. Ministers desired to put a tax on the unearned increment of land, but not on the unearned increment that arose in other directions. The Attorney General made a distinction between incomes derived from mortgages and incomes derived from lands, and argued that with regard to land there would be a possible inflation. But land did not always increase in value. Metropolitan suburban land was not worth so much now as it was a few years back.

THE ATTORNEY GENERAL: How did it compare with the price at which the State sold it?

MR. FOULKES: There was an increase on the price at which the State sold it, but land often fell in value. On the other hand there was no disadvantage to people investing their money in mortgages. Eighty per cent. of the mortgages on land were met. People preferred to lend money on mortgage rather than invest it in land. Ministers treated mortgages as if they were the result of thrift, but in this country they were often the result of speculations. A man making money out of mining speculation often invested it in mortgages. Also people received money by way of inheritance. But all these people were exempt from taxation. Ministers said they did not want to tax thrift; but there was just as much thrift in acquiring real estate as in any other direction.

MR. H. BROWN: Previous speakers had gone beyond the mark. This paragraph referred solely to Crown lands. The Attorney General had argued that improvements became the property of the owner. Therefore the improvements effected on leases held from the Crown would become the property of the Government. The State had entered into

an honourable contract to lease certain lands for a certain rental, but on the top of this the Government now came in with new conditions and new taxation. It was not possible for a private owner to impose fresh taxation on his tenant. It should not be so with the Crown. This paragraph should be struck out, seeing that all the improvements came back to the Crown.

AMENDMENT, TO EXEMPT LEASEHOLDERS.

MR. BATH moved an amendment—

That the words "or without," in line 4 of paragraph (*b*) in the definition of "owner," be struck out.

The paragraph would then apply solely to persons with the right to acquire the freehold. When discussing the incidence of taxation on lessees from the Crown, the Attorney General stated that a certain provision was made in the interpretation of "unimproved value" as it appeared in the Bill as first drafted; but there was now on the Notice Paper an amendment proposed by the Treasurer to strike out that provision and make the tax apply to the whole of the unimproved value represented by twenty times the rental. He (Mr. Bath) thought the tax should only be imposed on the difference between the actual annual value represented by five per cent. on the unimproved capital value and the rental as actually paid by the lessee; but it was infinitely better that the question of adjusting these rentals should be directly dealt with under the terms of the lease, instead of doing it indirectly as proposed in this Bill. If the proposal of the Treasurer were carried out, there would be an injustice to lessees of Crown lands as compared with the tax raised from freeholders. The tax proposed worked out at a percentage of five-eighteenths, but the leaseholder paying a rental of five per cent. on a capital value of £20 per 1,000 acres for a leasehold really worth £40 per 1,000 acres should only be taxed on the difference between £20 and the £40.

THE ATTORNEY GENERAL: If the amendment were passed, we could not tax the leaseholder at all.

MR. BATH: The State should secure a fair rental by other means than by this tax.

THE ATTORNEY GENERAL: What about existing leases?

MR. BATH: A Land Act Amendment Bill had been introduced to assess the rental of leasehold areas at a higher rental than now.

THE ATTORNEY GENERAL: But we could not cancel an existing lease.

MR. BATH: Apparently the Bill purported to do that. We should secure a fair rental and make arrangements for periodical reappraisements. It would be better to fix the rent on a fair annual value rather than secure the unearned increment by the methods adopted in this Bill. If the amendment were passed, the Government would have the opportunity of doing so in the Land Act Amendment Bill now before Parliament. It might be urged that there would be difficulty in appraising the real value of pastoral areas because it would entail a great deal of expense and trouble, and because in the meantime the unearned increment would be accruing to the leaseholders; but there was a logical way out of the difficulty. If we desired to secure a fair rental representing five per cent. on the unimproved capital value of the land, we could secure it by putting the leases up to competition. If a lease was worth anything to these people they would, in order to secure the land, offer to pay a rental representing a fair return to the State on the real unimproved capital value of the land. That would not entail much trouble or expense to the State department. In any case, if we decided to tax leaseholders under the Crown we should only tax that portion of the capital unimproved value over and above the capital unimproved value represented by the rental already paid to the State.

THE TREASURER: The amendment could not be accepted, for if it were carried it would mean the exemption of all pastoral leases in the State.

MR. BATH: There was a remedy.

THE TREASURER: Of course as soon as the leases expired the rental could be increased; but the member forgot that these leases were current now, and the majority had many years to run, he thought until 1928; so when would we get any remedy? In the meantime it was only fair that leases should pay something towards the revenue. We real-

ised that there was a difficulty attached to the subject, and the Government had given it careful consideration. The argument had some weight, perhaps, that we might not be going exactly the right way to get some revenue out of the pastoral leaseholders; but when there was no other course to pursue, what did the member suggest? He opposed the idea, yet did not suggest any practical way of overcoming the difficulty except to raise the rentals; but the rentals could not now be raised on leases that would expire in 1928. Something might be done. The member suggested that the leases should be put up to auction. That was impracticable. We had leased a large tract of country to the pastoralists, and had encouraged them to stock the country by reducing the rent by one-half.

MR. BATH: It was not meant to apply to leases already granted, but in future. The difficulty was to appraise the lease.

THE TREASURER: Would the hon. member let existing leaseholders go scot-free?

MR. BATH: The obvious interpretation was that they were paying a fair rental.

THE TREASURER: We knew they were not. Even if we could put the leases up to auction and they were expiring to-morrow, and could carry out the suggestion made, what then would be the position? We had encouraged men to stock their runs by reducing the rental one-half if they did so. We had encouraged them to spend thousands of pounds on their leases, with the recognised idea of faithfully carrying out the terms of the lease. It was understood they would get a renewal. Did the member urge that we could take away the lease of the Great Boulder mine, at the termination of its period? It had perhaps 15 years to run, and surely that mine would be in active operation at the end of 15 years. Would the hon. member suggest we should put that lease up to auction at the end of that term, and ignore the people who had put thousands of pounds into the mine to develop it? No Government could put such a lease up to auction.

MR. BUTCHER: The Government were bound to, under the Act, in 1928.

THE TREASURER: In the meantime they had the enjoyment of the lease at a nominal rental. We recognised there was something to be said on both sides of the question; but we could not get a solution of the difficulty by striking out the words proposed. Let us go on with the clause. Let the amendment which he had on the Notice Paper be introduced, the definition of unimproved land. Then he promised the member that the Bill should be recommitted. In the meantime we should consider the matter and see if we could find any way out of the difficulty; perhaps to some extent adopt the suggestion thrown out. At the present time he could not see how the proposal would work. He wanted the revenue that would be derived by the taxation of these leases.

MR. BUTCHER: It was questionable whether we had any power or right to impose a land tax on pastoral leases which were granted some years ago under a special Act, at any rate during the currency of that Act. These leases would have to fall in before we could tax them or alter the conditions. The Treasurer had made capital out of the nominal rental which the leaseholders were paying. From his (Mr. Butcher's) point of view and from the point of view of those who had spent the best part of their days in the North for 25 years, bringing these leases up to their present condition and paying at the rate of 10s. per 1,000 acres, it was not a nominal rental. If it was, then he had done with the question; but he was certain anyone who knew the conditions under which the lessees had worked would never put forward such an absurd and ridiculous argument as that submitted by the Treasurer. It only showed he knew nothing about the question. That was clearly proved at the start, seeing that the Treasurer had brought in amendments before the Bill was taken into Committee. The Treasurer knew nothing of the question as to how the Bill applied to those occupying pastoral leases. After the leases expired they had to be put up to auction. There was no alternative, and if the present lessees did not become the possessors, those acquiring the leases would have to pay for the value of the improvements. These leases should be exempt from the Bill, and he would support the amendment. If the Treasurer was not satisfied with the money derived from the rental of the leases, he

offered a suggestion which would have the effect of bringing more money into the Treasury than this tax would, and that was that the leases should be exempted from taxation and that there should be a system of stock taxes. Then people who had their leases worked up to a pretty high value would pay in accordance with that tax, and those who took up leases under the increased value of the rental would have to pay according to the stock which they were enabled to carry. That would be fairer to the leaseholders.

HON. F. H. PIESSE: If the amendment would attain the object the hon. member had in view, then he would support it, for he was of opinion that pastoral leases should be exempt from taxation under the Bill. Pastoral leases appeared to be in a different position from conditional purchase leases, which were let to prospective owners under certain conditions of purchase, while the pastoral lessee took the land under lease. At the end of the period, if the lease was not renewed, the value of improvements was arrived at and the lessee was paid for the improvements. A provision had already been made in the Land Bill for the purpose of resuming lands within the pastoral leases, and the improvements would have to be paid for. The conditions of pastoral leases were so different from the conditions of conditional purchase leases, that he questioned if it was right even to tax them. However, we might allow the clause to pass, but the pastoral leases should not be taxed. He agreed with the member for Gascoyne that the lessees should not be taxed, and that the provision made for taxation should not be included in the Bill. He suggested to the Treasurer that perhaps time would be saved if he could in some way introduce the amendments on the Notice Paper. If that could be done, there would be a better opportunity of dealing with the matters separately; because under the proposed Subclauses (*a*), (*b*), and (*c*), the matter was divided. There was a provision for fee simple lands, then conditional purchase lands, and then pastoral leases. We might agree with certain modifications to accept the two first subclauses and disagree with the third. We would have the same discussion again when this amendment was introduced by the Treasurer as we were having now on the definition of improvements under Clause 2.

MR. BATH: There was a good deal of force in some of the arguments urged by the Treasurer in regard to the difficulty of making an adjustment of rents from the Crown leases, because the leases were already given, and it was impossible to reappraise the annual rents so that the rental would be retrospective in character. We might alter the terms which were entered into between the Crown and the lessees. Being desirous that lessees holding from the Crown should be protected to the extent of the annual rental they paid, he suggested that the Treasurer should move his amendments, and then report progress with a view of trying to adjust this matter, and find some satisfactory solution by the time we again discussed the Bill. The lands in the Murchison and in the Eastern districts were not worth much more than the rental the people were paying for them. [MEMBER: That applied to all the North-West.] He had travelled through country on the Murchison where 1,000 acres would starve any decent sheep. Basing the amount paid at 5 per cent. on capital unimproved value, it meant that the leaseholders were paying a tax in the shape of rent to the extent of 5 per cent., whereas in the case of the owner of freehold we were going to impose a tax of 1½d. in the £ on the unimproved value, which only represented ⅝th per cent. That was not fair. If the Minister would report progress till Tuesday, this matter might be adjusted satisfactorily.

HON. F. H. PIESSE: Pastoral lessees were in fact already contributing, under the conditions upon which the leases were granted, a fair rental, considering that they had done so much in the way of improvement in regard to this country. But for the improvements these settlers had effected our estate would not have been so improved and so valuable. The member for Gascoyne (Mr. Butcher) was a practical man, and he knew the hardships of those people. If we were sure that the present success would continue, presumably these people would not object to a farther contribution; but we could not be sure that such

climatic conditions would continue in those outlying districts? The money expended had certainly improved those leases, because the leaseholders were able to obtain a better water supply, which had been the outcome of expenditure. At the end of the 22 years we should have a much more valuable property, and we could then charge higher rents. Let us then assess those rents at something in keeping with the value of those properties and the financial position of those holding them. Under the circumstances we should adopt some method of dealing with these Northern estates other than that proposed in the Bill. It had been suggested by the member for Gascoyne that there should be a stock tax. If that were adopted people would pay upon what they were carrying upon their run, and that would be a much better way of dealing with the matter than would be a general taxation which would be vexatious and affect the whole of the people, more especially those who had not been so successful as others.

MR. BUTCHER: During the cycle of dry seasons, before this special Act was brought in, the settlers in the Northern district found it absolutely impossible to carry on. They found that the country for which they were paying 10s. per thousand acres was absolutely useless. They went to the financial institutions to get assistance, but the financial institutions only told them—and he was one—that the leases were not worth the paper they were written on, that there was no security of tenure, and consequently banks could not do anything in that direction, for it was too risky. Settlers had spent a great number of years there and tried hard to make their undertakings a success. After the present Act was passed giving security of tenure, the pastoralists had no difficulty in raising money, which they all as settlers took advantage of. They spent this money freely, and brought their leases up to a condition capable at any rate of carrying sufficient stock to pay interest on the money they were borrowing; and so things went on up to the present time. He knew of one lease in the district he represented on which £8,000 was spent in conserving water during the last two years. At the expiration of the term for which the lease was granted, the lessee would only get the value of the improvements, but the estate would have increased enormously in value. A great deal had been said about the amount of stock carried. The average carrying capability of that North-West country was 20 to 25 acres per sheep, and if one calculated it at 10s. per thousand acres, with interest on the enormous amount of money spent in improvements, he would find that the lessees at the present time were paying a great rental for the use of their country. During the last 14 months, up to the beginning of July, the total rainfall in the Gascoyne district was a quarter of an inch. He went out there in 1877, and had been fighting his way since then, and he and about a dozen settlers had been striving to make the Gascoyne district what it was. At the present time they were the owners of those leases. They were the people who had borne the burden of the day, and made those leases what they were, the envy of everybody in the country, more especially the Government, who were doing their utmost to confiscate the country and repudiate the agreement entered into some few years ago between the present lessees and the then Government.

MR. BREBBER: The Government had expended a huge amount of money in providing facilities for settlers, including harbour and hospital accommodation and gaols, and he understood they were subsidising even vessels. They had afforded help to bring things to market. If an estate got an accrued value through the expenditure of State money, it was only fair that the lessee should contribute a little towards the revenue. We had heard the position of squatters put before the House, but those who had dealt with the matter had made the most of the little they had spent upon these estates, and as little as they could of the expenditure of State money for the benefit of their leases. He supported the measure as it stood.

MR. McLARTY: Much had been said of what had been done for the pastoralist in Kimberley; but not a single bore had been put down there yet.

THE PREMIER: A bore was being put down in that district at the present time.

MR. McLARTY: The difficulties associated with the development of Kimberley district were very great, and the task of stocking the country was in itself a severe one. It was a mistake to say the

pastoralist held the land at a nominal fee, for it had to be remembered that two-fifths of the land was not worth anything; and, farther, the rent was subject to increase every seven years, rising from 5s. per thousand acres to 15s. To put a tax on the lands of the Kimberley district would be unfair, bearing in mind the hardships and disabilities, also remembering the fact that by the time the leases expired the amount paid on them under the present charges would be fairly heavy. If there was anything in the contention that these leases were held at a nominal fee, how came it that it had been several times found necessary to remit the rents? He was opposed to the taxation of land in the Kimberley district, and, for that matter, anywhere else.

MR. H. BROWN: The Government was not proposing to tax any lands which would revert to the Crown; the gold-mining, timber, and other leases being exempted under the Bill. The Government should offer some explanation for taxing land in the North-West and exempting the leases of Crown land.

THE PREMIER: It was not proposed to tax timber lands, for the reason that timber and pastoral leases could be granted simultaneously for the same area. Timber lessees were charged for the timber, not for the land on which it grew, and the timber taken off was paid for at a royalty. [MR. BATH: That was under the old Regulations.] A timber lease might cover an area of 20 square miles, and it gave to the lessee the right to cut timber on the land; but a pastoral lease, at a rental of £1 per thousand acres, could be granted for the same land, the Government thus receiving revenue in two distinct forms from the same area of land.

MR. GORDON: Could the Government let a pastoral lease over the Canning timber area?

THE PREMIER: That could not be done now, because that concession was granted many years ago under a special agreement with special conditions.

MR. FOULKES: Were pastoral leases granted in any timber areas?

THE PREMIER: Numerous such leases had been granted in timber areas, under Sections 66 and 113. Regarding the amount likely to be derived from the taxation of pastoral leases in the North, it might be thought, from the remarks of members, that a great hardship would be inflicted. [MEMBER: No; it was the principle.] The total amount which the State would receive by the taxation of the 144 millions of acres held under pastoral lease on a total rental of £52,000 would be only £3,271, computing the rent at 5 per cent. on the capital value. The suggestion of the member for Gascoyne, that a stock tax should be imposed as an alternative to a land tax on pastoral leases, was a good one, and would not be lost sight of by the Government. But that suggestion contained an element of inconsistency, inasmuch as the rent was to be reduced on condition that the land was stocked, and immediately it was so stocked the lessees would become liable at present to pay a stock tax.

MR. BUTCHER: They would not mind that. It would be preferable to the present proposal.

THE PREMIER: The leases granted under the old Regulations, representing 21,301,000 acres, would expire at the end of next year; but the remaining leases, comprising 120,000,000 acres, would not expire until 1928. Hence it was not possible now to alter the amount of the present rents in respect to leases having a long term to run. Therefore, no matter what the value of those long leases might be now or in the future, the State would still derive only 10s. per thousand acres until the expiration of the leases.

MR. BUTCHER: More revenue would be derived from a stock tax.

THE PREMIER: There was plenty of time for a stock tax, the suggestion for which would not be lost sight of. Apparently, every tax proposed was the wrong one. A land tax being now proposed, the Government was told it should be an income tax; others said it should be a stock tax. It was a case of the other tax, and the other fellow, every time.

THE ATTORNEY GENERAL: The amendment of the Leader of the Opposition would go farther than the mover intended, as it would exempt all pastoral leases, no matter what the conditions as to rental.

MR. BATH: The State should insist on a proper rental.

THE ATTORNEY GENERAL: If the existing leases could be wiped out,

the suggestion would have many reasons for its adoption; but the Government had existing obligations to lessees, which must be fulfilled.

MR. BATH: The bulk of the leases in the North-West and Kimberley districts were held under the old Regulations, which would expire in two years.

THE PREMIER: That was not so. Only 21 million acres in a total of 144 million acres were under the old Regulations.

THE ATTORNEY GENERAL: The amendment went too far, because the alternative suggestion of reappraisements could not be carried out till the leases expired. The Treasurer had already intimated his willingness to meet the mover's wishes in regard to his suggestion for arriving at the assessment of leasehold rentals, and to recommit the Bill for that purpose. While he (the Attorney General) had no desire to envy pastoralists their success, even the member for Gascoyne must admit that experience had shown that the pastoral industry, though attended with difficulties and disabilities, was one which was not altogether without rewards.

MR. BUTCHER: The hon. member had seen the pastoral leases only under the most favourable circumstances.

THE ATTORNEY GENERAL: Nowadays the danger of droughts was almost obliterated. If these leases would be of great value to the State when they expired in 1928, they should be of some value now. On the other hand if pastoral lessees were now hanging on the brink of ruin, their leases could not be of much value in 1928. It must be remembered that though the improvements effected on private leases became the property of the owners at the expiration of the leases, that was not the case in connection with Crown leases; because when a Crown lease expired, the improvements had to be put up to auction, and the proceeds derived had to be paid to the outgoing leaseholder. The Leader of the Opposition should recognise that the Treasurer desired to meet his wishes. If the words proposed to be struck out were struck out, the amendment would go a great deal farther than the hon. member intended to go. The amendment should be withdrawn.

MR. BUTCHER: When the Attorney General quoted the remarks of hon. members, he should be accurate. He (Mr. Butcher) had not said that at the present time leases were worth nothing, and it was unfair of the Attorney General to attribute such words to him. What he said was that when the leases were taken up in the first instance they were worth nothing, that they were only valuable to-day by the expenditure on them of huge sums of money, and that they would be still more valuable in 20 years time when they fell in.

MR. FOULKES: The Government proposed to exempt timber leases. Were other leases to be exempt? Were leases on the goldfields to be exempt?

THE ATTORNEY GENERAL: They would pay on the goldfields on exactly the same conditions as lessees would pay on the coast.

MR. H. BROWN: In New South Wales all rural lands were exempt from the land tax where shire councils existed. If that was the case in a settled country like New South Wales, we should not impose additional taxation on lands in this State within the boundaries of local governing bodies.

MR. BATH: The position he had taken up should be clear. His desire was to see that the incidence of this tax should be on the unimproved value or the unearned increment, and that it should apply equally to the man holding land for other purposes; but he had no desire to assist in the enactment of a provision to tax the pastoral lessee to the extent of fifteen times the tax on the freeholder. While the Treasurer had expressed his willingness to exclude from the unimproved capital value of leaseholds that unimproved capital value on which the lessee was already paying rent, the Minister could not see his way clear as to how he was going to do it. The Committee should have some assurance that it could be done and would be done, before we consented to any provision to tax leaseholders. There was no desire to see the pastoral lesseee exempted, if the capital value of his holding was more than the value on which he was paying rent. No doubt, in the South-West there were pastoral leases worth considerably more than £1 per thousand acres, and no doubt in Kimberley along some of the favoured sites there were pastoral leases worth considerably more than the rent

paid to the Crown; but at the same time, in the Murchison and Eastern districts, and throughout the Eucla districts, there were pastoral areas it would be a godsend to give to lessees now combating the rabbits and other troubles. There should be a provision in the Bill by which the pastoral lessee would be exempt from the incidence of the tax to the extent of the capital value his present rental represented. If that were done, he (Mr. Bath) would be satisfied. The Treasurer could accept the suggestion thrown out. If the Treasurer would report progress so as to bring down a satisfactory provision by Tuesday, he (Mr. Bath) would consent to withdraw the amendment.

THE TREASURER: The suggestion of the hon. member would receive every consideration. He could not go farther now. The suggestion could not be accepted straight off, because its effect would probably be that all pastoral leases would be exempt for this year. If this assurance was not acceptable to members and the amendment were passed, we would be doing something the Leader of the Opposition really did not desire to do. The Government wished to do a fair thing to all parties—to the pastoralists and to the State. The hon. member should withdraw the amendment, and let him (the Treasurer) introduce the amendments to the clause set out on the Notice Paper. Then progress could be reported, and on Tuesday next, after the matter had been thought out and we were clearer on the point, an amendment could be brought down.

MR. BATH accepted the Minister's assurance.

Amendment by leave withdrawn.

SPECIAL LEASES.

THE PREMIER: There were other Crown leases besides pastoral leases. There were special leases granted, such as the leases granted to the smelting works, the Westralia Iron Works, Mr. Hutton, and so on. In most of those cases the land was valued, and then as a rule the rental was charged on the basis of 5 per cent. on the capital value of the land.

MR. BATH: In that case the leases should be exempt, if arrangements were made for periodical reappraisements.

THE PREMIER: The hon. member's argument was that we should assess the tax on the difference between the actual rent paid, and the rent that should be paid.

MR. BATH: The rent of these leases was the tax, and it was much higher than the tax proposed in the Bill.

THE PREMIER: Then the member did not look on the State as the owner?

MR. BATH: Yes; the State was the landlord. The rent the State received was the tax.

THE PREMIER: Members should consider that there were many other special leases held at the present time as well as pastoral leases. That was what he desired to draw attention to.

MR. BATH: There were many kinds of leases, and he merely cited pastoral leases as an example.

UNIMPROVED VALUE, DEFINITION.

THE TREASURER moved—

That the definition of unimproved value be struck out.

Amendment passed.

HON. F. H. PIESSE: It was understood that progress would be reported after the words had been introduced. Members could then deal with the amendment when the Bill was considered in Committee again.

THE CHAIRMAN: Not if the words were inserted. The proper course would be to move the amendment and then report progress.

THE TREASURER understood that the amendment could be inserted, and then progress be reported.

THE CHAIRMAN: If the Committee agreed to insert the words, then the amendment could only be considered on recommittal.

THE TREASURER moved that the following words be inserted in lieu of those struck out:—

"Unimproved value" means—(*a*) In respect of land granted in fee simple, the capital sum for which the fee simple in such land would sell under such reasonable conditions of sale as a *bona fide* seller would require, assuming the actual improvements (if any) had not been made; and (*b*) In respect of land held under contract for conditional purchase under "The Land Act, 1898," or any amendment thereof or any land regulation thereby repealed, the capital sum for which the fee simple of such land would sell, on the assumption that the taxpayer is the owner in fee simple, under such reasonable conditions of sale as a *bona fide* seller would require, assuming the actual

improvements (if any) had not been made; and (*c*) In respect of any land held for any leasehold estate or interest, without the right of purchase, under "The Land Act, 1898," or amendment thereof, or any land regulation thereby repealed, a sum equal to twenty times the amount of the fair annual rent at which the land would let under such reasonable conditions as a *bona fide* lessee would require, assuming the actual improvements (if any) had not been made, to be assessed under the Act; and until assessment, a sum equal to twenty times the amount of the annual rent reserved by the lease.

On motion by the TREASURER, progress reported and leave given to sit again.

BILL—PRISONS ACT AMENDMENT.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the PREMIER in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of 3 Edwd. VII., No. 14, Sec. 59:

MR. BATH: The punishment provided in Section 59 of the principal Act dealing with an escapee from gaol was altogether too high. He had known instances on the goldfields where the officials had practically placed a premium on escape, and it was the natural instinct of those incarcerated to take the first opportunity to get away from custody. The penalty of three years might be considerably reduced.

THE PREMIER: This was provided for in the Criminal Code, therefore there would be no objection to striking out the clause.

MR. WALKER: There was no necessity for a provision of this kind. If a man escaped he would be punished. There was no question about that. Every man desired to escape if he got into custody. What were gaols built for; why have them strong; why build high walls around them and have guards and rifles? It was a means of intimidation. People recognised that as soon as a man got into custody he would try to escape. A man might be innocent and wrongfully incarcerated, therefore it was the noblest thing he could do to try and escape. A man might be placed in dungeons vile for no guilty sin of his own. It was only natural a man should try to preserve his own life in case of danger, and so he would try to regain his liberty if he were deprived of it. The law recognised that fact by the very means of punishment, and the merest movement might be construed into a desire to escape.

MR. DAGLISH: Would the member have no punishment at all for escape?

MR. WALKER: For a man trying to escape, no. It was absurd to punish what we knew every man would try to do. He would vote against the clause.

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

Ayes	...	...	...	23
Noes	...	...	...	7
Majority for	...	...	...	16

AYES.	NOES.
Mr. Brebber	Mr. Bath
Mr. Butcher	Mr. Bolton
Mr. Cowcher	Mr. Holman
Mr. Daglish	Mr. Underwood
Mr. Davies	Mr. Walker
Mr. Eddy	Mr. Ware
Mr. Ewing	Mr. Troy (*Teller*).
Mr. Foulkes	
Mr. Gordon	
Mr. Gregory	
Mr. Gull	
Mr. Hayward	
Mr. Heitmann	
Mr. Keenan	
Mr. Layman	
Mr. McLarty	
Mr. Male	
Mr. Mitchell	
Mr. N. J. Moore	
Mr. S. F. Moore	
Mr. Price	
Mr. F. Wilson	
Mr. Hardwick (*Teller*).	

Clause thus passed.

Clause 4—agreed to.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—MINES REGULATION.

CONSOLIDATION AND AMENDMENT.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the MINISTER FOR MINES in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Interpretation:

MR. BATH: The clause said "owner" should include "a contractor or tributer working therein, but does not include a person who merely receives a royalty, rent, or fine from a mine, or is merely the proprietor of a mine, subject to any lease." It would be more to the point that the proprietor of a mine, even if he did lease it, should be termed the owner under the Act, rather than the contrac-

tor or tributer working therein; because contractors and tributers were more in the nature of workers than owners. He moved an amendment to strike out the words "and includes a contractor or tributer working therein."

THE MINISTER FOR MINES: It would be hardly wise to strike out the words mentioned. There was a desire to throw responsibility upon certain persons, and in many portions in this Bill the responsibility must be thrown upon the contractor or tributer working on the mine. For instance, a mine might be let upon tribute, and only the tributer might be working in the mine. A tributer might employ half-a-dozen or 50 workmen. The responsibility, therefore, would be upon the tributer to see that the conditions were being complied with. The same held good with regard to a contractor. He employed in a mine men who were responsible to himself. This provision did not at all take away the responsibility from the owner, who would be the manager where a mine was being worked by the lessee and a manager was appointed. Where a contractor or tributer was working alone, the responsibility would be upon him.

MR. HOLMAN: The word "occupier" covered the case instanced by the Minister. In almost all mines in this State there were contractors or tributers, and he did not see any necessity to include all these people as owners.

THE MINISTER FOR MINES: Did not the hon. member see the necessity of having the words so as to meet the case of a mine worked entirely by a contractor?

MR. HOLMAN: A contractor would be an occupier.

THE MINISTER FOR MINES: Practically the contractor would be the owner.

MR. BATH: The contention by the Minister for Mines in regard to any particular property being entirely worked by contractors or tributers was a just one, but this term carried the application to a contractor or tributer right throughout the Bill, and did not restrict the term to certain particular provisions, in relation to which it was necessary that a contractor or tributer should be regarded as the owner.

MR. HOLMAN: If the words proposed to be struck out were deleted, the interpretation would still cover what the Minister desired. If the interpretation stood as at present, it would divide the responsibility between the manager and contractor or tributer. Words like these might lead to a great deal of trouble.

THE MINISTER FOR MINES: It had not been noticed by him previously that this was a new provision as compared with the present Act. In the Bill brought forward by the previous Administration last year, these words were put in, and there was possibly some legal necessity for doing so. This Bill would have to be recommitted, and he would look carefully into the question. He would make due inquiry from the Crown Law Department why these words were placed there.

MR. BATH: The Minister might restrict the words to the particular clauses he desired them to have reference to.

THE MINISTER FOR MINES: Yes.

Amendment by leave withdrawn.

Clause put and passed.

Clause 4—Exemptions:

MR. BATH: Whilst it might be necessary in certain circumstances to exempt a mine or class of mines from the operation of this measure, the clause was so drawn that it practically placed the power in the hands of the Governor, which meant the responsible Minister or the Executive Council for the time being, to exempt mines. He understood that the Minister desired the clause to apply to mines perhaps for graphite or something of that nature which under the general interpretation of this Act would be called a mine. But whilst it would apply to those properties or this particular class of mines the exemption could be made to apply to any other mine, to a gold mine, or one which should not be exempted. It would be much better to frame an exemption specifying the particular mines or class of property sought to be exempted, rather than make a general application of exemption such as this and place it in the power of the Governor-in-Council to exempt without reference to Parliament.

THE MINISTER FOR MINES: The provision had always existed. On account of the very broad principles of the Bill,

it was essential that power should be given. During the second-reading debate some member said this gave power to alter the clauses of the measure; but it did not give any such power. It gave power to vary the conditions as far as the general rule was concerned. He had pointed out the reason for giving such power to the Governor-in-Council to alter the general rule. We might find instances where rules as provided under the Act would not apply. The Minister could vary the general rules, particularly in regard to mines of great depth; and on account of the impossibility at present of finding suitable safety appliances, special permission had to be given as to certain appliances used. In regard to being able to exempt any mine or class of mine, this applied to every class of mining being carried on in a mining district. Regulations had to be framed so that this should not apply to quarries, for instance, until the depth made the working so dangerous as to require inspection. The clause had been in operation without any abuse occurring, and it was necessary to depend on good administration in work of this sort. He hoped the clause would stand.

MR. HOLMAN: Certain exemptions had to be allowed for on all goldfields; but work in some deep quarries was as dangerous as in mining with an open cut. The object should be to prevent the power of exemption being abused.

Question put and passed.

Clause 5—Appointment of inspectors of mines:

MR. BATH: Inspectors should combine practical experience with theoretical knowledge of mining, such as ventilation and timbering. In the School of Mines at Kalgoorlie and in other technical schools there should be a course of instruction by which practical miners could qualify to pass examinations that would fit them to be candidates for appointment as inspectors of mines when vacancies occurred, as was the practice in New South Wales. He believed there were some miners here having the requisite combination of knowledge and experience to qualify them as mining inspectors.

THE MINISTER FOR MINES: In regard to appointing new inspectors, it was intended to frame regulations requiring candidates to pass prescribed examinations, so as to insure both theoretical and practical knowledge of mining. Of course practical knowledge was worth a good deal of theory in mining as in other things. Regulations had been drafted, and if he approved them he hoped to lay them on the table next week. Appointments in future would be made under the Public Service Commissioner, the successful applicants having necessarily to pass examinations approved by the Mines Department. Regulations dealing with ventilation had been drafted, and if approved by him would be laid on the table next week.

MR. HEITMANN: No doubt even without an examination, the Minister would see that thoroughly qualified men were appointed; but in the past men had been appointed who had very little practical experience. He hoped that one of the qualifications would be so many years' practical experience before a man was allowed to go up for examination.

THE MINISTER FOR MINES: Seeing that many goldfields members were absent, progress might be reported at this stage if no other members wished to discuss the question. In order that he might give consideration to any amendments members desired to move, he asked that these should placed on the Notice Paper.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at fifteen minutes past 10 o'clock, until the next Tuesday.