

tribunal or registrar of a court for they will merely have to put the machinery in operation and deliver an award.

Hon. A. Burvill: Do you believe that that will be of benefit?

Hon. E. H. HARRIS: Certainly not. I have fought it for 15 years. It is proposed also to amend Section 97. That amendment will be of very great assistance to organisations that might happen to be registered. It provides that an industrial organisation cannot get to the court until it has carried a resolution by a majority of its members. It has been pointed out that the A.W.U.—the Colonial Secretary mentioned the shearers' section of that union—are unable to get to the court. I say that those people can register in sections. However, it does not suit them to do that. We have on the goldfields men in the timber industry who can be registered as a separate entity, but it does not suit them. If Section 6 of the parent Act be amended in the direction desired, that of one big union, a resolution could be carried and, as a result, the union could be brought before the court without the members having a knowledge of what had happened. That occurred to the federated engine-drivers only the other day, their business being decided in Melbourne. The executive decides to take a case to the court, and the first thing the rank-and-file members know of it is when they read the announcement in the newspaper. I am strongly opposed to the suggested amendment to Section 97 because it does not give the rank and file the consideration they are entitled to, but will leave it in the hands of a few to direct the whole of the affairs of the organisation. When in Committee I will endeavour to have a number of amendments inserted, but in the meantime I will support the second reading.

On motion by Hon. H. Seddon, debate adjourned.

*House adjourned at 10.19 p.m.*

## Legislative Assembly,

*Tuesday, 21st October, 1924.*

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

### QUESTION—EDUCATION, EXPENDITURE.

Mr. MILLINGTON asked the Honorary Minister (Hon. S. W. Munsie): 1, What is the amount of expenditure for the last financial year for (a) University education, (b) secondary education, (c) technical education? 2, What are the numbers of students who receive instruction at (a) the University, (b) secondary schools, (c) technical schools? 3, What is the per capita cost of buildings for (a) the University, (b) secondary and high schools, (c) technical schools? 4, What is the amount expended on permanent buildings for (a) secondary schools, (b) technical schools? 5, Do the Government favour the establishment and extension of technical schools to secondary schools in the metropolitan area?

The Hon. S. W. MUNSIE replied: 1, (a) £17,000; (b) £26,117 9s. 8d.; (c) £21,156 10s. 10d. 2, (a) 374; (b) 1,099; (c) 3,526. 3, (a) £32 19s. 6d. (students); (b) £13 13s. 3¼d. (students); (c) 5s. 8¼d. (students). 4, (a) £15,016 15s. 2d.; (b) £1,003 5s. 2d. 5, In the opinion of the Minister for Education, both forms of education are desirable. The department themselves make no differentiation between the importance of technical and secondary schools.

### QUESTION—RURAL LABOUR CONDITIONS.

*Migrants and I.A.B. Clients.*

Mr. C. P. WANSBROUGH (for Mr. Griffiths) asked the Minister for Lands: 1, Is he correctly reported in the Press as having stated—"That the wages offering for general rural labour, 25s. per week and keep, were too low; that the repayment of the migrant's passage money at the rate of 10s. per week to the Commonwealth Government caused them to really become slaves for twelve months, and that this considerably affected the employment of our local single men"? 2, If so, is he aware that on the strength of this the New Settlers' League passed a resolution that wages should be 30s.

a week and keep? 3, Is it not a fact that the L.A.B. rigidly insists that on the basis of 400 acres cropped the annual allocation for wages shall be £70—just less than 27s. per week—and that the “keep” for hired labour must of course come out of the weekly £2 14s. sustenance allowance? 4, Will the wages allowance be increased to meet the position now created? 5, Can the position with regard to the repayment to the Commonwealth of the passage money owing by migrants be eased by extending the time?

The MINISTER FOR LANDS replied: 1, Yes. 2, Yes. 3, The board's scale of advances is fixed on the basis of 9s. per day for the period it is considered necessary to employ labour. 4, No. 5, Only in cases of distressed migrants.

#### BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Report of Committee adopted.

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

##### *Second Reading.*

Debate resumed from the 14th October.

Hon. Sir JAMES MITCHELL (Northam) [4.36]: The Premier rightly said that many of the matters dealt with in this measure could better be considered in Committee than on the second reading, but there are some important matters that deserve the very close attention of members and should be discussed now. We know the difficulties confronting the gold mining industry. We know what the mining industry has meant to the State in years gone by. The fall in production from 8½ millions to 2½ millions must have meant considerable trouble for many of the mines. There is a desire on the part of the Premier and everyone else to encourage mining by all possible means. The question is how best to do it. This Bill deals principally with two of our great primary industries, namely, mining and agriculture. There is to be a reduction of taxation to mining and an increase of taxation to farmers. Let me first deal with the reduction of taxation to the mines. We have two Bills before us, and the Premier has been good enough to bring them down together to facilitate discussion—one, the amendment of the Dividend Duties Act, and the other the Land and Income Tax Assessment Amendment. Under the Dividend Duties measure we are asked to provide exemption from taxation to the extent of all new capital subscribed by shareholders after the 30th June, 1924. That is to say, to the extent that new capital is subscribed for development work, the income of the mine shall be exempt from taxation, which means, of course, the dividends. The exemption only dates from

the 30th June last, and that provision is easily understood. If people now subscribe money for work on mining development their taxation will only begin when they have received their money back. No doubt the Premier means only money spent on development work, and not money spent in any other way. At any rate the Bill does not say so. Has the Premier considered this point? New capital may be applied to an existing company. Assume the existing shares total £20,000 all paid up, and that the mine has been working some time. In order to carry on and earn profits, more capital is required, and 10,000 new shares are issued. The money taken in that way is used to produce income, but the effect will be that the old shareholders will be exempt from dividend duty taxation while they may not have to put an additional penny of money into the company. The new shareholders will find the money, and the old shareholders will reap two-thirds of the benefit.

The Premier: It is rather difficult to avoid that.

Hon. Sir JAMES MITCHELL: I know it is difficult, but it may be that the shareholders who benefit have already received a considerable amount in dividends. Probably they have received all their money back and a great deal more. Still, that is the position. I do not know how the difficulty is to be avoided, but no doubt the Premier will consider the point. The second method of exempting mining is provided in the Land and Income Tax Assessment Amendment Bill. Where a person, which of course means a company, derives income from a mine, the income is not to be taxed until the total amount of the capital expenditure incurred in producing the income, that is the whole of the money spent in developing and opening up the mine, has been returned. Only when the whole of the money spent in connection with the development of the mine is returned shall the income be taxable. If the Premier reads the clause, he will find that this provision may relate to expenditure incurred before we had a land and income tax at all. I do not think the clause is quite clear about income. What the Premier means probably is that the money that has been expended in the past and the money that will be expended in the future shall first be covered by income that has been earned in the past and income that will be earned in the future, the one against the other. The Great Boulder and other mines doubtless have returned the original expenditure several times over and will not be affected. I do not know whether the Premier means to take into calculation the outgoings in connection with the development of a mine from the date of the application for the lease, or whether he means the clause to operate from now onwards. At any rate the clause does provide that the whole of the money spent on the mine in the past and in the future must first be recovered

before income tax can be charged. The Premier will agree that that is going a very long way, and doing probably more than he intends to do by way of relief. Of course where a new mine is established, the clause will be perfectly clear and easily understood. I hope the Premier will insist upon proof of past expenditure and past income being produced, because the one can be set against the other. The clause may mean a decided advantage to a number of people. A case could even occur where a company, having lost on one mine, and benefited considerably on another, would be relieved of taxation, perhaps unjustly. We do not want to loiter about the time when mines were dividend-paying, but to do something that will encourage mining now. Mine owners have expended a great deal of money, but the State has also expended a great deal of money. The Premier, who was Minister for Mines for five years, knows just how much was spent. Including the deficiency on the goldfields water scheme, the losses incurred by the State in developing mines would probably total three million sterling; but of course that is only to the extent that the money has been spent without direct return, the indirect return having more than justified the expenditure. However, I do wish people who have invested money in mines to realise that the general public have contributed towards mining development, as well as having benefited from it. Their contributions are quite apart from railway construction. Water supplies and other facilities for mining operations have been established all over the country; there has been assistance to prospectors; there have been State batteries. The total cannot be less than three millions sterling. All the people, including the people interested in mining, are carrying that load; and all the people are still responsible for the repayment of some loans incurred for the purpose of mining development. So we raise this question, not because justice has not been done in the past, but because it is in the Premier's mind that a little encouragement may result in further development work and increased production of gold—I take it that it is the gold mines he has in mind. With that view we are all in accord. When we relieve the mines of taxation, we shall, in effect, be spending money; but it is a question whether we should carry our calculations back to the very first day that a mine was taken up. A further question is whether with the same amount of money we could not in all likelihood do more good by now encouraging mining activities. However, the Premier's proposal is, firstly, relief under the Dividend Duties Act, and, secondly, relief under this Bill, which will mean that no taxation will be collected from a mine until every penny spent on it has been recovered by earnings of income.

The Premier: That is with regard to new companies.

Hon. Sir JAMES MITCHELL: Not under this Bill. This Bill refers to old companies. The clause, as I read it, covers all expenditure up to now. The Premier knows that when we, sitting here, are in doubt about anything, we give the public the benefit of the doubt. That is the clear duty of an Opposition; it is for the Government to protect the revenue of the State. The Bill will also relate, I take it, to every penny of income. To-day the farmer pays only one of two taxes, either land tax or income tax, whichever happens to be the greater. That condition also applies to income from land let on building lease; the owner of such land is only called upon to pay one of the two taxes. That has been the law in the past. There has been great increase in values; the Premier knows that they have risen very considerably in many places. Indeed, some of the increases are almost startling. The Bill says the farmer must pay both taxes. I do not think the farmer should. The farmer's stock-in-trade is his land. There are some people who say that we ought to have a good rousing land tax, something that will tickle up land owners. They maintain that we ought to tax the land owners all the time in every way possible.

The Premier: Of course this Bill applies to land owners other than farmers.

Hon. Sir JAMES MITCHELL: I have said it applies to a man who has land which he leases for building. However, the farmer will be the man principally affected.

The Premier: No. City values are half the land values of the State.

Hon. Sir JAMES MITCHELL: But city lands are not leased. Where a man occupies premises, the Bill does not apply. Land is the farmer's stock-in-trade just as much as the goods on the city man's shelves are his stock-in-trade. The city man gets his profit from his shelves; the farmer gets his profit by the use of his land.

The Minister for Mines: The city man has got to buy his stock-in-trade.

Mr. Latham: The farmer does not steal his.

The Premier: There is value in the land before the owner does anything at all.

Hon. Sir JAMES MITCHELL: There is no value at all in agricultural land until the farmer has got to work. We are told that the man in Perth puts the value on wheat land. No doubt the more people we have, the more valuable our lands become. But wheat is sold in London, and not in Perth.

The Minister for Mines: Some of it is sold in Perth.

Hon. Sir JAMES MITCHELL: Very little.

Mr. Taylor: Less than 2,000,000 bushels would cover the wheat requirements of Western Australia, out of 18,000,000 bushels grown.

Hon. Sir JAMES MITCHELL: Our wheat is sold abroad. In the days before

the world was bridged, men said, "If you put a tax on land, it will be perfectly fair, because the product of the land will be sold plus the tax." When every country was self-contained, the farmer was called on to pay taxation which he passed on, through his wheat, to the people of his own country. Thus all the people paid for the loaf of bread a little more than otherwise they would have done. The ideas of Henry George would not apply to the world to-day. The whole world is now bridged about, and we in Western Australia produced food stuffs for the old world, receiving in return the old world's manufactured goods. It would be a very difficult problem to put up a reasonable and effective case for the taxation of land that is used. The farmer faces the world's markets, while suffering all the disadvantages of local taxation—I refer especially to Customs taxation. Remembering that agriculture is the one great industry open to us at present, that that industry must be encouraged and developed, that it is the one source from which we receive real money, remembering too that the man who is producing this wealth from the land is in competition with the world in the sale of his products, and that he is fighting the elements and running risks all the time, I hold that no reasonable argument can be adduced in favour of a special tax on the man who is doing that work. In fact, he has just as much right to be relieved as the mining investor. The latter is engaged in an industry that has been of very great use to this State, producing incalculable benefits and helping us to settle our lands; an industry which will prove of very great benefit to Western Australia still; but an industry which will never be of lasting benefit. On the other hand, the farmer is engaged in an industry which will be lasting and even permanent, and from which the benefit to the State will never cease. Further than that, although we do say that we lose here so much by the farmer and there so much by the farmer, there is really no loss at all. I discussed that question the other evening, and do not wish to dwell on it now. However, we have our agricultural development far more cheaply than our mining development. I have said that at least three millions of public money have been, in a sense, lost in mining development; and I am not saying that because I wish to object to it in the slightest degree. I had a hand in spending some of that money myself, and I would spend it again if I had the chance; and so would the Premier. If someone would find the mines, the hon. gentleman of course would put up the cash; but we must have the mines first. On the other hand, our land development has been brought about at probably not a third of the cost of mining development. I believe investigation would prove that our land development is the cheapest Australia has known. But, that notwithstanding, let

us consider the men who are fighting the elements, who take the oversea market in competition with the world for their produce, who are subject to very high taxation through Customs duties. The increase of Customs duties during the last few years has been equivalent to not less than half a crown per acre of cultivated land. I refer to the increased prices which the farmer has to pay for machinery, and machinery parts, and his general requirements. Half a crown per acre is a big impost. No one can say that it is not a big impost. We have taxed the farmer and we have taxed everyone else. The Federal Government have taxed him on his income and on his land. That imposition was due to the war, but it still continues. The road boards have taxed the land, and God knows whether the Minister for Works thinks the landowners will be able to stand any more taxation under his Main Roads Bill. The taxation by the local authorities is much higher now than it was before and so long as we are subject to high protection, we must pay higher wages. This is not the fault of the road boards, but is due to the increased cost of living following upon increased protection. These disadvantages are felt by the farmers now. If the agricultural industry be as valuable to the State as many of us say it is, why should the farmer be so penalised? It is a growing industry. The plans are well laid for the future development of the land. Taxation from that source and indirect revenue as well will increase greatly year by year. Do the people realise that the area cleared during the last few years represents a strip of land 20 miles wide reaching from Perth to Busselton? All that land contributes to the revenue. If the public could realise that the additional area under crop represents a strip of land 20 miles wide from Bunbury to Busselton, they would understand how much more will be contributed by the man on the land to the revenue under these conditions, than in the past. We ought to remember the work that is being done by the man on the land. Many of them went out without much capital and have spent many years struggling to become successful. It is impossible to make a farm under ten years, and during that period the farmer spends money and improves his holding. I do not know why we should say under the Bill that the mining industry should have some advantage while the agricultural industry is to have some disadvantage. There is more taxation for the farmer, less for the miner. I do not understand it, and I am sorry to see this discrimination. I hope the House will not agree to such discrimination. I am perfectly willing to help the mining industry where help will mean better results. I hope the Premier will not insist upon getting both these taxes from the already overtaxed producers from the land. If we cannot help him much regarding the marketing of his wheat and wool, we ought not to increase

the taxation imposed upon him. That is my case against further taxation upon the farmer. The existing legislation provides for exemption from land taxation of a man's holding under a value of £50, but that exemption is to go by the board. The general exemption upon land of a value of under £250, which really affects the small dairy, poultry, and pig farmer, is also to be deleted. Thus it seems that the farmer is getting it in the neck.

The Premier: That is not much; it means only 10s.

Hon. Sir JAMES MITCHELL: But the payment may be far more. When it is the other fellow's 10s. or £1, it is not much. The Premier will see what these people will say when they are asked to come along with their 5s. for land tax, and so on. These exemptions were not granted in the past without reason and without mature consideration. There is a difference between this method of taxing and the income tax. We have no hesitation in exempting the man with small earnings. The exemptions apply to some whose earnings are not so very small either. We exempt men with incomes up to £200 from taxation altogether, and we provide that they shall be allowed deductions for each child, amounting to £40. We look after those individuals, for, of course, they have a lot of votes.

Mr. Teesdale: Don't mention that point!

Hon. Sir JAMES MITCHELL: We grant those exemptions willingly; it is just as reasonable to help the small landowner and grant the exemptions that already exist. God knows, there is enough land for people who want it.

Mr. Hughes: But you could not get any land within 12½ miles of a railway, if you wanted it!

Mr. Taylor: If you speak too loudly, the Premier will put you on a block.

Hon. Sir JAMES MITCHELL: There are enough building sites around Perth to accommodate all the people who desire to build. We are imposing these taxes because it has become a habit with people to discuss land taxation as if it were the fairest of all forms of taxation. As a matter of fact, it is not a fair tax at all where the land is being used. These small exemptions should be allowed. All sorts of deductions are allowed in respect of income, including medical expenses. If we think out this matter calmly there is no reason why we should not allow every taxpayer to deduct medical expenses, because that outlay represents a dead, dull loss that cannot be recovered. While we are to tax the little land holdings on which there may be cottages constructed, we allow deductions off incomes. We look after the man off incomes. We look after the man having an income, but impose taxation on the man who owns a little piece of land. I hope the Premier will consider well before he alters the existing law as it affects the farmer. After all, who is it that is

paying off our annual deficit? It is the farmer. Who will contribute to the revenue of the State in the future? It is the farmer, the pastoralist, and the land owner.

Mr. Lambert: What about the manufacturers?

Hon. Sir JAMES MITCHELL: They will come, and may they come soon! At present the manufacturer is not a big enough factor to help materially in meeting our annual expenditure. I agree that we must impose taxation to meet the legitimate cost of government such as the administration of justice, health, police, education, and so on. Some people object to the amount spent on education. For my part I regard that as a wonderfully good investment. If taxation must be imposed, let it be done fairly. I object to the taxing of the land as proposed by the Bill. I do not know that hon. members opposite urged this double taxation at election time, nor do I know that it has been urged in this House.

The Minister for Agriculture: Did you ever oppose a land tax before the electors, and when elected, turn round and vote for it?

Hon. Sir JAMES MITCHELL: No, I did not.

The Minister for Agriculture: They say you did so.

Hon. Sir JAMES MITCHELL: They told you nothing of the sort!

The Minister for Agriculture: You were attacked by Mr. Throssell about it.

Hon. Sir JAMES MITCHELL: I did not do so at all.

The Minister for Agriculture: Well, that is what I was told.

Hon. Sir JAMES MITCHELL: If the Minister kept his word as strictly as I have done—

The Minister for Agriculture: I have, and that is why I am here.

Hon. Sir JAMES MITCHELL: That is not so. Your electors had no say in it at all. You are in your position by virtue of the votes of members of your own party.

The Minister for Agriculture: You know you voted for the land tax. You broke your word.

Hon. Sir JAMES MITCHELL: I did not. I object to that statement.

The Minister for Lands: What do you mean by a double tax?

Hon. Sir JAMES MITCHELL: Perhaps "double tax" is not correct. What I mean to say is that you are making the farmer pay the two taxes.

The Minister for Lands: Mr. James Gardiner introduced a Bill with that clause in it. You said such a thing had never been introduced in the House.

Hon. Sir JAMES MITCHELL: I did not say so. I said it had not been mentioned during the elections. The farmers were

not told before the elections that this amendment would be brought about.

The Premier: Yes, they were.

Hon. Sir JAMES MITCHELL: I do not remember having heard it or having seen it in print. I do not really think the Premier's party told the Country Party of it. The clause relating to mining exemption is a clever one. It means much in a few words. However, there are many other small matters that we can better discuss in Committee. The Premier has told us the super tax is not to go, but will have to remain. The Premier is pledged to the abolition of the super tax, just as I am.

The Premier: I do not think so.

Mr. Hughes: When were you pledged to it? Last year you voted against the motion to cut it out.

Hon. Sir JAMES MITCHELL: I told the House that if we realised our estimate last year I would wipe out the super tax.

The Premier: You were very guarded in making that promise.

Hon. Sir JAMES MITCHELL: It is a Cabinet divided against itself. I must beat you when it comes to the super tax, because half a dozen on your side were pledged against it last year, and of course all on this side are pledged against it all the time. After all, the super tax is right only when it is necessary.

Mr. Taylor: It is only an emergency tax.

Hon. S. W. Munsie: You were always in favour of it when in office.

Hon. Sir JAMES MITCHELL: We had a succession of great deficits, and it was necessary that we should endeavour to pay our way. Then the farmers, whom we now propose to penalise, got to work and produced revenue for us, so that we might square the ledger. That enables us now to reduce taxation. There is no longer any need to maintain it at the old height. Although I will vote for the second reading of the Bill it is only because, for one thing, I cannot beat the Premier. That is one reason.

The Premier: A very convincing reason.

Hon. Sir JAMES MITCHELL: And again, I am prepared to join the Premier in doing something to relieve mining and improve its future. The past does not concern me. We require to revive mining, and we are willing to go to some length to accomplish that object. I am not willing to take a pound from the farmer and give it to the mine owner in relation to the past, although I am willing to do almost anything to help mining in the future.

Mr. LAMBERT (Coolgardie) [5.20]: All goldfields members can compliment the Government upon their decision to relieve the mining industry. I am surprised at the Leader of the Opposition using such im-

mense figures when he tells us the cost that mining has been to the State. According to that gentleman, mining has cost in direct loans two or three million pounds. Let us analyse the position. Until last year direct advances to mining totalled £352,995, of which £80,000 odd was repaid, leaving a balance of £272,995. If we add to that £112,506, the amount of direct loss through the State batteries—which can be regarded as a reasonable inclusion in the amount mining has cost the State—we get a total amount in direct advances to mining and losses through State batteries of £385,000. Yet the Leader of the Opposition would let it go forth to the State that mining has cost Western Australia two or three million pounds. I desire to sharply correct that statement.

Hon. Sir James Mitchell: I was speaking, not of last year, but of all time.

Mr. LAMBERT: Well, these figures relate to all time, ever since the institution of loans to prospectors and the institution of the State battery system.

Hon. Sir James Mitchell: Then there is the expenditure on water.

Mr. LAMBERT: Now we shall pull in the net. In a comparatively few years, while those advances were being made to the industry and the losses on State batteries were being sustained, the industry produced over 150 million pounds worth of wealth, or over 50 per cent. of the total wealth produced by the State since Responsible Government.

Hon. Sir James Mitchell: I acknowledge all that.

Mr. LAMBERT: Well, I do not want to see the statement go forth that mining has cost the State two or three millions.

Hon. Sir James Mitchell: So it has.

Mr. LAMBERT: When these poor unsophisticated farmers meet over the sliprails and discuss politics—

Hon. Sir James Mitchell: Consider the cost of the Kalgoorlie water scheme alone!

Mr. LAMBERT: That has all been paid for.

Mr. C. P. Wansbrough: At about double the cost to the other fellow.

Mr. LAMBERT: Nothing of the sort. We can expect the House to fully support the Bill.

Mr. Taylor: No, the super tax must go.

Mr. LAMBERT: I am not discussing the super tax just now; I am referring to the clause relating to the relief of mining. We are hopeful that this suggested relief will do something to revive the industry.

Mr. C. P. Wansbrough: But why penalise the other industry?

Mr. LAMBERT: We are not. Good God! man, this country has given its all and pledged its all to the farmers.

The Premier: More so than in any other country in the world.

Mr. Latham: And every penny of it is warranted.

Mr. LAMBERT: We find that 75 per cent. of our pledged indebtedness is due to the direct loans advanced to farmers.

Mr. Latham: Well secured.

Hon. S. W. Munsie: Look at the losses of the I.A.B.!

Mr. LAMBERT: The greater portion of the money we have expended on the farmer has been justified, and certainly the policy is justified, so long as it is not abused to the extent the old Country Party would have abused it when they had the balance of power in this House. Conditions have altered and, thank heaven! we have to-day a party that can dispassionately allocate to farmers the money they should receive.

Mr. Latham: The Country Party did only what was right.

Mr. LAMBERT: With the Leader of the Opposition, I think there ought to be some distinct departure made in the incidence of taxation. At present we are penalising industry. Especially are the Federal Government penalising the primary producers, whether miners or farmers, to an extent that should not be tolerated. Considering our peculiar position in the Federation, and the fact that we have in this State branches of businesses with their head offices in the Eastern States, where they pay taxation, the time is ripe for us to have a thorough review of our taxation.

Mr. Sampson: Why slug the farmer?

Mr. LAMBERT: No one is talking about slugging the farmer. Why these cheap heroics? The hon. member knows that short of running the country into bankruptcy all Parliaments and all parties have done their best to protect the farmer in every way, and the party on this side of the House will be no less solicitous of the interests of the farmers than any other party. It is a mere indulgence in heroics and a display of fireworks to suggest that anybody is penalising the farmer.

Mr. Griffiths: Tell us more about the companies.

Mr. Latham: Get on to something you know about.

Mr. LAMBERT: There are companies in Australia who have branch offices here, where there is merely a plate put up, and a typist booking big orders. The branch does a big turnover but pays not a shilling in taxation to Western Australia.

Hon. W. D. Johnson: Why?

Mr. LAMBERT: I am not at liberty to discuss the situation on this occasion.

Hon. W. D. Johnson: It is something that should receive attention. Support my motion.

Mr. LAMBERT: I will do so. The finances of the State are so important that we should have a special session of Parliament to deal with nothing else but the incidence of taxation, the way we are affected as a State in the Federal union, and the extent that we are losing money as a result of foreign companies trading here and paying no taxation, while the producer and the rest of the community pay all that is re-

quired for the good government of the State.

The Minister for Lands: They are paying their taxes here.

Mr. LAMBERT: Who are?

The Minister for Lands: The people who are sending their goods here from the Eastern States.

Hon. W. D. Johnson: They pay a portion of the taxes. You are not in a position to say that they do pay.

The Minister for Lands: I say they do, and I can prove it.

Mr. LAMBERT: They pay an infinitesimal part of the taxation they ought to pay, and that is what the member for Guildford (Hon. W. D. Johnson) means.

Hon. W. D. Johnson: It cannot be said they pay when they pay only a portion.

Mr. LAMBERT: That is so. We must have regard to the altered conditions into which Western Australia has drifted. It is a matter for serious consideration that the people of the State should be over-taxed, and these others who are benefiting by their operations here should be getting off without taxation. I hope this Bill will be the means of reviving an interest in mining. The Leader of the Opposition once said that mining was like a good wife, she will only be missed when she has gone. Probably we do not fully realise that the mining industry provides a ready and profitable market for our producers from the soil, and to what extent it has been responsible for the prosperity of the State and may be so in the future. In the hearts and minds of most people there will be a willingness to stand behind the Government in their desire to relieve the industry in its present difficulties.

Mr. SAMPSON (Swan) [5.35]: I have never hesitated to express approval of the incidence of taxation, the effect of which would be to bring into use and under cultivation unimproved lands. The Bill before us repeals an exemption previously existing upon unimproved land valued up to £50. That repeal will mean very little additional revenue to the State, for the cost of collecting the tax will practically absorb the revenue derived from it. It would, however, tend to discourage the purchase of land for a future home. It is, therefore, wrong that the exemption should be struck out. It is also proposed to strike out the exemption in regard to land valued up to £250 that is used principally for horticultural, agricultural, pastoral, or grazing purposes, and is outside any municipal boundary. This will be a blow to those who are engaged in rural pursuits. The unimproved value of an orchard land might easily be assessed at under £250, and the holding would therefore be affected by this deletion. The small consideration represented by the exemption was some encouragement to an orchardist, and some acknowledgment of the oft-repeated statement that we should assist those who are engaged in primary production. The principle behind this amendment

to the Act is a bad one. I would favour a preferential income tax for those who are on the land. In all the States people are flocking to the cities, and unless we help those who are on the land this flow of people from the country will continue. Life in the country should be made as attractive as possible, and one way to do that is to give a certain amount of relief from taxation. The exemption now in force is not a big one, and its deletion will not bring in much revenue to the Treasury, but if it is struck out the effect upon the people concerned will be discouraging. I hope the Premier will agree to strike out both these clauses from the Bill. All will approve of the amendment to the Act under which a person over 65 will be exempt from income tax if the income does not exceed £250. The Bill provides that the most a taxpayer can allow by way of deductions for expenditure on the house he occupies shall be £30 in any one year. That is an unreasonable limitation. If a house is painted inside and out it will cost more than that, unless it is a very small place. It should be possible for the owner to prove that the amount he is claiming by way of deductions represents a sum that has been spent entirely upon repairs. It has been said that alterations and additions to homes have sometimes been put in under this heading, but if wrong has been done the Government are not justified in limiting the expenditure to others. Two or three years may elapse before any considerable sum is spent on repairs, so that when renovations are necessary the limit of £30 becomes an unfair one. Medical expenses for those whose income is up to £350 are to be allowed. All medical expenses, no matter what the income may be, is a proper subject for deduction.

The Minister for Lands: That will not apply to about 20,000 people in the State.

Mr. SAMPSON: That will not apply to some, but it is a step in the right direction. If there are people who have little or no income, I hope the State will be able to provide all necessary medical services such as may be required. I am glad consideration is being given to the mining industry. We are all anxious to see it revive, for what it has done for the State in the past and may do for it in the future. Although present indications are not all that we could wish, there may be a change at any time. The proposed amendment dealing with it should have the effect of encouraging investments in mining propositions. I regret that the consideration that is being extended to mining is not being extended also to farmers, upon whose efforts the prosperity of this State will ultimately depend.

The MINISTER FOR AGRICULTURE (Hon. M. F. Troy—Mt. Magnet) [545]: It appears to me that the hon. member who has just resumed his seat is indulging in a

lot of unnecessary heroics in his references to the position of the farmers.

Mr. Sampson: Just plain statements.

The MINISTER FOR AGRICULTURE: Let the farmer speak for himself.

Mr. Sampson: I am speaking for the farmer. I represent a big section of fruit-growers.

The MINISTER FOR AGRICULTURE: The hon. member is not a farmer. He is a city property holder and therefore is opposed to legislation of this character.

Mr. Sampson: By the removal of the exemption? Not at all.

The MINISTER FOR AGRICULTURE: The hon. member will pay a great deal more than the farmer will pay. He has a block of land in Hay-street and will pay a hundred times more than the farmer will be asked to pay. I suspect that the hon. member's anxiety is not so much in respect of the farmers as it is in regard to himself.

Mr. Sampson: I have not yet referred to myself.

The MINISTER FOR AGRICULTURE: We are told that the farmer is heavily taxed at the present time. As a matter of fact the tax is a mere bagatelle.

Mr. Sampson: Why then remove the exemption?

The MINISTER FOR AGRICULTURE: The principle of land taxation is sound, and I am going to quote the Leader of the Opposition in support of the Bill before I resume my seat. It will be remembered that in 1905 the Labour Party went before the electors and one of the planks of their platform was land taxation.

Mr. C. P. Wansbrough: You went before the electors advocating an unimproved land tax.

The MINISTER FOR AGRICULTURE: If our opponents do not know what our principles are it is not because they have not made inquiries regarding them and misrepresented them to the public. In 1905 this very question was before the people. The present Leader of the Opposition was contesting the Northam seat, and he had opposed to him, Mr. Watts, who was standing in support of the principle of land taxation. Mr. Mitchell was definitely opposed to land taxation and he told the farmers it meant ruination to them if such legislation were passed, just as hon. members opposite are doing at the present time. A little later on Mr. Mitchell became Minister for Agriculture in the Moore Government, and immediately after that Government introduced the Act that is in existence to-day, and Mr. Mitchell supported the measure in this House. Mr. George Throssell, who had been a strong supporter of Mr. Mitchell as a non-land taxer, condemned Mr. Mitchell strongly, and these are the words he used—

The proposed tax in an old-established country is perfectly legitimate, but in a new one like our own where new settlers are being attracted by the existing liberal conditions, it can only result in a severe



check to the continued rapid settlement now going on, and which we are all anxious to see continued. Whichever way it is looked at, calm reflection will show that the proposal is inopportune and inexpedient, and altogether an unwise policy for this new country to adopt. We returned Mr. Mitchell pledged to oppose the policy of the Labour Party, one of its planks being land taxation. Because of his honorary position he now, while avowing his hostility to the Bill, as publicly avows his intention of supporting it, and I can only say that if such action be common sense, I want none of it. Had this action been that of the Labour Party we might have borne it; but coming from our old familiar friend, in whom we trusted—for him to have lifted up his heel against us is more than we should be called upon to bear in silence. He spoke as a very small landowner and as one who personally would be very little affected by the tax.

Mr. Sampson: When was that?

The MINISTER FOR AGRICULTURE:

This refers to the 1905 election. I remember that election well, and I remember Mr. Mitchell's somersault. Yet now the Leader of the Opposition declares I stated an untruth when I told the House he opposed the land tax measure at that time, and that later on, without referring the matter to the people, he supported it in this House. Later on there was a controversy about the measure—I think it was rejected once by the Upper House. When the controversy arose in the country Mr. George Throssell became a convert to land taxation, and he stood in support of the then Government in favour of the imposition of a land tax. Mr. Throssell was opposed by Mr. Wilding who was against land taxation, and Mr. Mitchell went along to support Mr. Throssell's candidature. During the course of the elections Mr. Gregory, who was then Minister for Railways, sent a telegram to Mr. Mitchell, who read that telegram at the election meeting, the effect of which was that the Government proposed to return to the people the amount to be collected by way of reduced railway rates. Mr. Gregory's telegram indicated that the Government proposed to make a reduction of £50,000 from railway revenue, a sum that would be returned to the farmer. The present member for Mt. Margaret, who was then in the House, spoke strongly on the matter, and it will be wise for him to refresh his memory before he speaks on the Bill now before the House. A comparison was made to-day between the consideration given to the farmer and that extended to the miner. If our members might hoodwink people who do not understand the position, but those who are familiar with the position of both miner and farmer will know that there is every reason why the miner should be exempt. The late Mr. Throssell made this statement—

The large landowners are mistaken in opposing the tax so bitterly. They oppose their own interests and yours. Agricultural railways mean increased population, increased value to all lands, increased trade to towns, increased life in all our workshops, more work for the toiler, and general prosperity to the State.

I can almost hear the present Leader of the Opposition using the very same words. The language is so much like his. But it was the language of the late Mr. Throssell who was supported by Mr. Mitchell. Mr. Throssell went on—

Electors, do not be deceived. I have thought it all out. Trust me and we shall win now as we did in the old days. Remember also, I am a large landholder, a large owner of town and city properties, a farmer and a worker all my life. In every walk your interests are my interests.

This advice was given by representatives who had been associated with hon. members opposite and it was also the advice given by the Leader of the Opposition. I am staggered to-day at the position he is taking up.

Mr. Latham: What about the income tax at that time?

The MINISTER FOR AGRICULTURE: All this was at a time when land values in this country were not nearly as big as they are to-day. The late Mr. Throssell stressed the position accurately. He said, "Agricultural railways mean increased population, increased value to all land." The principle of land taxation is a sound principle in itself. It provides that some portion of the increased value, by the expenditure of so much money on harbours, railways, and water supply, shall be returned to the State. As a matter of fact, our land, if it were not served by railways, would be useless. If my farm were situated 100 miles from a railway, I would not have it at any price. Without a railway it would be entirely unprofitable. Therefore the State builds railways—

Mr. Latham: And the people pay for them.

The MINISTER FOR AGRICULTURE: All the people in the country, the whole State.

Mr. Latham: Principally the country districts.

The MINISTER FOR AGRICULTURE: I am not complaining that a little of the enhanced value should be returned to the people who create it. I admit, of course, that the farmer creates some of the value.

Mr. Latham: He creates the lot.

The MINISTER FOR AGRICULTURE: He cannot create the whole value. As I have said, his land would be utterly useless if it were not for the railways, harbours, water supplies and all the other facilities provided by the Government to help him to produce.

Mr. Latham: Reverse it: The railways would be no good without the production.

**THE MINISTER FOR AGRICULTURE:**

The hon. member knows that his farm at Naremburn would be valueless if it were not for the railway running in close proximity to it. Compare the position of the miner with that of the farmer. First let us state, what is a mine? It is a wasting asset. What is a farm? It is an asset that is always increasing in value. That is why a man is attached to the land. The growth of the city is a good thing for the man on the land, because the greater the number of people in the State, the greater will be the number who are depending upon him for their daily bread. The greater the number of those who require his produce, the better is the position for the farmer. The value of the land, too, depends upon the facilities given for marketing the product and the price the community can afford to pay. A mine is a wasting asset and every year it becomes less valuable. Moreover, the occupation of mining is risky. One might put £20,000 into a mine and get nothing out of it. The investment is risky, whereas with land, the more money that is put into it, provided the property is reasonably good, and the rainfall is fairly reliable, the value increases, given all the facilities to which I have referred. The hon. member is incorrectly stating the position when he says that we are taking away from the land holder and giving to the miner. The very same gentleman, however, did exactly the same thing here on a similar measure. He and other members of the Opposition have misrepresented the position to the farmers. They were the very people who supported a similar Bill in this House and then tried to justify it to the farmers by admitting that what they had said previously was rubbish and nonsense. Members are not sent here to wilfully misstate facts or to wilfully misrepresent a principle. Therefore I object, to the Leader of the Opposition, in view of the attitude he adopted in the past, and of his insincerity at that time—

Mr. Latham: You are not justified in saying he was insincere.

**THE MINISTER FOR AGRICULTURE:** He was. Can it be said otherwise? The Northam election at that time was fought on the question of a land tax, and the late Mr. Throssell and others rallied around Mr. Mitchell as their standard bearer in opposition to that measure.

Mr. Mann: Do you argue that a member should never change his mind?

**THE MINISTER FOR AGRICULTURE:** No, but he should have the decency to admit having done so. In the country he was an opponent of the land tax; on the Treasury bench he was a supporter of it. The same thing may happen again. It might be interesting to quote the opinions of other members sitting in Opposition, but I shall not refer to them because they have not

expressed themselves on this Bill. The exemptions for the mining industry are absolutely sound.

Mr. C. P. Wansbrough: Why do not you lose your revenue and be satisfied, instead of tacking the shortage on to the farmers?

**THE MINISTER FOR AGRICULTURE:** We are giving encouragement to people to invest in mining. The larger the number of people who invest in mining, the bigger is the market for the farmers. The best market the farmers ever had was the mining population. If there were 50,000 people in the mining industry to-day it would be a good thing for the farmers. No better market can be had than the local market, and the best of the local market is the goldfields market. If we can build up the mining industry again by granting these just exemptions, we shall be providing the farmer with a great opportunity to dispose of his produce without having to pay excessive railway rates, and without having to wait for a market abroad. The Leader of the Opposition also said there was no justification for withdrawing the exemption under the Land Tax Act and giving exemptions in regard to income tax. The difference between the two principles is this: the income tax measure is never a justifiable measure, except under special circumstances, and those circumstances are that the State must have the money.

Hon. Sir James Mitchell: That is the reason for all State taxation.

**THE MINISTER FOR AGRICULTURE:** I have always felt that the income tax is one of the most unfair methods of taxation, because it makes an enterprising man pay the most. The man who strives to get results is the man who is most heavily taxed. The land tax is entirely different. A man may hold land and do nothing with it, and yet may reap the increase in values.

Mr. Griffiths: And he may work his soul-case out in trying to develop it, too.

**THE MINISTER FOR AGRICULTURE:** He may buy a block of land in Hay-street and do nothing with it, and yet reap the enhanced value. Justifiably that man should pay, because he reaps where he has not sown.

Mr. Lindsay: He pays now, does he not?

**THE MINISTER FOR AGRICULTURE:** No. Half the revenue under this measure will come from city properties, because it is in the city where the values are. I hope members opposite will refrain from indulging in this talk that they are looking after the special interests of the farmer. The Leader of the Opposition has not been consistent.

Hon. Sir James Mitchell: I have.

**THE MINISTER FOR AGRICULTURE:** But I have quoted the hon. member's speech.

Hon. Sir James Mitchell: Read it again! What about your attitude to the pastoral leases?

**THE MINISTER FOR AGRICULTURE:** The hon. member was a non-taxer of land

and was pledged to it, and yet when he became a Minister he endorsed the land taxation.

Hon. Sir James Mitchell: I was not pledged to it.

The MINISTER FOR AGRICULTURE: But I quoted the particular election.

Hon. Sir James Mitchell: You did not fight my election.

The MINISTER FOR AGRICULTURE: I assisted; I spoke for Mr. Watts who was your opponent. In the first place the hon. member stated in the country that he did not believe in the land tax.

Hon. Sir James Mitchell: I do not believe in it to-day.

The MINISTER FOR AGRICULTURE: Later on, in supporting Mr. Throssell, he spoke strongly in favour of the land tax.

Hon. Sir James Mitchell: I never did believe in it.

The MINISTER FOR AGRICULTURE: Members opposite have got into the habit of pretending they represent the farmer.

Hon. Sir James Mitchell: We do.

The MINISTER FOR AGRICULTURE: No more than I do. The hon. member will pay no more land tax than I shall, and I am not squealing about it.

Hon. Sir James Mitchell: I am not squealing, either.

The MINISTER FOR AGRICULTURE: I shall be satisfied so long as the man in the city, whose properties are enhanced in value as a result of the operations in the country, pays his share, and under this measure he will pay his share.

Hon. W. D. JOHNSON (Guildford) [6.6]: We are not likely to make much progress towards passing equitable taxation if we base all our arguments upon the relative merits of two important industries. I do not wish to engage in a controversy as to whether the agricultural industry should receive special consideration over the mining industry, or vice versa. We all know, and the Leader of the Opposition has admitted it more than once, that some further consideration is necessary for the mining industry.

Hon. Sir James Mitchell: I admit it now and always did.

Hon. W. D. JOHNSON: But it is wrong to say that the Government, in their desire to give to the mining industry the relief that all parties are convinced is necessary, are doing it at the expense of the farmer. That is not so; there is nothing in the Bill to that effect.

Hon. Sir James Mitchell: Yes, there is.

Hon. W. D. JOHNSON: If the relief to be afforded the industry can be calculated in pounds, shillings and pence, it is the community that is going to give it.

Mr. Latham: As a result of the repeal of this abatement.

Hon. W. D. JOHNSON: It is relief to the community to an industry that requires special consideration. If we admit that the Bill is just, and the Leader of the

Opposition has admitted it, we must also concede that the taxation imposed upon mining in the past has not been equitable.

Hon. Sir James Mitchell: It has been equitable.

Hon. W. D. JOHNSON: If the relief is justified, it is because the present method of taxing the industry is not fair.

Hon. Sir James Mitchell: No, the mines are not paying. That is the trouble.

Hon. W. D. JOHNSON: Whenever we start to effect reforms or alterations, we do so because there is justification for them. If we admit this, we must admit that the mining industry in the past has been subjected to an unfair impost, and that we are going to put it right. We must admit that the mining industry has been a large contributor to the revenue of the State on a basis that has not been equitable, and the Government are now going to set that right. The Bill is most difficult to follow. I started out by endeavouring to compare the clauses of the Bill with the sections in the Land and Income Tax Assessment Act of 1907, but I found this Bill is not an amendment of the Act of 1907. The Act of 1907 has been amended by No. 14 of 1917, No. 24 of 1918, No. 17 of 1922, and No. 40 of 1922. A memorandum has been prepared and the Premier has commended it to members because it explains the objects of the various clauses, and yet the memorandum does not even make that explanation. This is evidence that sufficient care was not exercised in preparing the memorandum.

The Premier: Every Bill introduced has been dealt with in the same manner.

Hon. W. D. JOHNSON: Nevertheless, it is wrong. It would be quite a simple matter to explain in the memorandum that there was a consolidating measure, and that reference should be made to it and not to the Act of 1907. I do not suggest that the Premier has been neglectful; I know the practice of the past, but I hope the Premier will see that in future the memorandum makes the position thoroughly clear, so that the time of members will not be unnecessarily occupied in discovering for themselves what could be clearly stated in the memorandum.

Hon. Sir James Mitchell: That is the work of the draftsman.

Hon. W. D. JOHNSON: Well, someone needs to be told to do it.

The Premier: You introduced Bills and did not give similar instructions.

Hon. W. D. JOHNSON: That is so, but it was never brought home to me so forcibly as it has been on this occasion.

The Premier: I think there are 27 amendments to the Land Act and you introduced some of them.

Hon. W. D. JOHNSON: I know I have been as guilty as the Premier, but having had this experience, we might profit by it and see that in future the position is

explicitly stated. If we leave this Bill as it stands and do not introduce another measure, an injustice will be done to agriculturists, pastoralists, and horticulturists. City land has an exemption of £50 and it is proposed, and rightly so, to abolish that exemption. Agricultural and other lands have an exemption of £250, and it is proposed to abolish that exemption. If we leave it at that, it must be admitted that while we are hitting up the city man to the extent of only £50, we shall be hitting up the people outside to the extent of £250. Therefore, it may be said that this measure will give special consideration to city landowners. I know the Premier has no desire to do that. What we want is a measure to impose a proper tax on unimproved values in order to make the position equitable to all concerned. That can never be accomplished under this Bill, because it touches only the exemptions, and thus we shall be imposing a special penalty upon the holders of agricultural land.

The Minister for Lands: How could you do it in any other way?

Hon. W. D. JOHNSON: The only way to set it right is to follow up this measure with another Bill dealing with land values taxation in general.

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

Hon. W. D. JOHNSON: Before tea I was pointing out that the abolition of the exemptions by this measure would be in anticipation of a Bill for land values taxation to be introduced later. If such a measure had been introduced for the purpose of putting land taxation on an equitable basis and really making taxation that kind of function for which most of us advocate it, then the amendments proposed by the present measure would be consequential on the passage of the other measure. Having introduced this Bill, the Government are no doubt contemplating the introduction of the other Bill, and are really only abolishing the exemptions as a preliminary to the bringing down of the other measure I refer to.

Mr. Latham: Would you expect a bigger taxation measure later?

Hon. W. D. JOHNSON: I expect it, though, of course, I may be disappointed. My anticipation is that the Government will introduce a measure for land values taxation in order to get at those people who to-day are holding up large areas to the detriment of the progress of this State. The taxation we have to-day will not do that. We have had it in operation for some time, and it has had no effect upon the monopolisers of large tracts of country, who are retarding the advancement of Western Australia. The reason is that the tax is so small. Indeed, the increased value given to land by the continued expenditure of loan funds and the introduction of further population, more

than compensates the owners for the increased taxation. Instead of the holders paying the increased taxation, it is paid really by those who create the increased value. We want to get away from that position. We want a taxation measure which will make it unprofitable for people to monopolise huge areas of our lands. I know this is not the measure in which to do that, but the point I wish to emphasise is that the present Bill is a preliminary measure. If we were to leave this Bill as it stands, all we would be doing would be to remove an exemption of £50 from the city property holder and an exemption of £250 from the owner of agricultural land. In other words, we should be penalising by £200 more the agricultural landholder than the city landholder. I am opposed to exemptions, but I do want the taxation of land to be put into a Bill of such a form that we can deal with the whole subject comprehensively, instead of just touching it, as under this Bill. The rest of the Bill is essentially for Committee discussion, and in that stage the Premier will doubtless give us further information regarding the various clauses. The real work in connection with the measure will have to be accomplished in Committee.

Mr. LATHAM (York) [7.36]: The Bill is brought in to serve the useful purpose of providing some exemption for the mining industry in particular; but I regret very much that the measure proposes to place additional burdens on the small man. I was surprised to hear the last speaker say that he does not want exemptions. We do want exemptions for the small man who is trying to buy a block of land in order that he may erect a home on it. We want everyone in this State to have a home of his own.

Hon. W. D. JOHNSON: The small landholder pays a small tax.

Mr. LATHAM: But he would be better off if he had no tax to pay. The exemption operates as an inducement. Even if the small man has to pay only 4s., being 1d. in the pound on a value of £48, it is a tax—and a tax is an objectionable thing.

Hon. W. D. JOHNSON: Nobody likes taxation.

Mr. LATHAM: I consider it injudicious to impose taxation on the small man. He seems to be hit particularly hard by the Bill, because the exemption of £250 is to be repealed. It means that after five years every man on the groups will have to pay land tax as well as income tax. An article in the "Daily News" sets out very distinctly what the tax really is—a second tax on capital. As such, it is most unfair. Let me point out what a burden of direct taxation there is on 1,000 acres of land, apart from income tax. Take a place like Belka, just south of Merredin. The Commonwealth valuation of the unimproved land there is £2 per acre and upwards. At a penny in the pound the Commonwealth land taxation amounts to £8 6s. 8d. Road board rates,

which, the Public Works Department has laid down, must be not less than 2d. in the pound in order that the Government subsidy may be secured, amount to £16 13s. 4d. On most of new areas there is a loan rate of 1½d. or ¾d. in the pound; say, £5 3s. 4d.; then there is a vermin rate of ¾d., equal to £7 5s. Next, there are cart and carriage licenses, say for a wagon and a buggy—I will not mention a motor car, because that might possibly be considered a luxury, and I wish to confine this calculation to bare necessities—30s. Further, there is £50 per annum for water rates. These items give a total of £88 18s. 4d. on 1,000 acres of land, without income tax. The least the State can do is to leave in the Act the provision for an abatement of the land tax or the income tax, whichever is the greater.

Hon. W. D. Johnson: You can argue against the income tax, but not against the land tax.

Mr. LATHAM: Do not let both taxes be imposed.

The Premier: But what difference will this Bill make in the land tax?

Mr. LATHAM: A difference of £8 6s. 8d., which at present has not to be paid. In the area I refer to the income tax is the greater. A large proportion of those settled on the land to-day cannot afford to pay such heavy rates and taxes. The Industries Assistance Act itself was brought into existence to help those people, and yet this Bill proposes to penalise them.

The Premier: They do pay land tax, but they deduct it from the income tax.

Mr. LATHAM: I know that very well.

Hon. Sir James Mitchell: Whichever is the greater they pay.

Mr. LATHAM: They pay both, and get an abatement in the following year.

The Premier: Then the hon. member is calculating wrongly, and this Bill will not make a difference. The farmer will have to pay income tax on £8 6s. 8d. more than he pays on at present, but it is wrong to say that there will be a difference of £8.

Mr. LATHAM: The farmer pays the land tax in. He pays not only what the Treasurer is trying to get the House to believe is all that is paid, but also direct taxation. The following year, of course, the farmer gets an abatement. If the land tax amounts to £6, and the income tax to £40, then in the following year the farmer pays £40 less £6, or £34. I observe that the Premier does not forecast a great deal of revenue from the Bill, and I honestly wonder whether it is worth while to go on with the measure.

The Premier: It will mean less work for the Taxation Department.

Opposition Members: Oh!

Mr. LATHAM: I do not think so. The revenue for last year was £71,499 in respect of land tax, and for this year the Premier estimates £75,000. Knowing as I do that the area of land taxable will this

year be greater than last year, in view of the period of five years having expired, I fail to see that the Premier will get any increased revenue from the Bill; that is, if the Estimates are correct. Therefore I commend to him the advisableness of not worrying about this measure any further. It means unnecessary amendment of existing legislation. I do not say that I shall support the comprehensive measure which was mentioned by the member for Guildford (Hon. W. D. Johnson) and concerning which he no doubt has full information; but I do object to additional land tax when there are such large areas of Crown lands that we are anxious to get people to take up. If there were any prospect of this measure resulting in larger landholders using their areas more fully than they do to-day, I would support it; but let us not penalise the men who are doing right. The Bill will make hardly any difference to the big man, but it will hit the small man hard.

The Premier: Poor small man!

Mr. LATHAM: The abolition of the £50 exemption is rather a disgrace to the Administration. It means taxing the small man who is trying to build a home of his own.

The Premier: Taxing him to the extent of 4s. 2d.!

Mr. LATHAM: I know that 4s. 2d. is 4s. 2d., and I know that if the small man has not got the 4s. 2d., the Taxation Department will harass him to the last extremity. The 4s. 2d. may be a small amount, but when added to the other expenditure the man will have to face, it will represent a considerable impost.

Mr. Teesdale: When it was a matter of a penny for a hospital tax, there was a lot of fuss about it!

The Premier: All the small landholders will be selling out to-morrow!

Mr. LATHAM: I know what will be the effect of this comprehensive land tax. It will lower land values. People will not keep blocks lying idle for a year or two until they can afford to build their homes on them, if they have to pay heavy land taxes.

Mr. Hughes: What will they do with their blocks?

Mr. LATHAM: I know one hon. member sitting on the Government side of the House who is willing to give land away.

The Premier: This is the last straw!

Mr. LATHAM: It is, and I sincerely hope it will not be such a straw as will damage the reputation of the Government. There is no necessity for it, and I do not think the revenue to be derived will amount to anything.

The Premier: There are not many blocks of land not worth £50.

Mr. LATHAM: I know some blocks of land not far from here, that the owner is willing to give away now. There is also that other incident where an old man was

taken away from the Old Men's Home and presented with £10 to take over a lot of titles to blocks. This was done to permit the owner to evade taxation because the land was not worth it. This Bill will make the position worse. That owner could not have surrendered the land to the Government because the Lands Department will not take back titles as they used to do.

Hon. Sir James Mitchell: They will take them. You can surrender land to the Crown.

Mr. LATHAM: At one time you could not do so.

Mr. Sampson: You cannot surrender land unless you pay up the arrears of taxation.

Mr. LATHAM: I understood that was the position. I hope that even at this late stage the Premier will put his pen through the clauses to which I have referred.

Mr. C. P. WANSBROUGH (Beverley) [7.49]: I protest against the method proposed of making up by means of imposts upon one section of the community, the relief that is to be granted to another section. I have no objection to the exemptions granted to the mining industry. The Country Party went before the electors advocating that some such relief should be granted. I am anxious, however, that the present position of the over-taxed agriculturist should not be made worse.

The Premier: What is Dr. Page doing about it in the Federal Government?

Mr. C. P. WANSBROUGH: The Premier has put his finger upon a sore point. I hope that he, however, will do what he can to relieve the position.

The Premier: Dr. Page is coming over here soon.

Mr. C. P. WANSBROUGH: I object to the burden of the exemptions granted to the mining industry being cast upon the shoulders of the farming community.

Hon. W. D. Johnson: How much will the farmer have to pay under the Bill?

Mr. C. P. WANSBROUGH: He will have to pay considerably more than he does now. It is not so much the actual amount but when it is added to the ordinary income taxation that he has to pay, the impost on the farmer is a considerable one.

The Premier: No.

Mr. C. P. WANSBROUGH: It will be.

Hon. W. D. Johnson: If you assert that the agricultural community will pay for the relief granted to the mining industry, you are not correct.

Mr. C. P. WANSBROUGH: While it is proposed to grant that exemption to the mining industry, the Government are not prepared to lose revenue. They propose to get it from the farming community. We have no objection to an equitable form of land taxation. Some members of the Primary Producers' Association are strong advocates of unimproved land values taxation. I do not subscribe to that principle for I

believe that those advocating that method of taxation will be the most severely hit by it should it be imposed. Before the consideration of the Bill is completed, I hope the Premier will consent to modify the form of taxation proposed. I would refer particularly to the sustenance allowances which are allowed to the farming community in respect to their employees. It is a ridiculous allowance at present and is not adequate. That fact is emphasised by the request made by the farm workers for an increase in that direction. If it is worth while making such an allowance under an award, it is equally right that it should be allowed to us as a deduction under the Bill. We have our remedy and I am pleased to see that there has been a slight departure inasmuch as we will have the right of appeal to the local court. Before we can exercise that right, however, we have to submit our case to the Commissioner of Taxation, who will have the right to say whether or not we can go to the court. This is merely an appeal from Caesar to Caesar and does not provide an adequate remedy. The Commissioner is the prime factor in the question of an appeal. The present method of valuation is not equitable. There is not the slightest chance of any remedy until we have some better method of valuation prescribed by legislation. At present we have land in different districts, comparing favourably, but valued at absurdly different figures. That should not be so. I recognise that my voice is as one crying in the wilderness because I will not be listened to by members sitting opposite. I trust that some relief will be afforded the farming community. As to the remarks of the member for Guildford (Hon. W. D. Johnson) that the exemptions will apply more to city land rather than to the country holdings, I would point out that the city people have a means of passing on the burden that is not possessed by the country people.

Mr. Clydesdale: Not all of them.

Mr. C. P. WANSBROUGH: People interested in trade and commerce take advantage of opportunities that we have not got. We depend upon the world's market for our values and we cannot pass on these imposts so readily. We are burdened with taxation through the tariff and cannot get relief.

The Premier: You are passing on a very good price for wool at the present time.

Mr. C. P. WANSBROUGH: And we pay for it in our income tax.

Hon. W. D. Johnson: For all of it?

Mr. C. P. WANSBROUGH: We pay for it at any rate. I trust that some measure of relief will be given to the agricultural industry.

Mr. HUGHES (East Perth) [7.56]: I have been astonished at the outcry by the representatives of farming districts when we endeavour to get some taxation from the unfortunate people in the city.

Mr. Latham: This is a double-edged proposal.

Mr. HUGHES: The taxpayers in East Perth, where they are mostly wages or salaried men, have no opportunity to pass on the burden. The holders of city properties, who also grow fruit in the neighbourhood of the metropolitan area, can pass on the burden by their rents. The same thing applies to the people who publish newspapers. They can pass on the impost, too. The ultimate effect is that the people pay the lot. Last year's annual report of the Commissioner of Taxation shows that the unimproved value of land in the metropolitan area, from Midland Junction to Fremantle, is just over 8½ million pounds, of which over 1½ million pounds represents totally unimproved land. Nearly a quarter of the land in the metropolitan area is held in idleness. While people are paying abnormal rents in East Perth, it is astonishing to know that there is such a large area of unimproved land available in that district. For upwards of 80 years, people have held up land in East Perth waiting for increases in prices. I know some blocks that did not cost the owners one-twentieth of what they want for them to-day.

Mr. Latham: I bet it has cost them more by way of taxes than the blocks are worth to-day.

Mr. HUGHES: The hon. member has a poor estimate of the financial capacity of the men owning the land.

Mr. Latham: You know very little about it.

Mr. HUGHES: Some land sold recently returned a very handsome profit to the owner over and above rates and taxes paid. In my constituency landlords have been able to avoid paying a fair share of municipal rates; the workers renting houses have been obliged to pay those municipal rates. To-day land is held at famine prices, the owners looking to reap, not 100 per cent., but 1,000 per cent. on their investments. Workers cannot get a piece of land on which we build a home. Consequently the forcing of this land into occupation will help to solve the housing problem in the city. But for the time being, side by side with the imposition of a heavy unimproved land tax in the city, we must have a fair rents court. We must safeguard the tenants from the landlord's passing over to them the unimproved land tax. The member for York (Mr. Latham) has raised an important point that we should watch in the Bill. He referred to the man purchasing a block of land with the ultimate object of building a home. He does not want to see that man penalised. We ought to have in the Bill a clause protecting that man. When a man starts to buy a house on terms and pays down a deposit on the property, although he becomes the nominal owner, actually he has only an equity in the property. Suppose the block of land costs £100, and the purchaser pays down £10, and £1 per month. When he has paid £20, he has only a one-

fifth equity in the land, four-fifths still belonging to the vendor. We must insert in the Bill a clause preventing the vendor from loading the whole of the land tax on to the purchaser. The member for York made a good point there. Until the block is fully paid for, the vendor is the owner of the block, and he ought to be made to pay the tax pro rata with his equity. We require a clause ensuring that he shall do so. Then we shall have the actual owner paying the tax.

Hon. Sir James Mitchell: Who has possession of the land?

Mr. HUGHES: The purchaser has possession as tenant. My learned friend from West Perth whispered that in your ear, and has let you down.

Mr. Davy: I never mentioned it. You are too smart.

Mr. HUGHES: Although the tenant has possession of the block, he is not the owner until he has paid in full. We have had at Gosnells a painful experience of people in possession, with their land partly paid for. They found out that they were not the owners until they completed their payments.

Mr. Taylor: But that is before the court at present, and so is *sub judice*.

Mr. HUGHES: There is nothing before the court about the titles. The fact that someone connected with the property is being prosecuted has nothing to do with the question of whether or not the purchasers shall get their titles. I propose to the Treasurer that, in Committee, he accepts an amendment safeguarding the time payment purchaser of land and making it obligatory on the vendor to pay so much tax as relates to his equity in the land.

Mr. Davy: It would only be reflected in the price.

Mr. HUGHES: No, because if a man sold a block of unimproved land at a price, that would immediately become the unimproved value. A man could not have a block of land valued in the Taxation Department at £100 and sell it at £200 while still paying the tax on £100. The moment he sold it at £200, the Taxation Department would assess it at that value.

The Premier: Yet blocks are being sold in the city at about ten times the price at which they are assessed for taxation purposes.

Mr. HUGHES: It is not right to say that a man, having for sale a block of land that he will not sell for less than £200, should value it at £100 for the purposes of taxation.

Mr. Griffiths: They are doing it.

Mr. HUGHES: If they are, then we ought to make doubly sure in the Bill that it shall not be done in future. Irrespective of the taxation assessment, the moment the block is sold for a higher price the taxation assessment ought to be increased accordingly. As I have said, eight and a-half million pounds is the value of the unimproved land between Midland and Fre-

mantle, and, on the Taxation Department's figures, nearly 25 per cent. of it is totally unimproved. That is to be found on page 10 of the Taxation Commissioner's report. In the agricultural areas land alienated, or in process of alienation is valued by the Taxation Department at close on £8,000,000, of which less than one-tenth is the total unimproved value. Then there is in the agricultural areas two and three-quarter million pounds' worth of land totally exempt from taxation.

Mr. Latham: That is very decent at a penny in the pound.

Mr. HUGHES: Between Fremantle and Midland there is, totally exempted from land taxation, land valued at £271,234. So we see that to-day the metropolitan people are paying on 8½ million pounds worth as against the eight million pounds' worth in the country. It is obvious that if the land tax is to be raised and more revenue collected, most of it will be collected in the metropolitan area. Yet members representing metropolitan seats are not standing up and making a fuss about destroying industries and ruining the country. At a matter of fact, this tax is going to benefit the farmer more than anybody else in the community.

Mr. Griffiths: By adding to the price of his goods!

Mr. HUGHES: Then, like the city landlord, he will double his prices to the consumer.

Mr. Griffiths: How can he?

Mr. HUGHES: How did we get a rise in the price of bread the other day if the farmer never raises his prices?

Mr. Latham: Simply because of the export prices.

Mr. HUGHES: And the benefit of the export prices went to whom? It did not go to the working men of East Perth.

Mr. Latham: It did not go to the farmers.

Mr. HUGHES: It did not go in smoke; somebody had the advantage of it. If anybody is going to benefit by the tax, it is the farmer.

Mr. Latham: It will be an Irishman's benefit.

Mr. HUGHES: If we have unimproved land tax of say 6d. in the pound, it will bring in half a million of revenue per annum. That will enable us to give a quarter of a million rebate in railway freights.

Mr. Latham: Are you speaking on behalf of your party?

Mr. HUGHES: No, I am speaking in my own behalf.

Mr. Latham: I should like the Premier to make that statement.

Mr. HUGHES: The Premier can make his own statements. With an unimproved land tax of half a million, we could afford to give a reduction of a quarter of a million in railway freights. I think the total railway revenue is about 2½ million per annum, perhaps a little more. So if we

could give a reduction of a quarter of a million in railway freights, whom would such a reduction benefit most? It would not benefit the city merchant who rides in his motor car; it would not benefit the city man who walks to his work; it would benefit the people in the agricultural areas, and that benefit would be at the expense of the people between Midland and Fremantle.

Mr. Latham: You have no authority to make this promise to us; if you had we might support the tax.

Mr. HUGHES: I am not making any promise. Ultimately unimproved land taxation will redound to the benefit of the people in the agricultural and outlying districts at the expense of those in the metropolitan area. I have no objection to certain people in the metropolitan area paying their fair share of taxation. They have escaped too long already. By means of a Fair Rents Bill we shall be able to prevent them from passing it on to the tenants in the metropolitan area, either of residential or business premises. If we get a proper unimproved land tax it will be one of the factors in eliminating the need for a Fair Rents Bill, but this will take some time. I cannot understand the complaint from the members who represent farming constituents. They say they want more people on the land. One cannot get land within the Agricultural Bank radius of a railway. I have an elector with four sons, and he desired to take up agriculture, believing it offered better prospects for his boys than that they should remain in the city. Some three months ago I had quite a hunt for land within 12½ miles of a railway. Eventually a block was thrown open for selection, but there were 92 applicants for it. I have tried unavailingly for other people in my electorate, but have been unable to secure for them any virgin land within 12½ miles of a railway. I find from the report of the Commissioner for Taxation that there are 17½ million acres of land assessed for land tax. I do not suppose half of that is under cultivation. Although we have all this vacant land alongside our railways, we cannot get any of it for people in the metropolitan area. What would be of greater benefit to agriculturists than to have more people settled in their districts? The member for York gave us a list of charges that were levied on a thousand-acre farm. He dealt with road board rates, and said that certain rates had to be paid. The best way to reduce these local charges is to increase the population of the district. I do not say that by doubling the population of a district we can necessarily halve the rates, but if the population were doubled, and twice the amount of land were cultivated, the burdens of local government would be easier to bear.

Mr. Griffiths: You said there was no more land available within these areas.

Mr. HUGHES: I did not say land was not available for cultivation, but that so



much land was already alienated and was not being put to its full use.

Mr. Griffiths: There is not much of that land in the Avon district.

Mr. HUGHES: My remarks do not apply to the Avon district. I wish the hon. member would show me how to force the landlords in East Perth to put their vacant land to full use.

Mr. North: How do you suggest that should be done?

Mr. HUGHES: Instead of a landlord being permitted to put eight houses, each on a 15ft. frontage, he should be compelled to so subdivide his land as to provide a good area for each house. If people in the country will not assist us in bringing into productive use land alongside our railways, how can they expect us to assist them in reducing the burdens they have to carry? The burden of rates and the cost of local government are heavy only because the population of the districts is sparse. The remedy lies in establishing more people on the land and giving them a chance to cultivate it. Seeing that the city people will be paying for most of the relief from these burdens, I cannot understand why members representing the farmers are so strong in their protests. If the position were put plainly before the farmers, and the advantages that would accrue to them from the introduction of an unimproved land tax were pointed out to them, I am sure very little support would be accorded to members for the views they have expressed to-night. I suggest to the Treasurer an amendment to safeguard the time payment purchaser, as indicated by the member for York. I have no idea what the Treasurer proposes in the way of a land tax, but I hope it will not be less than 6d. in the £, and that we shall be able to give a corresponding reduction in railway freights that will particularly benefit the agricultural areas. Above all we must bring down an adequate Fair Rents Bill to operate for the next five or six years to prevent city landowners from passing the additional land tax on to the workers of the metropolitan area.

Mr. LINDSAY (Toodyay) [8.25]: This Bill is good in patches. I agree with the relief accorded to the mining industry, and to some of the other clauses. If the Premier had said he intended to put on a land tax in order to reduce railway freights it would have had more support from me.

The Premier: This is not a taxing Bill but an assessment Bill.

Mr. LINDSAY: It leads up to what is coming later. Statements have been made as to who will pay the tax when it is imposed. The Commissioner for Taxation has some figures covering values of city and country land. He estimates the unimproved value of the metropolitan area at £15,500,000, the value of agricultural lands at £19,000,000, of country and gold-

fields town lands at £3,000,000, of Crown leaseholds £2,500,000, a total of £40,000,000.

Mr. Hughes: That is not in the Commissioner's report.

Mr. LINDSAY: It is furnished by the Commissioner, and is dated 3rd October, 1923.

Mr. Hughes: His report shows a total of £20,000,000. This strengthens my argument.

Mr. LINDSAY: The hon. member has slipped in his very weak argument. I can understand members representing agricultural districts trying to protect people they represent after hearing the member for East Perth, who is so bent on protecting his electors. We have not said it is not right to strike out the deduction in the case of a block of land worth £50 or in the case of agricultural land worth £250, although some of our members have said it is not right to strike off the latter exemption. We have, however, not made the distinction the member for East Perth has done when he made his claim for persons who are buying something on time payment. When a man takes up a Crown lease he has 25 years in which to pay off the principal. Would the hon. member exempt such a man?

Mr. Hughes: Certainly.

Mr. LINDSAY: We, however, do not think that would be fair. I am opposing the Bill because of the method of valuation. I am not satisfied with the values as they are imposed to-day. On this point our organisation carried this motion—

That in the event of the present Government with its substantial majority introducing legislation to extend use of the land values tax, this association shall insist, (1) on safeguarding valuation on just lines; (2) relief of primary industries from other forms of taxation to the extent of the new taxation being introduced.

It is neither fair nor reasonable to the landowner nor to the State that this method of valuation should be persisted in. We had an illustration to-night when it was shown that a man sold land in Perth at 300 per cent. above the valuation appearing in the Land Taxation Department. I understand the value of land is assessed on the price it will bring in the open market under reasonable terms and conditions as if no improvements were added. How are we to arrive at that? The Commissioner of Taxation will probably say, as he said to me, that it is possible for people to go to the Taxation Department, having got sales from any particular district, and to quote a sale which is not a standard sale for the district. A man may purchase a property on which to settle his sons or to round off his own holding, and give an enhanced value for it. Some six weeks ago the Chief Assessor addressed a meeting of surveyors

in Perth, and stated that revaluations had been made in 12 road board districts and that these had accepted the revaluations. Some of the road boards in my district have not accepted the revaluations. I have a letter from the secretary of the Dowerin Road Board in the district I represent showing that that board is not satisfied with the valuations which seem to be inequitable and unjust. He writes to me in this strain—

I am enclosing you the area and taxation value of a few properties all over the board district as promised a few days ago. I picked these because you know them all and can speak with that knowledge. The taxation valuation is supposed to be made on the unimproved value only, but it would seem to me that improved values are taken in some cases. Look at R. Laffan's 4s. 6d. It is light land without improvement and compare it with Maisey's light land improved at 13s. 6d. Certainly Laffan's is further away from a railway. The Lands Department in classifying land for c.p. has a fixed price for first, second and third class notwithstanding distance from the railway, as, in nearly all cases, selection, survey and classification preceded railway construction. The Taxation Department would seem to value largely on the zone system.

I know all these blocks. One which was revalued, is two miles from a railway line. It is of light land and consists of 511 acres and was valued at 16s. per acre. Another block that I am familiar with is similar country, but certainly is three miles further from a railway and was valued at 4s. 6d. Reference is made to another block which I know well and the secretary writes of it as follows:—

Eight miles north of Blandford; 589 acres of the 2,053 is light land and is valued at 7s. per acre. His average is 15s. 6d. which seems to be low when compared with Anderson's £2 4s. 6d. It is less than Place's light land two miles from Dowerin, and less than Cash's and Whitesed's which are further from the railway.

Even the secretary himself is rather doubtful. I know that the road board has not accepted the valuation. Take another road board. This is where I happen to have my property. I am not prepared to say that the valuations there are too high, but I do say that there should be a better system of valuing than that which at present exists. I selected this land from the Government at 10s. an acre in the very early days and I remind the member for East Perth (Mr. Hughes) that I had to go out in those days no less than 40 miles from a railway.

Mr. Hughes: Can you grow wheat profitably if you have to cart it over a distance of 12½ miles?

Mr. LINDSAY: I went 40 miles out 18 years ago, and if I had not done that I would not be in possession of the land I hold to-day.

Mr. Hughes: Tell me whether you can grow wheat profitably 12½ miles from a railway.

Mr. LINDSAY: That has nothing to do with it, but I can tell the hon. member that I carted my wheat 25 miles for many years. If the opening up of the country depended on men like the member for East Perth, it would never be settled.

Mr. Hughes: My ancestors went 50 and 60 miles away from a railway.

Mr. LINDSAY: The hon. member may be interested to know that I carted my wheat 25 miles for many years. I desire to show the House that the road boards are not accepting the valuations made by the Taxation Department as has been stated by Mr. Campbell, the chief assessor. The Taxation Department increased the valuation of my land from 10s. to 33s. 6d. No land in that district has been sold at that price. No road board has accepted the valuation made by the Taxation Department. They assess on their own. The Taxation Department valuation on my property of 1,720 acres was £2,207 and the road board valuation was £1,322, a difference of £787. I have spoken to the Commissioner on this question and also to the gentleman who valued my land. I asked him on what basis he arrived at the valuation and he said "Will your land produce 14 bushels?" I replied, "Certainly, if I farm properly." Generally speaking it is the method that is adopted in farming that is responsible for the better results. When speaking to the Commissioner on this question he told me that in South Australia the unimproved value of land that produced 15 bushels to the acre was from £8 to £10 an acre. As a practical farmer I declare it will be a bad day for this country if our land is sold at that price, because it will mean that the old established farmers will get out and the new men will be loaded up with so much interest that it will not be possible for them to pay it. The Act does not say anything about what the land will produce. It only sets out what it will bring in the market. Let me quote the report of a case that was dealt with in the Fremantle local court a few days ago, relating to an appeal against a road board's assessment of land—

When giving his decision Mr. Craig said that he was unable to find anything in the evidence to justify the board's valuation of the land at £41,296. The board was entitled in the first instance, after proper inquiry, to fix what it reasonably considered to be the full and fair rateable value of the land, and to make its assessment accordingly; but when the question was brought before it on the appeal, the board was bound by the evi-

dence given as to values. The true value of land for rating purposes was not necessarily the amount which an owner was actually willing to sell it for, nor the amount which a purchaser was actually willing to pay for it, but it should be ascertained from independent data in the proper manner.

There we have a legal ruling on the point. It seems to me that the more we go into this question, the more confused we become.

Mr. Hughes: They said it should be fixed with the proper data, but they did not mention what the proper data was.

Mr. LINDSAY: I will leave the member for East Perth to find that out. I particularly mentioned one property valued at 15s. 6d. That property consisted of 1,680 acres of first-class land and 598 acres of third-class land valued at 7s. per acre, a total of 2,278 acres. If you take away the inferior land, the price of the first-class land should be £1 2s. 6d. My property, which consists of 1,320 acres, is in just the same position, only it is 25 miles further east. It is valued at £1 13s. 6d. an acre. That makes me assume that the valuations are not fair or reasonable. We have to understand that the gentleman who makes the valuations is an officer of the Taxation Department. We know of course that the Act permits of an appeal, but first of all you must appeal to the Commissioner. I believe it is the intention of the Government to go into the question of land values taxation. We should certainly have a better means of arriving at valuations, for after all it is the valuation on which we have to pay our taxation. It is an easy matter to raise the valuation of a property to £3 an acre. If the tax is 3d. in the pound, that means 9d. per acre. If the value of the property is £1, it will be 3d., and only that will have to be paid. There are certain sections in the New Zealand Act on which I would like to enlighten the House. The method adopted there is a fairly reasonable way of arriving at valuations. Some years ago I was chairman of the Dowerin Road Board and was instrumental in forming another road board further out. We had no chance of making a valuation or paying anyone to do so, and when the road board had to make up a rate book and arrive at valuations, those valuations were made by members of the board. We struck out on a system of our own and decided to class the land as first, second, and third quality. We made the maximum amount 15s. and the minimum 3s., and valued the land accordingly. Later on when forming the Wyaleatchem Road Board, we had to take half of another board's area in and I found that the other board valued the land in their area at only half the amount at which we valued ours. Knowing that the Government were thinking of making valuations, we approached the Taxation Department, and made them an offer if they would send an officer out to make the valuations and in that way enable us to

arrive at a basis. We offered to pay half the cost. The Commissioner of Taxation came to Dowerin and we drove him around the various farms in the district that had been sold. Then we drove him around the Wyaleatchem district and we asked him to put up a basis for the valuations. If he had done so at the time, the valuations would have been less, because many properties were sold, not on the unimproved value. What we wanted to protect ourselves against was inflated values by the Taxation Department. The chief assessor died at about that time, and nothing happened. Then Mr. Black and Mr. Whitley approached the Road Boards Association and asked that a conference be called. They attended the conference and tried to get the association to meet them. The only road boards that met them in any way were the two with which I was connected. Since then the department has made a considerable number of valuations. The way they have gone about those valuations is neither fair nor reasonable. They have no method. They change about from block to block. We require some method of appeal and more so as the road board needs the valuations as well as the Taxation Department. New Zealand deals with districts. Let me quote a section from the New Zealand Act. In that country capital value of land means the sum which the owner's estate or interest therein, if unencumbered by a mortgage or other charge thereon, might be expected to realise at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require. District means the local authority district. The district valuation roll may be revised by the Valuer General. The Valuer General has to give notice of altered valuation and the owner may object to the valuation. When the roll has been revised, the Valuer General, or any local authority or any owner, within such time as notice has been given, has the right to object to any valuation therein. All objections have to be heard and determined by an assessment court consisting of three members, of whom one is the magistrate of the court situated in or near the locality. Of the other two members one is appointed by the Governor-in-Council and the other by members of the local authority of the district whose roll has been revised, provided that such member is not a member of any local authority. If the Valuer General is of opinion that the court has fixed the assessment too low, he may within 14 days raise the value and notify the owner. If the owner agrees, the Valuer General recommends the Governor to acquire the land at that sum. If the owner does not agree, he may give notice to the Valuer General to reduce the value or acquire the land. If the Governor-in-Council does not approve of the acquisition of the land, the Valuer General reduces the value. The principal points of the Act are that people of local knowledge are utilised to deal with

the question of land values; the local governing bodies have some say because they are directly interested as regards rating; and the local court is held in the road board or shire council district so that people can appeal against assessments. It may be contended that such a system here would involve great trouble and expense. However, we shall not require valuations every year. Probably one valuation in four or five years is all that would be necessary, and this at any rate would lead the people to believe that they were getting justice. Speaking as a landowner, and not too big a one at that, I admit that the land taxation is not very high and does not hurt a great deal. When it amounts to only a small sum, landowners sit down under an injustice because it is too hard to get the injustice righted. They would sooner pay than squeal about it.

Mr. Hughes: Do you suggest that the values to-day are too high in some instances?

Mr. LINDSAY: Yes.

Mr. Hughes: You said the valuations amounted to 40 millions, and yet the latest return shows 21 millions.

Mr. LINDSAY: I believe the land valuations to-day amount to more than 40 million. The figures I have quoted are the result of an inquiry by a committee of the Primary Producers' Association. Mr. Black was asked for this information and I have quoted a copy of his letter. I point out, however, that that was in 1923. At present there are men going around the country re-valuing land. My value has been increased by 350 per cent., and I know that values in other agricultural areas have been increased from 200 to 400 per cent. The values in the agricultural areas totalled 19 millions before the revaluations were made. Therefore we can expect them to be much more to-day and still more in future.

Mr. Hughes: How can you say they are too high when the Commissioner says they are only 21 millions and you say they are 40 millions?

Mr. LINDSAY: I am making my statement, which is based on the letter of the Commissioner of Taxation.

Mr. Hughes: So the agriculturists have been paying on 50 per cent. of the value?

Mr. Latham: Perhaps you do not know that there is five years' exemption.

Mr. LINDSAY: The commissioner dealt with the value of taxable land. There are certain exemptions. He did not deal with the unimproved value of land.

Mr. Hughes: No, he gave the lot.

Mr. LINDSAY: The Act grants exemption for five years after selection of a conditional purchase lease, and there are the exemptions of £250 and £50, which would bring the amount down considerably. The figures I have quoted are from the Commissioner of Taxation, and I am prepared to stand by them. The question of the revaluation of the land of the State is very important. I have

advocated increased land taxation, but when I did so I certainly did not allow for the removal of the present exemptions. I did not think those exemptions would be removed.

Mr. Griffiths: Nor did you expect that the valuations would be increased by 350 per cent.

Mr. LINDSAY: If the land is worth it, we should pay on that value. Personally I do not think the valuation is fair. The Minister for Agriculture stated that the city man who owned land paid both taxes. I fail to see how any man who owns land can pay land tax and income tax as well. The exemption applies to income directly earned from land used for agricultural or pastoral purposes. If a man uses his land for either purpose, he pays whichever tax is the higher.

The Minister for Lands: On income earned from the land.

Mr. LINDSAY: Yes. If a man is holding up a block in Perth, he is getting no income, but he is certainly getting the benefit of the unearned increment.

The Minister for Lands: If he puts a building on it, he gets an income.

Mr. LINDSAY: That is so, but I fail to see that he pays any direct taxation. It is the man to whom he lets the building that pays the taxation. The agriculturist takes up land in order to extract some of the wealth from the soil and provide wealth in turn for the general community.

The Minister for Lands: He does it for philanthropic reasons!

Mr. LINDSAY: I do not know that that is so. Many men who have gone on the land may have done some good for the State, but they certainly have done no good for themselves. They have had to walk off with their swags. Fortunately, a few have not had to do that.

Mr. Marshall: More of them have been a success than a failure.

Mr. Hughes: There are more who have gone off in motor cars than with swags.

Mr. LINDSAY: The men who have motor cars have well earned them. Quite a lot of men in the wheat belt have had to walk out, and some of them had very good land, too. The men who have been successful are the super-men, who were suited for the job and who have worked hard over long hours, not 44 hours a week, and have saved their money and capitalised their energy. All the money they have earned has been put back into the land. Such men deserve their motor cars.

Mr. Marshall: They never worked any longer hours than any other men, because there are only 60 minutes in an hour.

Mr. Hughes: You have been a success.

Mr. LINDSAY: And I worked more than 44 hours. I also went out 40 miles from a railway. If the hon. member did the same he, too, might prove successful. It is not fair or reasonable to say that a man who gets his income from the land should pay

both income tax and land tax. When we get bad years we get no income at all. We have had years of drought, but the land tax has always been there whether there has been an income or not. Generally speaking, when it comes to paying income tax, we get a deduction of the land tax already paid. It is not a big item. In the past my land tax has been £1 3s. 7d. per annum and with the increased valuation it is £3 18s. 6d., so it is not a great deal.

The Premier: This exemption will not hit you very hard.

Mr. LINDSAY: No, it will not hit hard the bona fide worker of a holding.

Mr. Hughes: Not at the present price of wheat.

Mr. LINDSAY: The member for East Perth (Mr. Hughes) is always talking about the price of wheat. He talks about it being added to the price of bread. The average price of wheat in the pool this year will be 4s. 3d. per bushel. That is a very low price, and is not responsible for any increase in the price of bread.

Mr. Hughes: The price of bread went up and nobody got the increase.

Mr. LINDSAY: Why does not the hon. member make inquiries and ascertain why the price of flour went up? The poor wheat grower is too busy looking after his business to trouble about that.

Mr. Hughes: He is not too busy to come to the city.

Mr. LINDSAY: I came to the city because I was elected to Parliament. I admit that the price of wheat has gone up, but only 2,000,000 bushels of the 19,000,000 bushels produced is consumed in Western Australia. That is a very small proportion. We put our wheat in the pool and are compelled to keep a certain quantity in the State to feed our own people. We agree to supply the millers from day to day at world's parity, and we have to hold the wheat, stand out of the interest on the money it represents, pay for the storage and provide for loss from mice, weevil, etc. Before the pooling system came into vogue, there was nothing like that. The millers bought their wheat and stored it for the whole year in order to provide the people of the State with bread. It was the miller who paid the interest on the money and stood the loss from mice and weevil. To-day the pool does that, and the miller does nothing.

Mr. Hughes: Is the increase due to the pool getting world's parity?

Mr. LINDSAY: Would you ask us to accept anything else? The hon. member and his friends go to the Arbitration Court and get a standard wage fixed according to the standard of living. The wheat grower does not get that.

Mr. Hughes: Is that the reason for the increase in the price of bread: that the millers have to pay to the pool the world's parity for wheat?

Mr. LINDSAY: That is correct.

Mr. Hughes: Then it goes from the pool to the farmers.

Mr. GRIFFITHS (Avon) [8.58]: As I represent a small section of the mining community—

Mr. Heron: You are between the devil and the deep sea.

Mr. GRIFFITHS: No, I am not. I was on the goldfields probably before the hon. member was. As a representative of a section of the mining community, I suggest we should have a definition of prospector inserted in the Bill. We know what extraordinary things happen, and something should be done to overcome the rotten position that has existed as regards the prospector who discovers a valuable show and puts it on the market. In the Federal House recently a definition or interpretation of "prospector" was given as follows:—

"Prospector" in this section includes a person who, though not personally performing the work of prospecting, is the person or one of the persons upon whom there is a legality, under contract or arrangement, to contribute to the costs of the prospecting, and in whom lies the legal right to the whole or a part of any profits from the sale of a lease of a mining property discovered by the prospector.

I should like to see that definition embodied in this Bill. Commenting upon the definition a speaker said—

What we desire to know is whether in your adjudication upon such issues, the assessment, or exemption from assessment, to State income tax will be determined according to that definition, and, if not, will you be good enough to inform us precisely what is the State's definition of "a prospector." The Act has not been administered in Western Australia in accordance with that definition of the Commissioner. It is not the design under the Act. The Bill proposes to exempt the person, partnership, or syndicate that sends out a prospector, or purchases a property from a prospector. It is always difficult to get the head of the Taxation Department to decide who is a prospector. There seems to be a desire to grab taxation from persons interested in gold-mining. Hon. members representing Western Australia will remember the sale of the Celebration lease. The person who sold that property accepted shares in part payment, and went insolvent to meet the department's assessment of his obligations.

I discussed that matter with the chief of the Mines Department some time ago.

The Premier: That position has been met by the amendment Act of 1922. The sale of the Celebration lease took place prior to that amendment.

Mr. GRIFFITHS: That is so, but we know that on that occasion the amount of taxation imposed was £6,000 or £7,000, whilst the seller got only about £3,000 in cash, the balance of the consideration being

paid in shares. A good deal has been said about the passing on of taxation. Members have asserted that the farmer can pass taxation on in the price of his wheat. I fail to see how that is arguable. If there is any increase in the taxation of, say, a firm like Boan Bros. or Foy & Gibson's, the additional taxation will be put on to the prices of their goods, whether those goods are sold to city people or to country people. But the farmer has simply to sell his produce in the world's markets. As an old goldfields resident, I would be the last to try to differentiate between the two great primary industries. Nobody would be more delighted than I to see mining flourish once more as it flourished in the palmy days of the nineties. But when I hear members trying to create a certain feeling between the two industries, I regret it very much indeed. In speaking of the farming industry one has to bear in mind that it suffers not only from lack of railway facilities. There are such disabilities as water carting, and hailstorms, which may wipe out all the results of a man's industry.

Member: Is it not customary to insure against hailstorms?

Mr. GRIFFITHS: Yes, such insurance as it is. The farmer gets only two-thirds. Really the insurance is hardly any good. Then there are such pests as grasshoppers and wire worms and so forth. I have heard members speak about the motor cars to be seen in the country; but, having seen those people go through their early struggles in earth huts with bark roofs, I say that they, and especially their womenfolk, deserve all they are getting now. The member for York (Mr. Latham) gave a list of rates and taxes on 1,000 acres, a list totalling between £80 and £90. But where this taxation is going to hit hardest is in new areas like that around Lake Brown, where there are hundreds of struggling settlers.

Hon. Sir James Mitchell: They get five years' exemption now.

Mr. GRIFFITHS: That is so.

Mr. Latham: But it takes 10 years to make a farm.

Mr. GRIFFITHS: I wish to emphasise what has been said by the member for Toodyay (Mr. Lindsay), that in considering land values taxation, or indeed any innovation in taxation, the revaluation of lands must be an important point. I hope the Treasurer will take particular note of what has been stated regarding occurrences in New Zealand. There is much wisdom in the suggestions of the member for Toodyay, and the Treasurer might obtain information from that hon. member with a view to future action regarding land values taxation. The chief anomaly in the matter of taxation is the in-and-out business. In one place the valuation is far below what it ought to be, and elsewhere it is much too high. Altogether the system is haphazard. I have heard sneering references thrown across the floor regarding agricultural representatives. I yield place to no man in

this Chamber in the matter of representation of the farmer, though I do not at present hold any land. I did go in for a little land speculation more with the idea of building a house than anything else. From the aspect of what has been alleged regarding the holding of land for speculative purposes, I may say that in holding my land for some time I found that water rates and road board rates and land tax were so high as to make it better for me to get out. The land in question was situated at South Nedlands, and it was a nice bit of property; but I was forced out of it because I was not able to finance the thing, having bought another property in town.

Mr. MARSHALL (Murchison) [9.12]: This is essentially a Committee Bill, but I do not feel disposed to cast a silent vote, as the chief feature of the measure is to render some material assistance to the mining industry. Like the last speaker, I am entirely without any desire to pit one industry against another. As regards the land held by the member for Avon at Nedlands, the matter must date some years back, as evidently he had not the modern idea of holding land without paying either rates or taxes. Unquestionably a large area of land is being held up in the city by speculators with a view to realising a much higher price than the majority of people can afford to pay to-day. Although these speculators are legitimately entitled to pay rates and taxes, they have solved that problem by decorating their lands with advertisements, the fees for which go far to cover the annual cost of rates and taxes. There is to-day hardly a block of land within a reasonable distance of the general post office which does not carry elaborate advertisements; and for these a large premium, presumably, is charged.

Mr. Taylor: Government property, such as railway land, is just the same.

Mr. MARSHALL: I do not dispute that; but the private enterpriser is shrewd enough to avoid allowing the land to be an obligation upon him at the end of the year. He recoups himself for rates and taxes by letting his land for advertising purposes. My object in rising is chiefly to refer to a remark, made by the Opposition Leader I think, that we desire to give to the mining industry and take from the agricultural industry.

Hon. Sir James Mitchell: There are strong suspicions of it here.

Mr. MARSHALL: It was rather a crude and unfair comparison to draw.

Mr. Taylor: It is a fact, all the same.

Mr. MARSHALL: It is not a fact.

Hon. Sir James Mitchell: Well, it is half a fact.

Mr. MARSHALL: For years past the mining industry has not received reasonable consideration at the hands of the Legislature.

Mr. Taylor: That is not a fair statement.

Mr. MARSHALL: If the hon. member casts his mind back to 1914 he will appreciate the fact that since that time no relief has been granted to the mining industry in this State. Taxation, direct and indirect, has been imposed upon the industry, railway freights have been increased, the cost of explosives and so on have been increased, and every impost that could well be levied has been cast upon it. No relief whatever has been granted to the industry. I admit that the Federal Parliament has been largely responsible for the burden, because of the tariff, but the State did not do anything to relieve that burden. If any industry is entitled to relief, it is the mining industry. We have assisted, almost without exception, every industry by way of legislation. During the war period the agricultural industry secured particular assistance, and, in fact, the pooling system was the salvation of the farmers.

Mr. Latham: Who started that?

Hon. S. W. Munsie: The member for Guildford (Hon. W. D. Johnson) started it.

Mr. MARSHALL: And it was carried out by a Labour Government. The Industries Assistance Board was also of great use to the farmers during the war period. I admit it was a statesmanlike action to take at that time.

Mr. Latham: The State got revenue from it, too.

Mr. MARSHALL: What did the mining industry get? Merely increased railway freights, increased taxation, and so on. It was exploited in every possible avenue.

Mr. Latham: Tell us about the concession granted last year.

Mr. MARSHALL: If I did so, I do not think the member for York would understand it. The Premier proposes to do something practical for the mining industry. I hope, however, he will not be unmindful of the miners themselves. Owing to the lack of legislation I am inclined to look upon the mining industry as somewhat of a menace. It is playing havoc with the health of the men employed in the mines. Unless legislation is introduced immediately to bring about some relief, I do not know that I would like to continue here much longer.

The Minister for Agriculture: What has this to do with the Bill?

Mr. MARSHALL: It has this much to do with the Bill: that we propose to assist the mining industry, and I think we must do something to assist the workers in that industry.

The Premier: I am awaiting an opportunity to get at it.

Mr. MARSHALL: I am glad to hear that. Experts from America and Africa who visited our mines said that our system was vile, and should be put an end to. I am pleased that the Bill will attack the undistributed profits of companies. I have watched that system for some years past and have noticed that capital has been set aside year after year, until finally the direc-

tors met and agreed to distribute it among the shareholders by means of bonus shares. That is not a fair way to deal with those profits which are purely income. I am glad the Premier has seen fit to stop that means of exploiting the community. There is only one other matter to which I desire to draw attention, and that is the attitude of the Country Party members together with others sitting on the Ministerial side of the House. I do not know why Opposition members contend that they are the only people who represent farmers.

Mr. Latham: They do not say that.

Mr. MARSHALL: Then the member for York does not understand what he himself has said.

Mr. Latham: It is impossible to make you understand anything at all.

Mr. MARSHALL: Country party members apparently desire to have a monopoly of that sort of thing. Is there a farmer on the Opposition side of the House who is engaged as extensively as are farmers sitting on the Government side of the House? The difference is that the farmers sit on the Government side of the House whilst the exploiters sit on the Opposition side.

Mr. Taylor: I do not see much chaff in your whiskers!

Mr. MARSHALL: The Speaker is one of the biggest farmers sitting in this House, whilst the Minister for Mines and the member for Guildford are also farmers in a big way.

Mr. Teesdale: Do not show them up.

Mr. MARSHALL: They are men who will be called upon to pay the taxation that the Country Party members are objecting to.

The Premier: Our farmers are well able to pay the tax. The Country Party members were speaking for the poor farmers.

Mr. MARSHALL: Apparently they were referring to the guinea pigs who run about St. George's-terrace and talk about the men on the land.

Mr. Latham: I thought they had drifted to Beaufort-street.

Mr. MARSHALL: If the farmer were able to cultivate his own land, grow his own wheat, take off the crop, rail it to the seaport, manufacture all the machinery he wants and so forth, he would not be on a farm at all.

Mr. Latham: If he did that, he would fall out with the Trades Hall, on the one-man-one-job principle.

Mr. MARSHALL: Members should not suggest that the farmers are the only people who should have any consideration. I admit that the farmers, even those who own motor cars, deserve all that they have. I have nothing to say against them.

Mr. Teesdale: You are smooching now.

Mr. MARSHALL: I could say a lot more for the farmers than I could say for the member for Rosbourn (Mr. Teesdale), and that is saying a lot. The miner on the Murchison, the railway engine-driver and

others are as good citizens and as valuable to the State as is the farmer.

Mr. TAYLOR: They all come under the Bill. It is a universal provider.

Mr. MARSHALL: There is one clause in the Bill to which I am not favourably disposed. That is the clause that refers to the allowance of a deduction of £30 for the renovation of homes. I am doubtful whether that amount will cover the necessary expenditure.

The Minister for Lands: It does not cost me £30 to repair my house.

Mr. MARSHALL: We all know the Minister and we know that he will not spend any more than is absolutely necessary. I do not think, however, that the deduction of £30 is adequate. If the unimproved land values were taxed in this country and we had a reduction in the tariff items, the position of the producers in this State would be more equitably dealt with. We cannot interfere with the tariff, which is a Federal matter, and we are therefore handicapped in bringing forward sound legislation. The land tax seems to be a little lopsided, inasmuch as we go to the trouble of providing money for the development of the agricultural areas by means of assistance through the Agricultural Bank and the Industries Assistance Board, and then we take back portion of that money we have loaned in the form of taxation. That is an anomaly. I do not see any good in giving in one direction and taking away in another. What is required is unimproved land values taxation, with a proportion of the revenue dedicated to a reduction of the tariff and a reduction of railway freights.

Mr. TAYLOR (Mr. Margaret [9.30]: I had not intended to speak on the second reading, but in view of the remarks made by the member who has just sat down, and who represents the goldfields, I feel in duty bound to say that this House has always been generous towards the goldfields in finding money for development purposes. The amount allocated from loan funds for that purpose in 1922-23 was, I think, £55,000, whereas in the preceding year it was something like £30,000 or £40,000, and in 1920 it was £20,000. In other words in a period of four years over £100,000 has been spent in the development of the goldfields. I have been in the House under every Government we have had in Western Australia except Lord Forrest's Government; and successive Governments, whether Liberal, Labour, or Nationalist, have done what they could to assist mining. When proposals have been brought down for the support of agriculture they have never been objected to by the mining members, while on the other hand when provision has been made for the assistance of the goldfields, that provision has been supported by agriculturists. Therefore it is idle for the hon. member to say that this Parliament has never done anything for the goldfields other than to exploit

the goldfields people. That is an unfair statement and I, as a goldfields member, would not be doing my duty if I allowed it to pass unchallenged. The Premier was administering the Mines Department for four or five years. He, at all events, knows what he did during that time to foster the goldfields. I should like somebody to tell me the best method to give the goldfields a lift. I think you, Sir, were one of a deputation of goldfields members that waited on the ex-Premier last year and asked him would he be prepared to put a large sum of money on the Estimates for prospecting purposes. The ex-Premier said that he would. He suggested that the members of the deputation should meet mining men on the goldfields and then convey to him a concrete scheme, whereupon he would put £50,000 on the Estimates of that year, and if he remained in office, £100,000 on the Estimates of the next year. Yet the member for Murchison (Mr. Marshall) tells us to-night that this House and the Government have never raised a finger to assist the mining industry, but have done everything to exploit those in the industry.

Mr. Hughes: He did not say this Government. Do not misrepresent him.

Mr. TAYLOR: At all events he said this Parliament. On two previous occasions in this State we have had a Labour Government—

Mr. Hughes: They had some very groggy supporters in those days.

Mr. TAYLOR: They had some of the best of supporters. I am glad to see that the Bill makes provision to further reduce the burden on the goldfields. I hope it will be successful. I am sorry the Treasurer proposes to repeal those sections that gave some relief to the farming areas. It has caused a deal of annoyance amongst farming representatives on this side, and I do not think the amount the Treasurer will gain by repealing those sections will be worth the talk there has been about it. I am pleased that the Treasurer is attempting to give relief to the mining industry.

Question put and passed.

Bill read a second time.

## ANNUAL ESTIMATES, 1924-25.

### *In Committee of Supply.*

Resumed from 16th October, Mr. Lutey in the Chair.

### *Vote—Taxation, £14,268:*

Item, Amount payable to Commonwealth Government for the collection of taxes, £12,684:

Mr. HUGHES: As the result of the £200 exemption we passed last session, the number of assessments were reduced from some 39,000 to about 19,000.

Hon. Sir James Mitchell: That is wrong.

Mr. HUGHES: It was you who told us so.



Hon. Sir James Mitchell: I did not.

Mr. HUGHES: I raised this point last year. I again ask, do we have to pay the Federal Government the same amount for collecting the reduced number of assessments? I understand the collection is done under an agreement, that that agreement yet terminated, and if not will there be a possibility of reviewing the cost of collecting the reduced assessments when the agreement does terminate?

The PREMIER: The Commonwealth have taken over the collection of our taxes under an Act of Parliament passed by this House. I think it is done on a percentage basis.

Hon. W. D. JOHNSON: On a percentage of the revenue collected?

The PREMIER: No, I find they collect for a fixed sum. The Act was passed in 1921.

Mr. Hughes: Can you say what was the reduction in the assessments as the result of last year's amendment?

The PREMIER: No, I cannot. Of course there would have been a fairly large reduction.

Hon. W. D. JOHNSON: Then in view of that reduction, why should there be an increase in the vote by £450? The collection cannot be on a fixed sum, or there would not be this increase.

Vote put and passed.

*Vote—Workers' Homes Board, £13,001:*

Mr. HUGHES: Last year we did not have the benefit of the Auditor General's report when we were discussing this Vote. Of course we are in the same position again this year. I wonder what board of directors of a business would allow their manager to present his statement to them without its having first been audited. I find in the Auditor General's report for last year this paragraph dealing with the Workers' Homes Board—

Profits earned by the Workers' Homes Board to the 30th June, 1923, £6,806 12s. 9d. have been paid to Consolidated Revenue. There is no direction in the Workers' Homes Act to pay profits to State revenue.

The principle of the Workers' Homes Act was that £525,000 was to be invested in workers' homes, and as the borrower repaid his principal it was to be made available for further loans. In other words, it was to be a perpetual trust fund. There is no provision in the Act permitting of the transfer of profits to revenue. The ex-Treasurer did something he had no legal right to do when he confiscated the profits of the board, money belonging to a specific fund created by Act of Parliament for a specific purpose. Certain fees and interest are charged, and the difference between the interest charged and the interest paid to the lenders represents the profits. During the operations of the board a profit of £6,800 was accumulated. If this year the

board made a loss of £3,000, it would be said that another State trading concern was making a loss.

Hon. Sir James Mitchell: A State trading concern?

Mr. HUGHES: It was one of the finest ventures ever embarked upon by the Labour Party. Although profits have been transferred from these State ventures, if a loss has occurred in any one year it has been represented as a loss. State trading concerns have never cost the State a penny.

Hon. Sir James Mitchell: You are wrong.

Mr. HUGHES: The State Sawmills have put more money into the Treasury than they have taken out of it.

Mr. Taylor: I rise to a point of order. What have State Sawmills to do with this vote?

The CHAIRMAN: I take it the hon. member is merely illustrating his remarks.

Mr. HUGHES: This sum of £6,800 should be transferred from revenue to the board. I do not know by what method the Treasurer could be induced to pay that money back.

The Premier: Leave it to my good nature.

Mr. HUGHES: I hope that will be an effective method. The board could lend more money to-day than it has at command.

Hon. Sir James Mitchell: That money could not have been loaned by the board.

Mr. HUGHES: If not we should amend the Act. The profits of the board should not be transferred to revenue. There ought to have been a proper overhaul of the State's accounts when the change of Government occurred, and properly adjusted entries should have been made to enable the Government to learn exactly what the deficit was. I should like to see created a State trading concerns trust account, consolidating the whole of the revenue of these concerns, and showing exactly what profit has been made and what losses there have been.

Mr. Taylor: This is not a State trading concern.

Hon. W. D. JOHNSON: If you take the profit into revenue you make it a State trading concern.

Mr. HUGHES: I merely wish to draw attention to the fallacy of discussing a financial statement without the watchdog's report. Members on this side cannot find out that the ventures they have started have received the benefit of the profits they have made. I hope the Treasurer will agree to hand this money back to the board.

Mr. TAYLOR: Does the Premier intend to carry out the principle of workers' homes in the metropolitan area this year?

Hon. W. D. JOHNSON: I should like to hear the Premier's views regarding the transfer of the £6,800. It is a dangerous

practice to transfer to revenue the profits made by the board. If it is admitted that because of the necessities of the State these profits can be transferred to revenue, then whenever the Treasurer needs money he can look to those profits as part of his revenue.

The Minister for Lands: That is not done, the profits are very small.

Hon. W. D. JOHNSON: This is the first time that the principle has been applied, and it should not have been done. The profits should not be great enough to transfer to revenue. If there is a defect in the Act, by which the board is prevented from using profits for the building of homes, we should amend the Act. The matter should not be passed over lightly, and steps should be taken to investigate it so that we may avoid associating the operations of the board with the necessities of the Treasury.

Hon. Sir JAMES MITCHELL: I have never heard such nonsense. This money is invested by the State and belongs to the people. It cannot, under the Act, be used by the board. The profits have been infinitesimal. This is one of the best managed Government institutions we have. There is never anything over or outstanding, because of the good management. There is no question of charging the people a higher rate of interest; such a suggestion is nonsense. The object of the board is to let the people have the money as cheaply as possible. The £6,800 could not be loaned at interest. It did not belong to the board, because the board is not authorised by Parliament to use profits in the building of homes.

Mr. Hughes: Could not the Act be amended?

Hon. Sir JAMES MITCHELL: Anything can be done. The money was rightly transferred to revenue, as is done in other cases. Our needs last year were not so great that the transfer made any difference to the result.

Hon. S. W. Munsie: You reduced the deficit by £6,000.

Hon. Sir JAMES MITCHELL: Of course we did.

Mr. Hughes: You did not follow that practice both ways. You had one policy for profit, and another for losses.

Hon. Sir JAMES MITCHELL: I do not know what the hon. member means when he asks that the Premier should pay this money back. The board could not use it, and it has gone to the people's account.

Mr. HUGHES: When one of the Government ventures lost money and the Treasury had to make an advance, interest was charged to that concern. When another made an enormous profit the ex-Treasurer took the money into revenue but allowed no interest. If the board made any profit the late Treasurer took it, and if they made a loss he charged them interest on it. It all

helped to reduce his deficit. That is not the proper way to run Government accounts.

Hon. Sir James Mitchell: What are you talking about?

Mr. HUGHES: The hon. member is aware of the transfers that were put through. They must have had his signature as Treasurer. If the money belongs to the State in the sense that it can be transferred to Consolidated Revenue, we may reasonably say that if we are short with our revenue we can transfer money from loan to revenue, because it all belongs to the State.

Hon. Sir James Mitchell: What nonsense you talk!

Mr. HUGHES: Here we have trust funds for the building of workers' homes, nothing to do with the Consolidated Revenue, and the profits that are made are paid by the people using that fund. The £6,800 belongs to the Workers' Homes Board. The proper thing to do is to amend the Workers' Homes Act so that accumulated profits may be made available for the purposes of the Act.

The PREMIER: The hon. member knows that the Government have no control over the Auditor General. I did make inquiries when I was about to introduce the Budget as to when the Auditor General's report was likely to be presented, because complaints have been made so often that members are compelled to discuss the Estimates without having that report before them, and sometimes it is presented after the Estimates have been passed, when of course it is not much use. I am informed that the report will probably be laid on the Table of the House this week. It is true that some of the £6,000 has been taken into revenue. That money is the result of an accumulation of profits over a period of 12 or 13 years.

Mr. Taylor: Is the money still in Consolidated Revenue?

The PREMIER: Yes, and the question as to what is to be done during the present year will receive my consideration. I might say incidentally that the board is making a fairly decent profit out of the Repatriation Department. The Auditor General drew attention to the matter, not because he considered it was wrong, but because there was no provision in the Workers' Homes Act for transferring profit to revenue. That, of course, does not prevent the profit finding its way into Consolidated Revenue.

Mr. Taylor: The board have no power to spend that £6,000.

The PREMIER: We are going on building houses all the time. Quite a number have been erected during the past two or three years, and in country districts as well as in the metropolitan area. Last year there were 34 approvals in the metropolitan area, the value of them being £15,714. In the country districts there were 117 approvals, representing £45,904. Improvements are being effected to 10 houses and seven were

purchased, while mortgages on three are being paid off. The total number of houses was 131 and the expenditure for the year was £58,600. The board is spending about £3,000 a month and the money that is coming in goes out again in the erection of new homes. The question of providing additional capital for the board will have to be considered when the Loan Estimates are brought down. If money is made available for the Workers' Homes Board it will possibly mean that some other requirement will have to go short, but perhaps it is not advisable that we should go too far at a time when money is so dear, because it will only mean an added burden for the people who are paying for their homes. The board have a larger number of applications than they are able to meet.

Vote put and passed.

*Vote—Miscellaneous services, £99,468:*

*Item, Society for the Prevention of Cruelty to Animals, £50:*

Mr. LAMBERT: This society has a fair amount of money invested; at least they had when I was a member of it. By some peculiar means they got rid of several of their committeemen. I draw the Treasurer's attention to the fact that the society has invested money in debentures and war bonds aggregating £1,200 or £1,500, and they appear to have many avenues for collecting. I differed from them on the conduct of their affairs. It might be wise if the Treasurer withheld the grant until such time as the constitution is made more democratic. An arrogant stand was taken up on the question of control.

Mr. SAMPSON: I hope the Premier will not be influenced by the remarks of the member for Coolgardie. The work being done by the society is admirable, and similar work is being carried out in every civilised country.

Mr. Lambert: Do you know how the society stands financially?

Mr. SAMPSON: I know what good work it is doing, and that work is not confined to the metropolitan area but is carried on throughout the State.

Mr. LAMBERT: I cannot allow the remarks of the member for Swan to pass unanswered. Nobody suggested that the society was not one of the finest organisations in the State, but in the circumstances revealed recently regarding its constitution and general management I question whether the Government are justified in contributing to its upkeep. The society has some £1,200 or £1,500 on fixed deposit.

Mr. Taylor: This item is only £50.

Mr. LAMBERT: It is the principle that I am debating.

Mr. Taylor: Oh, principle be blowed!

Mr. LAMBERT: When the society was being bombarded by the returned soldiers I did not hear of one word being expressed by the member for Swan. We should see

that the society has rules and regulations and is managed in a way acceptable to Parliament.

Mr. Taylor: What is wrong with it?

Mr. LAMBERT: The constitution provides for an almost continuous dynasty. The member for Swan should have come out of his shell when the indignation meetings were being held.

The Minister for Lands: Why bring that up here?

Mr. LAMBERT: I am not expressing an opinion as to the appointment that was made. The constitution provides for an almost continuous board of control and the board, in defiance of public opinion and commonsense, could dictate to Parliament and to the subscribers who provide the money.

Mr. SAMPSON: Had the member for Coolgardie spoken in such glowing terms of the society in the first instance, I would not have had anything to say. The hon. member, however, spoke depreciatingly, and I merely wished to point out what good work the society is doing.

Mr. DAVY: This item is so small that it merely means an expression of approval by Parliament of the society, and if the amount be taken away every member of the community interested in the society will misinterpret the reason. We cannot remove this amount without being misunderstood. Although I am not a member of the society, I have some internal knowledge of it. The rules and regulations are admitted to be hopelessly inadequate, and new rules and regulations are being drafted to put the society on a proper basis and bring it into line with similar organisations. This removes the real objection raised by the member for Coolgardie.

*Item, South African Relief Fund, £60.*

Mr. LAMBERT: I should like to have an explanation of this item.

The PREMIER: On the South African War Patriotic Funds held in trust by the Treasury and operated on by the committee being exhausted, the Government provided a grant to meet the allowance at the rate of £1 per week approved by the committee, and the cost of a suit of clothes once a year. Only in one case is this amount now given.

*Item, Victoria Institute and Industrial School for the Blind, £2,416.*

Mr. CORBOY: I was a member of the committee and had an opportunity to become acquainted with the methods of this institution. Those controlling the institution are doing a very fine work indeed on behalf of the blind, but are finding the battle almost impossible. The competition for funds by the various charitable organisations is so keen that they are to some extent cutting one another's throats and making it very difficult for some to carry on.

Mr. Teesdale: It will be all right when the Lottery Act comes in.

Mr. CORBOY: This subsidy is the biggest on the list, but even so it is impossible to do what is desired for the blind people. For some years the institution has been carried on by manufacturing brushware and similar goods, but unfortunately a factory has been started on a big scale with up-to-date machinery, against which the blind cannot compete, so that the market previously enjoyed by the blind has been destroyed. In recent months the manager of the institution, a man having a very keen interest in the blind, has found it necessary to evolve other means to enable these people to earn a livelihood. Most of the inmates were able to earn a livelihood; some of them made goods to the value of considerably over £4 per week. An effort has been made to teach the inmates new trades, such as weaving cane chairs and lounges.

Hon. S. W. Munsie: They are making a good job of it, too.

Mr. CORBOY: Yes, but to take men of 40 to 60 from brushmaking and teach them a new trade, with the additional handicap of blindness, is very difficult indeed. The time has arrived when the Government will have to do a great deal more for the institution than they are doing now. The position is so serious that many of the inmates are working in premises that were condemned by the health inspector three years ago. They are insanitary, ill-ventilated and defective in drainage. The bristles used for brushmaking have to be put through a washing process, and the effluvia in summer time is terrible. Although the health inspector condemned the building three years ago, the inmates are still working there, and the health inspectors are winking at it because they know the institution is in such a parlous condition financially that a decent building could not be provided. It is scandalous that blind people in this institution should be compelled to work in a building which has been condemned. The committee and the manager, Mr. Bridge, have done everything possible to overcome their financial difficulties, but the competition with other institutions is so keen that they have scarcely been able to pay wages in the factory. The machine-made article is also a serious competitor with the institution, for the bigger the production from the blind people the more money is lost. These workers receive a Commonwealth bonus of 15s. a week, and £3 10s. if they earn that much on piecework rates. Some four or five men are making goods that are worth more than £3 10s., but they are not given more because this would affect their pensions. The position is very serious, and the need of the institution is urgent. I hope when the Lotteries Bill becomes law the Minister will see fit to class this as an institution needing help, and will place it on a better footing than it finds itself in today. For a long time it was carried on through the good offices of Mr. Holmes, ex-General Manager of the Western Australian Bank, and other gentlemen, who guaranteed

the overdraft of the institution to enable wages to be paid. That overdraft was eventually wiped out by means of a carnival or a sweep.

Hon. S. W. Munsie: Surely they did not accept money from a sweep.

Mr. CORBOY: Those connected with the institution would have no qualms about accepting £2,000 or £3,000 from such a source. Sweeps are now being run in connection with the building of homes for the married couples attached to the institution. The subsidy of £2,000 is not sufficient for the bare necessities of the institution.

Hon. W. D. JOHNSON: The footnote in connection with this institution states that the sums of £696 and £416 respectively were not paid out of grants in previous years. What does that mean?

The PREMIER: The annual grant for the institution for many years has been about £2,000. Representations were made to me to increase that amount, and I added the sum of £416. There were some arrears. Sometimes one year has to find money that ought to have come from the previous year.

Mr. CORBOY: The subsidy of £2,000 is on a pound for pound basis upon what is received from outside. In previous years the full amount has not been contributed. The Government have been good enough, now that the institution is hard up, to give the balance of the £2,000 that was not contributed from outside in previous years.

*Item, Infant Health Association, Child Clinic, £200:*

Mr. SLEEMAN: I am disappointed that the amount set down here is so small, and I hope it will be increased.

*Item, Cemeteries, grants for fencing, £150:*

Mr. HUGHES: Is this item for the East Perth cemetery? The East Perth cemetery might now reasonably be removed to Karrakatta. There is great difficulty in ascertaining who is responsible for its upkeep.

The CHAIRMAN: This item deals with fencing cemeteries, not with removing them.

Mr. HUGHES: Can I discuss the matter on another item?

The CHAIRMAN: It could be referred to on a general discussion of the Estimates.

Mr. HUGHES: There are two grave-stones, supposed to be covering the graves of two Chinamen, which are entirely without protection.

The CHAIRMAN: The hon. member may not discuss that matter on this item.

The PREMIER: The object of the item is to provide small advances for the erection of boundary fences around new cemeteries, the maximum advance being £25.

*Item, Police Benefit Fund, refund service fees, £350:*

Mr. CHESSEON: Most of us have received a circular referring to the Police Benefit Fund. I believe it was promised that a Bill in that connection would be introduced.

Is there any likelihood of the promise being fulfilled this session?

The PREMIER: I know that the police have for some years been pressing for the passage of a Superannuation Bill. They expected its introduction, I believe, last session. The matter has been receiving the attention of the Minister in charge of the Police Department. Whether time will permit of the introduction of a Bill this session, I am unable to say.

Mr. HUGHES: Do the Government propose to make any special contribution to the fund to cover probationary constables? A probationer, not being a full member of the force, is not permitted to contribute to the fund, and he is not covered by the Workers' Compensation Act, a position which is not remedied by the amending Bill. A probationer injured in the execution of his duty is thus left without any remedy. Such a case occurred about 12 months ago. The probationer sued the Government under the Workers' Compensation Act and the magistrate held him not to be entitled to recover under that Act. Such a state of affairs is wrong. I suggest that the Government make a contribution to the fund in respect of probationers, so that these may be protected.

*Item, Refunds of revenue not otherwise provided for, £15,000:*

Hon. W. D. JOHNSON: On last year's item there was the large excess of nearly £10,500. How did that come about?

The PREMIER: The item represents mainly refunds of amounts over-collected by the Taxation Department. On consideration, the department frequently have to refund amounts collected. The previous year's taxation refunds amounted to £18,000.

*Item, Subsidy S.E. Coast Mail Service (State Steamship Service), £1,150:*

Mr. LATHAM: Under existing conditions it is impossible to grow wheat in the Ravensthorpe district owing to the high cost of freights. In the past the railways have been utilised in order to subsidise the agricultural industry to promote production and I trust something will be done to assist the farmers at Ravensthorpe. They will not be able to continue unless they receive assistance by way of reduced freights in connection with the State Steamship Service.

Mr. CORBOY: Ever since I have represented the Yilgarn constituency endeavours have been made to rectify the position to which the member for York has drawn attention. During the last Parliament the position was relieved to a certain extent as the result of a conference between the manager of the State Shipping Service and the Commissioner of Railways. The freight which ran out at 1s. 3d. a bushel to convey wheat from Ravensthorpe to Fremantle, was reduced to 10d. a bushel, but even at that rate the farmers in the Ravensthorpe district have to pay double the railway freight charged to other agriculturists. It is impossible to grow wheat under such con-

ditions. In order to assist the producers an effort was made to start a butter factory.

The Minister for Lands: Don't mention that.

Mr. CORBOY: The Minister does not feel more sore about that point than I do. The non-success of the factory is not the fault of the people there, but arises from the fact that we had three drought years in succession, as a result of which the stock had to be taken away from the district. A still further reduction in freight is essential before wheat can be grown there and I hope the Government will make that possible by agreeing to relief in that direction.

*Item, Proportion of Expenses of Trade Commissioner to the East, £150:*

Mr. MARSHALL: The Trade Commissioner, who is located at Singapore, is practically a Federal employee, and in these circumstances it is possible that manufacturers in the Eastern States may get preference rather than those in this State. I do not see that we could expect to get reasonable assistance in the disposal of our produce in such circumstances. I feel inclined to move for the deletion of the item, believing that it would be better to appoint a Western Australian representative to look after our trading interests in the Near East.

The MINISTER FOR LANDS: Information is supplied by the Trade Commissioner to the several States, and as a rule Western Australia secures that information much earlier than the other States. We get information regarding the goods required or markets open to us. The information is sent here to the Council of Industrial Development, whose officers forward the necessary information to traders. The Trade Commissioner is doing splendid work in providing markets for Western Australian products. As hon. members are aware, a great deal depends upon the class of goods that we send forward.

*Item, Ugly Men's Association, Assistance to Immigrants, £362:*

Mr. SLEEMAN: What is the explanation of this item? The Ugly Men's Association is doing good work, but I am at a loss to understand why the Government should have to provide these funds.

The MINISTER FOR LANDS: It would appear that last year, or the year before last, a number of immigrants here were in distress. The Government of the day authorised the Ugly Men's Association to assist them. The item refers to that work.

Vote put and passed.

Progress reported.

*House adjourned at 11 p.m.*