that question in the affirmative all the time, I have kept strictly to that line heedless of the consequences, regardless of the adverse criticism and of the odium and opprobrium I have been subjected to. I have been satisfied with that one conviction, that throughout the whole of this business I have acted conscientiously and straightforwardly, believing that I was serving the best interests of the men, and that I was adopting one line of conduct calculated to save the position as far as the men were concerned, and relieve them of the possibility of industrial trouble and strife and a lowering of their wages. I have to thank members for the way they have received the motion and for the consideration given to it, and I hope that in considering this question the Government will not forget that there are 90 per cent. of the workers engaged in this industry to whom the adoption of the timber board's recommendation would mean but a very small concession, and it would probably mean that those workers would also have to pay their portion when contributing to the upkeep of this particular industry. I hope that due regard will be had to that matter, and that as far as the present Government are concerned nothing will be left undone to prevent the possibility of those workers having to suffer any interference with the existing industrial conditions. I hope the Government will so act in order that the people of Western Australia may reap the advantage that is at present enjoyed of the circulation of between £650,000 and £700,000 capital every year coming into the country on account of the timber industry of this State.

Question put and passed.

ADJOURNMENT.

The House adjourned at 10·49 o'clock, until the next day.

Legislative Assembly,

Thursday, 30th August, 1906.

THE SPEAKER took the Chair at 4·30 o'clock p.m.

PRAYERS.

QUESTION—ESTIMATES, WHEN READY.

MR. BATH (without notice) asked the Treasurer: When may we expect the Annual Estimates to be brought before the House?

THE TREASURER replied: It will be readily understood that we can hardly complete the Estimates until we know the result of the Land Tax Bill and the Land Tax Assessment Bill. I am working at the Estimates now, and I hope to have everything in readiness in a fortnight, or at any rate three weeks.

REPORT—TIMBERS OF WEST AUSTRALIA.

THE PREMIER, in presenting the Report on the Supply of Wooden Sleepers from Australia, by Mr. J. Adam, F.C.H.A., M.I.C.E., Junior Consulting Engineer for Railways to the Government of India, said: The Leader of the Opposition referred to this report, and I would like to say that Mr. Adam, in his report to his Government, has referred in some instances to West Australian jarrah in rather complimentary terms, and he quotes from different authorities in regard to it. The report of Mr. Moncreiff, the Engineer-in-Chief of South Australia, which is quoted by Mr. Adam, says:—

> Jarrah timber from Western Australia has given every satisfaction when used for railway sleepers in South Australia, and if properly seasoned before putting into the road, I should expect, as heretofore, a life of from 20 to 25 years from the same under ordinary traffic.

I commend the perusal of Mr. Adam's report to hon. members, together with the report presented yesterday containing the result of the tests made by Mr. Julius. Those tests were most compre-

hensive in their character, and the results have been very satisfactory indeed so far as our local timbers are concerned.

PAPERS PRESENTED.

By the MINISTER FOR MINES: Return of expenditure under "The Mining Development Act" to 30th June, 1906.

By the ATTORNEY GENERAL: Regulations made under the provisions of Section 25 of the Electoral Act.

BILL—LAND TAX ASSESSMENT.

MACHINERY MEASURE.

IN COMMITTEE.

Resumed from the 28th August; MR. ILLINGWORTH in the Chair, the TREASURER in charge of the Bill.

ABSENTEES—AN AMENDMENT.

Clause 9—Land Tax:

MR. LYNCH moved an amendment—

That in Subclause 3, line 3, the words "or resident out of" be inserted after "absent from."

The clause would then read: "In the case of any owner who has been absent from or resident out of Australia for a period of not less than one year," etcetera. This would deal with absentees who paid flying visits to Australia and claimed to be residents in Australia, and who might thus demand a rebate of the extra tax.

HON. F. H. PIESSE: There was not so much objection to the inclusion of these words as to the application. How did the Government intend to define the period of absence? A man might be absent touring the world for more than one year, and was that to be taken as absence?

THE TREASURER: That was the true interpretation of the clause. Any owner absent from Australia for twelve months would be penalised, even if absent for only a day over the year. That was the law in New Zealand, New South Wales, and South Australia. In New South Wales the period had been two years, but was lately reduced to twelve months. The intention was that if a man was out of Australia for twelve months he was practically living out of Australia, and it was considered that such person should contribute more than a person living in the State and spending his money with us. No harm could be done by inserting the words proposed.

MR. HAYWARD: What was the position of a man absent for more than twelve months who left his wife and family in the State?

THE TREASURER: That man would be liable.

MR. BATH: It was interesting to note how the Government justified the special impost on absentees. On the second reading all the Ministers who spoke said that this was a tax on the unearned increment, and that it was an effort on the part of the State to secure some portion of the value imparted by the community. So it seemed unreasonable that one person should have to contribute more than another. It would be entertaining if we could secure from the Attorney General a repetition of some of the speeches the hon. gentleman had delivered at Kalgoorlie during election time—some of those fervent and flamboyant orations delivered in an auctioneer's mart or open call in Kalgoorlie, where he had declaimed against any exemption, and declared that it was a mutilation of the principle, and that it was better to leave the principle untouched rather than introduce differential treatment so far as the incidence of the tax was concerned between one person and another. Now the hon. member had been elected, probably as the result of the fervent orations, we had him altogether going back on his utterances and actually acquiescing in this differential treatment. He (Mr. Bath) could understand if it were said that a tax on absentees was imposed to bring them to their senses and show them that it would be infinitely better if they shifted their residences from the old country and lived in the place where they secured their incomes. As it happened these people had to pay in the old country an income tax which they were earning on the land in this State, and if it were urged that the imposition of this tax in addition to the income tax should induce them to come to Western Australia there might be some justification for it. If the tax was defined as a tax economically sound and just, imposed for the purpose of securing the unearned increment to the State, then this provision was altogether opposed to its principles, and he would like to

hear what the Attorney General had to say as to his change of views.

MR. GULL: While believing that a penalty should be imposed on absentees, the time of 12 months was rather short. A man might have one of the largest estates in this country fully developed and he might go on a trip to England after years of residence here, leaving his establishment in full swing and being developed just as well as if he were here. Why should that man's visit to some other country be limited to 12 months? He would move subsequently that the time limit should be extended to two years.

THE ATTORNEY GENERAL congratulated the Leader of the Opposition on having again indulged in a considerable amount of talk, without conveying any idea of his sentiments to members. It was usual on this measure to throw out fishing-lines to see if the baits were taken on the Government side, to enable the hon. member to make a successful catch. So far the fishing excursions had failed, the hon. member catching nothing. As to the views he (the Attorney General) had expressed on the hustings and at different times, he had always said this about absentee owners, that now we were one of the States of the Commonwealth a measure in regard to absentee ownership would mean nothing at all, because the worst absentees were those living in the Eastern States. If those living in New South Wales or in Queensland, speculating in land here, were put under a penalty for not contributing to the upkeep of the State, it would be an acceptable measure, for everyone knew that the holders of land residing outside the Commonwealth were infinitesimal in number. This clause would bring in very little revenue, but it had appeared in similar measures in other States.

HON. F. H. PIESSE: The principle was bad altogether. The question of taxing absentees had been spoken of many times previously, but we must remember that it was from the people outside the country we had in the first instance obtained our capital which had done so much to develop the country. Although there was a strong desire to tax the absentee, and though we might object to the methods the absentee adopted from time to time, coming here for a short while and going away again, yet if absentees were carrying on developmental work, spending their money in opening up the country, we wanted those people, and we should not single them out for special taxation. To persons who were inclined to invest money in a country like this, such a clause would act as a deterrent. The tax would not be heavy, but it was objected to on principle. People living outside the country would take less interest in the State, and possibly sever their interests with the State. The principle was bad, and the provision limiting the time to one year would injure people resident in this country who might be out of the country for a longer period than twelve months. A man might be away on business and not able to return within the time specified in the clause, and there was no provision by which modifications could be made. He understood the Bill would be recommitted and an opportunity should then be taken to frame a provision to meet cases such as he had mentioned. The idea was, he understood, to get at people who did not live in the country. If we were to have a tax of this nature let us make it less vicious and objectionable than it would be if the present provision were retained.

MR. STONE: Being an advocate for an absentee land tax, he could not see what evil could be done by this provision. As a case in point, the Midland Railway Company's land had remained for 12 or 15 years unimproved; but when the roads boards rated that land, the company started to sell it. If an absentee land tax had been in force in this country ten or twelve years ago, that land might have been improved or sold.

MR. H. BROWN: What was the reason for exempting foreign companies? If the Bill was to penalise a resident of Western Australia who had probably been here all his life and for some reason had gone away for 12 or 18 months, why exempt foreign companies? It was his intention later to move that the provision in regard to foreign companies be struck out.

MR. WALKER: The clause placing a special tax on absentees was one of the most popular provisions of the measure. There was scarcely a political meeting held

anywhere but the cry was raised "Tax the absentees." It was a wise provision, and notwithstanding what the member for Katanning said, it would tend to foster a spirit of patriotism; it told those who held property in the State that it was their business to attend to their property here. The land that gave them their income they should reside in. They should spend their money here, and if they had sufficient money become employers of labour and help to support tradesmen. The income derived from property in the State should be distributed in the State for the benefit of the people. The State had to protect the property of the absentee just as much as it had to protect the property of the persons living here; probably more so, because a man living on his land assisted to protect his property. Was not the function of Government to protect property held in the State, and were we to pay taxes to look after the property of absentees who contributed nothing to the State. The member for Katanning stated that we should not discourage these people because they came here and invested in the country. There were some very big estates represented in this country by foreign owners who had contributed very little capital indeed to the State. They had obtained their large holdings by grants in the past, possibly for some services rendered to the Government. Were there not estates in this country simply waiting for the unearned increment, the owners of which lived abroad. And what had they spent in the State? Were we to encourage that sort of thing? It had become almost a habit with people with an excess of money to send out funds for investment for speculative purposes in this country and in other British communities where land was to be acquired cheaply; and the State had to protect such properties for perhaps years. Such investments retarded rather than assisted settlement. Therefore was it not better, by adopting the principle contained in the clause, to discourage the holding of large areas by absentee owners, with the object of having the land held by our own sons, who were not only willing to take it but to accept the responsibilities of citizenship? A man resident in the State was assisting the circulation within the State of the wealth earned here, and thereby benefiting the State. On the other hand absentees, who spent their money in England or on the Continent, not only retarded the development of the State but also denuded us of the real wealth of the country, and at the same time starved us in the matter of citizenship. He would support the clause, and, had he the power, would even go the length of preventing foreigners from acquiring wealth which rightfully belonged to the citizens of the State.

MR. COLLIER: The popularity or unpopularity of the tax was a point about which he was not concerned. He was primarily concerned with its justice or injustice. A man who lived without the State should not be called upon to contribute in greater proportion to the revenue than another who lived in the State. Many men in this State invested their wealth in the Eastern States, and they were a greater detriment to the progress of this State than were absentee owners who invested capital in the mining and other industries of this State. He supported the principle of the taxation of unimproved values because he believed in the inherent justice of that form of taxation. But it had to be remembered that those contributing under the tax contributed not on the value given to the land by its owners, but on the value created by the community as a whole; hence a man who resided outside the State had no right to contribute in greater proportion than another who resided within the State.

MR. TAYLOR: But he had no right to the unearned increment which was created by the State.

MR. COLLIER: The unearned increment was created by the State, but so long as an absentee owner contributed in equal proportion to the revenue, the State had no right to dictate where he should live. He moved an amendment that Subclause 3 be struck out.

Amendment put and negatived.

MR. GULL moved an amendment:—

That the word "one," in Subclause 3, be struck out, and "two" inserted in lieu.

It was necessary to tax large unimproved estates, and also absentee holders; but he had never yet heard that a man could be made a patriot by compulsion.

MR. LYNCH: A few weeks ago, on another matter, the mover of the amendment let loose an avalanche of objections to people living in the Eastern States who did not take that interest in the welfare of Western Australia which they should take; yet now he had an opportunity to differentiate he proposed to substitute two years for one, and thus make the tax easier for those living at a distance, and who were using this place as a kind of theatre for exploitation. An absentee tax was no new proposal. Two hundred years ago in England absentees were assessed doubly on their land, stock and chattels; during the civil war in America those living without the States were taxed at 5½ per cent. as against the 2½ per cent. levied on those living in the States; in Ireland in the eighteenth century office-holders who lived out of the country were taxed 6d. in the pound above those who lived in Ireland. Hence it was nothing new to propose in the interests of the development of the national prosperity that those living at a distance should contribute in greater proportion to the revenue than the ordinary citizen.

THE MINISTER FOR WORKS: There was no logic in the amendment. Either it was a fair and just thing to tax absentee owners differentially from others, or there should be no difference at all. If it was fair to tax them differentially one year was a fair and reasonable allowance. The Leader of the Opposition had taken the opportunity of reading the Committee a lecture on inconsistency; but he took care to give no indication as to what course he would take on the question. The Bill, in addition to asserting the principle of the taxation of unimproved land values, farther recognised that there were different circumstances in connection with the people whom its operation would embrace, which made it desirable to have certain variations. For instance, in the case of a man who improved his holding, it was recognised by the Bill that his land should be taxed at a lesser rate than other land which was not improved. If it was reasonable and logical for the Committee to support that, then by parity of reasoning the Committee would be justified in supporting the principle that a man who lived outside the State and spent the revenue he derived from this State in another country ——

MR. COLLIER: The hon. gentleman did not know where such person spent it.

THE MINISTER FOR WORKS: If the hon. member knew England well, he would know there were comparatively few people who did much in the way of speculation indicated. That was confined to the capitalists in London. If it were right to differentiate between the man who did and the man who did not improve his property in this State, there was no reason for not differentiating between the absentee landowner and the landowner who spent his money in the State. Twelve months was a fair limit to a holiday abroad.

MR. H. BROWN: Why exempt the foreign company?

THE MINISTER FOR WORKS: The foreign company paid the dividend duty. The hon. member interjecting seemed to be glad to drag foreign matter into the discussion.

MR. BATH: This was not foreign to the clause.

THE MINISTER FOR WORKS: It was foreign to the present argument. If a man spoke on the Government side he was constantly harried with interjections. Government supporters gave Oppositionists a fair opportunity of expressing their views. The Government could not support the amendment.

MR. A. GULL: A man who went abroad on an intended 12 months' trip, and stayed a little longer than that period, could not be said to live outside the country.

THE TREASURER: What about a two-years trip?

MR. GULL: If he were away for two years, it was reasonable to suppose that he intended to make his home abroad. He (Mr. Gull) had always believed that the absentee was a fit subject for taxation; but a man should be absent for two years before becoming an absentee within the meaning of the clause.

MR. WALKER: This was a mere matter of opinion. The preceding speaker now approved of a principle which he recently attacked with all the force of Demosthenes. In these days of rapid travelling and improved facilities for despatch of business, 12 months was ample time for a holiday; and a man

who wanted more would not be satisfied with two years. The hon. member practically maintained that those who were absent were entitled to equal consideration with those in the State, and he held that we could not make people patriotic by Act of Parliament. That was untrue. A man would feel proud of his country if the Government gave foreigners fewer privileges than it gave natives, and primarily considered people who lived in the State.

MR. FOULKES: What about absentees living in Melbourne?

MR. WALKER: They should be taxed, if the Commonwealth would give us the power; for such men were detrimental to the welfare of this country. The absentee tax would increase the patriotism of residents in the State. At nearly every election meeting a cry arose for the taxation of the absentee; and even the simplest recognised that absentee owners of wealth created by people in the State ought not wholly to escape taxation. Every man who in another country drew an income from this State drew it from the bone and sinew of the residents here. The country was kept going by the circulation of wages; and no matter what our actual wealth, the country would be depressed if that circulation were impeded. The man who drained us of our circulating capital, whether intentionally or in ignorance, was robbing us. The justice of the absentee tax was universally recognised. The member for Boulder (Mr. Collier) spoke of counting noses, and apparently sought to distinguish between noses and justice.

MR. COLLIER: The hon. member's whole life had been spent in fighting for unpopular causes.

MR. WALKER: Then he ought to be given credit for sincerity in fighting for this popular demand. The justice of the absentee tax was so apparent that it was safe to decide on it by counting noses. The country was crying out for the tax. When England passed the Navigation Act, the Dutch merchants objected to English interference with their ships which carried English goods; but it was that Act which had built up the commerce of England, and brought into being the British mercantile marine service. Although differing in magnitude, that Act and the present proposal were comparable in principle. Just as England then compelled all goods for England to be carried in English ships, thus building up British commerce, so should we strengthen our sense of patriotism and benefit ourselves by compelling those who drained us of wealth created here to contribute a fraction more to the upkeep of the State than we took from men willing to face the hardships of pioneering, and the disadvantages of a new country.

MR. FOULKES: The preceding speaker argued eloquently for taxing the absentee, but drew no distinction between the absentee in the Eastern States and one who lived in Britain. The former was to escape, and the latter to be taxed. Both, the hon. member said, enjoyed incomes resulting from the labours of people resident here. In a sense that was true. But numbers of absentees were interested in local concerns which did not show a profit, and certain absentees paid a tax by way of dividend duty; most of the absentees in Britain having invested in our mining shares rather than in land. It could be said that nearly every absentee living in England paid a certain amount of tax in the shape of dividend duty to this country. It had been his intention to move an amendment to provide that absentees living in the British Isles should be exempt from the additional tax.

MR. SCADDAN: The man living in the British Isles was just as much a foreigner as the man living in America.

MR. FOULKES: The hon. member must be speaking without reflection. But for the British Isles the hon. member would not be sitting where he was. It was owing to the protection of the British navy that this Parliament was in existence. It was necessary to place some taxation on absentee owners who did not do their duty to the community here, but it was unfair to tax the absentee who lived in Great Britain more heavily than the absentee who lived in Victoria. The former did some good to the State by paying liberally towards the protection afforded to this country, but the latter in the Eastern States did harm to us. The member for Kanowna was willing to tax the absentee living in the Eastern States. Why should we treat more harshly the absentee in Great Britain than the absentee in the Eastern States?

MR. WALKER: Because we could get at the one and we could not get at the other.

MR. FOULKES: Then we should not punish the absentee living in Great Britain. That man paid dividend duty.

MR. TROY: But received dividends.

MR. FOULKES: Only when a concern was prosperous.

MR. DAGLISH: If the concern was not prosperous no duty was paid.

MR. FOULKES: It should not be taken as proof that a man had changed his domicile if he was absent for 12 months. Many people were obliged, for reasons of health, to be absent from the State for more than 12 months. That was no reason why such people should be compelled to pay an additional tax, when absentees living in the Eastern States, who were ruining our industries, did not pay an additional tax. The member for Ivanhoe would not put a duty on the absentee in the Eastern States. The hon. member had said that he looked upon the people of the other States as being our own people.

MR. SCADDAN: No; what was said was that people in the British Isles were as much foreigners as people in America.

MR. FOULKES: When an opportunity presented itself later on he would move an amendment in the direction he had suggested.

MR. EDDY: The man who lived 12 months away from the State should be taxed. He (Mr. Eddy) was rather inclined to limit the period to six months. The arguments used by the member for Boulder were logical. The incidence of the tax on absentees would be nothing as compared with the general good of the State. Anyone absent from the State for 12 months could only be classed as a holiday-maker. The question of loyalty to the Empire and patriotism had been raised, but it was agreed that Western Australia had been harshly dealt with, and here we had an opportunity of getting even. In politics we must look after our own State.

MR. TROY: The period should not be limited to six months. Anyone desiring to do a tour of the world could not do it under six months, and it would not be fair to tax such a person, especially when the experience the individual gained on the tour might be of great service to the State. We should not be so narrow as to prohibit men leaving our shores, or we would not hold the name of being a sane Parliament. But any person absent for 12 months should be looked upon as an absentee and should be asked to pay something to the State, because that person derived an income from the State and did not pay any of the rates and taxes residents of the State paid. With the criticisms of the member for Boulder he (Mr. Troy) agreed. They were quite correct, theoretically. It was right that we should get at the absentee where we possibly could.

HON. F. H. PIESSE: The hon. member was therefore agreeing to something that was incorrect.

MR. TROY: Theoretically. He would not say it was practicable. In many instances absentees drew incomes from the State and gave back to the State little in proportion to what they drew from the State. It was argued that these persons might invest in our mines; but we could just as well say that they might not invest in our mines, and so the argument did not hold good. It must also be remembered that these globe-trotting persons were the greatest enemies of the State, because they always maligned the State from which they drew their livelihood. They were the persons who were heard on the mail boats and in England maligning the State. They were the persons who, after defeat at the Federal elections, shook the dust of Australia from their shoes and left the State.

HON. F. H. PIESSE: The arguments of some members savoured of pure parochialism. People who visited other countries and returned were of great benefit to the State because of the experience they gained; and yet it was said they were to be taxed. He had met many whose experience had been of great service to the country. They had rubbed shoulders with the people of other countries and had come back with information of use to the State. We gained a great deal by the opportunities these people availed themselves of in their travels. He did not disagree with the principle of taxing the absentee, but the person we should get at was the man living away from the country altogether, and not the man who went out of the State for perhaps a year

or 18 months. Members discussed the subject from their own point of view. They said that they could not get away for a trip because they were too hard-worked. He (Hon. F. H. Piesse) had not been able to take a trip outside Australia. But people who went away on trips were often the means of inducing other people to come here, because they imparted their knowledge of the State gained from practical experience, to people in other parts of the world. Something should be done by which such people could avoid the payment of this additional tax. The man who went away, leaving his family in the country and people working and developing his estate, because he was a few months over his time was asked to pay double taxation. The principle was bad. Something should be done to avoid taxation under such conditions, and until some reasonable provision could be brought forward, he would vote for the two years.

MR. H. BROWN: While absolutely in favour of an absentee land tax, he agreed with the member for Swan that a resident of the State who was absent for two years should be exempt. It was his (Mr. Brown's) intention to move to strike out the exemption of foreign companies. No company had done more to retard this country than the Midland Railway Company. Such absentee owners had left land practically in its virgin state, yet so soon as a local owner went home for two years he was taxed equally with the foreign company that had never put a spade into the ground here. A resident of the State was entitled to more consideration than the foreign company. The question of the dividend tax had been mentioned, but we knew that could be evaded by placing the cost of management so high that no dividend need be paid.

THE ATTORNEY GENERAL: What company was that?

MR. BROWN: A certain company in Perth. If it were possible to evade the dividend tax, then absentees in England could evade this tax.

THE PREMIER: Everyone agreed with the member for Katanning, that we did not desire to tax the man who was anxious to travel and gain experience. We desired to tax the man who had made his money in Western Australia and lived in London, or somewhere else. There were numbers of instances of West Australians who had made their pile, and who had gone away to live, and, as one member said, these persons were often the worst enemies the State had. There were instances in which men held hundreds of feet of land in Hay Street, and were drawing big incomes from this land, yet they were taking no part in the public life of the State, nor assisting to develop the State. It was only fair and equitable that these persons should be asked to pay a little more than the ordinary taxpayer. It was refreshing to know that the member for Perth was in favour of a land tax.

MR. H. BROWN: An absentee tax.

THE PREMIER: An absentee land tax. He thought the member was against land taxation altogether, but during the course of the debate the member had gone so far as to be in favour of an absentee land tax, and towards the end of the debate, no doubt, the member would agree to strike out the word "absentee." In regard to what the member for Claremont had said, according to the Federal Constitution we could not tax people living in the other States. New Zealand and South Australia had both adopted a tax of 50 per cent. in excess of the ordinary impost. That was a fair and reasonable additional tax to ask absentees to pay.

MR. COLLIER: The Attorney General had pointed out that the number of persons who would have to contribute under the proposal were comparatively few. That appeared to be the reason why members so unanimously agreed to the proposal. If the Government were to go farther and extend their proposal to those drawing incomes from other sources than land, he (Mr. Collier) would be prepared to support them. The Premier said he thought those drawing large incomes from the State, and residing in England, should pay more to the State than those who resided here. He expected that the Government would come down shortly and add 50 per cent. to the dividend tax. Therein was a good opportunity of gathering in a large amount of revenue. Approximately those drawing dividends from the mines of the State were paying £100,000 a year in the dividend tax, and if we increased that

tax by 50 per cent. there was £50,000 a year to the Treasurer's hand. But the Government knew that a great cry would be raised if such a proposal were made, because the people who invested their money in the mining industry were influential and more numerous than those who invested money in land. If it was just to tax the absent man who owned property in land an additional 50 per cent., it was equally just to place an additional tax on the man who held property in our mining industry and who was an absentee also. It was to be hoped the Government would come down shortly with a proposal to increase the dividend tax by 50 per cent. on absentees.

MR. DAGLISH: The member who had last spoken had not carried his argument far enough. The man who drew dividends was the man who provided the capital to develop some industry; but the man who simply held land, in a large number of cases retained the ownership without spending a penny on its improvement; therefore he was not rendering that service to the State that the individual outside the State was doing, who was assisting in the development of any of our industries. He (Mr. Daglish) was not quarrelling with the member for Boulder on that condition. This was not the time or place to raise the contention. We were dealing entirely with a Land Tax Assessment Bill, and it was quite impossible to bring forward any proposal outside a land tax. The member for Boulder like himself (Mr. Daglish) was anxious to see those persons who held large areas in the State, and who were living outside the State, contribute to the revenue more than the resident who contributed through the ordinary channels. The great trouble the Committee were suffering under was defining what was an absentee. The Government introduced a proposal saying that one year's absence was a fair indication that any property-owner was an absentee, but against that the member for Swan had moved an amendment to substitute two years for one. The whole question members had to decide was whether, as a rule, the man going on a tour went on a two-year tour or a one-year tour. Comparatively few people went for a holiday that amounted to a year, especially in Western Australia, where men of so much leisure or so much money as were able to leave their business for a term of 12 months were very few in number. He (Mr. Daglish) did not regard the proposal to fix a time limit as a satisfactory way of determining whether a man was an absentee or not. At the same time he was unable to suggest a better method. The question we had to consider was whether the Government definition, if a time limit be fixed, was satisfactory or whether the definition of the member for Swan was more satisfactory. He (Mr. Daglish) regarded the Government's time limit as a more satisfactory one if a time limit be fixed. He would have been glad of some more satisfactory way of defining what an absentee was, but he could not suggest it. The term fixed by the member for Swan would not make any material difference to the operation of the clause, and being anxious to help the Government in reaching the absentee, he would support the clause as against the amendment.

MR. HAYWARD: The real question was, what was an absentee? A man who went for a trip and happened to be away 12 months, although he left his business going on and did not break up his establishment, could scarcely be called an absentee. It would be very hard indeed on some persons if that were so. These persons should not pay an increased tax.

MR. GULL: There was no desire to avoid taxing the absentee, but he wanted to define an absentee as a man who had gone away for a trip, and was away two years. If a man went away for 12 months and was a day over that time, he would be liable for the extra taxation.

THE PREMIER: What about one day over the two years?

MR. GULL: If a man was away for two years, it was a reasonable supposition that he was going to stop longer, that he was practically establishing himself somewhere else.

THE PREMIER: The time he stayed away depended on what money he had.

MR. GULL: Probably so; but if he had money enough to stay away for two years he had enough to pay this additional tax. The member for Mt. Magnet had an idea that because of this provision if a man was away he was exempted from

the tax; but it was nothing of the kind. Such a man would be paying the same tax as everybody else. The hon. member overlooked that if a man were away more than 12 months he would be liable for double the tax; and there was a good deal of difference between a man being liable for double the tax and none at all.

THE PREMIER: Not double.

MR. GULL: Fifty per cent. It would be absurd for a man who was away a few days over the period to have to bear the additional impost. The Treasurer might just as well put a poll tax on the absent person.

MR. DAGLISH: What would the hon. member say about the Customs tariff for 12 months?

MR. GULL: If a man's establishment was going on just the same whilst the man was away for 12 months, we could not say that he escaped taxation on account of the clothes he wore. It was, however, a fair and reasonable assumption that if he was away for two years he was establishing himself somewhere else.

MR. EWING: We might pass this clause with a view to the Treasurer's adopting the suggestion to see if it was possible to more clearly define an absentee. It was not the intention of the Government to put extra taxation on the shoulders of a man who was taking a holiday and who found himself unable to return in one year.

MR. GULL: It was.

MR. EWING: No. They wished to tax an absentee. The time mentioned by the member for Swan was in his opinion too long. It should perhaps be 18 months.

MR. FOULKES: The clause should not be passed. We recognised that the Government had had some difficulty in drafting the clause, because this was the first occasion any of us had had experience in framing land taxation. The Government did not wish the Bill to operate harshly against anybody, but if this Bill were passed they would be treating a certain section of the people in this country very harshly indeed. They were laying it down that if a man owned land he would have to pay 50 per cent. more than anybody else under the land tax if he was away more than 12 months. Many had made large fortunes out of shares in breweries, and some of them were away for a year at a time, yet these people would be allowed to stop away without having to pay extra taxation. He only took the case of a brewery as an example; there were many private concerns besides breweries that paid very large profits to the owners of those particular businesses. Partners in those concerns could leave the country for more than a year at a time and yet be free from this additional impost sought to be imposed on the land owners of the State. There were many cases in which a man owning a farm might be away from the country for 12 months and still the operations of that farm might be carried on, but he would have to pay this additional impost, whilst shareholders in a mine or in some Perth businesses would be exonerated from having to pay this 50 per cent. [Interjection.] One had not to pay the dividend tax unless he belonged to a company.

THE PREMIER: Incorporated companies had to pay a dividend tax.

MR. FOULKES: There were various concerns not floated into companies. We should not draw distinctions between owners of various classes of property. If a man who drew big dividends from brewery companies was out of the country for some considerable time and was a permanent absentee from this country he should be taxed, but let us not impose a tax on a certain section of the people here and let other people escape who were perhaps not of such advantage to the community as some landowners were.

MR. WALKER: We could not tax others under this Bill.

MR. FOULKES: There was no reason why an income tax should not have been introduced in the week this Bill was brought in. He believed that in some of the other States, in New South Wales more particularly, they introduced the two Bills in one week. The Government should adopt the suggestion of the member for Subiaco.

MR. BREBBER: The clause should be passed as it stood. If a business man required to go to any other country he had to make arrangements for someone to attend to his business; otherwise he had to attend to it himself. When we came to a man of leisure it was a different matter. Generally those who would take

a trip to the old country, or make a tour of the world, were absentees in the true sense of the term, and it would be no hardship to them to have to bear the small incidence of this tax. The tax was very fair indeed. It would not press upon a business man who attended to his business, but it would tax those who left this State for amusement or pleasure, or who left this State altogether, as a few who had lived in Perth had done, leaving their estates in the hands of attorneys, and having the rents and incomes collected here in Perth. They held much property in this State; hence it was fair to compel them to contribute their legitimate quota to the revenue.

MR. McLARTY supported the amendment. Twelve months was not too long for a trip to the old country. In 1902 he went round the world, and to get back in ten months he had had to keep moving all the time. These trips were generally made by elderly persons, who should not be expected to hurry. While he would have been inclined to accept an extension of the period proposed in the clause to eighteen months, two years was more likely to be accepted by another place.

MR. DAGLISH: Having been quoted, he desired not to be misunderstood. No time limit could be satisfactory in defining an absentee. He (Mr. Daglish) was unable to offer a better definition, but would support an amendment which embodied such definition. He did not suggest that the clause was unsatisfactory to any greater extent than his previous words had indicated; therefore he supported the clause as drafted. By the clause, a man who went away for more than twelve months, and thus escaped the Customs impost which averaged £5 per head of population, and also one or two small duties, would contribute a 50 per cent. increase on his particular quota to a tax which would bring in annually about £70,000, and escape entirely his contribution to the Customs, which realised a million a year. If he were an ordinary citizen, not holding an exceptionally large area of land, he would get off lightly; though if he were two years away he would pay a somewhat increased contribution to the land tax. It was curious that members had not quoted instances to justify the contention that twelve months was not a fair limit. The preceding speaker, while complaining that twelve months was insufficient, informed the Committee that he had in ten months made a trip round the world. Hence the hon. member must admit that the time limit of the clause was satisfactory. As absentees escaped the heavier form of taxation through the Customs, it was reasonable that people who took a holiday abroad for longer than twelve months should be penalised to the small extent proposed in the clause.

MR. McLARTY had omitted to explain that he was a bachelor. A married man might take longer than ten months to go round the world.

MR. MALE protested against penalising the absentee. Members appeared to think that the absentee was an iniquitous person. This was unfair to a man who was assisting the development of the State by investing his money here.

MR. DAGLISH: And all our interest went to him.

MR. MALE: He deserved it, and we should feel thankful that we had the interest to pay to the absentee. The man who had sufficient faith in the State to invest his money in Western Australia deserved some consideration.

MR. WALKER: It was a profitable speculation.

MR. MALE: What constituted an absentee? The real absentee was the person who had invested his money here but had never lived here; not the man who had worked here perhaps for the best part of his life, and by that means had earned a competence. Defining an absentee by a time limit must be unsatisfactory. We should provide that a person leaving the State to travel should be given a permit to absent himself if he could satisfactorily explain his reasons for going. A man might have to go abroad on business for perhaps two years, to work up a connection. If the Timber Combine were in the hands of a private person, he might have to be abroad for perhaps two years; similarly with the private person who might engage in the frozen meat trade. We had the principle in operation already in granting to the Agent General a permit during his term of office.

MR. FOULKES: There should be more distinction made between the man

who had never lived here or intended to live here, but who invested his money here, and the man who had lived here for many years, and who, perhaps through ill-health, was obliged to live abroad. The latter was entitled to greater consideration, and should not be regarded at all as an absentee, or dealt with so rigorously as the former. The Government ought to consider the desirability of inserting in the first line of the subclause the words, "who has resided in the State for (so many) years." He attached considerable importance to whether a man was domiciled in the State. Many people, though absent from the State, had kept up their homes here, had carried on their businesses through managers or partners, and often employed labour here. It was unfair to class such persons as absentees. They were still citizens of Western Australia, and were not domiciled in any other country. They might be travelling through Europe and spending a week in each country; but their houses were maintained here. There should be no distinction between the absentee who held land and the absentee who gained an income from shares in industrial concerns.

MR. BARNETT supported the clause as printed. The objection of the member for Swan (Mr. Gull) might be met by an addition empowering the Minister to grant a certain extension of time. He would support any amendment to have the addition to Subclause 3 struck out, "Provided that this subsection shall not apply to foreign companies within the meaning of the Companies Act." Foreign companies should be placed on exactly the same footing as private owners of land.

MR. WALKER: The member for Claremont was inconsistent. He admitted that the principle was right, but claimed that its application had not been made sufficiently extensive. He would tax any shareholder living abroad and drawing his wealth from this country.

MR. FOULKES: The Bill let off all those people.

MR. WALKER: If there were 50 thieves operating in this city to-night, and only one were caught, would the hon. member let that man go free because the other 49 were at liberty?

MR. FOULKES: If it were necessary to punish one man, a sense of justice would compel us to punish the other 49.

MR. WALKER: A sense of justice demanded that we should punish all who deserved punishment, and not reserve punishment until we had all in the net; but the hon. member would not punish any because all could not be caught. Under cover of such specious arguments the hon. member was really stone walling the Bill. His proposals could be adopted in the proper form and at the proper time. One would help the hon. member to tax the absentee who drew large dividends. We ought to have such an absentee tax as soon as possible; but we should also be able to tax those whom we were able to tax under this Bill, which provided a specific tax on land.

At 6·30, the CHAIRMAN left the Chair.
At 7·30, Chair resumed.

MR. WALKER (continuing): Many periods had been suggested during the debate, and the time fixed by the Government, 12 months, was a fair compromise. The fixing of a time was purely an arbitrary matter. It was the opinion of the Government that 12 months was sufficient to put a man in the position of paying the extra impost as one escaping the duties of citizenship. The man remaining in the country contributed to the State revenue in a hundred different ways, but the absentee escaped all these, and the extra taxation proposed to be put on him by this Bill was an infinitesimal fraction of what he should pay as his share of the cost of protecting his property and interests in the State. The member for Murray (Mr. McLarty) had shown how it was possible for a man touring the world, and combining business with pleasure, to return to the State after thoroughly enjoying himself inside the 12 months, with two months to spare. It would appear that those supporting the amendment desired to oppose the measure on any point they could raise. The argument used in favour of extending the period to two years could just as well be used in favour of extending the period for 20 years or any term.

MR. LAYMAN: Some members were unduly alarmed about the injustice of this subclause. It was clear from the

reading of the subclause that an individual could be absent from the State for nearly two years and still escape the 50 per cent. increase. The period of one year was to follow the imposition of the land tax, and as a Land Tax Bill must necessarily be passed every year, the man could be absent from the State for 11 months before the passing of the measure, and 11 months after it before he would be called upon to pay the extra tax. Also the absentee could visit the State every two years and escape the additional taxation.

Amendment (Mr. Gull's) put and negatived.

FOREIGN COMPANIES—AN AMENDMENT.

MR. BATH moved an amendment that the proviso at the end of Subclause 3 be struck out, namely—

Provided that this subsection shall not apply to foreign companies within the meaning of the Companies Act 1893.

He failed to see why the individual absentee should be called on to pay the 50 per cent. increase, when an aggregation of individuals forming a company were exempt from that increase. They were essentially absentees, although they hid their identity under the name of a company. Members had clearly shown that it was advisable to place an extra impost on the absentee; therefore it should apply to an aggregation of individuals as well as to an individual.

THE TREASURER: Many reasons could be advanced why limited liability companies specified under the Companies Act should be exempt from the additional taxation. First of all there was the difficulty of locating the company. A company consisted of numbers of shareholders. Were we to insist that all the shareholders of the company should reside in the State? Did the hon. member mean that if one shareholder of a company operating in Western Australia resided outside the State, we should call that company an absentee company? Ninety per cent. of the shareholders of a company registered in London might reside in the State. Would we call that an absentee company? The proposal was impracticable. All sorts of machinery clauses would be needed to define an absentee company. The absentee tax was applicable to the individual, but not to companies under the Companies Act. There was another aspect of the question. These companies were already taxed under the Dividend Duty Act, and more heavily than they were likely to be if we could mulct them under this Bill; and as we taxed them under a special Act, it was only just that we should not include them under this Bill now. These companies had of necessity to keep a registered office in the State, and to provide an attorney in the State. They could not in any sense of the term, with the official head residing in the State, be termed absentees. In Clause 31 (provisions as to companies) members would find that companies were required to provide a direct representative, termed a public officer under this measure, who must always reside in the State. If the amendment were carried and this proviso were struck out, there would be no reason for Clause 31, by the provisions of which the companies would be fulfilling the obligation of the individual residing in the State. Members should not agree to strike out this proviso.

MR. LYNCH: It would seem the Government intended to make a difference between property owned by a company, when the members of the company were domiciled in the State or out of it, and property held by an individual. If it was possible to make a distinction, and to maintain that distinction, between property owned by people at a distance and those resident in Western Australia, we should make the difference in favour of those who live in this country; but the Government seemed to make a distinction in favour of those who held parcels of land in Western Australia and who were resident in places beyond Western Australia. Why was such a distinction made? Why should companies escape while private individuals had to pay an additional impost? The Treasurer had said there were difficulties in locating a company. It was sufficient to make a company have its head office in Perth, and by that means we would be able to trace all we desired to know in connection with that company. The company's office was usually situated in the country or district where the greatest number of shareholders lived or had their interest.

If a company owned landed property in this State and had its office in a foreign country, in England or Europe, we might rest assured that in essence and in deed it was a foreign company. For the Government to assume that a company like that should be singled out for special consideration was altogether an unfair proposition. In view of the decision to place an extra impost on private individuals living at a distance, the Government should go so far as to insist that every company owning land in the State should have its recognised local office within Western Australia. The definition of "foreign company," according to the Companies Act 1893 was as follows:—

> "Foreign Company" shall mean any joint-stock company or corporation duly incorporated for trading or other business purposes according to the laws in force in the country in which it is incorporated, other than a company incorporated in Western Australia.

As an example of the favoritism shown in the proposal of the Government, there was the Town Properties of Western Australia, which owned large tracts of land in and around Perth and elsewhere. This company had its office in London, and it was proposed under the proviso to allow the company to escape the extra impost of 50 per cent., which was imposed on private individuals who owned property in the State but were absentees.

THE TREASURER: That company paid the dividend duty.

MR. LYNCH: That had no bearing on the question, for companies could manipulate matters so scientifically as to evade the dividend duty tax. There was no difficulty in placing any parcels of land in the State, either owned by a company or an individual, on precisely the same basis. It was unfair to saddle individuals with an extra impost, while at the same time allowing foreign companies to go scot-free. So long as companies had their head office in Western Australia they could be regarded as local companies and entitled to enjoy whatever advantages came to them under the Bill.

MR. BATH: The interpretation of a foreign company as provided in the Companies Act practically answered the contention of the Treasurer as to the difficulty of applying the proposal, supposing the proviso was struck out. In regard to the payments under the Dividend Duties Act, it must be recognised that practically the same argument applied to mining leases in Western Australia as was applied the other night to pastoral leases. No attempt had been made to fix the rent of these leases in proportion to the value of the land. Every gold-mining lease paid a rental of £1 per acre per annum, just the same as a pastoral lease in the different districts paid rent from 2s. 6d. to £1 per thousand acres. It would be wrong to exempt them because some were more valuable than others. The rental was not the true rent, and it gave the holders an advantage of a portion of the unearned increment. The dividend duty tax was an attempt to secure to the State some portion of the value. It was especially necessary in the case of a mining company, because in every Act on the statute-book relating to these areas there was always a reservation to the Crown of the minerals which were contained in the lease; they were always regarded as the property of the Crown, and if we were to argue that by granting a lease of these areas for the sum of £1 per acre we were securing a fair return to the State, he did not think many would be found to support the Treasurer's argument. The dividend duty tax was an attempt to secure to the Crown what really belonged to the State. In regard to the operation of the Dividend Duty Act, companies could enjoy the unearned increment resulting from the efforts and energies of the community, when paying dividends to their shareholders, while they were exempt altogether from the impost applying to absentee individuals. That was not just. We had many illustrations of how companies could evade taxes on profits by methods which obviated the necessity of paying dividends, but which secured to the shareholders valuable consideration. The Adelaide Steamship Company, by a special manipulation, maintained dividends at a special rate, but by watering the share capital of the company, by the payment of large sums to reserves, and by a great increase in the value of shares, individual shareholders had from time to time secured enormous sums from the company without having dividends paid to them. If companies paid the dividend duty it was

a contribution for something which they enjoyed as the result of exploiting what really belonged to the Crown. That had no bearing whatever on the unearned increment that accrued to them from the efforts of the community. It was said we were going to secure some portion of that by the tax. We had decided that a special impost should apply to absentee individuals, and now we wanted to exempt absentee companies. No possible argument could be brought forward to justify that course.

THE ATTORNEY GENERAL: The provision in the clause related only to the increases which the Bill proposed in the case of absentees. Take the case of a company and see if it was possible to carry out the principle on which we asked for an increased charge in the case of absentees. The reason we asked for an increase was that an absentee individual did not discharge fully his duties of citizenship; at the same time he enjoyed benefits from holding properties in the State. Assume that a company had been incorporated and registered in this State. He knew personally of one company which was originally constituted entirely of Western Australian shareholders; it sold the shares, and the whole interests in that company left the State and went into the hands of foreign holders, absentees; but the company remained a local company, and he believed there had been foreign companies established in the mining world that held leases we knew were valuable, and in which we were prepared to buy shares. He knew of one company in which by far the greater portion of the shares were held by local holders who purchased them. In other words it was impossible to cure the evil which we wished to prevent in regard to absenteeism in the case of a company by providing that it should be foreign or local, because the shareholders might reside anywhere. Unless we had in the Companies Act a limitation whereby a foreign company could not include local shareholders, and a local company could not include foreign shareholders, we should not arrive at any solution such as the Leader of the Opposition suggested. If we attempted to carry out this proposal we should simply lead ourselves into difficulties, from which we could not possibly get out. Assuming a case where some of the shares were held in the State and others out of the State, would there be any suggestion that there should be a difference, and that we should remit the extra 50 per cent. of duty in the case of the local shareholders? We could not do it. And *vice versa*, we could not make an impost on those out of the State. The whole matter would be impracticable. We should be departing from the principle which alone justified an impost on absenteeism, namely that a man who did not discharge his duties as a citizen should be rightly called upon to bear some additional burden. The proper way of dealing with companies, whether foreign or local, was to call on them to pay a tax such as was provided for under the Dividend Duty Act. As to the illustration by the Leader of the Opposition in regard to the Adelaide Steamship Company, that was a case which under this Bill was amply provided for, because although a duty was collected on dividends it applied only to companies which carried on their business entirely within the State. If a steamship company came under the operation of this Bill, it paid on profits and not on dividends, because the dividends were earned here, there, and everywhere in Australia, and the tax was imposed on that portion earned in the State.

MR. BATH: The illustration was used to show the difficulty of devising means to prevent evasions of the Act. Companies he referred to were companies carrying on business in this State.

THE ATTORNEY GENERAL: Provision was made to deal with evasions of the Dividend Duty Act. It said that dividend included every dividend, profit, advantage or gain intended to be paid, or credited, or distributed among any members of any company. Immediately shares were watered and new shares were issued, if the Treasurer did his duty he would demand payment on the face value of these shares.

MR. TAYLOR: The Treasurer had not done so.

THE ATTORNEY GENERAL: If that was not done, we had a remedy by getting a different Treasurer. [Interjection by MR. BATH.] Market value and intrinsic value were so entirely different that it was hopeless to take them into consideration. There had been shares of

which the market value was £4, whereas they were not really worth 4d.

MR. BATH: All he was trying to show was the difficulty of devising any means to prevent evasions of the Act.

THE ATTORNEY GENERAL: This was only leading into a number of difficulties, and the point was outside the question. What we had to do in regard to this particular clause was to say, Does the principle of absenteeism at all apply to companies? He submitted that it did not.

MR. TAYLOR: Five persons could, he thought, without difficulty form themselves into a foreign company in accordance with the Act of 1893, and evade the special impost under this land tax, and for that reason alone there was ample ground for striking out the last subclause. The Attorney General had read out Section 2 of the Dividend Duty Act showing what dividends were. Had the Treasurer taxed anything other than dividends—had he, in accordance with the Act of 1902, taxed profit, advantage, or anything that tended to increase the wealth of the shareholder? Ample provision was made by which the Treasurer could deal with the people who desired to evade taxation imposed under the 1902 Act. Had balance-sheets been forwarded to the Treasurer in accordance with the Act? The Act said:—

> The Minister shall thereupon assess the profits made by such company in Western Australia, and on such assessment the company shall, within fourteen days, pay to the Treasurer a duty equal to 1s. for every 20s. of profit so assessed.

The Leader of the Opposition had pointed out how a company could issue preferential shares and take them up.

THE TREASURER: Had this anything to do with the question under discussion, whether he administered the Dividend Duty Act or not?

MR. TAYLOR: If an Act was quoted from by a member to strengthen his case, was not he (Mr. Taylor) equally entitled to use the same Act to show it was possible to evade the tax under the Act? Through the laxity of Treasurers we had lost a considerable amount in the form of dividend duty. There was nothing to prevent absentee landowners from forming themselves into a foreign company and evading the land tax. It only required five to form a foreign company. He hoped the Attorney General would give the House the value of his legal knowledge on the point. He thought the Bill would enable persons who formed themselves into such company to successfully evade land taxation in Western Australia. [MR. GULL: No.] The Bill said:—

> Provided that such subsection shall not apply to foreign companies within the meaning of the Companies Act, 1893.

THE ATTORNEY GENERAL: That was an absentee.

THE PREMIER: Did the hon. member mean a company which held land?

MR. TAYLOR: A company formed for any purpose.

THE ATTORNEY GENERAL: Some persons who held land in this State, who were liable to pay the tax, were also absentees and liable as absentees to pay an increase of 50 per cent. The hon. member asked him whether, if there were five individuals in that position, they could form a foreign company and thereby evade payment. The hon. member said a foreign company, although it would be just as easy to form a local company, because there was no habitat for shareholders. Let us assume, however, that the shareholders wanted to take the greatest possible risk, and therefore did form a local company, but wanted to form a foreign company merely to evade the 50 per cent. increase. Doubtless they could do that. But assuming for convenience that the land tax was 1d. in the pound, the 50 per cent. increase would be ½d. The hon. member wished to know whether five men would, to save the ½d., risk the whole pound. If they formed a company, the property contributed by each shareholder would belong to the whole company.

MR. TAYLOR: Never mind how the company would work. Could it evade the tax?

THE ATTORNEY GENERAL: The land of the five shareholders would become common property.

MR. TAYLOR: But could they evade the tax?

THE ATTORNEY GENERAL: Undoubtedly, if they were sufficiently foolish. But the same five persons could form a

local company in Perth, and then, even on the hon. member's suggestion, they would not be subject to the additional impost, for they would not be absentees. They could have a local office and a secretary at a nominal salary. If the hon. member were an absentee landholder he would not for a moment consider a proposal to form a company with other landholders to own in common properties differing in value.

MR. H. BROWN supported the amendment of the Leader of the Opposition, which amendment any city member must support after reading the recent letter of the Treasurer to the Press, and hearing the speeches of some country members. The Premier's speech when introducing the Bill showed how huge estates had for years been held mostly by absentees; how one timber company secured many acres of land for each mile of railway constructed, the land being worth several thousand pounds to-day; how, on Wellington Location 1, land was bought at 9d. an acre, and was now worth over £300,000; how an estate bought for £10 was recently sold for £100,000; and how the country had been treated by the Midland Railway Company, and last but not least by the Hampton Plains Company. This was absolutely a country-and-goldfields Ministry. If we made many more exemptions, there would be no land tax to collect. In the country districts the memorable letter of the Treasurer, that appeared the other day in the Press, had given great satisfaction. The Minister practically wrote to the country people: "You will have to contribute nothing; the whole of the tax is coming from the city and the towns."

THE TREASURER: Were there no towns in the country?

MR. H. BROWN: Very few that would contribute to this tax. The following telegram arrived to-day from Greenbushes: "Land tax measures introduced by the Moore Government were at first drastically criticised by the farmers in this district. But after the proposals were fully explained, showing that the legitimate farmer, the man who developed his holding, was to be very lightly taxed, and that the city property-owners would pay the great bulk of the tax, the opposition has been changed to active support." This showed the sops being given to the country districts. It was one of the worst forms of political bribery he (Mr. Brown) had yet seen. The speech of the Attorney General showed there was no trouble in collecting the dividend tax from foreign mining companies. Surely the land tax could with equal facility be collected from foreign land companies. The individual was exempt from the dividend duty, and the company was taxed. This Bill would penalise the individual and let the company go free. Why should a citizen of the State, if absent for a few years, be penalised, while a foreign company, the shareholders in which had never resided here, escaped scot-free?

MR. DAGLISH had waited for some Minister to reply to the most serious attack made on the Government since it took office. The preceding speaker characterised the action of the Government as the most serious piece of political jobbery he had ever seen.

MR. H. BROWN: Political bribery.

MR. DAGLISH: That was worse. The Government seemed to take this accusation as a matter of course; seemed to pride themselves on being guilty of serious political bribery. The hon. member (Mr. Brown) said the other night that he was a supporter of the Government; and so he still seemed to be. Now that we knew the member's views of the Government, we should like to hear how the Government viewed the hon. member, one of their supporters. It was absolute cruelty to the Committee that the Treasurer and other Ministers should be silent under this accusation, one of the most serious levelled against any Government from either side of the House since he (Mr. Daglish) entered Parliament.

THE TREASURER: What about the Daglish Government?

MR. DAGLISH: Most of the accusations against it came from the Opposition.

THE TREASURER: No; from the Government side.

MR. DAGLISH: But not one of them approached in seriousness that levelled at the present Government by one of its warmest supporters on every question but the one vital question on

which the fate of the Government really depended. Opponents of the land tax who were in other respects Government supporters had agreed with the front Opposition bench to defeat the Government on this issue. If the Government insisted on retaining this subclause, the attempt to tax the absentee would be entirely defeated. Any five landholders could form a company; or there need be but one landholder, with his wife and three children, or if necessary with the wife, two children, and a stranger; and the landholder could retain 999 shares in the company, dividing the remaining interest among the four nominal shareholders. Thus he could evade the additional impost on the absentee. The Attorney General urged that landholders would not trouble to form such companies. But the member for Perth cited existing companies which should undoubtedly be liable to any absentee tax imposed. Such a tax would be useless if wealthy corporations and their shareholders were exempt. If we wished the absentee tax to realise any revenue worth having, delete this subclause.

MR. GULL: One question, the answer to which would decide how he would vote on the amendment—would the Midland Railway Company pay the added impost as an absentee, or was it taxed under the Companies Act? If that company were exempt he would support the deletion of the subclause, for the company was the worst absentee in Western Australia.

THE TREASURER: The Midland Railway Company would not be considered an absentee, under the clause.

MR. JOHNSON: Having been absent during the earlier part of this discussion, he desired the Treasurer to show reasons for the retention of the proviso. He had heard numerous arguments against the proviso, but none for it. There was a large land company in Western Australia whose shareholders were mostly resident in foreign countries; and if that company made profits through paying no dividends, it escaped scot-free so far as taxation was concerned in this State; but in Great Britain the individuals who drew incomes from the operations of the company, paid in the shape of salaries, were compelled to pay income tax to the British Government, the money being made here. We allowed the British Government to tax these people, and now said that we were to get no revenue from them. Did a company that paid no dividends contribute in any other way to the revenue of Western Australia? If not, it should be placed on the list of absentees.

THE TREASURER: The hon. member evidently had not been in the House when the matter had been explained. A company that did not pay dividends did not contribute to the revenue in any other way more than an ordinary trading concern.

THE PREMIER: The trouble was the question of application. As the Attorney General had pointed out, in many instances there were local companies registered in the State the shareholders of which were absentees, while on the other hand there were companies registered outside Western Australia whose shareholders were residents in the State. The Perth Gas Company and the Swan Brewery were cases of companies registered in the State having some shareholders resident outside the State. As the Attorney General had pointed out, we were taxing absentees because we did not consider they were carrying out their duties of citizenship, and because they were absent from the State. But the mere fact of the company being registered outside Western Australia did not mean that its shareholders were resident outside the State. So to be consistent, the proviso had been inserted. The Government were anxious to see that these companies should be taxed, but there was a difficulty in applying the tax to these companies.

MR. H. BROWN: We should penalise the companies, as was done under the income tax.

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

Ayes	...	...	21
Noes	...	...	16
Majority for	...	...	5

Ayes.	Noes.
Mr. Barnett	Mr. Brebber
Mr. Bath	Mr. Davies
Mr. Bolton	Mr. Ewing
Mr. Brown	Mr. Gordon
Mr. Collier	Mr. Gregory
Mr. Daglish	Mr. Hayward
Mr. Eddy	Mr. Keenan
Mr. Gull	Mr. Layman
Mr. Heitmann	Mr. McLarty
Mr. Holman	Mr. Male
Mr. Horan	Mr. Mitchell
Mr. Hudson	Mr. N. J. Moore
Mr. Johnson	Mr. Piesse
Mr. Lynch	Mr. Price
Mr. Scaddan	Mr. F. Wilson
Mr. Smith	Mr. Hardwick (*Teller*).
Mr. Taylor	
Mr. Underwood	
Mr. Walker	
Mr. Ware	
Mr. Troy (*Teller*).	

Amendment thus passed, the proviso struck out.

MR. TROY: Would servants of the State outside Western Australia, probably for a number of years, for instance the Agent General, be subject to this absentee tax?

THE TREASURER: Yes, under the present conditions. Special provision would need to be made to exempt such a person as the Agent General.

MR. TROY: There were others outside the State serving the State in an official capacity.

THE TREASURER: Provision would be made to meet those cases.

Clause as amended put and passed.

REBATE—AN AMENDMENT.

Clause 10—Rebate of tax on improved land:

MR. BATH moved an amendment:

That Subclause 1 be struck out.

In view of the opinions expressed by Ministers that the incidence of the tax on unimproved land values was perfectly just and equitable, it should fall on all landowners exactly the same. Now we had a proposal that, while one man was to be allowed to enjoy the unearned increment except for payment of $\frac{5}{8}$ths per cent., another was only to pay 5-36ths. Ministers had urged that it was a just and equitable form of taxation to impress members with the necessity for the measure; but if then we had a clause such as this, it was manifest injustice to some as compared with others, and the whole source and fount of Ministers' argument was destroyed; so the Government could not blame their supporters who had opposed the measure right through, if they seized on this inconsistency in the attitude of Ministers and used it to defeat the whole proposal. If the Government were sincere in their desire to have a measure of land values taxation, and that it should be a just and equitable measure, they should carry out the proposal in its entirety, to the extent of the $\frac{5}{8}$ths per cent.

MR. COLLIER supported the amendment. The Treasurer had commended the tax to the House on the ground that it was eminently just and equitable. This was essentially a tax on the unimproved values of land. Under a proposal of this kind, where a rebate was allowed for improvements it became not a tax on unimproved land values, but a tax to some extent on unimproved land. The man who would benefit under the proposal was the man who was the best able to pay the tax. In this country a large portion of the farming lands were taken up in the early days; and to-day they were valuable lands. The man who had improved his holding and became wealthy would escape, under the provision. It was unfair to tax any man because he might not be in a position to improve his land.

MR. JOHNSON: When an amendment was moved to a clause of vital importance, there ought to be some statement from the Treasurer to justify the clause. As one who desired education on the question, he asked the Treasurer to give some reason for inserting the provision in the Bill.

THE TREASURER: An endeavour had been made to put the matter clearly before the House; and if the member did not understand what had been said, that was not his (the Treasurer's) fault. The member wanted to know what these rebates meant. They were patent on the face of them. The reason for giving certain rebates of one-half was that we considered the owner of the land who was making a *bona fide* attempt to improve his property should have the benefit of those improvements. The man who was holding land for the purpose of speculation, and not improvement, should pay twice the duty of the man who was trying to improve his land. That was the principle contained in the clause. If improvements were

effected on agricultural, horticultural, pastoral or grazing lands to the extent of one-third of the unimproved value of the land, then the owner should pay half the tax; and if owners carried out the improvements specified by the Land Act, they would also be exempt. Had members any exception to take to that? The Leader of the Opposition, he understood, maintained that there should be no rebates for improvement at all, but the member had not yet been able to give any reasons for that course. The Government desired to see the man who was in a *bona fide* way carrying out his improvements have some remission of taxation. On the other hand, they wanted to see men who were holding land for the unearned increment coming to it by reason of the population and the expenditure of public moneys, pay something extra.

HON. F. H. PIESSE: We had already agreed to Clause 9, which was a most important part of the Bill. But in regard to the first portion of Clause 10, his object was to try and make its incidence as low as possible for the people who had to bear the burden. The people of the country had often said there was a desire to levy a tax on land, and it had been said that this was to be imposed to burst up large estates. It was illegal to do that in the way proposed by some members. According to the clause, if persons carried out certain improvements, there was to be a reduction of 50 per cent. on the tax of 1½d. in the £; and those who would not improve their land would have to pay the higher rate. It would be illegal to take the course suggested, of singling out people who had not carried out their improvements, by imposing a specific tax to enforce them to do so. This clause would meet with the approval of the people. Although he was against the tax all the time, yet this subclause was reasonable, seeing that the tax was to be imposed. He would vote against the amendment.

MR. JOHNSON: It was wrong to tax improvements on land; but seeing this was about as good as we could get, he was inclined to support the clause as it stood. He was sorry the Treasurer took his remarks so seriously. We could not take the hon. gentleman's speech as the speech that should be delivered on the present Bill, because since the time he made that speech the Bill had been considerably altered.

THE TREASURER: The principle was the same.

MR. JOHNSON: The Bill we were discussing to-night was not the Bill the hon. gentleman introduced.

THE CHAIRMAN (Mr. Daglish): The hon. member must discuss the amendment to strike out Subclause 1.

MR. JOHNSON: Before the Leader of the Opposition moved to strike out this subclause, the Treasurer started to move that other subclauses should be struck out.

THE TREASURER: That was prevented.

MR. JOHNSON: The Treasurer should have given his reasons for placing these provisions in the Bill. He did not do it in the original speech, as he had done now.

THE PREMIER: The member for Guildford seemed to have adopted the role of lecturing the House. On every Bill introduced he advised the Government exactly what should be done. In his speech on the second reading he said one should go back to ancient history and dish up all the information with regard to land alienated in the early days of the Colony.

MR. JOHNSON: The hon. gentleman took his advice.

THE PREMIER: The hon. member complained of lack of information, and the Government had gone to the trouble of acquiring that information; but apparently as far as the hon. member was concerned it was wasted on the desert air, for the hon. member was not in his place when it was given.

MR. JOHNSON: The speech had been read by him in *Hansard*.

THE PREMIER: In his policy speech at Bunbury, he advocated the same principles as were being advocated now in a different way, namely to impose additional taxation on those persons who did not improve their land. It was found, however, on consultation with legal authorities that such a course would be unconstitutional. Therefore, in order to achieve the same result, the Government doubled the tax and made a rebate of 50 per cent., which brought us to the same position as we would have been in had a penalty clause been introduced. By this Bill we provided for a rebate for

the man who had genuinely worked his land as compared with the man who did nothing with his land. He was glad the member for Guildford had recognised the wisdom of the course the Government had adopted, and that the Leader of the Opposition apparently had not the support of his party in relation to the amendment proposed.

MR. H. BROWN: Where would Perth or the State be, if all the land were improved? Could they stand greater improvement than existed at present? In Perth at all events, and he thought in the majority of towns in Western Australia, there was at present a very heavy impost on unimproved land. There was a direct tax already in existence of 7½ per cent. as against 4 per cent. on the improved property. At the present time there were in Perth 300 or 400 empty houses, and empty shops by the score; some shops right in the centre of the business portion of the city. Were everyone taxed as provided for in the Bill, Perth would be practically a city of half-empty houses and shops; there would be no demand for them, and the tax would have the effect of ruining the city. Some provision should be made in regard to the towns as compared with the country districts. On one hand we heard that the Government were taxing the land on its unimproved value, yet under this clause —he did not see how the clause could be carried out—we were going to make provision that the improvement should not exceed the value of £50 per foot. We were not, however, rating on foot frontage, but solely on capital value.

THE ATTORNEY GENERAL: The member for Perth had been one of the foremost in urging that the tax for which we were now passing an Assessment Bill was wholly wrong, and that we ought to proceed on the basis of taxing unimproved land. Within a week from to-day he had given us his opinions, and almost every member in the House had at some time or another pointed out the iniquitous practice and the injustice that arose from tying up parcels of land and making no attempt to improve them. If it had been proposed in this Bill that on land not made use of double the tax should be imposed, even the Leader of the Opposition would have supported it. But it could not be proposed in that form, or if it were imposed we could not enforce a tax on land because of not being improved. The right of taxing undoubtedly existed, but members did not require to be constitutional lawyers to see that when the Crown granted freehold all it could do was to ask the freeholder to bear with everyone else in the country the common burden. The same end as that referred to was achieved in a constitutional manner by rewarding the man who had improved his land. There could be no objection to the State giving any reward in its power to those it considered worthy of it, and here we found there were circumstances which admitted of this. The State said to those gentlemen who had carried out improvements, which were clearly defined, that they would only be called upon to bear 50 per cent. of a certain tax. That was an easy way out of a position for which otherwise no solution could have been found. And if the object was one which we all desired to achieve, namely to use every endeavour by legislation and by any other means in our power to induce people settled in our midst to use their land to the largest extent possible, members must support this clause, because there was no other way of doing it. The member for Perth came down and said, "By all means carry out legislation which will impose some tax on unimproved land," and the moment the proposal was brought down the hon. member ran away from it.

MR. H. BROWN: Already there was a tax on city lands.

THE ATTORNEY GENERAL: The hon. member had the city so much on his brain that he could not contemplate the country. We were legislating for the whole State, and were not going to have separate conditions for the city or any other part.

MR. TROY: The amendment of the Leader of the Opposition was the only one which should commend itself to the Committee, because if we adopted the system of rebates it would mean that advantage would be given to a person who had held land adjacent to a railway for a sufficient time, and had had opportunities of improving his land, over others who had not had the time. Take, for instance, the case of Northam. A few

weeks ago he visited the Northam electorate and found, on discussing the question of rebate, that a landowner adjacent to Northam, who had had the land 20 years and had had the opportunity to improve it, would get a rebate, whilst his less fortunate neighbour who held land 20 miles out, who had not had it nearly as long a time and had had no opportunity of improving it, would not receive any advantage from this rebate.

THE ATTORNEY GENERAL: Why?

MR. TROY: Because he had not had sufficient time to make the same improvements as his neighbour had in Northam. With regard to the member for Katanning, he did not want to make any personal remarks, but merely wished to take the hon. member's own case as an object lesson. The hon. member owned a very large property in the vicinity of Katanning. He had done so for a great many years, and had had every opportunity of improving the property. He had splendid railway facilities, and he would receive the rebate because of the improvements he had been able to make, as against his less fortunate neighbour 20 miles farther back who had not had the same advantage and the time to make the same improvements. Was that just to the man farther back? This Government which pretended to be the assistant of the struggling settler, was really not assisting the struggling settler, but was helping persons who held areas of land adjacent to the railways, who had held them for a large number of years, and had had opportunities of improving them. If, as the Treasurer admitted, this measure was justifiable only from the standpoint that we needed revenue, those persons should be taxed, because a gentleman like the member for Katanning had had that land greatly enhanced by railway facilities at his very door.

HON. F. H. PIESSE: The railway was there when he got there.

MR. TROY: Then the hon. member had had greater advantage in having it, therefore the hon. member was not entitled to rebate at all, and he (Mr. Troy) would do his best to prevent him from having it. For many years that man had the benefit of a splendid market, which with the increase of population and with railway facilities had enhanced the value of his property. He was better able to pay the tax than the struggling farmer farther back, who was deprived of similar opportunities. How could any reasonable man approve of a rebate to people like the member for Katanning? The amendment (Mr. Bath's) would provide that the struggling man should contribute a little to the tax, and the wealthy man his fair share.

MR. BARNETT supported the clause as printed. The preceding speaker evidently knew more of mining than of land, and would probably be much surprised, after the tax was imposed, to see how small an area of land, farming land particularly, would have to pay the full impost. The great majority of landowners, especially small owners who had been on the land for a few years, had more than fulfilled the improvement conditions mentioned in the Bill. Those who for want of sufficient energy had not fulfilled these conditions were hardly the men required on our lands. The member for Boulder (Mr. Collier) argued that some who had not already made improvements would be hardly dealt with by the Bill; but he might rely on it that those who, for want of improvements, were not entitled to exemption would soon fulfil the necessary conditions.

THE PREMIER: The member for Mt. Magnet (Mr. Troy) overlooked subclause (*b*), which exempted certain holdings if the Under Secretary for Lands certified in writing that improvements to the amount prescribed, or to be prescribed, by the Land Act of 1898 or any amendment thereof, or any of the regulations thereunder, had been effected. All the small holders to whom the hon. member referred would therefore be exempt. They must have made the necessary improvements, else their land would have been forfeited.

MR. BATH: Suppose they were freeholders?

THE PREMIER: Why should they be freeholders? The hon. member (Mr. Troy) referred to the land held by the member for Katanning (Hon. F. H. Piesse), and the opportunities which the owner had of making improvements. He (the Premier) knew Katanning before that land was taken up. The increased value of the land around Katanning was largely due to the member for Katanning's enterprise. The hon. member had

effected every possible improvement to his property, and if we had more settlers of his stamp it would be better for the State. His enterprise had resulted in a large area being brought under cultivation, and his energy had given the land a far higher value than resulted from its proximity to the railway.

MR. TROY: The land would have been valueless had it not been for the railway and the community.

THE PREMIER: But when the railway was opened, land within the Katanning townsite could be bought for 10s. per acre. It was now worth perhaps £40 per acre, on which sum the hon. member (Mr. Piesse) would have to pay the tax, though he was largely responsible for the increased value of the land.

HON. F. H. PIESSE had believed that the member for Mt. Magnet (Mr. Troy), like other Labour members, had made a study of land taxation and understood the subject; but that did not appear from his speech, and the hon. member must be put right. This was a question of the unimproved value of land, which value was defined in the Bill as the price for which the land would sell under such reasonable conditions of sale as a *bona fide* seller would require, supposing no improvements had been made. Assume that the land immediately around Katanning had, in consequence of its proximity to the railway, increased considerably in value, and was worth, say, £10 an acre, and that the improvements were worth £3 an acre. The unimproved value would be £7, and on this value the tax would be paid. Take the man instanced as holding land 20 miles from that point, It was said he was at a disadvantage compared with the owner of land near the railway station. But the valuator would allow for the distance from the railway or from certain other facilities. We must consider both men as freeholders; for Subclause 1 dealt with freehold lands, and not with Crown leaseholds. Suppose the land 20 miles from the railway station was valued at £2 an acre and the improvements at 30s., the unimproved value would be 10s.; and the owner, though at a disadvantage because of his distance from the railway, would not pay on £7 an acre, like the man near the railway, who if the tax were 1d. in the pound would pay 7d. while the other settler would pay ½d., being assessed at a lower rate because of his distance from the railway. The hon. member's argument was therefore fallacious. On the other hand, if each man held Crown land, the question would be what would the land sell for, what was it worth? The landowner liable to taxation had to assess his own land, and in default an assessor might, subject to appeal, fix its value for taxation purposes. After all it was a question of values; and the incidence of the tax was fair whether the land was at the door of the railway station or twenty miles distant.

MR. LYNCH: One could understand the Premier's chafing because of a lecture delivered by an Opposition member, in view of the many other lectures to which the Government had been subjected in respect of this measure. The Bill had undergone several changes since it entered the Chamber. If the general belief had a reasonable basis, the Government had been severely taken to task by lecturers with clubs in hand. The member for Katanning spoke on the second reading of the need for considering persons holding 1,000 acres of land; and next day the Treasurer tabled an amendment almost in the words of the hon. member. The Government had evidently a severe private tutor. The tabling of the amendment might have been a mere coincidence.

THE TREASURER: That provision had been in the Bill from the beginning.

MR. LYNCH: The £250 exemption was to apply to 1,000 acres.

THE TREASURER: To apply to £1,000.

MR. LYNCH: The proposal now under consideration was one of the brightest spots in the Bill; for it would favour those who were turning to profitable account the lands of the State, and would tend to prevent the holding of land for speculative purposes. He welcomed this proposal, which somewhat atoned for the many defects of the Bill. Later he would have occasion to refer to the conditions of the rebates provided for. They were sadly in need of improvement.

MR. A. J. WILSON: The subclause should be passed as printed. Every encouragement should be given to people desiring to improve their holdings, and we should discourage to the fullest possible extent the occupancy of land in

an unimproved state. There was one difficulty in regard to this. We would later on be asked to deal with parcels of land as one parcel. Probably the improvements would be dealt with in a similar manner. In that case, if a man owned the block of land bounded by Hay Street, King Street, St. George's Terrace, and Milligan Street in Perth, the erection of a building at one corner of the block, such as a theatre, would be sufficient improvement to enable the person to obtain a rebate on the whole block.

THE PREMIER: The parcels of land must be adjoining.

MR. A. J. WILSON: At any rate there was something in this aspect of the question.

THE PREMIER: It was very difficult to meet.

MR. A. J. WILSON: It was a contingency that should be met. One could not understand the member for Boulder practically acknowledging himself as a special pleader for the land-jobbing speculator, the one class of individual in the community who had been the worst enemy of the industrial classes. That class of man effected no improvements on his land, but simply held it for the purpose of robbing the community of something to which he was not entitled. We should encourage people to use their land. If the principle that was set out in this clause had been in force years ago, the municipal administration of Perth and suburbs would not be so extravagant as now, and the rate levied in Perth and suburban municipalities would have been by now reduced by one-third. People would have used their property, and there would have been a great addition to the population. The principle involved in this clause was that of progressive taxation. We held that the man who did not improve his land was not a desirable personage in the community, and we stipulated that he should bear a special impost. One could not agree with the Attorney General that it was illegal to call on one man to pay a higher rate for the occupancy of the land than another. In New Zealand the principle of progressive land taxation had been adopted.

THE PREMIER: On values.

MR. A. J. WILSON: It did not matter on what basis the increased impost was levied. Parliament had the right to say that if a person held £1,000 worth of land he should pay ½d. in the £, and that if another person held £5,000 worth of land or more he should pay 1½d. in the £. The principle was precisely the same in this regard. The Attorney General had said that it was unconstitutional or illegal.

THE PREMIER: With reference to Crown grants.

MR. A. J. WILSON: In New Zealand the tax was levied apart from the improvements, on the unimproved value of the land.

THE TREASURER: That was a progressive tax.

MR. A. J. WILSON: Yes; but it did away with the argument of the Attorney General. The tax proposed in the Bill before members would operate in exactly the same way. It was a progressive tax on unimproved land values by which we proposed to give a special concession to persons utilising their land for productive purposes. The member for Mt. Magnet had cited certain cases of land at Katanning and elsewhere. That was an argument for increasing taxation, because if people alongside townships had availed themselves of the opportunities presented to them, they had received increased values, which would enable them to pay the higher taxation. The Treasurer's amendment appearing on the Notice Paper amounted to this, that the improvements need only amount to 3s. 4d. per acre to gain the rebate. There were few farms in this State which were not improved to that extent. Any one on agricultural land for five years would be entitled to receive the benefit of the exemption as provided for in the amendment. He would vote with the Government in this matter.

MR. HOLMAN: There was no difference between absentees and persons holding land unimproved and absent from it. There should be a difference between our treatment of the man who held land for speculative purposes and our treatment of the man who held land to use it for the purpose of production. The subclause in the Bill would be favourable to people coming to the State in order to establish homes for themselves. The member for Perth claimed that there would be injustice to people holding land unimproved in the city of Perth; but

there would be no injustice to the people of Perth generally, because the effect of the tax would be to cause the erection of more buildings, and so bring about lower rentals, and cause land to be made available to people with small means.

MR. BATH: Members had become confused between a tax raised with the idea of encouraging improvements on land or for revenue purposes, and a tax based upon the conception that certain values were imparted by the community and that the State was entitled to some portion of these values by way of a tax. The Treasurer, during the second reading, to justify this rebate stated that values were imparted by the accession of population. Now the hon. gentleman departed from that idea, and mixed up the question of improvements on land with unimproved values. This tax was not to be assessed on improvements, but was based on the unimproved value. The proposal was not to place a tax on buildings erected, trees planted, drains put in, or other improvements effected on land; but a tax on land after the value of all such improvements had been deducted. Hence there could be no possible justification for taxing one man to the extent of ¾d. in the £ on the unearned increment and another man to the extent of 1½d. in the £. That was the point which the member for Mt. Magnet had endeavoured to make when he pointed out that the proposed rebate would unfavourably affect the man outback as compared with the man whose property was situated near a railway or in a large centre of population. The man who went out on the outskirts of civilisation generally was a late-comer who had not been able to secure land in a more favourable situation; and the result was that that man, not having had sufficient time to effect the necessary improvements to entitle him to the rebate, would have to pay a tax of 1½d. in the £, while the man who had come earlier, and consequently had had more time to effect the necessary improvements, would have to pay only ¾d. in the £. The principle was not intended to apply only to the agricultural districts, but also to the goldfields; and in some of the out-back towns of the goldfields people who had acquired freeholds were not justified in spending large amounts in improving their property, owing to the uncertainty of the industry in those centres. And because of that they could not erect pretentious buildings, with the result that they would have to pay 1½d. in the £ because the value of the improvements effected would not entitle them to the rebate. The whole question hinged on whether the tax was an equitable one. If it were equitable, there was no justification for a proposal to make its incidence apply in a greater degree to one section of the community than to another. But the tax was not designed to apply in equal amount to every individual in the State. The landowner in the city would pay on a higher unimproved value per acre than the man who held land in an agricultural centre, because there was a greater aggregation of values in a city, where population increased more rapidly than in the agricultural districts. The member for Forrest had remarked that the member for Boulder, in supporting the deletion of the subclause, had departed from the principles of the Labour party, as by his action in so doing the member for Boulder was not discouraging the land-jobber and speculator; but the land-jobber or speculator who acquired land in the vicinity of Perth would have to pay a tax on that land, and that was a discouragement. If, however, rebates or exemptions were permitted, the principle of the taxation of unimproved values was at once denuded of its efficacy; the exemption clauses would defeat the object of the Bill, with the result that the land-jobber and speculator would be enabled to flourish in the future as he had done in the past. While it might be said that the object was to discourage the land-jobber and speculator, it could not be hoped, even if the tax were an all-round impost of 1½d. in the £ without exemptions or rebates, that the measure would have that desired effect so far as city lands were concerned. He opposed the clause because the proposal it contained was a mutilation of a just and equitable principle, and the Committee was not justified in doing anything which would mutilate the principle or detract from its equity.

THE MINISTER FOR WORKS: The hon. member rather misunderstood the position. In the opinion of most people

the idea had been, first of all, to levy a tax on the unimproved value of land; and then to penalise with an extra impost cases where no improvement had taken place. If the hon. member's remarks were analysed, the meaning of his speech was that it was improper to incorporate more than one principle in any one Bill.

MR. BATH: The objection was that the proposal was inexpedient and wrong because it meant perpetuating an injustice.

THE MINISTER FOR WORKS: Following out that argument that it was improper or inexpedient to incorporate more than one principle in a Bill, and that in this measure there was the one principle, and one only, of putting a tax on unimproved land values, he would like the hon. member to point out how it was an unfair, unjust, or improper proceeding to, if possible, compel a man who held land and refused to improve it to pay a slightly higher impost than the man who put his land to its full use. It was impossible, owing to a constitutional difficulty, to bring in a tax of ¾d. in the pound and add as a penal clause another ¾d. in the case of the man who made no improvements; therefore, to meet that difficulty the procedure had been reversed, and the impost was fixed at 1½d. and the proposal made that the individual who improved his land was to be benefited—or was to receive a bonus, if the hon. member chose so to put it—to the extent of ¾d. in the pound. Members who considered it to be the duty of Parliament to do everything possible to foster an owner using his land to its fullest extent would agree that by incorporating this principle in the measure Parliament was doing that which was desired by the people of the State. It was simply begging the question to assert that this was a tax on unimproved land values only: it was an additional endeavour to make people use their land, and if they would not do so, to penalise them. The fact that one man had to pay double the tax paid by another man who used his land would be an inducement to the former to utilise his land.

HON. F. H. PIESSE: The member for Leonora had said it was in consequence of a direction from him (Mr. Piesse) that the Treasurer laid on the table certain amendments. In fairness to the Treasurer and the Government, he wished to say that the Treasurer moved the second reading of the Bill on the 31st July, and he (Mr. Piesse) spoke on the 7th August, In the speech on the 31st July the Treasurer referred to the very matter he (Mr. Piesse) proposed to deal with. There was some mistake in the printing of the Bill, and it was that to which reference was made when he stated that the Bill was misleading. It was most unfair to attribute motives, and state that it was by his direction the Treasurer's amendments were introduced. He had no communication with the Treasurer, and his remarks were made seven days later.

MR. BATH: The Treasurer made an explanation when he introduced those amendments.

HON. F. H. PIESSE: The hon. gentleman said he was going to introduce them.

MR. LYNCH: The member for Katanning made reference to £1,000 worth of land. The hon. member spoke on the second reading on the 7th August, and up to that date there was no mention made of £1,000 worth of land.

HON. F. H. PIESSE: The Treasurer made reference to it on the 31st July.

MR. LYNCH: There seemed to be a connection between the utterances of the member for Katanning and the Treasurer's amendments on the Notice Paper; but he had since been informed that it was through a mistake in the printing office that the omission came about.

THE TREASURER: It was mentioned by him in moving the second reading.

MR. LYNCH: The remarks he had made he was now prepared to withdraw. As no reference had been made to it previously, and the member for Katanning spoke as he did, the amendments appearing soon afterwards, he made a connection between the two things.

HON. F. H. PIESSE: That the hon. member did not do it with any wrong intention, he was quite sure.

MR. BATH: The Minister for Works, in his attempt to define the second principle in this Bill led himself into a trap. The hon. gentleman stated that we were

not only attempting to enact the one principle of taxation on the unimproved value of land, but were trying to enact a second principle of rewarding the person who improved his land, discouraging the land-jobber and speculator. If that were the position, then there were those who had improved their land who had been treated unjustly so far as the operation of this Bill was concerned; because if we were going to distinguish between a man who did not improve his block and the man who had effected some improvements, why did not the Ministry carry that principle out to its logical conclusion, and make a differentiation in the case of a person who had only put a small amount of improvements on his block, say half the unimproved value, and a person who had improved his property to a still greater extent? If his argument was just, the principle should be applied in the degree in which the person improved his blocks.

THE MINISTER FOR WORKS: We must deal with matters in a practical way.

MR. BATH: Was not the only practical way to apply the principle in its entirety, or at least to the extent that we took the unearned increment, to apply it to all landowners throughout the State? By that method the Government would raise a considerably higher sum of money, and the cost of collection or of administering the tax would be considerably less. Instead of getting £60,000 by this mutilated proposition, as the Treasurer had it here, the hon gentleman would secure £90.000 at a cost of only half the expenditure which would be involved in the administration of this measure. When we looked into the two cases, that of the man who had improved his property and that of the man who had not, did one enjoy the unearned increment to a greater extent than the other? So much had been heard about the man who had improved his land that we should begin to think that all those who had farmed their land or who had built places of business or workshops in Perth had done so out of no desire to help themselves, not anticipating the unearned increment or to build up a business, but merely out of a philanthropic desire to help the State. Those people made these improvements because they would make something out of them. If a man did not improve his land he would be losing a source of income he would otherwise enjoy. Whether a man had improved his land or not, he still secured the unearned increment.

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

Ayes	10
Noes	26
Majority against ..	16

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. Bolton	Mr. Brebber
Mr. Collier	Mr. Daglish
Mr. Horan	Mr. Davies
Mr. Scaddan	Mr. Eddy
Mr. Taylor	Mr. Ewing
Mr. Troy	Mr. Foulkes
Mr. Underwood	Mr. Gordon
Mr. Ware	Mr. Gregory
Mr. Heitmann (*Teller*).	Mr. Gull
	Mr. Hayward
	Mr. Holman
	Mr. Johnson
	Mr. Keenan
	Mr. Layman
	Mr. Lynch
	Mr. McLarty
	Mr. Male
	Mr. Mitchell
	Mr. N. J. Moore
	Mr. Piesse
	Mr. Price
	Mr. Smith
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Hardwick (*Teller*).

Amendment thus negatived.

IMPROVEMENTS—AN AMENDMENT.

THE TREASURER moved an amendment—

That Subclauses 2 and 3 be struck out.

Amendment passed, the subclauses struck out.

Farther motion made that the following be inserted in lieu:—

(2) Land used for agricultural, horticultural, pastoral, or grazing purposes, or for two or more of such purposes, shall not be deemed improved within the meaning of this section unless—

(*a*) Improvements have been effected to an amount equal to one pound per acre, or one-third of the unimproved value of the land, whichever amount shall be the lesser; or

(*b*) The Under Secretary for Lands certifies in writing that improvements to an amount prescribed or to be prescribed by the Land Act 1898 or any amendment thereof, or the regulations thereunder, have been effected,

and the benefit of such improvements is unexhausted:

Provided that any improvements made on any one parcel of such land shall extend to any other parcel belonging to the same owner if such parcels of land are not a greater distance apart than 10 miles, measured from the nearest boundaries.

(3) No other land shall be deemed improved within the meaning of this section unless improvements have been effected and continue thereon to an amount not less than one-third of the unimproved value of the land, but it shall not be necessary in any case to effect improvements exceeding an amount equal to fifty pounds per foot of the main frontage thereof; and when any land is situated at the intersection of two roads or streets, one only of the frontages of such land shall be deemed the main frontage; and if any question shall arise as to which frontage is the main frontage, such question shall be determined by the court of review.

(4) Every parcel of land comparised within a common boundary fence shall be deemed improved within the meaning of this section if the prescribed improvements have been effected and continue on any part thereof.

THE PREMIER moved an amendment thereon—

That the words "outside of a municipal boundary" be inserted after "land," in line 1 of proposed Subclause 2.

Otherwise land used for the purposes mentioned, if within a municipality, would be entitled to the rebate if the improvements were equal to one-third of its unimproved value.

Amendment on the amendment passed.

MR. GULL moved that the following be inserted in the amendment as Subclause 3:—

In land used for agricultural, horticultural, pastoral, or grazing land, or for two or more such purposes, the unimproved value shall in no case exceed £5 per acre.

THE ATTORNEY GENERAL: Was the amendment in order? The clause provided for a rebate on improved land, while the amendment affected the definition of unimproved land values. The amendment would not be pertinent except in that part of the Bill defining unimproved land values, in line 20 on page 3. The hon. member should ask for leave to recommit.

MR. GULL: The clause mentioned by the Attorney General did not express the maximum unimproved value of the lands in question; hence this appeared to be the proper clause for the amendment. The Attorney General was splitting straws, rather than allowing the Committee to decide on the amendment.

THE CHAIRMAN: The hon. member was perfectly in order; but his acceptance of the Attorney General's proposal might save time in drafting. The hon. member might move the amendment as a new clause at the end of the Bill.

MR. GULL would proceed, notwithstanding the Attorney General's protest. The amendment dealt with certain classes of unimproved land close to towns. If one established an orchard, and another person a few years later bought up the adjoining block, cut it up into township lots and sold them, there was a fictitious value put on the orchard. His (Mr. Gull's) desire was to limit the Government impost, and also the impost that could be levied by road boards under the present conditions. At present grazing land adjoining townships was levied on by road boards at an unimproved value of £15 per acre with the rate at 2d. in the £. It might be claimed that the owner of that land would hold it as grazing land in order to avoid paying the higher impost should the amendment be carried, but the owner would not do so if he could sell it as town lots. The point was that there might be no demand for town lots; and if he could only use the land for grazing purposes, the man should not be liable for rates and a tax on an assessment of £15. The Government should not impose such a hardship, which it undoubtedly would be, because the Government assessors would assess the land at the road board's valuation if it happened that the road board's valuation was higher than its estimate.

THE TREASURER: The Government could not accept the subclause. We could sympathise with the hon. member in the instance quoted, but the principle of the Bill was to tax unimproved values as assessed. We could not make the Bill apply to individual cases. The hon. member wished us to limit values, so that any assessment made might go to that figure but not farther; but if we placed a limit on agricultural and grazing lands, then we accepted a principle that the House in its discretion must put a limit on all lands, and we would need to put a limit

on city and town lands. That would be an impossible position to adopt. The hon. member must admit that land valued at £15 an acre should not be used for grazing purposes. If the enhanced value was due to building operations on adjoining blocks, the land used for grazing purposes should be devoted to building purposes; but if the owner desired to keep it locked up to gain an additional unearned increment, he should pay a tax on the full unimproved value. The tenant was protected. The owner would need to pay because of the increased value put on the land. The owner would not sell it for less than £15. But there was a clause later in the Bill which fully protected the lessees of such land. No matter what the wording of the lease might be, the lessee could not be called upon to pay the tax. The only thing he could be called upon to pay was a fair contribution on the difference between the rental he paid and the fair rental at which the lease might be assessed. It would be a most dangerous principle if we once began to put limitations in a measure of this description. If we did it in one case we should have to do it in others.

Amendment (Mr. Gull's) put and negatived.

HON. T. F. QUINLAN moved an amendment on the amendment—

That in Subclause (a) the word "third" be struck out and "fourth" inserted in lieu.

The amendment he hoped would be as acceptable to the Committee as it would be to the country. One-fourth was sufficient improvement on a property whether in town or country. Opposite Foy and Gibson's in Perth there was a property—and he was assuming it was under lease, which he believed it was—which was worth £7,500. It had been improved as far as possible, but was not improved to one-third its value. Under the Bill, the owner would have to pull down the improvements and erect others to the amount of one-third the value of the property. It was reasonable in a new country that people should at least be allowed to improve their holdings as far as they were able. Seeing there was a necessity for introducing some form of taxation, he thought improvements to the extent of one-fourth of the value of the property was reasonable. The Perth council at the present time were taxing improved property on the rental value at 7½ per cent; but if the land was not improved sufficiently in the eyes of the valuators of the council to warrant the land being taxed on the rental value, then it was taxed on the unimproved value. Supposing there were no improvements, or if there was a shanty on the land which in former times would have been sufficient to avoid the taxation under the old Act, this under the Bill would be liable to be rated at four per cent. on the capital value of the land. Seeing that the system prevailed under the Municipal Act, it was necessarily hard on town properties in particular. The principal revenue raised under the Bill would be in the towns and the city, and it was reasonable that improvements to the extent of one-fourth of the value of the land should suffice not only to apply to town but to country properties. In reply to arguments raised in respect to properties that had been held since practically the colonisation of the State and that people had obtained properties on what was known as the location system, that system never had applied as far as city or town properties were concerend. There were very few indeed of the original owners holding the freehold lands. There was one property, Birch's corner, which had been often referred to and which had been held to his knowledge for 40 years. In many cases £250 a foot had been paid for land in Perth. He did not know if there had been any case where £300 had been paid, but he wanted to dispel the idea that the present holders were receiving the unearned increment. He himself had paid £250 a foot for land in Perth; therefore people did not acquire the land for next to nothing. In regard to location blocks, in several cases which he knew, one in particular, the estate known as the Wilberforce estate which was purchased at 1s. 6d. per acre, he would offer the opinion that that estate could be bought for less than the original purchaser paid for it, plus the interest. The person who purchased it no doubt had

received some return, as the Treasurer remarked, but very little indeed during the last few years. He would give another case in point nearer home. A member of another Chamber purchased a block of land two grants removed from his (Mr. Quinlan's) residence, and gave between £650 and £700 for the land His (Mr. Quinlan's) father-in-law bought the adjoining ground and paid £700 for it, and there was a difference of £50 between the price paid for the two blocks. The capital cost of that land to date, adding interest and rates and taxes paid during the time it had been held, came to about £3,500, whereas the property could be bought at the present time for £2,000. His object in submitting these facts had been to show the fallacy of the arguments used that people were reaping enormous profits by having held land for a number of years. Being associated with certain financial institutions, he knew that in many instances it had been a struggle to holders to retain possession of their lands and to effect the necessary improvements required by the municipal authorities. For these reasons he felt that improvements to one-fourth the value of the properties, instead of one-third, should suffice to enable the owners to secure the rebate. Members would, he hoped, in view of the fact that he had not an opportunity of speaking on the second reading of Bills, excuse him if he digressed somewhat for the purpose of saying that if there was necessity for raising extra revenue—and he was bound to acknowledge after the statements made on the point by the Treasurer and the Premier that such necessity did exist—there were other avenues for raising it. An income tax would be a more equitable proposal than the present one, for the reason that a land tax placed the entire burden on only one section of the community. Again there was another and an easier method, which was adopted in some countries and which had been suggested in England, he believed, namely a check tax, a proposal on which he was himself very sweet. He would not pursue the subject farther at that stage, as he recognised that his remarks were somewhat out of place, but would simply offer for the consideration of the Government the suggestion that there were other more equitable means of raising revenue than the one proposed. He trusted the Committee would recognise the reasonableness of his amendment, and that if members viewed the question in the same light as he did they would support the amendment.

MR. BATH: The amendment should not be adopted, for the effect of it would be to reduce the amount raised under the tax, and it would tend to increase the cost of collection. The comparison of the present market values of properties acquired many years ago with the original cost in addition to interest was not a reasonable one, for had the properties been put to profitable use in the interim there would have been an annual return probably more than sufficient to meet the interest on the capital. Similar arguments might be adduced in the case of city property owners, who paid rates and taxes; but those rates and taxes were paid for services rendered in providing streets, footpaths, water mains and electric light installations, or any other work the local authorities took up.

THE TREASURER: The amendment could not be accepted by him, at present at any rate. He of course recognised that many land owners had held property for a number of years and not realised the amount paid for it, let alone interest. He himself had held property for seven or eight years, paying rates and taxes, and had not realised the amount he originally paid for it. At the present time he had a block in the district represented by the member for Mount Magnet, and would be glad to give it to anyone who would pay the rates and taxes on it. But that circumstance was no reason for reducing the revenue derivable by the clause. We must fix on a fair degree of improvement to entitle the holder to the rebate; and the Government had, after careful consideration, decided that improvements equal to half the value of the unimproved land would be excessive, and had fixed the amount at one-third. Their calculations were based on that proportion; hence he could not indicate the extent to which the revenue to be

collected would be affected if the amount were reduced to one-fourth; but he feared that the effect would be considerable.

MR. LYNCH: As it was too late to move to strike out the words "one pound per acre or," he would like the clause recommitted for that purpose. It appeared as if designed to exact more improvements from the poor man than from the man fairly well off.

THE TREASURER: To strike out "one pound per acre" would be useless if the words "or one-third of the unimproved value, whichever amount shall be the lesser," were retained.

MR. LYNCH: Better prescribe a fixed proportionate value. Suppose a person to buy 1,000 acres at 10s. per acre; the unimproved value was £500, and the lesser amount in that case would be about £166, which his improvements must be worth to entitle him to the rebate. At Victoria Park, £15 per acre had been paid for agricultural land. In the case of 1,000 acres at £10 per acre, the alternative would be £1,000. The purchaser of 1,000 acres at 10s. per acre would be obliged to improve his property by spending one-third of its unimproved value, while the purchaser at £10 per acre need spend only one-tenth, on the basis of £1 per acre. The alternatives were most unfair to the small man. Let the improvements represent a fixed proportion, one-third, one-fourth, or one-fifth of the unimproved value of the property.

THE ATTORNEY GENERAL: The preceding speaker was concerned at the effect the clause would have on the small man, and suggested striking out "one pound or" To omit those words would not affect the small man's position; for the words "or one-third of the unimproved value" remaining, the owner in the illustration mentioned by the hon. member would have to spend one-third, or £166. The subclause referred solely to agricultural, horticultural, pastoral or grazing lands. Could we ask a holder of such land to spend more than one pound per acre on improvements?

MR LYNCH: Clearing alone sometimes cost about £3.

THE ATTORNEY GENERAL: Clearing in the Northam district was done for an average of 14s. per acre. How could we ask a man using for pastoral and non-residential purposes land five or six miles from a town, its value being enhanced by its proximity to the town, to spend £4 per acre on improvements, assuming the land was worth £12 per acre? If we did, the clause, instead of being an encouragement to those who improved their lands, would have to be repealed at an early date. We must have a workable measure.

Amendment (Mr. Quinlan's) put and negatived.

MR. BATH moved an amendment on the amendment—

That the words "ten miles" in the last line of the proviso be struck out, and "one chain" be inserted in lieu.

By the proviso, if a man had two or more blocks within a radius of ten miles, he could, by effecting on one block improvements representing half the total unimproved value, secure a rebate on that and all the other blocks. It would mean perhaps that a person holding an improved block in the city of Perth could obtain a rebate on unimproved blocks through all the suburbs.

THE ATTORNEY GENERAL: No; the proviso did not apply to land within municipalities.

MR. BATH: In country districts a man could hold one block and secure a rebate on other blocks within a radius of ten miles. Whatever justification there was for granting a rebate, there was none for the extension of the rebate to all blocks within a radius of ten miles of the improved block. By doing so we would be allowing the land-jobber and [speculator to continue to hold land unimproved and get a rebate of half the tax.

THE TREASURER: The hon. member misread the proviso. It was clearly provided that the improvements on any one parcel of land should extend to any other parcel. That referred to one other parcel. The improvements on the one would apply to the second block not more than 10 miles away. Our agricultural land was rather patchy and people often established their homestead on one block and used another block a little distance off for grazing purposes, and in that case

it would be manifestly unfair to say that the improvements on the homestead block should not apply to the pasturage block.

MR. TAYLOR: The object of the amendment was to prevent the owner of a number of blocks of land concentrating his improvements on one block and gaining a rebate on the whole of the blocks. Notwithstanding what was said by Ministers, when the Act would be interpreted it would be found to have the meaning that a man could concentrate his improvements on one block and gain a rebate on a number of blocks. It would be necessary, if the amendment were not carried, to add words providing that the proviso should not apply to more than two properties.

THE ATTORNEY GENERAL: The wording of the proviso was in the singular. It said: "Provided that any improvements made on any one parcel shall extend to any other parcel belonging to the same owner;" and one parcel was shown elsewhere to mean land within a common boundary fence. If we intended to provide that improvements on one block should extend to other blocks, the wording would need to be expressed in this way:—"Any improvements made on any one parcel shall extend to any other parcel or parcels belonging to the same owner." If there was any doubt, the Treasurer would be willing to agree to the insertion of the word "one." Then it would read "any one parcel." As regards striking out "10 miles" and inserting "one chain," it would be far more reasonable to strike out the whole clause. The real position taken up by the Leader of the Opposition was one of direct hostility to the whole proposal. In this country land was not of a uniform value.

MR. TROY: Taxation would have to be paid according to the value.

THE ATTORNEY GENERAL: What we were talking about was, was it right and equitable to allow people to take up land in the way indicated by the clause, and allow them to have a rebate where they improved one block. That was justified by the fact that this was not a country with land of even value.

THE PREMIER: If the hon. member desired by his amendment to meet the case where land was on opposite sides of the road, that might be met by inserting a definition of the word "adjoining," to mean where land was separated by a road or railway, or a natural watercourse. If the member was opposed to the proposal that two blocks within 10 miles could not have the improvements effected on one, entitling the owner to secure a rebate on the two, it would not be necessary to put in the proposed definition.

MR. LYNCH: Notwithstanding the argument of the Attorney General, it seemed strange we were endeavouring in the clause to undo what we had already agreed upon. The Attorney General had cited cases of an extreme nature, entirely opposed to experience. A person could get 1,000 acres, or as much as he could cultivate on his own in one district, without going to separate districts for that land. The passing of the proposal would lend itself to the inclination of the person who wished to secure one block of land, and hold another block for speculative purposes.

MR. HAYWARD: In many cases which he knew, people living on certain classes of land a distance from the coast found it necessary at certain times to remove their cattle from one class of country to another. This proposal would meet that case.

MR. JOHNSON: While agreeing to a certain extent with the arguments advanced in favour of the proposal, there were portions of Western Australia where it was impossible to get a decent holding, as the good land was surrounded by sandplain. The proposal was dangerous, and would allow dummying in its worst form. It allowed an individual to improve one holding, and yet hold several others within 10 miles for speculative purposes.

THE PREMIER: One other parcel.

MR. JOHNSON: If the Government intended to insert that amendment, then, of course, it would overcome the difficulty.

THE PREMIER: The Government had agreed to insert the word "one" after "any."

MR. TROY: At Meckering there were various areas of land averaging in extent from 400 to 500 acres, surrounded by thousands of acres of sandplain, and four or five miles away there was another area of land that could be put to use. Since rebates had been adopted there was a good deal in what had been cited by

the Attorney General. Still, though opposed to rebates, he would agree to the amendment suggested by the Government.

Amendment (Mr. Bath's) withdrawn.

On motion by the PREMIER, the proviso in the proposed amendment was altered by inserting the word "one," to read "any one other parcel of such land."

MR. BATH moved as an amendment in the proposed proviso—

That the words "ten miles" be struck out with a view of inserting "one chain."

Where the owner of land was granted rebate for one parcel of land for the improvements, it was carrying an exemption too far to allow him rebate on another parcel of land which he could allow to remain absolutely unimproved and hold for speculative purposes. It might be said that this applied to only one other parcel of land, but an owner could have blocks of land in the 10-mile radius in the names of his wife and children. A number of blocks could be held, and each member of the family could hold one block upon which the improvements could be effected and another block which could remain unimproved, and for which such person would get the rebate. That would not be an encouragement to improve the property, but encouragement to dummying and land speculation. If we were going to allow rebates of that sort, the sooner the land tax was knocked out of existence the better.

THE PREMIER: In any case the conditional purchase owners would earn the rebate, and it was only in isolated cases that what the hon. member referred to could take place.

MR. BATH: All land was not conditional purchase land.

THE PREMIER: Probably one could not pick out a dozen cases where what the hon. member had referred to could apply.

MR. DAGLISH: What was the object of the ten miles?

MR. JOHNSON: Ten miles seemed a tremendous distance. He could understand five miles. The only argument for the proposal was that in Western Australia we had strips of good land and strips of bad land, and in order to get a decent holding it occasionally happened that one had to travel a certain distance from one good patch to another.

THE PREMIER: The distance was 20 miles under the Land Act.

MR. JOHNSON: It was too great a a distance. He would vote in favour of striking out ten miles with the intention of inserting a lesser distance, but he would not limit the distance to a chain.

MR. BATH: Let it be two miles.

MR. JOHNSON: Five miles would not be objected to by him.

Amendment ("ten miles" to be struck out) put, and a division taken with the following result:—

Ayes	...	...	15
Noes	...	...	20
Majority against	...		5

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. Bolton	Mr. Brebber
Mr. Collier	Mr. Brown
Mr. Daglish	Mr. Davies
Mr. Heitmann	Mr. Eddy
Mr. Holman	Mr. Ewing
Mr. Horan	Mr. Gordon
Mr. Hudson	Mr. Gregory
Mr. Johnson	Mr. Hayward
Mr. Lynch	Mr. Keenan
Mr. Scaddan	Mr. Layman
Mr. Underwood	Mr. Male
Mr. Walker	Mr. Mitchell
Mr. Ware	Mr. N. J. Moore
Mr. Troy (*Teller*).	Mr. Piesse
	Mr. Price
	Mr. Smith
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Hardwick (*Teller*).

Amendment (Mr. Bath's) thus negatived.

MR. JOHNSON moved an amendment on the proviso—

That the word "nearest," in the last line of the proviso, be struck out, and "farthermost" inserted in lieu.

The whole Bill seemed to be framed, perhaps unintentionally, to exempt the land held by the Midland Railway Company. The Premier said there was little freehold land in the State, and that the clause would apply in none but exceptional cases. The Midland Company was selling freehold land, and the purchasers could evade the tax, unlike the conditional purchaser of Crown lands, who was compelled to effect improvements.

THE PREMIER: The proviso referred to a man with two blocks of land.

MR. JOHNSON: True; only two blocks for the individual. But with the assistance of his wife and family, it might apply to a dozen blocks. Since the last division, several members had admitted they were under a wrong impression. The proviso was dangerous.

Amendment (Mr. Johnson's) put and negatived.

Amendment (the Treasurer's to insert the new subclauses) passed; the clause as amended agreed to.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 11·35 o'clock, until the next Tuesday.

Legislative Assembly,

Tuesday, 4th September, 1906.

THE SPEAKER took the Chair at 4·30 o'clock p.m.

PRAYERS.

QUESTION—TIMBER EMPLOYEES' UNION.

AS TO REGISTRATION.

MR. TROY asked the Premier: 1, Is it a fact that an application on behalf of the Metropolitan Timber Merchant Employees' Union, lodged about six months ago to register an amendment of rules, has not been given effect to? 2, Is it the intention to register the amendment of rules referred to? 3, If not, why not? And why has the Registrar failed to notify the union of such refusal at an earlier date?

THE PREMIER replied: 1, Application was lodged on the 12th June last, and is still under consideration. 2, Objection has been taken by the Registrar of Friendly Societies to the inclusion of certain rules, which objection has not yet been determined. 3, Answered by No. 2.

PAPERS PRESENTED.

By the MINISTER FOR WORKS: Goldfields Water Supply By-laws, Amendment to Schedule No. 1.

BILL—GOVERNMENT SAVINGS BANK.

COUNCIL'S AMENDMENTS.

Schedule of eight amendments made by the Legislative Council now considered in Committee; MR. ILLINGWORTH in the Chair, the TREASURER in charge of the Bill.

No. 1—Clause 3, definition of local authority, strike out the whole, and insert the words "includes the council of a municipality, the board of a roads district, and any public body constituted by or under the authority of any statute":

THE TREASURER moved that the amendment be agreed to. It merely widened the definition of local authority so as to include all statutory bodies, even those not actually incorporated, such as trustees of parks and reserves and boards of cemeteries and hospitals.

Question passed.

LIMIT OF AMOUNT DEPOSITED.

No. 2—Clause 10, strike out Subclause 1, and insert the words: "The manager, his officers and agents, shall not receive from any depositor any sum which makes the total amount to which the depositor is entitled for the time being exceed one thousand pounds":

THE TREASURER moved that the amendment be agreed to. The clause passed by this House provided that no deposit should be received in any one year which would make the total amount at the credit of a depositor exceed one thousand pounds. The wording was objected to as ambiguous, for it might be taken to mean that the aggregate amount receivable from a depositor was unlimited.

MR. BATH opposed the motion. When the Bill was before the Committee