

# Legislative Council,

Thursday, 30th November, 1922.

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

## QUESTION—RAILWAYS, SAFEGUARDS AT LEVEL CROSSINGS.

The MINISTER FOR EDUCATION: Mr. President, notice was given of a question yesterday, and I have the reply here!

The PRESIDENT: There is no reference to any notice of question on the Notice Paper.

The MINISTER FOR EDUCATION: Mr. Baglin gave notice in the ordinary way in the House, shortly after we met.

The PRESIDENT: Well, it is not on the Notice Paper. I suppose one of the clerks has omitted to put it on, or something of the kind! The hon. member can ask the question without notice.

Hon. F. A. BAGLIN: I ask the Minister for Education (without notice) the following question:—Having regard to the numerous fatal accidents which have occurred during the last few months at level crossings on the railways, will the Government instruct the Commissioner of Railways to provide some warning by means of an electric bell or otherwise to enable persons to avoid accident when crossing?

The MINISTER FOR EDUCATION: The reply to the hon. member's question is: The only methods by which such accidents can be prevented are overhead bridges and subways, to supply which, at all level crossings, is impracticable. Tests are being made with electric bells and "wig-wag" signals, and will be continued.

## QUESTION—LAND SETTLEMENT, SURVEYOR LEFROY'S REPORT.

Hon. A. J. H. SAW asked the Minister for Education (without notice): Will he lay on the Table the report of the district surveyor, Mr. J. H. M. Lefroy, dealing with land adjacent to railways in the agricultural areas?

The MINISTER FOR EDUCATION: I suggest that the hon. member give notice of the question in the ordinary way. It will

then be brought under my notice and I will have the report here on Tuesday.

Hon. A. J. H. SAW: I give notice accordingly.

## BILL—AGRICULTURAL BANK ACT AMENDMENT.

Read a third time and passed.

## BILLS (2)—REPORT STAGE.

- 1, Licensing Act Amendment.
  - 2, Dairy Cattle Improvement.
- Reports of Committee adopted.

## BILL—CLOSER SETTLEMENT (No. 2).

Second Reading.

Debate resumed from the previous day.

Hon. J. E. DODD (South) [4.37]: It seems to me that the Bill is a very half-hearted attempt, and a somewhat inequitable one, to deal with a great problem. Had I been present in the Chamber last year, I would have voted against the Closer Settlement Bill before members on that occasion. After reading the statement of the Premier in connection with the Jarnadup-Denmark Railway Bill and the statement by Mr. Lefroy, the departmental surveyor, regarding the idle lands adjacent to railways—he said that practically a third only was utilised—and after reading and hearing the speeches made in opposition to the Bill here, I have come to the conclusion that I can do no other than support it. The Minister's speech and also that by Mr. Stewart were, to my mind, splendid. One was in favour and the other in opposition to the Bill. The first part of the Minister's speech regarding idle lands must be commended. I am rather inclined to use a scriptural phrase—they have been frequently used in this Chamber this session—by saying that the Minister is "almost persuaded" to adopt land values taxation. The Minister seemed to regret that he had not a better Bill to bring before the House. With all he had to say regarding idle lands, I am in agreement. The speeches I have heard on the Bill, especially dealing with the question of security of tenure, confiscation and the sacred right of property and land, has led me to a decision to vote in favour of the Bill, because I can see nothing whatever to justify the statements that have been made against the Bill. Where has the absolute right to the possession of land ever been conferred? Land has always been subject to resumption and taxation. No title has been conferred yet giving the owner of land the absolute right to do with his property as he chooses. The land available is limited and unless the land that is available is utilised properly, what can happen? Land has been given to us by the Creator for use, and if we allow individuals to monopolise land without doing

anything with it, we might as well quit the planet. I would like to read a few clauses taken from a Bill introduced by a man who stood probably as one of the foremost in statesmanship, scholarship and law, in Australia. He was a Premier of Queensland at the time. I do not refer to Mr. Theodore nor yet to Mr. Ryan, but to Sir Samuel Griffith, who afterwards became Chief Justice of Australia. He introduced a Bill in the Queensland Parliament which was called the Elementary Property Law. He laid down a number of principles regarding land and property. There are several which I would commend to some hon. members in this Chamber. Clause 14 read—

All persons are by natural law equally entitled to the right of life, and to the right of freedom for the exercise of their faculties, and no person has, by natural law, any right superior to the right of any other person in this respect.

Clause 15 read—

The right to take advantage of natural forces belongs equally to all members of the community.

Clause 16 read—

Land is by natural law the common property of the community.

Clause 17 read—

Positive law is the creation of the State, and may be altered or abrogated by the State from time to time.

I will also read Clause 18, which was as follows:—

The application of the natural law of equality and freedom may be modified by positive law so far as the common advantage of the community may require, but not further or otherwise.

This is not the product of some socialists, nor is it the product of a Labour Party of Australia. The Bill, however, was the product of the brain of a man like Sir Samuel Griffith, who, as I have stated, was probably first in statesmanship, knowledge and law among Australians, rising to the position of Chief Justice of the Commonwealth. He held that the right to take advantage of the natural forces belonged to all members of the community, and that the land had to be regarded as the common property of the community. I do not think Sir Samuel Griffith meant that the land should be the common property of the community in the communistic sense; but that it is the common property of the community to the extent that it should be utilised for the benefit of the community by those who claim to have the ownership, otherwise the community has the right to take the land away from the alleged owners. These propositions cannot be gainsaid. It has been stated that the pioneers of Western Australia deserve all the consideration that we can give them. I agree with that. But suppose a Crown grant of the whole of Western Australia had been given to a few pioneers. It is quite possible. Many islands have thus been given to individual persons. Suppose

that had been done, could anybody claim that the person or persons to whom the State had been given, had the right to do as he or they pleased with the whole of the land? Once we admit the right of the community to say that the land shall be utilised, I can see nothing wrong with the Bill. All this talk of highway robbery and confiscation and the like, seems to me to be very illogical, utterly indefensible or, if it be defensible, then an owner can do just what he likes with his land. There were other pioneers of Western Australia besides those who came here and settled on the land. There were the pioneers of the goldfields, the pioneers of the pastoral industry, and other pioneers who went out into many parts of the State and so made the land of the State valuable equally with those who came here and settled on the land. We have to consider, not one set of pioneers, but all the pioneers. Surely the gold prospectors have done just as much to render valuable the lands of Western Australia as have any other pioneers. The Minister for Education the other night quoted the legend over the London Stock Exchange, "The earth is the Lord's and the fulness thereof." I do not know what class of people it could have been who founded the London Stock Exchange, erected the building and had that legend inscribed over the door. They must have been a very different class from those who run the Stock Exchange at present. If the Stock Exchange authorities of to-day were to put up a legend, I rather think it would be "The earth is ours and the fulness thereof." There are other quotations even more applicable. Most of us remember the old Mosaic law in respect of land, namely that the land shall not be sold forever. Moses laid down some debatable laws, but in regard to land he produced a set of laws which we could well adopt, even at the present day. The old law that the land shall not be sold forever holds as good to-day as in the time of Moses. The old Labour Party, of which I was a member, has still in its platform an admirable land law. Whatever else may be urged against the Labour Party, it cannot be said they have displayed self-interest in respect of the land question. For many years they had in their platform the plank, land values taxation with exemptions. In the fulness of time, those who believed we could not possibly justify exemptions from such a tax succeeded in getting exemptions removed from that platform. So the Labour Party to-day stands for land values taxation without exemption or rebate and, I believe, without gradations. If the party were animated by selfishness they would urge exemption; for most supporters of the Labour Party hold a little land, worth perhaps from £50 to £1,000, and so they would benefit by exemption. Still they have in their platform land values taxation without exemptions, so it cannot be said that they have listened to the voice of self-interest. The Bill proposes to take un-

utilised, unproductive land. It is urged that this land is to be taken for the purpose of closer settlement. Just here I come into conflict with the Bill. I want to know what is closer settlement. Is it only to be applied to land in the South-West, or agricultural lands, or is it to be applied to all lands? I agree with those who say the Bill should apply to all land in Western Australia, that it should not be applied exclusively to freehold, but should embrace also conditional purchase land. Certainly the Government have a good argument against that when they say that certain conditions are laid down for the acquisition of conditional purchase land, and certain things have to be done by the holders. However, the Bill should apply to all lands, not only to all country lands, but to town lands as well. Frequently have I spoken in the House of the necessity for instituting a fair system of land values taxation. The Bill does not do anything of the kind. It merely brings in a system of land values taxation as a penalty. The owner of land has either to survey it and dispose of it, or see that it is utilised. Alternatively he has to pay a penalty of three times the land tax. If the Government would but study some of the various land Acts and bring in a fair system of land values taxation, there would be no need for the Bill. The Bill should apply to city as well as to country lands. Almost every day we read that some public man, speaking of the immigration scheme, has declared that the scheme will benefit the city. The Premier himself has admitted it and referred to the activity displayed in the city as a result of the work going on in the country. Yet in the Bill the Government propose merely to deal with one small portion of the land. They do not propose to touch city land at all. There is in the city, or round about the city, land which requires to be divided up, just as much as does other land in the country. Thousands of men in the city want houses, and although I am no advocate of a closer settlement which will result in the creation of a slum area, still there are unutilised around the city properties which ought to be cut up and used. If the Government would bring down a fair system of land values taxation, they would get the support of almost every member of the House.

Hon. T. Moore: Except those of the Government party.

Hon. J. E. DODD: Mr. Lovekin wanted to be convinced of the justice of the Bill before he decided how to vote. I want to convince Mr. Lovekin by Mr. Lovekin, I want him to see for himself that on the arguments he has used he will have to support the Bill. Some time ago Keane's Point, a small but valuable area of 8½ acres, was for sale. Primarily that land was sold 80 or 90 years ago for 3s. or 4s. It was comprised in a large block of 625 acres sold for £10. However, owing to those pioneers to whom reference has been made, the prospector, the squatter and others who

settled in Western Australia, that land became very valuable. In the end the owner wanted to get rid of it, the price asked being £7,000. I have always appreciated the action of Mr. Lovekin and Mr. Boan in dealing with that land. They deserve the utmost credit for what they did. I am not using this argument in any offensive sense, but I desire to quote a little correspondence to convince Mr. Lovekin by Mr. Lovekin that he must vote for the Bill. Here is an extract from a letter dated the 28th February, 1917, from Mr. Lovekin to Messrs. James & Darbyshire. The letter appeared in the "Daily News"—

There is no doubt the property was offered to the Y.M.C.A. for £5,000. It appears to me that if such a price would have been acceptable from an institution, no increased price should have been demanded from the public who, after all, created the value.

That was Mr. Lovekin's view. I am glad to have so powerful an advocate as he is on this question of land values taxation.

Hon. G. W. Miles: He cannot go back on that.

Hon. J. E. DODD: The reply from Messrs. James and Darbyshire, dated the 1st March, 1917, was as follows:—

We note with interest your statement that the increased price of the land has been due to values created by the public, and the implication that the market price should be reduced in the case of a sale for a public purpose. We hope you will give prominence to this view in your leading columns, and take care to accept the principle whenever a question of compensation crops up in connection with your own properties.

This is the sort of thing to do in the city. On the 8th March of that year Mr. Lovekin wrote as follows to Messrs. James and Darbyshire—

In consequence of information supplied to me, I have caused search to be made at the taxation office. I find that this particular property was assessed by that department, and that appeal was successfully made against it, with the result that the taxable amount was reduced to £4,000 at the instance of the owner.

When we find things like that going on, we realise that we should have some such Bill as that now before us. I hope Mr. Lovekin will be convinced by his own argument that he must vote in favour of the Bill. Mr. Stewart has referred to the New Zealand Act. We have made a great advance here in regard to land values taxation when a man like Mr. Stewart, who is a student in these matters, quotes that legislation. The New Zealand Act was a definite and remarkable advance in the direction of land values taxation. When we find a representative of the country districts stating that he would rather have the New Zealand Act than the measure before us, it shows that we are getting on. If

we can only get an Act like that instead of the one we have, I shall be only too glad to vote for it. In New Zealand there are two Acts dealing with land values taxation. One is a uniform Act and the rates are fixed from year to year. That applies to everyone except for an exemption of £500, but after £2,500 there is no exemption. Then there is a graduated tax on all properties worth over £5,000. The graduation goes up by one-sixteenth part of a penny. Mr. Stewart mentioned one-thirty-second part of a penny, but he may have had in his possession a later Act than the one I had. The graduation goes up to something like 5d. or 6d. in the pound. We could not possibly bring forward an Act like that to deal with our large estates, because the Federal Parliament have taken over that part of the business. They tax all estates worth over £5,000, and we could not have a double tax. In New Zealand there is an assessment court to which appeals are made. There is a system of valuation there which the Government might well copy in this State. If there is one thing needed in Western Australia, it is a proper valuation and classification of the land. No one really knows the value of land. If we could only get a uniform classification, it would do a great amount of good. In New Zealand there is a roll of the land values of the whole of the Dominion. Anyone interested can find out at what price any property that comes under the Act is valued. The appeals are much more fair than are allowed under this Bill. If a Government valuer values a property in New Zealand at a certain amount, and the assessment court reduces it, the valuer has a right to purchase for the Government on the basis on which the value was fixed. If the owner thinks the value is too high, he can demand that the Government shall take the property at that value. In this Bill a board is provided for, consisting of two officials in Perth and some other person who is supposed to have a knowledge of the district. That board will decide what is unutilised and unproductive land. The value is fixed by the land and income tax return. This does not seem an equitable way of dealing with such an important question. We should not interfere lightly with the tenure of land. I would not readily interfere with such an important question. We must be careful so that everyone gets a fair deal. I am not supporting this Bill with any enthusiasm. I do not like it. We are working on a wrong basis. It would be better to get down to a more equitable system of land values taxation, and build on a firmer foundation. When we consider the position of our railways, remember that these are responsible for our deficit, and always will be unless they are made to pay, and we are told that only one-third of the land adjacent to them is being utilised and occupied, we should endeavour to pass some law that will remedy the position.

Hon. V. Hamersley: All the land alongside the railways is not freehold.

Hon. T. Moore: But quite a lot is.

Hon. J. E. DODD: When we remember that the State has a population of only 340,000, after 80 years of settlement, that the State comprises nearly a million square miles, and that we are continually tinkering with land tenures, it is time that we brought into existence a fairer, and a more just and uniform law than the Bill provides for, or we have at present on the statute-book.

Hon. H. BOAN (Metropolitan-Suburban) [5.10]: I wish to express my views on the important question of closer settlement. I can perhaps give Mr. Dodd a little knowledge as to the way a keen business man would look at it. There are many intricacies in the commercial world. If we trusted to luck and to rough and random calculations as to values, we should soon be in a distressful condition. I am closely in sympathy with the settlement proposition as a whole. I am also convinced of the sincerity of the Government. We need not go far inland to recognise the necessity for doing something. We have only to stand on our own doorstep, and take a view of the surroundings of Perth as far as the eye can stretch. If one were a stranger, one would ask, "Who owns that vast area of land under our observation?" That would be a natural question for a stranger to put. He would be informed that it was privately owned. He would then ask for what purpose it was used. He would point out that there was not even a goat on it, and that one could not pass through it on account of the wire fences. He would want to know the object for which it was retained. I can tell members that. The object has been in existence for many years. Unless we take some strong measures, it is likely this position will in many cases continue for a longer time than any member of this House is likely to live. It is rather a problem to arrive at the actual value of land. I may be wrong, but I think there is a business way of arriving at the real value. If a man possesses an article, whether it be land or anything else, there must have been a purchase, or a gift, at one time or another. The land may have been given for some public service, or purchased, say, 20 years ago. That is the first basis to start out upon. The next question is, what charges have been incurred since it was purchased, including surveying, fencing, buildings, and perhaps a tank and a few other improvements. All these things have to be added to the first costs. The early pioneer enjoyed facilities for securing large areas of land, and according to his means he in many cases went to considerable expense in effecting improvements. For some reason that land has not been further improved, and there no longer appears to be any profit in working it. In assessing the value of land we have to take all the taxes that have been levied upon it, the interest on capital outlay, and the whole of the expenditure upon it, in order to arrive at an

estimate as to its value. There must be no confiscation. Now, having the true worth of it, you ask, as the possessor has had the property for 20 years, what interest has it shown? You get the reply, "nil." "Nil," you say! A property like this, nil! And then he tells you, "This is my nest egg." A handsome nest egg! We are not going to take this from him; we are going to give him the full interest on the capital he has expended on it and a little more, but we require activity by land owners. We say to him, "If you do not wish to use the land you must fix your price." This property may have cost 1s. an acre. I heard a discussion the other evening about land that it was possible to buy for a shilling an acre. But on the block in question there may be improvements worth £1,000 and there has to be taken into consideration as well rates and taxes and compound interest over a period of, say, 20 years. Thus we arrive at the cost. What a happy position to be in. The cost of the land may possibly be put down at £1 an acre. Under the present conditions we approach the man and ask him what he wants for the property. We have had the valuation. But how has the valuation been made? I maintain that it may be a waste of time to ask me, for instance, to value the land. Whoever makes the valuation goes to the bush where the property may be and he sees rocks, scrub, salt bush, etc., many miles away from a habitation. On what does the valuer base his calculations? Not on the original cost. If the possessor of the property will put his proposition truthfully before us there may be a satisfactory result, but if he should ask an exorbitant price under the legislation we are considering at the present time, we should be in the position to say, "We shall give you full interest and compound interest since you secured the land, but we do not want you to profiteer; we will pay you a reasonable price, and if you do not accept, resumption will follow." I am safe in saying that within a radius of 10 miles of Perth, if people, instead of demanding £25 for half an acre, accepted £5 an acre, which I maintain, in many instances, would be a handsome price, we would see in the space of a few years, thousands of happy families in possession of homes with gardens, orchards and poultry farms, and all those conveniences that go to make up comfortable living conditions and surroundings. Railways, tramways and roads would be built and the people in the areas would be living contented lives. What I advocate for Perth and its surroundings should apply to every large centre in the State, to places like Northam, York, Albany and Bunbury. Now, what is the individual land owner waiting for? Unearned increment. A man may have a large area and a large overdraft as well. The bank may draw attention to the fact that his overdraft is big, and the owner will decide to sell a portion of his property this year. The public may want this portion, but it may not be worth anything like the price the owner

is demanding for it. That kind of thing is going on to-day, and it may go on for the next 100 years. The sole effect is to retard progress. When one sets out to acquire a property, he asks what interest it shows. The reply may be, "My boy, I have had it for 20 years," and after the purchase, the seller may admit the fact that he has not done anything with the property for that period. If I am not unduly detaining the House I would like to mention what occurred to me when I first came to this State over 28 years ago. I became footsore looking about for a piece of land on which to start in business. Wherever I went I found that there was no land for sale. I said, "Whatever is the matter with the country?" There were vacant lots here, there and everywhere. I put my affairs in the hands of a capable land agent who, after a time, said "It is no use. We cannot get land; it is all privately held and there are no sellers." I asked what had happened, and what the people were waiting for. The reply came, "Oh, the goldfields have broken out, there is going to be a boom." I wrote to my people in Sydney that my mission was likely to result in failure. They asked why, and I replied that the Perth people were infatuated with the land which they had held all their lives, and with which they had never been able to do anything, and that now, with the boom approaching, they were holding on to it tightly. Then I was advised to go out of town and build a Perth of my own. I believed it could be done. I moved about for a week or two and a proposition was put before me. I inquired the price of half of the block that was offered—I did not want to buy the whole of it. But I was told, "The whole or nothing." Eventually by stretching a point I bought the lot, but when I had acquired it I found that I had bought only a portion, and when I drew attention to the fact, this was said to me, "If you had looked at the plans, we could have pointed out to you that you were not buying the whole lot." Eleven feet of frontage had been excluded. I required it and made an effort to secure it. The amount asked was £200. My capital was small, and I decided not to purchase it. I began business, and some four months later I again made an effort to secure that 11 feet of land and I found that the price had jumped to £500. I would not entertain the idea of paying that for it. So things went on. Later on I made another effort to buy it and the price then asked was £1,000. I wanted the land and I offered £800 for it. My offer was refused. Then 18 months went by and I decided to get possession of the property. This time the amount asked was £2,000. Again I refused, and a little later on it was sold to someone else for £3,000. Eventually, for this block of land which I could have secured for £200 I was compelled to give £6,000. I had some years before, paid £6,500 for a frontage of 150 feet, and then was compelled to pay £6,000 for only 11 feet. What made it worth that

amount? Only the increased population and the enterprise of a few business people. If we arrive at the true value of land on the basis I have described, no injustice will be done to anyone. If we can introduce something on the lines that I have advocated, it will be just and fair. I support the second reading of the Bill, but I will think over further what is contained in it before it reaches the Committee stage.

Hon. A. J. H. SAW (Metropolitan-Suburban) [5.25]: The important principle underlying this Bill is whether in the interests of the community it is ethically right for the Government to compulsorily resume land after paying compensation. I have no hesitation in saying that that principle is ethically sound. There has been a good deal said about confiscation, and the word has been in the mouths of many hon. members. I cannot help thinking that when the word is used it is applied in a sense which it does not possess. If we cast back our memories we can recall that "confiscation" is really a Latin word, and was first applied when the Romans conquered the neighbouring countries, and forcibly acquired the lands of those countries as the result of war. Subsequently, if conquered provinces or Roman citizens raised rebellions, their lands also were confiscated. No compensation whatever was paid. There we have the true meaning of the word confiscation. To my mind it certainly is an abuse of the term to apply it to compulsory acquisition of land, for which compensation is to be paid. If we grant that the Government have a right to break a freehold title, I cannot see why they should not have the same right, in the interests of the community, to interfere with land acquired under conditional purchase agreements. I can see no distinction in principle between the one and the other. If freehold land can be taken, and the title upset, the same argument must apply to conditional purchase land. There are two important questions in connection with the Bill. The first is whether there is a large area of land which is not being fully utilised. I have heard many speakers deny that that is so. But on the evidence of my senses and my observations, without pretending to be a land expert, I am convinced, making full allowance for the tracts of worthless country which exist close to the railways and elsewhere, we have also a big area which can be put to good use and which at the present time is not being used in that way. That is not only my opinion; it is the opinion of surveyors who were employed a few years ago in the classification of lands adjacent to the railways. I read the report, or portion of it, which appeared in the "West Australian" last year, and that was my reason for asking the Leader of the House to-day to place the report on the Table. I understand that the report, the data of which came from many competent sources, shows distinct evidence that even in the Avon Valley a considerable extent of good land is not being

utilised at the present moment. If any further evidence is required on that point, I think the hostile reception this Bill has met with, not only here but in another place, fully bears out that statement. There is another point. Granted that there is land adjacent to existing railways not being fully utilised, is there any demand for it? I think there has been a considerable demand for land since the war, and that there will be an increased demand for it in future, in consequence of the Premier's immigration policy. The basis of valuation proposed in this Bill is to be the owner's own assessment, approved, of course, by the assessment officer, plus 10 per cent. I ask myself—Is that a fair basis for valuation? In spite of the figures quoted by Mr. Dodd with reference to Keane's Point, I maintain that, were the owner not given the opportunity which this Bill gives him to amend his valuation, it would not be a fair basis, because everyone familiar with land tenure knows it has been the policy for many years not to value the land for taxation purposes up to its highest possible selling value. If the owner has, as he will have under this Bill, the option of amending his valuation, I consider it is a fair basis on which to effect a purchase. I believe it is due more to this particular clause than to any alleged question of confiscation that the Bill has met with hostility not only in this House but in another place. If the Government have the right to resume land at the assessment valuation plus 10 per cent., it means that every owner who considers his land is likely to be resumed under this measure will have to at once considerably amend his valuation and, consequently, there will be a very large increase in the assessment value and in the amount of taxation paid. I believe that is what has really excited the hostility to this Bill. A good deal of fallacious comparison has been drawn between a Closer Settlement Bill applying to land in the country and the valuation of land adjacent to the city. Unfortunately, we cannot have closer settlement for agricultural purposes near to the city, owing to the worthlessness of the land. The only value of that land, so far as I can judge, in spite of Mr. Boan's eulogy of it, is for building purposes. What would happen if every man owning land around Perth was compelled to build on it or give it up?

Hon. A. Burvill: Would not it bring rents down?

Hon. A. J. H. SAW: No; owners would not build, because we have not the population to occupy the houses.

Hon. J. Cornell: But why should the man who does develop his land be taxed?

Hon. A. J. H. SAW: Everyone who develops his land has to bear taxation for municipal and other purposes, and in consequence of what I consider to be an unjust land tax, it falls on those who develop their land. Land tax should be imposed entirely on land which is not being utilised.

Hon. J. E. Dodd: Do you approve of unimproved land values taxation?

Hon. A. J. H. SAW: I believe in taxation on unimproved land. Unless the land around Perth were carrying a population half the size of that of London, it would simply spell ruin if every land owner was forced to put his land to the only purpose for which it can be utilised, namely, building. We would have a large number of empty houses, and everyone owning land or houses would be ruined. That is not a desirable thing. I believe taxation on unimproved land is fair. A good deal has been said about the unearned increment. Mr. Boan illustrated what had occurred in Wellington and Murray-streets. That principle does not apply altogether in the suburbs. Everyone who owns suburban land knows that a great deal of land has been sold because of the non-payment of rates, and when such land has been put up to auction, it has not brought a sum sufficient to pay the rates.

Hon. R. J. Lynn: I have had instances of that.

Hon. A. J. H. SAW: A while ago the South Perth authorities put up for sale a lot of land which had been forfeited for arrears of rates, on condition that the purchase money was devoted to the liquidation of the rates, and the purchase money in many instances did not suffice to pay the rates incurred on that land.

Hon. J. E. Dodd: If it had no value, it would not be taxed.

Hon. A. J. H. SAW: It has a fictitious value.

Hon. J. Cornell: It is taxed on the capital value.

Hon. A. J. H. SAW: That tax has been in existence for many years and the owners no doubt paid a considerable sum by way of taxation for their land, and in spite of their having lost the interest on their money and paid rates and taxes, some of the land has not increased in value one iota.

Hon. J. E. Dodd: Does not that prove that the owners hold it for speculative purposes?

Hon. A. J. H. SAW: I see no harm in land being held for speculative purposes, so long as there is no hurt or economic loss to the community. The money paid for the land has simply passed from one person to another. If such land were being held and people who wished to build were deprived of the opportunity to acquire land, then loss would undoubtedly be inflicted on the community. That, however, is not the case, because land can be bought in the suburbs almost for a song. That a great deal of land can be bought for less than the assessment value, I know from personal experience. This Bill is so hedged with restrictions and so limited in scope that I am afraid it is not going to be of much use. I would willingly support an extension of its provisions to conditional purchase lands in order that the needs of immigrants might be more adequately provided for. The only virtue I can see in the Bill is that it may enable the Government to acquire some land at a more reasonable rate than it could otherwise have acquired from people who have been holding it for speculative purposes without utilising it.

Mr. Willmott advanced one of the greatest arguments in favour of the Bill when he alluded to the want of success that had attended soldier settlement, and he attributed the want of success to the fact that the scheme was over-capitalised. The soldiers had paid more for the land than it was worth for productive purposes.

Hon. J. Nicholson: For the improvements.

Hon. A. J. H. SAW: Whether it was due to the cost of the improvements or of the land, I do not know, but the soldier has had to pay too much for it. According to Mr. Willmott's statement, the land was over-capitalised and the resulting loss occurred. Now the soldiers are asking that portion of the purchase money be written off. That is one of the greatest arguments in favour of the Bill.

Hon. J. W. Kirwan: Will this Bill reduce the price of land?

Hon. A. J. H. SAW: I trust it will. If it does not, it will result in a considerable increase in the assessment value of land, and consequently the State will get something in that way. I believe it will undoubtedly make cheaper land that at present is being held and is not being put to any use. I support the Bill, firstly because I believe in it and, secondly, because it represents the fulfilment of one of the few pledges I gave to my electors. Although one does not get large and enthusiastic audiences when seeking election to this Chamber, it was one of the utterances which I found invariably met with the approval of the majority of those present. Apart altogether from that aspect, although there are too many restrictions and limitations in the Bill, I believe it might do some small amount of good.

Hon. J. CORNELL (South) [5.41]: Much water has run under the bridge since a Bill of this description was last before us. As on the previous occasion, I am forced to choose between a question of principle and a question of expediency. This Bill involves a principle, namely whether the Government should be empowered to compulsorily acquire or tax land into use. I would have no objection to one man holding the whole of the land in Western Australia, provided he used it in the interests of the people and of the State. If land is not so used, there is only one method to apply and that is to tax it on the principle that if the owner will not use it, he should be compelled to dispose of it to someone who will. There is no getting away from the fact that the head, tail and body of this Bill had its origin in the office of the "West Australian."

Hon. J. W. Kirwan: Instructions were issued from there.

Hon. J. CORNELL: It had an abortive birth there. The "West Australian" is the first organ in this country to promulgate the proposal to take land for closer settlement. I will not be unkind by pursuing that point any further. If I took my politics from that newspaper, I would meet the end I deserve, namely sudden death politically.

Hon. G. W. Miles: It has a brain wave sometimes.

Hon. J. CORNELL: What does this Bill propose to do? To set up a board. I take it the board will be all right, but the board will have power to say to a man, "This land is not being used in accordance with the Act, and so we will recommend that it be compulsorily acquired by the Government." Who are to constitute the board? A reference to "Hansard" of last session shows that the Leader of this House stated that in Queensland, Victoria, and New Zealand the boards comprise at least one judge—presumably a judge of the Supreme Court. Moreover, in Victoria land cannot be compulsorily acquired except by resolution of both Houses of Parliament. But here we are asked to give an open cheque to a board of whose constitution we know nothing. I will not be a party to handing over powers which are far-reaching until I know to whom the powers are to be handed.

Hon. G. W. Miles: Cannot you trust the Government?

Hon. J. CORNELL: I have trusted the present Government, and their progenitors, for six or seven years on their declarations that the worker's home leasehold should be freehold. I now say, "Trust no Government." A member of this House should trust only himself to decide whether a Government proposal is in the best interests of the State. I am not prepared to trust any Government. All Governments are eventually alike; all Governments eventually meet with the same fate. In connection with industrial arbitration we say that the Chairman of the Arbitration Court shall be a Supreme Court judge. No open cheque is given in that respect. Why should an open cheque be given here? How is the board to be constituted?

Hon. G. W. Miles: Cannot we put that into the Bill?

Hon. J. CORNELL: Until it is put in, I will reserve judgment on that point. Last session this House carried the second reading of a measure similar to this, and then referred the measure to a select committee. What happened? Another place appointed select committees covering almost all subjects from Dan to Beersheba, and those select committees were made Royal Commissions so that they might complete their investigations. But the select committee of this House was ignored by the Government—the Government we are now asked to trust. Surely the subject referred to that select committee was as well worthy of consideration by a Royal Commission as the question whether a tram should be built to Como. This House has affirmed the principle of closer settlement. Its action last session did that. It was said that our action was an undue method of killing the Bill, but I give hon. members the credit for not referring the Bill to a select committee with any motive other than the welfare of the community. The select committee in question was ignored. One witness was called, and that ended the select

committee's investigation. If we trace history, we find that the Bill which has been a head of St. John the Baptist right through this session, the Licensing Act Amendment Bill, was during last session withdrawn in another place and referred to a select committee after several days' debate. The great question whether men shall drink or not was deemed worthy of reference to a select committee, which subsequently became a Royal Commission; but the question now under consideration was not considered worthy of similar treatment. Had the same course been adopted in this instance, there would have been little or no opposition to the present Bill, the full facts being before the House. If anybody is responsible for the opposition which the Bill is encountering here, it is the Government, who refused to convert our select committee into a Royal Commission. If only to uphold the dignity of this House, I shall vote against the Bill. Last session I asked, and I have also asked this session, what estates in Western Australia require cutting up. I demanded specific instances.

Hon. G. W. Miles: The Dardanup estate.

Hon. E. Rose: That has been offered to the Government.

Hon. J. CORNELL: Until the Government show me that there is this estate and that estate, and such and such other estates, being held to the detriment of Western Australia's development, and not being put to full use, I feel under no obligation to assume that there are such estates. I know of none. During my first session here a Bill was introduced for the purchase of the Yandanooka estate. I spoke in favour of that measure. I was somewhat of a greenhorn then in regard to politics, but I uttered a warning at that stage. I pointed out that legislation for the purchase of estates for closer settlement, or for their compulsory acquisition to the same end, should contain machinery ensuring that the evils which the purchase or acquisition sought to overcome, should not occur again. What has been the whole history of closer settlement in Victoria? There are in Victoria estates which have been compulsorily resumed and cut up three times. Do we want that here? I say advisedly we do not.

The Minister for Education: What does it matter if the Government got their money back each time?

Hon. J. CORNELL: We have to give the people from whom we purchase or compulsorily resume their land, the fair value of it. In ten or fifteen years' time the same position may recur, and then the Government have to acquire or resume again at a fair valuation.

Hon. J. Nicholson: At the value of the day.

Hon. J. CORNELL: Of course. But why go over the whole ground again? There is no need for it. Our experience in the compulsory acquisition of freehold lands has taught us that our forbears were fundamentally wrong in granting the fee simple of land. Through the operation of the fee simple, land



has got into fewer hands, and that has proved detrimental to the community. For that reason we have compulsorily resumed estates. And so the story goes on.

Hon. J. Nicholson: Apply the same principle to a business. Say that in a few years you come to purchase a business which has been going on for some time, but has not been sufficiently developed.

Hon. J. CORNELL: There is no analogy between business and land.

Hon. J. Nicholson: But suppose we did apply the same principle to the case of a business?

Hon. J. CORNELL: There is no analogy between the two cases. Every child has as much right to God's heritage in land as those who have gone before him. The hon. member will not deny that our forefathers willed it away by the alienation of their land. Under the system of the compulsory acquisition of land, we are faced with the position that we must consider whether it shall be disposed of in fee simple or leased in perpetuity. If it is decided that the land so compulsorily acquired shall be sold and the fee simple given, the holdings must be limited in area. No such provision, however, appears in the Bill. We are asked by the Government to give them an open cheque to enable them to compulsorily acquire land. We do not know what the constitution of the board may be, and the House should have information on that point. What object have the Government in view in bringing forward the Bill? They say that it is required in order to assist in the immigration and developmental policy of the State. They want to utilise the land adjacent to the railways. Western Australia forms a third of the whole of Australia, and has a population of about 380,000. We hear it said that there is room for millions and millions of people here. Taking into consideration the vast area and the small population, it is indeed a poor advertisement for the State if, at this juncture, the Government are forced to apply for such a measure as that under discussion. If the passing or rejecting of the Bill is to be the deciding factor as to whether the great immigration policy will succeed or fail, only one fate is before us—inevitable failure. Mr. Miles has mentioned one estate. I have travelled throughout Western Australia extensively, and from Greenmount to Spencer's Brook there is any amount of land on either side of the railway which has not been put to use. If that land could have been properly used, it would have been disposed of years and years ago, seeing that it is adjacent to the railways. There are other large estates along the Great Southern railway which are in the same position. If that land were of the value many people desire to make out, it would have been taken over in connection with the soldier settlement scheme long ago. Fortunately for the soldiers, however, there was a man at the head of affairs who knew the difference between good and bad land, and he laid it

down as his guiding principle that he would not put a digger on land where he did not think he could "make a do of it" himself. That determination will stand to the credit of that officer.

Hon. G. W. Miles: Who is the man?

Hon. J. CORNELL: Good wine needs no bush!

Hon. G. W. Miles: But he may be chairman of the board.

Hon. J. CORNELL: He may be.

Hon. G. W. Miles: Have you read his evidence before the select committee?

Hon. J. CORNELL: No. I dismissed that select committee, because it was not a select committee in the proper sense of the word. The Government closed down and ignored this House, and they have to take the consequences. The Government did not give the select committee much consideration. If this is so essential in connection with the immigration and development policy, and the success or failure of it will be dependent upon such a measure as the Bill, then someone's judgment was at fault nine months ago. The Bill will not affect one acre in the big province which I represent. That being so, I could without compunction say that, in the interests of the Government, the Bill should be passed as it does not interfere with my constituents. I do not adopt that attitude, however, because there is a fundamental principle embodied in the Bill. That principle is as to whether we should agree to compulsorily acquired land, or apply methods of land taxation. I have always been in favour of land taxation. Mr. Boan has given the House interesting information on that point this afternoon. The question whether we should acquire land compulsorily or tax land into use is of fundamental concern in connection with the Bill. In the interests of the State generally, I claim that the only logical method to be pursued is to range ourselves behind land taxation, in order that our idle lands may be forced into use. We should not adopt the principle of acquiring land compulsorily. Let us tackle the question as it should be dealt with. We must realise that some of the most ardent advocates of the land being taxed to-day, not for the purpose of revenue but to force it into its legitimate use, are those who were the greatest opponents in years gone by. It has been brought home to those people. The Country Party to-day is not the Country Party of a few years ago, and the question of land taxation has received attention from that section of political thought.

Hon. G. W. Miles: Are they in favour of land taxation?

Hon. J. CORNELL: These people are legitimately winning wealth from the soil and as surely as night follows day, they will favour a measure of taxation to force land into use.

Hon. G. W. Miles: Is that your opinion or theirs?

Hon. J. CORNELL: That is their opinion to-day. They are coming round to the views of the Bolshies!

Hon. G. W. Miles: But you are not a Bolshy!

Hon. J. CORNELL: They are forced into that opinion. The unearned increment in connection with town lands is a great difficulty. If we tax the land, those who own it will be forced to use it as it should be used. In the circumstances, I will not support expediency in the shape of the Bill in dealing with this problem.

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

## BILL—PEARLING ACT AMENDMENT.

### Assembly's Message.

Message from the Assembly received and read notifying that it disagreed with the amendment made by the Council for reasons set forth.

### BILLS (2), FIRST READING.

- 1, Supply (No. 3), £1,040,000.
- 2, Western Australian Bank Act Amendment (Private).

Received from the Assembly.

## BILL—COMPANIES ACT AMENDMENT.

### Assembly's Amendment.

Message from the Assembly received and read notifying that it had agreed to the Bill with an amendment.

*House adjourned at 6.10 p.m.*

## Legislative Assembly,

Thursday, 30th November, 1922.

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The SPEAKER took the Chair at 2.30 p.m., and read prayers.

### QUESTION—MABLE CASE.

Mr. RICHARDSON asked the Premier: 1, Have the Government received a report on the investigation of the case of Thomas Mable? 2, If so, what is considered to be the amount of his losses? 3, Will the matter be given immediate attention, with a view to effecting a settlement?

The PREMIER replied: 1, 2, and 3, Yes; the matter is receiving attention, and will be finalised in a day or two.

## SELECT COMMITTEE—INDUSTRIES ASSISTANCE BOARD.

### Extension of Time.

On motion by Hon. W. C. Angwin, the time for bringing up the report of the select committee was extended till Wednesday, 6th December.

## BILL—SUPPLY (No. 3), £1,040,000.

### Standing Orders Suspension.

The PREMIER and TREASURER (Hon. Sir James Mitchell—Northam) [2.34]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.  
Question put and passed.

### Message.

Message from the Lieut.-Governor received and read recommending appropriation in connection with the Bill.