

make to the Minister is that the amount should be increased from £300 to £500.

Question put and passed.

Bill read a second time.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

In Committee.

Mr. Lutey in the Chair; the Minister for Justice in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2.

Hon. G. TAYLOR: May I suggest to the Minister that he should amend the clause by inserting "five" in lieu of "three." It is the desire of members sitting on the Opposition side that the Chief Justice should receive an additional £500. We cannot move in that direction, but if the Minister desires to do so, he now has the opportunity.

Mr. Kenneally: That would interfere with the margin.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 10.8 p.m.

Legislative Assembly.

Thursday, 25th August, 1927.

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

ADDRESS-IN-REPLY—PRESENTATION.

Mr. SPEAKER: I desire to inform the House that in company with the member for Menzies (Mr. Panton) and the member for North-East Fremantle (Mr. Rowe), I waited upon His Excellency the Governor and presented the Address-in-reply, to which His Excellency has been pleased to deliver the following message to the Assembly—

Mr. Speaker and members of the Legislative Assembly, I thank you for your expressions of loyalty to His Most Gracious Majesty the King, and for your address-in-reply to the Speech with which I opened Parliament. (Sgd.) W. R. Campion, Governor.

QUESTION—LONG SERVICE LEAVE.

Mr. THOMSON asked the Premier: As long service leave negotiations and an agreement with temporary wages men who have 10 years' service have been completed, 1, what is the total cost to the State for that leave and what is the estimated cost to the railways? 2, what conditions is it intended to apply to temporary employees in the public service under the Public Service Act regarding long service, and what is the estimated cost?

The PREMIER replied: Negotiations and agreements have not yet been finalised.

QUESTION—DRIED FRUITS, HIGH COURT DECISION.

Mr. FERGUSON asked the Minister for Agriculture: 1, Has his attention been drawn to a report in the Press of a decision of the High Court in the dried fruits case? 2, If so, will he make a statement in connection therewith for the information of those interested in the industry?

The MINISTER FOR LANDS replied: 1, Yes. 2, The matter will receive the consideration of the State Dried Fruits Board at an early date, and a meeting for this purpose has already been called.

QUESTION—JUSTICES OF THE PEACE.

Mr. RICHARDSON (for Mr. Davy) asked the Premier: How many justices of the peace have been appointed since 1st July, 1924, 1, for magisterial districts, 2, for the whole State?

The PREMIER replied: 1, 361. 2, 24.

QUESTION—WHEAT, CONDITION OF SHIPMENTS.

Mr. SLEEMAN asked the Minister for Agriculture: 1, Has the Agricultural Department written to the wheat merchants in the State this year regarding the condition of the wheat being shipped from Western Australia? 2, If so, what were the reasons prompting the department to write to the wheat buyers?

The MINISTER FOR LANDS replied: 1, Yes. 2, Verbal reports reached me, and I instructed that the merchants should be communicated with.

LEAVE OF ABSENCE.

On motion by Mr. Panton, leave of absence for 14 days granted to Mr. Lamond (Pillara) on the ground of urgent private business.

BILL—JUDGES' SALARIES ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—NORTHAM MUNICIPAL ICE WORKS ACT AMENDMENT.

In Committee, etc.

Bill passed thorough Committee without debate, reported without amendment, and the report adopted.

BILL—AGRICULTURAL LANDS PURCHASE ACT AMENDMENT.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

BILL—PERMANENT RESERVES.

Second Reading.

Debate resumed from 23rd August.

MR. THOMSON (Katanning) [4.43]: I do not intend to offer any serious objection to the passing of the second reading, but I hope that when in Committee the Premier will agree to accept a slight amendment. It is gratifying to find the Government have at last recognised it is essential that we should have a building suitable for the housing of the State Savings Bank.

The Premier: You mean that we should be the first Government to recognise it.

Mr. THOMSON: Well, at last it has been recognised. The Premier has been three years in power, and so has been three years recognising it.

Hon. Sir James Mitchell: He has been eight years in power.

Mr. THOMSON: At all events I am pleased the Government have decided it is time our Savings Bank had proper housing. Also we should consider the housing of our public offices under better conditions than at present. I regret the Government, and I believe without the sanction of the House Committee, have erected public offices for the Water Supply Department down below in George-street. It is recognised that sooner or later, and I hope it will be fairly soon, when Parliament House is completed those buildings will have to be removed. It was suggested the other evening that the question of completing Parliament House was well worthy of consideration, and the Premier, in reply to an interjection, indicated that he agreed with the suggestion. It is time that a comprehensive scheme was prepared for housing all public offices under

one roof. The present arrangement under which various offices are so widely distributed must be very costly. The proposal to construct up-to-date accommodation for the State Savings Bank is a step in the right direction, but the Government should go further and have plans prepared for a comprehensive scheme. I took the trouble the other day to walk down to Irwin-street and inspect the site of the temporary buildings used by the University. I consider that that site would be quite suitable for the erection of a large block of Government buildings that would house all departments. It extends from St. George's-terrace to Hay-street, and would accommodate a block of buildings suitable for present needs and capable of being extended to meet the demands of the future. The Government are making a new departure in proposing that the price of the Barrack-street lot, with the improvements, shall be £40,000 and shall be paid by the State Savings Bank to the Department of Lands and Surveys. That amounts to taking £40,000 out of the right-hand pocket and putting it into the left-hand pocket. The Premier has already intimated that he would be prepared to put the money into what may be termed a suspense account, but he did not show that it was necessary for one department to charge another £40,000 for something that had cost the other department not a penny piece. If we accepted that principle it might prove detrimental to the finances of the State. I hope the Premier will accept an amendment to the effect that the amount shall be paid by the State Savings Bank towards the cost of erecting the new building. We should not establish a precedent for one department to charge another and for the proceeds to go into revenue, and we should certainly not embody such a principle in the Bill. In all my public duties I endeavour to view the question at issue as I would if it arose in the course of my own business. If I proposed to erect a building on land I already owned, I would not charge against myself the amount of £40,000 and regard it as a profit.

The Premier: I think that as a business man you would charge up to the business the cost or value of the land.

Mr. THOMSON: That is so.

The Premier: That is all we propose to do.

Mr. THOMSON: No; the Bill proposes that the £40,000 shall be credited to the Lands Department.

The Premier: If you bought a block of land on which to erect a building, you would charge to the business of the building the value of the land as well as the cost of the building.

Mr. THOMSON: But I would not show the proceeds as profit and take them into revenue.

The Premier: You would charge a rent to cover the cost of the land as well as the cost of the building.

Mr. THOMSON: I am pleased to hear the Premier say that, because that is what I propose. Therefore he should accept my amendment. The Bill should not be passed in its present form as that would result in the State Savings Bank paying £40,000 to the Department of Lands and Surveys. I am quite in accord with the principle of the Bill. We should debit the value of the land, plus the cost of the building, to the Savings Bank, and on the capital involved the bank should provide interest and sinking fund as part of its working expenses. I repeat that the Government should adopt a comprehensive scheme for housing the Public Service. The present arrangement is unsatisfactory and inefficient. The different offices, one might almost say, are as far apart as the poles, and it is a common thing to see men and boys carrying files through the streets when it is necessary to transfer them from one department to another. That could be overcome by housing the various departments under one roof and a considerable saving could thus be effected. The Government should indicate the land to be utilised for a comprehensive scheme, and then call for competitive designs.

The Premier: Do you think we ought to let a contract, or do it by day labour?

Mr. THOMSON: When the Premier is in a position to order the construction of the buildings, I shall give my reply, and I shall be able to prove conclusively which would be the more costly to the State.

Mr. A. Wansbrough: Question!

Mr. THOMSON: I am not permitted to discuss that subject at present, but I am willing to discuss it with the Premier at any time he may choose. I support the second reading.

HON. G. TAYLOR (Mt. Margaret) [4.53]: I am pleased to be able to support the second reading in view of something that happened in 1904. When the police court buildings in Roe-street were completed and

possession was taken of them by the court but previously sat in the building on the and now under discussion, there was an agitation that the Barrack-street property should be handed over to the City Council. The Premier of the day, Mr. (now Sir Walter) James, was always anxious to assist the local governing bodies, especially by giving them land, and he suggested handing over the Barrack-street site to the City Council. At that time I was much newer in politics than I am now, but I could not see why the State should hand over to the City Council property that even then was valuable and now is still more valuable. I ascertained that the Government could not hand over the land because it was a Class A reserve. But for that, the present Premier would not have had this £40,000 proposition to bring before the House.

The Premier: The Government of that day were going to give it away?

Hon. G. TAYLOR: Yes. We told the Premier of the day that it was a Class A reserve and, as our support was of some value to him and the Opposition were not favourable to the block being disposed of as suggested, the idea was dropped, much to the disgust of the mayor and council that a few budding politicians should regard the proposal with suspicion. Their action, however, saved the property for the State. I am glad that it is now intended to utilise the land on which to erect a modern building for the Savings Bank. I am not worrying as to what will happen to the proceeds of the sale. The Premier, when moving the second reading, intimated that it was quite possible the money would be applied towards the cost of the new structure. Now, however, the Leader of the Country Party wishes to make quite certain that that will be done. I maintain that the Savings Bank cannot be regarded as an ordinary Government department. It is an institution that stands on its own; it is an earning and a spending department, and practically has control of its own business. No one would regard the State Savings Bank in the same light as the Public Works Department or the Chief Secretary's Department. If the proceeds of the sale are going to be utilised in that way, I cannot see that there will be anything wrong.

Mr. Thomson: We shall be establishing the precedent of the Government selling to themselves £40,000 worth of Government property.

Mr. Richardson: The money should not be taken into revenue.

Hon. G. TAYLOR: Even if it were taken into revenue, the Premier could not claim that it would be recurring revenue. He would have to show it as a windfall.

Mr. Griffiths: Put it into a suspense account.

Hon. G. TAYLOR: I am not worrying about that. I am glad that we are about to put this valuable block to the good use of housing the State Savings Bank in premises which will be a credit to the Government and the State, and in which the bank will be able to do its business expeditiously and efficiently.

MR. SAMPSON (Swan) [4.59]: I wish to acknowledge with satisfaction the whole-hearted recognition by the Premier on Tuesday night of the advantages derived by the State Savings Bank from country newspaper publicity. In addition, other forms of advertising have been utilised and, together with country Press publicity, have been responsible for the added knowledge which the public have gained of the State Savings Bank. For instance, pay envelopes, advertising the bank, have been issued, I believe, to a number of business houses, and blotters and other advertising media have been used. I heard with much gratification the statement of the Premier in respect of the results arising therefrom. The fact that deposits have increased to the extent of nearly one million pounds in two years provides the fullest possible proof of the success of the innovation. It has been said that £400 a foot is not a big price to pay for land in that locality. Perhaps that is so. I do not know whether it is worth much more, but I may not be qualified to value it. I have no doubt the architectural division will plan the building on modern lines. When the present Treasury administration block was erected, the value of land was not nearly what it is to-day. The method of construction had not advanced to the stage that is the case in modern times. It is a solidly constructed building. In those days no consideration was given to the thickness of the walls. I am inclined to think that, if full consideration were given to the present Treasury administration block, and an architect worked out what accommodation actually could be provided on the basis of the estimated value of this land per foot it would be found that the accom-

modation available would be fully equal to that expected of the area. The excessively thick walls, which were necessarily used in that old style of construction, are such as to make the present building a very expensive one.

Hon. W. J. George: Are you aiming at another story?

Mr. SAMPSON: If a modern type of construction were determined upon, as no doubt would be the case, and reinforced concrete were used, there would be very greatly increased accommodation. It would be very difficult to find anyone who was not in favour of the proposal outlined in the Bill. I hope that the principle of providing fitting accommodation for our State Savings Bank will be extended to every growing centre. The more we can develop a spirit of patriotism, the greater will be the success of the bank. We have nothing against the Commonwealth Savings Bank, except that I think we are almost unanimously of the opinion that it ought never to have been established. It was vigorously assailed at the time when it was established, and a large section of the people described it as a great Federal steal. I hope the public will recognise the great work that the State Savings Bank is doing, and will stick to it. The schools section is doing splendid work in encouraging thrift, and a spirit of saving amongst school children. The effect of this must be further to increase this utility. The result will be that more and more money will be available for the development of the State, and this can best be done by standing by the State Savings Bank. I am sure no one will oppose the Bill.

HON. W. J. GEORGE (Murray-Wellington) [5.5]: It is quite unnecessary for me to deal with the question of public or financial morality in regard to the £40,000, about which something has been said. Those who are quite capable of handling this matter have already said what they think about it. I am pleased that at last something is going to be done with the building tenanted by the State Savings Bank. I have no doubt the architectural division of the Public Works Department will, if funds can be provided, design a building that will, when erected, be a credit not only to themselves and of use to the State, but convenient for those who have to work in the Savings Bank. The present building was used as one of our

legislative halls. It is all too small and inconvenient for the officers of the bank, and for the work that is required to be done. There can be no question but that the Savings Bank of Western Australia has been of the greatest service not only to the people, but also to various Governments that have had to do with it. I hope if it is possible the Government will be able to arrange for the scope of the bank to be widened. If that can be done, so that it can more than hold its own with the Commonwealth Savings Bank, I hope it will be done. This, at any rate, will squash all controversy between the City Council and the various Governments which have come into conflict with them over the matter. There was an idea that the Government were going to give that land to the City Council. There will be no room, when the new building is put up, for the extension of any of the City Council property in that direction.

MR. GRIFFITHS (Avon) [5.8]: A little while ago the "Sunday Times" published a sketch plan of the City of Perth. It was stated at the top that the sketch offered means of recreation for winter evenings. The puzzle was to find the locality of the present Government departments. Apropos of that, I had a friend in Perth some time ago, and had to take him to five different departments. By the time we had finished he said, "In order to find these Government departments a man would want a sketch map and a black tracker."

The Premier: He was not an explorer.

Mr. GRIFFITHS: He was better in the woods than in the city. The proposal is a step in the right direction. The suggestion thrown out by the Premier last night that the proceeds of the sale of the land should go towards the liquidation of the cost of the building is a good one. I have been trying to find out whether departments are charged their quota towards the cost of and the interest and sinking fund on the buildings they occupy, or whether they are charged with the rent only. I know that rents are paid by some departments. If it is a question of paying the interest and sinking fund on the capital cost, I should say it would be better to place this money to that purpose. No one can help feeling pleased at the thought that the Savings Bank is at last to be brought out of the slough of despond. Some time ago it appeared to the layman that the Commonwealth Government were usurping the functions of the

State Savings Bank. I shall support the Bill.

MR. STUBBS (Wagin) [5.10]: I rise to support the measure. If any member doubts the existence of the rabbit warrens that the officers of the State Savings Bank inhabit, let them pay a visit to the bank and see the conditions for themselves. For years past the men and women working in that department have had a gruelling time, especially in the summer. They have for a long time been packed like herrings in a barrel, so much so that the Government have at last seen the wisdom of giving them decent housing accommodation. I have much pleasure in supporting the Bill.

Question put and passed.

Bill read a second time.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

Debate resumed from 22nd August.

HON. SIR JAMES MITCHELL (Northam) [5.11]: This is a very old and a very unwelcome friend. Each year we are called upon to consider the imposition of the tax. Unfortunately we cannot have the Assessment Bill down this year, so that the only opportunity members will have to discuss taxation will be on this Bill. In Committee we shall try to make one or two amendments, to one of which I am sure the Premier will agree, although to the other he may object. I will tell him now that he needs to alter the reference to section 55. That is merely an error. The reference should be to Section 56.

The Premier: The Parliamentary draftsman every year insists upon that clause.

Hon. Sir JAMES MITCHELL: The clause will do something the Premier does not want if it is not attended to. Someone may come across it and trouble may ensue. Our taxation has been increased from time to time. In 1923-24 we collected £1,173,000, and in 1925-26 it had increased to £1,418,000, due to an extent to the increase in the land tax, and due in some measure to the wiping out of exemptions. I do not know how many land taxpayers we have in the State, or how many land owners we have. They must number something like 60,000 or 70,000. I wish the Premier could see his way to exempt small holders from

land tax. The cost of preparing returns on these small holdings is more than the tax is worth. It is right we should exempt small holders of agricultural land, and small holders of town blocks, particularly as the total amount of taxation has increased. It is true that the amount collected from this tax last year was only £1,211,000, but the Federal grant made good the difference between that collection and the previous year's collection to the extent of £200,000. Taxation in the aggregate, we have to remember, is very heavy indeed. First, there is the Federal tax; and then we have our own State tax, on top of which there is the collection by way of license fees, amounting to a considerable sum of money; and then there are royalties on timber and all sorts of other taxes; and then again there are the local authorities' rates. The road boards will be heavily hit. They must keep the roads in order, and therefore their rating is bound to be high. It is incumbent upon us to have regard to the total amount of taxation paid. In short, we shall have to cut our coat according to our cloth. The Federal Government collect probably three times as much as the State Government; and we are left to provide such free services as education, police protection, health, and many others. Indeed, the free services, I believe, more than eat up the amount collected by the State in direct taxes. That position will be accentuated if we lose our proportion of the Federal collection, which the State enjoys as revenue to-day. The Premier knows that money taken from the people by way of taxation cannot be used for developmental work. Taxation money comes from industry and production, and it is no wonder that sometimes our State finds itself short of funds for necessary improvement works when so much in the aggregate is taken by the tax gatherer. If the whole matter were gone into carefully, we would find that 20 per cent. of the total value of this State's production is taken for taxation. That is really an impossible position—20 bags out of every 100 bags of wheat, 20 loads of timber out of every 100 loads, 20 ozs. of gold out of every 100 ozs., and 20 lbs. of butter out of every 100 lbs. being surrendered by the producers to meet taxes. History records that when France imposed a direct tax of 10 per cent. on production, the effect was to hamper production very materially and to cause great trouble and

distress. If we were to say straight out to our people, "You shall pay 20 per cent. of your total production in taxation," there would be a revolution: but the people pay in so many ways that they hardly realise how very much is being paid bit by bit. If we in this State add the disadvantages of the tariff because of our extensive imports of goods from the East, we shall find that we are not paying a farthing less because of the direct payments to the State Government in taxation, since we are not manufacturing goods ourselves. We bring in from the East just as we import from London. In the latter case, of course, the duties paid go to revenue: in the former case the difference goes to the Eastern manufacturer. That factor represents at least another 5 per cent. The Premier will realise that in the aggregate our taxation represents indeed a heavy impost, and is likely to affect adversely the progress of the State. However, I am not suggesting that the hon. gentleman should make any material reduction in his taxation, because he, in all probability, is getting only one-fifth of the whole. At the same time, we must consider our taxpayers. It is a most unfortunate thing that under Federation the State comes second in all these matters; the Commonwealth always gets its cut before Western Australia comes in. I am sorry the Premier has not been able to afford the House an opportunity to discuss the proposed financial agreement with the Commonwealth before this Bill was brought down, because it is probable that if the agreement is ratified we shall derive temporarily, for the next year or two, some advantage to our State Treasury. In the end the agreement will certainly not be to its advantage, but for a year or two we may get some benefit in that direction; and that benefit, I consider, ought to come off State taxation.

The Premier: As of course you know, we lose that £200,000 grant in another three years.

Hon. Sir JAMES MITCHELL: But we can relieve the people for three years, and that will be something.

The Premier: I would not be justified in reducing taxation this year in anticipation of the adoption of an agreement which may not be accepted.

Hon. Sir JAMES MITCHELL: The agreement may be adopted in some States only,

and then I hardly know what will be the position. The Premier has reduced taxation to the extent of one-third by inserting a section which provides for the reduction, but not in the usual way of reducing the rate of tax. What the hon. gentleman has done is to leave the rate of tax as it was and to say, "From this tax shall be deducted one-third." If the Federal Government failed him, presumably he would simply say, "I want to wipe out the proviso as to reduction."

The Premier: That, of course, would have to be the case.

Hon. Sir JAMES MITCHELL: Not necessarily.

The Premier: Not necessarily, but probably.

Hon. Sir JAMES MITCHELL: Probably; but it is unthinkable that this State should go back to the old rate of tax. We should have to devise some means of carrying on without the old rate of tax. Not only was the old rate a serious disadvantage to those who paid it, but it retarded, as the Premier knows, further development. Manufacturers paying at most 1s. in the pound income tax in Victoria are not going to set up establishments here and pay the higher rate of tax that it is necessary for Western Australia to impose in order to get enough revenue to meet its ordinary services.

Mr. Thomson: This year the Victorian rate is increased.

Hon. Sir JAMES MITCHELL: Possibly; but Victorians have such enormous incomes that a very low rate of tax brings as much per capita there as a much higher rate of tax produces in Western Australia. A very low rate of tax brings the Victorian Government all they need. That is inevitably so, Victorians being much richer than our people. True, the Victorians levy on all States that buy manufactured goods from Victoria, and we indirectly pay taxation for the Victorians on top of our own taxation. So we are at a disadvantage in every way. In Committee I shall endeavour to get some small amendments adopted. Otherwise I do not wish to interfere with the tax, because we must meet our obligations and therefore must have taxation. It is a disturbing thought, however, that on working out the total of taxation one finds that it amounts to about 20 per cent. of the value of the State's gross production. No doubt the Premier knows that taxation here has increased considerably during the last two

years. Probably, when the Royal Commission appointed to deal with the Federal Constitution have made their report, we shall be able to devise some simpler means of governing Australian States through two Parliaments. Our financial position could, I believe, be improved, and without hurting the people in any way, by taking from the Federal Government authority to do many things at present done by them. I know our Treasurer's position. From my own experience I know how difficult it is to meet Western Australia's commitments in regard to special Federal grants like that for road construction. The Federal Government say, "We will give the States two millions a year for ten years for road making." In point of fact they do not give us anything at all, because they have the right to tax indirectly, and they impose a tariff on petrol, tyres—

The Premier: The people themselves are finding from various sources the money for those grants.

Hon. Sir JAMES MITCHELL: Yes. The Federal Government impose taxes on motor cars, and on everything used by motorists, to an extent which means that the Commonwealth pays very little either from ordinary revenue or from loan moneys in making such grants. The course adopted by the Commonwealth is to make a special impost on our own people; and thus Western Australia is probably contributing, by a special tax, to the Federal Government the whole of the amount this State receives for road construction.

Mr. Thomson: No. We are getting back a long way more.

Hon. Sir JAMES MITCHELL: I do not know that.

Mr. Thomson: The figures show it is so.

Hon. Sir JAMES MITCHELL: The Federal Government are not giving us any more than they collect from the general taxes on motor cars, petrol, and so forth. I should say the special taxation imposed in this regard gives the Federal Government a great deal towards the £384,000 Western Australia receives.

Mr. Thomson: There is no special tax on tyres.

Hon. Sir JAMES MITCHELL: I know such a tax was proposed.

Mr. Thomson: It was not imposed.

Hon. Sir JAMES MITCHELL: I know it was proposed; I do not know whether it became law. I am not attacking the Federal Government, but merely pointing out

with what convenience they can finance and be generous.

The Premier: They are so much embarrassed with surpluses that they must get rid of them somehow.

Hon. Sir JAMES MITCHELL: As regards the roads grant, our State Treasurer cannot impose any special taxation, but it is extremely easy for the Federal Government, by means of indirect taxation, to get from us the whole of the amount of the grant. I am not aware that they do so, but I can say that they get a very considerable proportion of it. Petrol imports for last year amounted to well over a million and a third sterling. The import price of petrol is an established price, and the Federal Government must receive a very large amount of revenue, at any rate, from the tax on the enormous quantity of petrol we import. I pointed out last night that the importation of motor car oils exceeded £2,500,000 for last year. It is much easier for the Federal Government, by way of easing their burden, to resort to taxation than it is for our State Government, limited as they are to direct taxation. The Premier informed us recently that the South Australian case had settled the question of our right to collect taxation on motor spirit, and of course it is a fact that all indirect taxation is in the hands of the Federal Government. While regretting that the people are so heavily taxed, I cannot expect the Premier to grant material reductions in taxation; but in Committee I shall endeavour to improve his conception of what ought to be the land tax. I hope he will agree to revert to the regular tax which obtained three years ago. Beyond that I do not propose to offer any objection to the measure.

MR. THOMSON (Katanning) [5.30]: I regret that the Bill has been brought down so early in the session. Certainly the Government put up a record this year in regard to finance and they are putting up another record by introducing this Bill so soon. I do not remember its ever having been introduced at such an early stage of the session.

The Premier: Does it matter what time of the year it comes in? The tax has to be collected. The late appearance of the Bill in the past has been responsible for the arrears in the collection of taxes in each year.

Mr. THOMSON: I do not suppose it matters very much when the Bill is brought

in; the tax has to be paid. I consider, however, that members should have an opportunity to discuss the financial position of the State, before dealing with taxation. If the introduction of the Bill had been delayed until after the Budget, members would have been in a much better position to discuss it, and to judge whether the Bill should or should not be passed as it is. Some of us maintain that the present tax should be reduced. In fact I propose, when the Bill is in Committee, to give the House an opportunity to declare whether or not the tax should be reduced.

Hon. W. J. George: Do you think they should impose two taxes?

Mr. THOMSON: I do not. I asked a couple of questions of the Premier to-day regarding long service leave it was proposed to give to temporary wages men, and he replied that arrangements had not been finalised. We are aware, however, that by administrative acts on the part of the Government, big imposts are being placed on the taxpayers of the State.

The Minister for Railways: Who told you that?

Mr. THOMSON: I suppose the Minister will admit that a certain official connected with the Trades Hall has been negotiating with the Government on the subject of long service leave for wages men. I think the Premier will admit that if the negotiations are not finalised, they are not far from having reached that stage.

The Premier: Who told you they were finalised? Your question to-day suggested that they had been finalised.

Mr. THOMSON: I got it from my informant.

The Minister for Railways: Yes, but who was he?

Mr. THOMSON: The Minister must think I am a little bit raw.

The Premier: You must think we are raw if we do not know the source of your information.

Mr. THOMSON: You do not know it. The Premier's statement is wrong and he had no right to make it. Anyhow, the Premier is not likely to side track me. It seems to me that the Premier doth protest too much. Evidently I touched him on a raw spot.

The Minister for Railways: You said something that was not true.

Mr. THOMSON: I say that negotiations are going on to-day and I defy the Premier and the Deputy Premier to deny the truth of my statement.

The Minister for Railways: But you told us the negotiations were finalised.

Mr. THOMSON: I asked a question earlier in the day, and was told that they were not finalised. Very well, the Government are still negotiating. Neither the Premier nor the Minister for Railways has said that negotiations are not being carried on by a certain official of the Trades Hall for the granting of long service leave to temporary wages men, those who have been in the service for a period of ten years. I suppose a reply will be given to-morrow to the question, notice of which was given to-day by the member for North Perth (Mr. J. MacCallum Smith), who desires to know how long some of those men have been in the service. Reverting to the Bill, we are asked to pass it before we know what our commitments are, and whether it is in the interests of the State to impose this taxation. In previous years, ever since I have been in Parliament, we have always had the financial statement delivered before the presentation of the Taxation Bill. Members then have been able to judge dispassionately the requirements of the State. The Premier stated that we should not anticipate the benefits we may derive from the financial agreement, but statements have been made in this House which show that the Premier himself has anticipated the benefits that will be derived from this agreement. Therefore we are justified in raising a protest and saying that indecent haste is being shown in connection with the introduction of the Taxation Bill at this stage. To my mind members are not being given a fair or reasonable opportunity to judge what amount of taxation should be imposed on the people. With the increasing revenue that the Premier has derived from every source, we should be able to look forward with confidence to a reduction of taxation.

Mr. E. B. Johnston: Especially the land tax.

Mr. THOMSON: I am not permitted to discuss the matter that is now before the Arbitration Court, but we do know that an hon. member, appearing before that court, declared that the question as to how much the claim of the railway employees was going to cost the State, should not be considered.

Mr. Kenneally: You are wrong again.

Mr. THOMSON: I am not wrong again. If the hon. member wishes me to read the newspaper report of his remarks, I will do so. I know what the hon. member said. He tried to prevent the Railway Department submitting to the court figures showing what it was going to cost. He said that the figures would probably be wrong and that therefore they could not be depended upon. I maintain that it does matter to us what the cost is going to be, because we are faced with the position that we must impose taxation on the people without knowing just what our commitments are likely to be.

Hon. W. J. George: They will be giving long service leave to the taxpayers next.

Mr. Corboy: You have had enough long-service leave here.

Mr. THOMSON: These are my reasons for protesting against the action of the Government in introducing the Land Tax and Income Tax Bill at this early stage of the session. To my mind it is an unfair procedure and does not give members the opportunity to decide whether the charge the Government propose to levy upon the people for the next 12 months is fair and reasonable. Therefore, when the Bill reaches the Committee stage I intend to move an amendment to test the feeling of members on the question whether the present tax shall remain, or whether it shall be reduced. In view of the surplus about which we have heard so much—

The Minister for Railways: And which you do not believe exists.

Mr. THOMSON: I invite members opposite to read the speech I made.

The Minister for Railways: No, we listened to it.

Mr. THOMSON: I remember quite well what I did say. I referred to what the member for West Perth (Mr. Davy) stated, but I congratulated the Government on finding themselves in the position of having a surplus, and I expressed the hope that the figures were correct.

The Minister for Railways: Yes, you hoped.

Mr. THOMSON: Yes, I hoped in all sincerity that the figures were correct.

The Minister for Mines: Why express any doubt?

Mr. THOMSON: Because some members themselves expressed a doubt. The member

for West Perth said that the balance sheet was a fraud and a sham.

The Premier: Have you no opinion of your own on matters of this nature?

Mr. THOMSON: The Premier has known me long enough to be aware that I do not rely upon the opinions of others.

The Premier: You are leaning on somebody else.

Mr. THOMSON: Nothing of the kind. I do like members when they interject to be fair. I am sorry to say that there are some members who are never prepared to accept fair criticism when it is offered on the floor of the House. When the Premier amended the land tax last session, he told us that the city would pay the whole of the increase. I regret that at this stage we have not the latest returns of the Taxation Department before us. If we had the report of that department, members would be able to judge whether the proposal contained in the Bill was just and equitable. The Premier told us that the metropolitan area was going to bear the burden of the increased taxation so far as land was concerned.

The Premier: I did not say any such thing.

The Minister for Railways: He would not say such a silly thing.

The Premier: I happened to know what I said—a fair proposition.

Mr. THOMSON: The Premier said that a greater proportion would be paid by the metropolitan area. That is the statement he made, and other Ministers made a similar statement.

The Minister for Railways: Now you are twisting.

Mr. THOMSON: We were told also that the farming community would derive special benefit because the increased tax that they would pay would be returned to them by way of a reduction in railway freights. I am prepared to admit that the Government carried out that promise so far as the freights were concerned, but we were under the impression—I was, at any rate—that the Railway Department would get the benefit of the £45,000 represented by the increased taxation.

The Minister for Railways: What did they want it for?

Mr. THOMSON: If by an administrative act the Government reduce railway freights by £45,000, it is only natural to expect them to recoup the Railway Department to

that extent. That was the impression we all had. To show that other members also had that impression we need only recall the question asked by the member for York (Mr. Latham) who desired to know how much had been allocated to the Railway Department. The reply that was given was, "nothing." The Premier stated that he, as Treasurer, was not going to derive one penny piece of benefit from that increased revenue.

The Minister for Railways: Tell us what he did.

Mr. THOMSON: He took into revenue the money derived from the additional tax.

The Minister for Railways: And reduced the railway freight by that amount.

Mr. THOMSON: And where did he get the money? From the land tax. What is he going to do with the £40,000 that he is going to derive from the sale of the land in connection with the new Savings Bank building?

The Premier: You are an absolute galoot.

Mr. THOMSON: That is a nice remark to come from the Premier. It is just what we might expect. We were told distinctly that the metropolitan area would contribute the greatest proportion of that increased tax. Let me refer the Premier to the latest available return of the Taxation Department, the return for the year ended the 30th June, 1926. I can only express my regret that I am not able to deal with any later report of the department.

Mr. E. B. Johnston: The Government should postpone the consideration of the Bill.

Mr. THOMSON: It would be fairer to members if the consideration of the Bill were adjourned until we have had an opportunity of discussing the returns. The Premier is asking us to vote in the dark. According to the statement supplied in 1926, the increase on country lands was to the extent of 81 per cent., whereas in the metropolitan area the increase was 51 per cent. There is an increase of 30 per cent. in respect of the country lands, although they have not yet been completely valued. The valuation of the land in the metropolitan area has been completed, yet the increase under that heading is only 51 per cent. As against that, on an incomplete valuation, the increase on country lands is 81 per cent. In view of that, I ask the Premier where is the fairness in his statement that the metropolitan area would shoulder the greater proportion of the burden?

The Minister for Justice: That is not apropos at all!

The Premier: Of course it is not.

Mr. THOMSON: It is slightly apropos to those who have to pay the tax!

The Premier: Not at all.

Mr. THOMSON: That is the amazing thing about it. "Nor at all," says the Premier! In a former return submitted to the House, I think, speaking from memory, the proportions were 43 per cent. on account of land in the metropolitan area and 57 per cent. for country land.

The Premier: On the total amount paid?

Mr. THOMSON: That is on the total valuation on the land in the State. That was the basis of the previous land values. Now we come to the latest valuations available, showing an increase against country lands of 30 per cent., and yet the Minister for Railways says that my remarks are not apropos and do not affect the position. We, who represent the country districts, declare that the point I raise does affect the position, and we maintain that the incidence of the tax, as imposed by the Government, is unfair and unjust. Prior to the amendment made by the Government, we were allowed to deduct the land tax from the income tax. It remained for the present Government—those friends of the farmers!—to impose the double tax. The member for Toodyay (Mr. Lindsay) will quote what has been done in Queensland, and other places. We are always quoting the liberal legislation in Queensland as it affects industries and other activities, so that I hope the Government will accept an amendment we propose to move at a later stage. I trust they will reinstate the section, the alteration of which has imposed a great injustice upon one section of the community. Persons engaged in primary industries are not in the happy position of those in other industrial spheres. Employees in ordinary industrial activities are able to go to the Arbitration Court for increased wages. If an award is issued granting their request, the employer is compelled to pay the prescribed increased wages. The manufacturer is also in the happy position of being able to go to the Tariff Board with an intimation that the Arbitration Court had increased wages, which meant for him augmented manufacturing costs, in consequence of which he was entitled to additional protection. Therefore, industries in that happy position are able to pass on the increased costs. I would draw the attention of the Premier and his Ministers to the fact

that we are fast approaching the danger zone in Australia. We are spending vast sums of money for developmental purposes, and in putting people on the land. Yet as soon as a man is on the land and is reaching the stage at which he is able to keep his head above water, the State Government impose upon him this double tax! They single out the primary producers for that burden.

Mr. Griffiths: They will strangle the agricultural industry, like mining has been strangled.

Mr. THOMSON: We can, with confidence, look to the Government to give us some reasonable readjustment of the land tax. The vermin tax has been imposed, and, as the Leader of the Opposition pointed out, we have the local taxes as well. The Government have been in the fortunate position of receiving £384,000 from the Federal Government as a road grant, and while the Premier will have to find 15s. for every £1 made available by the Federal Government, the fact remains that the assistance the road boards have received in the past has been whittled away. That is the amazing feature of the present Government; they are willing to give everything provided we pay. Our costs are increasing in every direction and I am a little anxious as to what will be the position if the member for East Perth (Mr. Kennally) gets his way. I can visualise a considerable increase in railway freights. I do not think the Government will be able to carry on without levying considerably heavier freights to meet the additional charges that may be imposed on the Railway Department. It is estimated that it will cost the Railway Department over £40,000 for long service leave.

Hon. W. J. George: Every year?

Mr. THOMSON: Yes.

The Minister for Mines: Do you oppose long service leave?

Hon. Sir James Mitchell: At any rate, you were not very enthusiastic about it.

Mr. SPEAKER: Order!

Mr. THOMSON: That additional burden means forcing up the cost of administration.

The Minister for Mines: You will not say whether you oppose the long service leave or not! If you had your way, you would make them work 12 hours for 6s. a day!

Mr. SPEAKER: Order!

Mr. THOMSON: That is a most ungenerous statement for the Minister for Mines to make! I think he should withdraw the statement, that if I had my way I would work men for 12 hours for 6s.

The Premier: No, you would give them 6s. 6d. a day!

Mr. THOMSON: That is a very funny interjection! Let me tell the Premier that I have been an employer of labour in this State for nearly 30 years, and to-day I have men working for me who have been in my employ for over 25 years.

Mr. E. B. Johnston: And they are the best paid men in the trade.

Mr. THOMSON: One of the hon. member's union organisers went through my warehouse and the only fault he could find was that we were paying apprentices a little more than was prescribed.

Mr. Corboy: The only fault!

Mr. THOMSON: Yes. The hon. member can rest assured that if the organiser could have found anything to complain about, he would very soon have instituted proceedings against me.

Hon. W. J. George: After all, that is his business.

Mr. THOMSON: That is all very well, but what I desire in this House is some fairness in the interjections.

Hon. W. J. George: You expect altogether too much!

Mr. THOMSON: Probably I do. The point I want to stress is that without knowing anything about our commitments, or what the tax to be levied upon the people will be, we are asked to agree to the Government's taxation proposals, irrespective of what their administrative acts are to be.

Hon. G. Taylor: We can move to reduce the taxation.

Mr. THOMSON: I am going to move in that direction. I will give the House an opportunity of voting on it, and I hope the member for Mt. Margaret (Hon. G. Taylor) will support me.

Hon. G. Taylor: I am not too sure yet.

Mr. THOMSON: Nor am I, not at all sure. What is the use of the Government replying in the way they did to-day to the question I put to them? I was informed that the matter had not been finalised. If the Government are administering the affairs of the State in the way they should be doing, Ministers should have had an estimate from their officers as to what the cost of the long service leave will represent, before entering into negotiations.

Hon. W. J. George: Probably they have got it.

Mr. THOMSON: Of course, they have it.

Hon. W. J. George: They don't want to tell us what it is.

Mr. THOMSON: Their responsible officer must have supplied them with an estimate long before this, but the Government will not furnish us with the information we desire.

Hon. G. Taylor: They should know what it is going to cost before they negotiate on such a question.

The Minister for Mines: Have you not a reasonable idea of what it will cost?

Mr. THOMSON: It is all very fine for the Government to say that the proposals we advance are unreasonable. In my experience quite a lot of unreasonable propositions have been put before us. This continual forcing up of costs in every direction means additional financial burdens all round. The other evening the Minister for Lands stated that it was the high cost of land that was responsible for the Paterson butter scheme, whereby the consumers of Australia will have to pay over £2,000,000—

The Premier: Is this an Address-in-reply speech? We are roaming all over the globe. Now it is the cost of the Paterson scheme!

Mr. SPEAKER: Order! I must ask the hon. member to confine his remarks to the Bill.

The Premier: Of course! He is roaming all over the place.

Mr. THOMSON: I am endeavouring to give my reasons for suggesting that the Government should not have introduced the Land Tax and Income Tax Bill so early in the session.

The Premier: Is that associated with the Paterson scheme?

Mr. THOMSON: I wish to give my view of the situation and I have quoted the statement by the Minister for Lands.

The Premier: What has it to do with the Bill?

Mr. THOMSON: It has everything to do with it, from my point of view. It seems to me that the Premier does not want to hear any argument.

Mr. SPEAKER: Order!

Mr. THOMSON: It is the ever-increasing cost of administration generally that is making the position unsatisfactory regarding the land tax and the income tax. I am prepared to give the Government credit for a reduction of 33½ per cent. in the income tax, but that relief was entirely due to the generosity of the Federal Government.

Mr. E. B. Johnston: To their fairness, too.

The Minister for Lands: You have got it. Why quibble about it?

Mr. THOMSON: Of course we have got it, but even there the Premier showed a profit.

The Premier: That is absolutely incorrect. I showed a loss on that deal.

Mr. THOMSON: I can judge only on the figures supplied to us.

The Premier: I do not care what figures you have.

Mr. THOMSON: The Premier told us that he would receive £160,000 and would take £200,000 credit for taxation lost.

The Premier: Whoever gave you those figures did not know what he was talking about.

Mr. THOMSON: I am giving the figures that the Premier himself submitted to this House last year.

The Premier: There is no truth in your statement.

Mr. THOMSON: I am not disputing any statement the Premier has made regarding the finances of the State. All we have is his statement and I know he is liable to be misled by the taxation officials, just as he was misled when he imposed the land tax upon the people; because he said the country would not have to pay the proportion that the metropolitan area would pay. Therefore, it is quite possible that the Premier, in all good faith submitting to the House the figures at his command, is unintentionally misleading the House.

The Premier: You are talking nonsense.

Mr. THOMSON: The present Leader of the Opposition always left this Bill until practically the closing hours of the session. That was done to give the House an opportunity to decide upon the taxation proposals. We should have the Estimates and the annual report of the Taxation Department before we get this Bill. Then we would be able to go to our electors and say, "From the figures supplied, and the Estimates submitted, and from the Taxation Department's returns, we regret that, much as we would like to have asked for a reduction of taxation, the requirements of the State demand that we should carry on at the old rates." The Premier has not been fair to the House in bringing down this Bill so early in the session. I hope those Government supporters who represent country constituencies will give favourable consideration to the amendment I propose to move, namely, that the rate be reduced from 2d. to 1d. Failing that, I hope the Premier will agree to accept

a provision that will enable the man making a living from purely primary products to pay only one tax; in other words to have the full reduction, instead of the 50 per cent. reduction made available.

MR. E. B. JOHNSTON (Williams-Narogin) [6.3]: We are certainly handicapped in dealing with this measure before we have either the Budget Speech or the report of the Taxation Department. If we had the Taxation Department's annual report we would be in a position to show how heavily the increased land tax has fallen on the people in country districts. From last year's report we find that the valuations of country lands were increased from £4,481,684 to £8,112,931, or an estimated increase on country lands £3,631,247; whilst for the same period city and suburban lands had their values increased from £7,231,578 to £10,970,434, or an increase of £3,738,856. So there has been an increase of 81 per cent. in respect of country lands, but of only 51 per cent. in respect of city and suburban land during the same period. It is quite apparent that the increase has fallen very much more heavily on people in country districts than on people in the city. The Government adopted a wrong policy when, some years ago, they doubled the land tax. Of course, it is true the Premier went to the country saying that he intended to adopt that policy. He was returned, and he put it into operation. However, it has certainly worked hardship and injustice on people in the rural areas, and I urge the Government to take this opportunity to restore the land tax to the old rate of 1d. in the pound on unimproved land and ½d. in the pound on improved land. This is the more necessary when we remember that in the meantime a new vermin tax of ½d. in the pound has been imposed, which is as much as was the whole of the land tax on improved land four years ago. I intend to support the amendment foreshadowed by the Leader of the Country Party, which will restore to every land owner the exemption of £250 on rural lands and of £50 on town lands that the land owners have always enjoyed ever since we have had a land tax in Western Australia. I find it hard to understand why the Government, which had much support from land owners, should take away from the small man the exemption so much valued by him. People in the country have suffered, for

every man in the rural districts enjoyed that exemption of £250, whether his holding was small or large. Now that has been taken away from him. It is the policy of the Country Party to restore that exemption in full to small owners, and I am glad the leader of our party is bringing that amendment forward. People in the country desire to obtain land, and successive Governments have urged people to come to this State and settle on small areas. That is the policy I think we all stand for, and I hope the House will grasp the opportunity to restore to small land owners in the country the exemption of £250 that they always enjoyed until this Government came into power. That and other desirable amendments foreshadowed by the Leader of the Country Party can be dealt with in Committee. I am glad to have this opportunity to do what I can in support of the policy we advocated at the elections of restoring these exemptions and reducing the land tax to the old rate.

MR. LINDSAY (Toodyay) [6.8]: So often have I heard Ministers declare in the House that the land tax has not been increased, that at times I almost believe it myself.

The Premier: No Minister has said the land tax has not been increased. What has been said is that the Treasury has not received any benefit from the increase—an entirely different matter.

Mr. Griffiths: But the Treasury must have received a benefit.

The Premier: The Treasury has not.

Mr. LINDSAY: I find that in 1925 the land tax returned £43,285, whereas in 1926 the collections aggregated £145,830. We have increased the land tax from ½d. to 1d. on land improved within the meaning of the Act, and we have doubled the land tax on both improved and unimproved land. In addition, the exemption of £250 in respect of agricultural land has been removed. Also there has been a large increase in the valuations: indeed, it has been said that the valuations on agricultural lands are double what they used to be. The reason for that is that when the department makes a valuation it values land near to a railway very much higher than it does land at some distance from a railway. The country that has been valued is not along the railways, and consequently a great deal of our land has not increased in value for taxation purposes. However, on land within 12½ miles of a railway

some valuations have been increased by at least 300 per cent. I myself am paying eight times as much land tax as I paid in 1923, and that applies to many other people.

The Minister for Lands: Your land is 50 times more valuable than it was in 1923.

Mr. LINDSAY: That may be, but I am trying to show that the land tax has been increased. And I want to show that there is a limit, as I did the other night, when I uttered a warning and illustrated what had occurred in other countries, namely, that the burden of taxation had been so increased that the farmers of America were practically bankrupt.

The Minister for Lands: Yet in this State thousands of people are looking for land.

Mr. LINDSAY: That is because we can produce more wheat per man than can any other country in the world, so much has the efficiency of the men on the land in Australia increased. The other night I was able to show the House that the efficiency of our farmers had increased in greater ratio than had any other section. However, that is by the way. I do not think it fair for any Government to do as this Government have done. I am not opposed to a land tax devised to bring land into use; but this Government have altered that principle by putting the tax on the man who is bringing his land into use. In the past we had exemption from one or the other tax, the land tax or the income tax. The man not using his land had no income tax to pay, and so he paid land tax; but to-day a man who is using his land has to pay both taxes, which is very discouraging. In going through the Acts of Parliament of the other States I have not found one that charges the full tax without exemption. I have here a pamphlet showing what the Labour Government have done for the farmers of Queensland. There farmers and graziers are allowed an exemption from land tax up to £1,500.

The Premier: It is like Satan quoting scripture, to have you applauding a Labour Government.

Mr. LINDSAY: Well it really seems the Labour Government of Queensland have done some good for the farmers of that State. I was told that in certain circumstances a Queensland farmer is allowed a deduction of land tax not exceeding £100. I was not prepared to agree to that, so to verify the statement I got a copy of the Queensland Act. It is surprising to find that the Queensland Government did the

right thing towards those producing from the soil, so as not to charge them two taxes.

The Minister for Lands: Do you find your land tax so very heavy?

Mr. LINDSAY: It is not very heavy in itself, but when we come to the multiplication of all these taxes, in the aggregate they become quite a lot.

The Premier: Well let us attack the others. This is the fair one.

Mr. LINDSAY: It is not fair. In 1923 I used to pay only 17s. 5d. in land tax, whereas now I pay eight times as much.

The Premier: You were not paying enough in those days.

Mr. LINDSAY: I paid all that was asked of me. I have assisted the Taxation Commissioner with the valuations.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. LINDSAY: I was dealing with the question of land valuation, which is of much greater importance than some members seem to think. We have been told by the Commissioner of Taxation that certain districts have been valued, but in my opinion it is only a temporary valuation and the work of valuing will be continued for many years to come. I was showing that, taking my electorate as an example, there are still many railways to be built and when it comes to valuing land the Commissioner of Taxation, like all other valuers, takes into consideration the distance of the land from a railway. In the Wyalcatchem road district, getting down as far as Yorkkraine, the first-class land is valued at a maximum of 15s. per acre, but land near to the railway is valued at a maximum of £2 per acre. I do not contend that the values are not fair, but I emphasise that the tax will be an ever-increasing one. Whenever a new railway is built there will be a revaluation of the land, and so increased values will be built up. To show what the increase means, let me quote from the Commissioner's report for 1924-25 and compare the figures for agricultural areas with those for the city. The report states—

In my report last year I stated that the increase in the portion of the city area revalued during the year ended the 30th June, 1924, was not available, but these figures have now been completed. In this area the old value was £1,905,510 and the new value is £2,471,396.

For that year, therefore, the increase was roughly £565,000. In the same year nine road districts were revalued—four of them in my electorate—and the increase in the valua-

tion was £1,856,253. In the previous year the land in nine road districts was revalued and the increase was £919,000. In fixing the taxation for the future we have to bear in mind the certain increase in values. In my electorate the Elandring Northwards railway is being constructed. When it is completed a revaluation of the land will be made and many areas will be increased from 10s. to 30s. or 40s. per acre. Members will realise, therefore, how the ratio between city and agricultural lands is increasing. I am not opposed to the imposition of land tax provided it is for the purpose of bringing land into use. When the tax was originated we were told that practically the whole of the increase, amounting to £45,000, was to be handed over to the Railway Department. One of the reasons why the railways do not pay is that much of the land adjacent to existing lines is not being worked. If the whole of the land along the railways were worked, traffic would increase and freights could be reduced. This tax was imposed on all land in order that freights might be reduced, or at any rate to keep freights within reasonable limits. The tax, however, has penalised the man who is producing from his land and not the man whose land is lying idle. That is an injustice. The exemption of £250 was abolished, and when we consider the land tax Acts of other States, I am surprised that we agreed to it. In Queensland there is an exemption up to £1,250 on all agricultural, grazing or pastoral land, and in addition there is an exemption up to £100 on all land tax paid. A landholder pays his £100 and gets an exemption to that amount in his income tax. Here, however, the Labour Government are doing just the reverse of what the Labour Government in Queensland have done.

The Premier: You have always advised us never to follow Queensland's example.

Mr. LINDSAY: In some things I believe even Queensland is right. I certainly consider that the Queensland Government did the right thing in providing those exemptions under the Land Tax Act.

The Premier: It seems that we cannot please you.

Mr. LINDSAY: The small farmer should not be called upon to pay the double tax. I have been reminded that land tax is a very small tax. I agree that it is not very large. The unfortunate part is that owing to the increase in valuations our taxation generally

is increasing, because the road boards accept the Commissioner's valuations. The road boards have to increase their rates because of the heavy cost of making roads and also because the Government for a number of years have been reducing the subsidies paid to road boards. That applies not only to the present Government but to previous Governments. Though of itself the land tax may not appear to be very important, the aggregate of all the taxes constitutes a burden that is becoming serious. Let me sound a note of warning. We have to depend on the agricultural industry, and it is not right to place undue burdens on the men who are opening up the country and making it productive. I am surprised that this Bill has been brought down so early. Road boards are distinctly directed by the Act that before striking a rate they must draw up estimates of the amount of revenue required to meet the year's operations. Not until the estimates have been drawn up do they strike the rate that is to produce the money. Yet the Government of the State, without preparing any estimates, bring down this Bill.

The Premier: I had a draft of my estimates long ago, and I know what I require.

Mr. Davy: But it is not final?

Mr. LINDSAY: I think Parliament has been slighted by the Premier in that he knows his requirements and we do not. Yet he asks us to agree to something that we know nothing about. The chairman and secretary of a road board do not decide what rate shall be levied. They place their estimates before the board meeting and the meeting decides the question. I consider that the Premier has slighted the House by bringing down this Bill when we do not know what rate of tax is required.

Mr. Sampson: A road board rate is struck after members of the board are informed what expenditure has to be faced.

Mr. LINDSAY: I find some difficulty in speaking on this question, because there are more things involved than the mere matter of rate of tax. I should like to be able to deal with the assessments, but I know that if I did so I should be out of order.

Mr. J. H. Smith: You could have a try.

Mr. LINDSAY: Not only should we consider the rate to be paid; we should also discuss the questions of exemptions and deductions. Yet over a long period of years this House is not given an opportunity to discuss those questions. Having compared

our Acts with those of other States, I am satisfied that ours is the worst Land and Income Tax Assessment Act in Australia. How some of the anomalies crept in I do not know. The Queensland Act shows that the Government of that State did give some consideration to the agriculturists, not only when fixing the rate of tax but when determining the question of exemptions and in making many amendments to their Act. I hope the House will be given an early opportunity to deal with the Land and Income Tax Assessment Act, which is certainly the most important statute that claims our attention. The Leader of the Country Party has indicated an amendment he intends to move in Committee. I shall support the amendment, but I would much rather have an opportunity to deal with the questions of deductions than merely to vote on an amendment to reduce the rate of tax. The incidence of the present tax is unjust and it is not right that a struggling agriculturist should be deprived of the exemption and have to pay both taxes, as he does to-day.

MR. ANGELO (Gascoyne) [7.41]: The presence of this Bill affords a golden opportunity for the Premier and his colleagues to prove their claim to be the friends of the producer. Many times we have been told in this House, and it was repeated during the recent elections, that our friends on the Government side have done more for the producer than have any previous Government.

The Minister for Lands: Hear, hear!

Mr. ANGELO: Previous Governments recognised the injustice of compelling the producer, especially the struggling man, to pay both taxes. Yet a year or two ago the so-called friends of the producer abolished the exemption and imposed the second tax. Now, however, they have an opportunity to prove their friendship to those who, after all, are building up this State of ours. We all realise the difficulties confronting the man in the country as compared with the man in the city. The city dweller has many comforts that the farmer does not enjoy. The farmer's living expenses are greater than those of the city dweller, he pays more for his food, medical expenses are heavier, education for his children is more costly, and he enjoys very few of the advantages of amusement and pleasure that are open to the city dweller.

Mr. Davy: Less opportunity to spend money, though.

Mr. ANGELO: That might be so, but the city dweller does get something for his expenditure. Unfortunately Australia is becoming a paradise for city dwellers. We are building up six huge cities, and it is the hardest thing in the world to get a city man to go on the land. In fact, every day we find people leaving the land and moving into the city. As a previous speaker has said, the land tax is a small one and not much to give away, but the Government should make the concession to the man who is putting his land to good use. That is the only man who should be relieved of the tax; the benefit should be for the new-comer who has just gone on to the land. Let the Government give him this little encouragement. I ask the Premier to agree to the amendment outlined by the Leader of the Country Party. Let the Government do something, even to the extent of this little mite, to help to keep people on the land and perhaps induce some of the city dwellers to take up land and help with production that after all benefits every member of the community. Our producers are tapping the real sources of the country's wealth, and should be assisted in every possible way.

MR. GRIFFITHS (Avon) [7.45]: I do not intend to say very much more than has already been said by the Leader of the Country Party (Mr. Thomson) and the member for Toodyay (Mr. Lindsay). Various members have interjected to the effect that the tax is not so great after all. It is not so much the question of the tax, as it is of the additional imposts that are being piled up on the farming industry. I was somewhat amused when the Leader of the Country Party referred to the increased outlay the Premier would have to face this year regarding casual hands in the Government service. One member remarked that they should be looked upon as permanent hands after ten years' service. Last year when I was trying to establish a case for a certain individual, who had been thirty years in the service as a casual or temporary hand, members laughed, and yet some of them think that after 10 years State workers should be regarded as permanent employees.

The Minister for Lands: You will not be permanent after 10 years.

Mr. Thomson: It will probably be long service leave without pay.

Mr. GRIFFITHS: I shall do my best to make the position as permanent as I can while I am here.

Mr. Corboy: What will you do when that railway is built?

Mr. GRIFFITHS: It will make the position interesting. At the last elections I had too much of a runaway. Mention has been made of the land tax, the abolition of the £250 exemption, and increasing the amount of the tax that is deductible, making it 50 per cent. instead of deducting the whole tax. They are matters on which the farmers feel very strongly. The Premier said that the collections had not been affected. The figures show that the increased valuations put upon agricultural areas have made a material addition to the Treasurer's income. The valuations in the metropolitan area are final, but it will be many years before they are completed in the agricultural areas, so that each year there will be taxation upon a greater amount represented by the increased values. I have had figures placed before me which are startling when comparing the position five years ago with that of to-day. It is said that the tax does not amount to much. It is a case, however, of continually increasing the burdens one way or another upon the agricultural community, and thus adding to the cost of production. I interjected just now that the mining industry had been strangled. I would call the attention of the House to the warning of the member for Toodyay, when he pointed out what had happened in other agricultural countries. To-day I had a look at the London "Daily Mail" of the 9th July, which showed the parlous condition of agriculture in the county of Kent. The farmers had to appeal to the Government to help them out of the difficult position in which they found themselves. The same thing applies to the county of Monmouthshire. It may be said that our agriculturists are doing well. A great deal of that is on the surface. Mr. Angwin repeatedly referred to the motor cars that belonged to farmers. Many people have motor cars in country districts. In most cases they are a necessity, but numbers of owners of motor cars would be better off if they had left them alone. When one inquires into the financial positions of owners of motor cars or

tractors, a sorry tale is sometimes revealed. Numbers of people have got into difficulties because they have made those purchases. Although a motor car is very useful in far out parts, it has been found to be not an unmixed blessing in numbers of instances. I support in general terms the remarks of the Leader of the Country Party. The Premier has a surplus of £28,000, which might well be devoted to the laudable object of effecting a reduction in land taxation.

MR. J. H. SMITH (Nelson) [7.50]: As the Premier knows, I have not been greatly opposed to fair taxation, but I think the increase from 1d. to 2d. in the taxation on unimproved land is rather too great a burden upon the State.

Mr. Lindsay: It is a tax on land values.

The Premier: It has not gone from 1d. to 2d. all round, either. You are wrong in both statements.

Mr. J. H. SMITH: I am not wrong. The tax was imposed to a great extent for a specific purpose. It was imposed to give railway men long service leave.

The Premier: There is not a shadow of truth in that statement.

Mr. J. H. SMITH: The money had to come from taxation. It has been on the tapis for 3½ years.

The Minister for Lands: You are a beauty!

Mr. J. H. SMITH: It is a fact which cannot be denied.

The Premier: You are a stupid man. The money we got from the tax we gave away in reducing railway freights.

Mr. J. H. SMITH: Of what benefit was this £40,000 to the farming community or the man on the land? It is said it was given to reduce railway freights. That does not affect them.

The Minister for Lands: Then we will keep it.

Mr. J. H. SMITH: It is no direct benefit to them.

The Minister for Lands: Do you say it should not have been given?

Mr. J. H. SMITH: It is of no benefit.

The Minister for Lands: Then why should we give something which is of no benefit?

Mr. J. H. SMITH: The increase was given for a specific purpose. I can go back to the last three or four years when the Minister for Railways, sitting as a private

member on this side of the House, submitted a motion to give the railway men long service leave. I naturally thought, when this increased taxation was imposed, that it was brought in for that specific purpose. I thought that behind the mind of the Government was the idea that if they got this increased revenue out of taxation, they would be able to make provision for that which was practically promised 3½ years ago on the hustings. We find that no such provision has been made. I believe the Treasurer could reduce land taxation by at least ½d. in the pound. Land values have increased out of all proportion to what they were, and in many cases have been increased where the increase was not warranted. In my district the Federal officers have made assessments that are out of all proportion to the value of the land taxed. These assessments have been adopted by the State Department and road boards, and consequently the people concerned are having a bad time. I could point to one man holding land on one side of a road that was valued at £2 an acre under the old system, and to another man holding land on the other side of the road whose land was assessed at £8 or £10 an acre. The whole thing is unjust. The Treasurer could reduce the land tax by at least ½d. in the pound. He could consider the possibility of taking into revenue the £40,000 he will get from a class A reserve. I have never objected to land taxation, but I have always said I believed it should be levied on unimproved land.

The Premier: When you belonged to our party, you supported a tax on unimproved value; that is if you understood such a tax.

Mr. J. H. SMITH: That was many years ago.

The Premier: You said you always supported a tax on unimproved land. I remember supporting you on that.

Mr. J. H. SMITH: The Premier has said something that is not true.

Mr. SPEAKER: Order!

Mr. J. H. SMITH: The Premier did not support me in any election for which I stood. That is why I am now in Parliament.

The Premier: As a matter of fact I spoke in the Bridgetown town hall with you. Do you not remember it?

Mr. J. H. SMITH: In favour of my candidature?

The Premier: Yes, when you stood as a Labour candidate.

Mr. J. H. SMITH: I remember now. I lost the election on that occasion. I apologise.

The Premier: You did lose the election. I sent you out to the backblocks.

Mr. J. H. SMITH: I had forgotten the incident.

The Premier: Even my influence could not pull you in that time.

Mr. J. H. SMITH: When I had not the Premier's influence, I was elected. I was very thankful for the Premier's assistance on the other occasion.

The Premier: You were advocating a different land tax then.

Mr. J. H. SMITH: No, throughout my public life I have advocated a tax on unimproved land. That is what we want now, and that is why I intend to support the Premier in the Closer Settlement Bill. We should not tax a man on land values, for that means taxing a man's energy. I hope the Premier will accept the amendment and reduce the 2d. tax.

The Premier: What amendment?

Mr. J. H. SMITH: That which will be moved later.

The Premier: By whom?

Mr. J. H. SMITH: It will be moved from this side of the House, and I shall be very disappointed if it is not moved by the Leader of the Opposition.

MR. BROWN (Pingelly) [7.58]. I am to some extent in the dark over this question. It is only right that the Premier should take the House into his confidence and let us know why he requires this tax. Of course, the income tax and the land tax are brought down to raise revenue. A certain amount of revenue is required for the proper conduct of State affairs. At the same time it is only right that we should know why this Bill is being brought down. I know we have had it before, and that we must pass it. I look upon the Government as constituting a huge business concern. All the Governments in Australia are business concerns. They have to take on certain work which private business people would not take on. We, as directors, ought to know that whatever tax is imposed is going to be for the welfare and the benefit of the State. A business man will look round and see from what source he is deriving his income. If it is necessary to foster a certain line, a business man will foster it to the utmost

extent. He knows that from that particular source the major portion of his income is received. Undoubtedly our State income is derived from the production of the man struggling on the land. To impose too heavy a tax on the producer would be a great mistake. We have an example of the truth of that assertion in our railway system. Western Australia probably has more miles per capita than any other country in the world—4,000 miles of railway with a population of less than 400,000 souls—and yet our railway system is a paying proposition. The fact that our Commissioner of Railways has contrived to make the system pay must represent one of the most remarkable achievements in the world. But the railways are made to pay simply by production from the land. Therefore the imposition of exorbitant taxation on land would be one of the greatest mistakes that could be committed. The man on the land already has to pay many taxes, and that is where the rub comes in. From last year's reduction of the income tax by one-third the majority of us reaped some benefit, but the imposition of other taxes is causing the benefit to vanish. I do not know whether or not the Premier intends to budget for a surplus next year. Probably he is contemplating large expenditure on new works. However, he has not taken us into his confidence on that point. With another abundant harvest we shall probably have a surplus—derived from the man on the land. The conditional purchase leaseholder eagerly looks forward to becoming a freeholder, but immediately his land does become freehold a perpetual tax is put on it, and so he finds himself in almost the same position as when he was a leaseholder. Land near railways is now valued at a much higher rate for taxation purposes than land outback. However, on land that in its unimproved state is valued at £2, a tax of, say, 2d. in the pound represents a large sum. The landholder near a railway has to pay a special tax. We were told that to compensate for these taxes imposed upon the man on the land there would be reductions in railway freights, but those reductions apply only to first and second class goods. Indeed, the reductions are so small that the benefit from them is inappreciable. I fail to see that those reductions have advantaged the farmer in any way. I consider it reasonable that city and town dwellers should pay a fair land tax and a fair income tax, seeing that they depend entirely on what the

country produces. It is only right to look after the interests of the men who produce the wealth on which the cities and towns live. Rates of taxation should be reduced, more particularly the rate of land tax. We do not know what is ahead of us. No doubt before this session closes we shall know the Premier's opinions regarding the abolition of the per capita payments and as to what taxes will need to be imposed to make up for the consequent deficiency.

Mr. Lambert: You ought to ask the Federal Country Party.

Mr. BROWN: No doubt the situation will be explained to the House, and members will then be in a position to know how the State is to carry on. I trust the Premier will give every encouragement he can to the producers. Western Australia has millions of acres awaiting development. Hundreds of miles of new railways will have to be constructed in our territory so that those lands may be taken up and rendered productive. Therefore, Western Australia will require considerable capital, and I have no hesitation in advising the Premier to go on the London market or any market where he can get cheap money for the purpose of developing Western Australia's lands as quickly as possible.

The Premier: About how much would you suggest?

Hon. G. Taylor: Whatever the lenders have got.

Mr. BROWN: I would not hesitate to borrow three or four millions and put the whole of the money into railways.

The Premier: We have been borrowing about three millions a year.

Member: The member for Pingelly (Mr. Brown) should have said, "Thirty or forty millions."

Mr. BROWN: The trouble is that the money borrowed does not go into railway development. During the last three or four years this State has built only about 150 miles of railway, while people are crying out for land, which we possess in abundance. The Premier has a splendid opportunity to borrow money for the speediest possible development of our lands. Undoubtedly we have the country and the climate for agriculture. If we could advertise our lands as being equipped with railway facilities, in less than six months nearly every available acre would be taken up.

The Minister for Lands: What is all this about?

Mr. BROWN: About land tax and income tax. In the interests of the State all taxes on the primary producers should be made as light as possible, because, after all, it is on the primary producers the State has to depend for revenue and the development of Western Australian lands.

HON. G. TAYLOR (Mt. Margaret) [8.7]: If we had the Annual Estimates before us we would know what the income and the expenditure for the current financial year are likely to be; but taxation proposals are already being brought down. From what we have heard this afternoon in reply to questions, and from what we have learnt from speeches delivered on the hustings, the Government, if they carry out a certain election promise, will have to find at least £300,000. Presumably the Minister for Railways knows what will be the position when the Government have to honour their promise of long service leave for the railway employees. Over three years ago, nearly four, the then Minister for Railways, Mr. Scaddan, stated that there were about 6,000 railway employees. I have here his remarks as recorded in "Hansard." Mr. Scaddan estimated the number of railway employees to whom at that time long service leave had accrued at 3,079, and the value of that leave at £297,300. He went on to say that the same conditions would apply to the Tramways and Electricity Supply employees, and that the cost would be about £5,000, making a total of approximately £303,000. Mr. Scaddan went on to elaborate the figures. The present position is that we have approximately 8,000 railway employees, if I remember correctly the Commissioner's figures. If long service leave for 6,000 employees would cost £297,300, the cost for 8,000 employees would be considerably more, and would increase still further with the progress of time. The then Minister for Works stated that after long service leave due at that time had been satisfied, the annual cost would be about £42,000. The annual cost will be more now. Further, I believe the whole of the Government workers will also receive long service leave. This means another considerable increase on the number of 6,000 estimated four years ago. In view of these circumstances I fail to see how the Government can meet their financial obligations on

the basis of taxation similar to that of last year. Notwithstanding the great windfall from the Federal Government, we are not showing up too well and have to meet this heavy expenditure. We have a surplus which I will not question, but this increased expenditure must take place. To-day we heard a few remarks to the effect that the Government were considering the matter of long service leave, but over three years ago the present Ministers promised that if a Labour Government were returned to power long service leave would be granted. When the Collier Government's taxation proposals showed an increase on the demands made by the previous Government, it was assumed by some people that perhaps the extra burden represented the cost of long service leave. After a wait of three years nothing had been accomplished; but on the eve of the last election, just at the deathknock, long service leave was again promised. I know that from the member for Menzies (Mr. Panton), who was supporting my opponent in the Mt. Margaret election. The member for Menzies stated from the public platform that the Government had given the railway employees long service leave. The local railway people, comprising maintenance men, locomotive drivers, firemen, and porters, were perfectly satisfied. That was in March, and we are now at the end of August, and yet, to my surprise, the Government are merely negotiating and simply considering the question. I am anxious to hear the Treasurer deliver his Budget, when we shall know what are his latest proposals for meeting the heavy obligations which must fall on the Treasury during the current financial year. I know an amendment is to be moved when this Bill is in Committee, and while I have no desire to reduce the Government's financial activities I do want some distinct justification for the proposed taxation, which, I may add, will in my opinion be more than needed. I should have liked the Premier to deliver his Budget before bringing down taxation proposals. I do not know that this Bill was ever before the Assembly at so early a stage as in the present case. I do not know what is the reason; I suppose the Treasurer knows. Probably the hon. gentleman will reply that it is difficult for him to bring down his Estimates so early in the session. They never have been brought down at so early a stage. I must

gave the present Treasurer credit for having brought down the Estimates earlier than any other Treasurer whom I have known while I have been in the House. I freely give the hon. gentleman that credit. Still, if we had before us the Budget and the Auditor General's report, we could discuss the finances purely on their merits, and without any carping criticism. But we are now asked to pass taxation proposals as to the need for which we have no definite knowledge.

The Minister for Lands: You expected these taxes to be higher?

Hon. G. TAYLOR: I did, having regard to the financial obligations which the Government have promised to fulfil.

The Minister for Lands: But you did think the taxes would be higher.

Hon. G. TAYLOR: They ought to be. Still, I want to know whether there is any necessity for making them higher.

The Minister for Lands: You have already assumed that.

Hon. G. TAYLOR: We should know precisely. This afternoon the Premier said that the matter of long service leave was under consideration and that negotiations were proceeding. I would like to know definitely what is the position. In my opinion it is about time the Government granted the long promised long service leave, which was proclaimed from public platforms and out of which a great deal of political capital was made during the general election; but to-day it seems as far away as ever.

The Minister for Lands: In your opinion the tax is not high enough?

Mr. SPEAKER: Order!

Hon. G. TAYLOR: If the Minister wishes to make a speech, I will give him the opportunity. The House should have a full knowledge of the exact financial position and the requirements of the Treasurer before being called upon to pass any taxation proposals.

THE PREMIER (Hon. P. Collier—Boulder—in reply) [8.15]: I cannot avoid the thought that a number of members have been indulging in a sham fight. There has been a lot of shadow sparring during the discussion. I hope I am not unfair in saying that nine-tenths of the remarks made by the majority of members have been lacking entirely in sincerity. Having talked

so much a few months ago about how the Government had increased land taxation, members probably felt obliged to take the first opportunity to justify their remarks.

Mr. Thomson: No, we dealt with facts.

The PREMIER: The member for Kataning (Mr. Thomson) roamed, as he usually does, over the whole political landscape. As a matter of fact, I hope I am not reflecting in any way when I say that the discussion resolved itself into an Address-in-reply debate. It covered references to motor cars, the Paterson butter scheme, long service leave for the railway men and most of the subjects hon. members are familiar with because of their frequent references to them on the hustings. All were brought into the discussion upon this simple question.

Mr. Thomson: Very simple!

The PREMIER: As to long service leave for the railway employees, the member for Mount Margaret (Hon. G. Taylor) fears that the tax proposed is not high enough to meet requirements. I gathered from the remarks of other hon. members who referred to the question, that in their opinion the tax is altogether too high because the Government propose to grant long service leave, and they held that the land tax had been increased because of that fact. They asserted that the tax was to be continued this year at the proposed rate because of the Government's action regarding long service leave. Surely hon. members will not object to the tax on that score, because, if I remember aright, all pledged themselves to support long service leave during the recent elections. In fact, some said that they were prepared to go further and to pay the amount in a money grant, rather than spread the long service leave over a number of years.

Mr. Thomson: Do you accuse me of saying that?

The PREMIER: Certainly every member of the Opposition, I believe, pledged himself to the granting of long service leave. I include the hon. member in that statement.

Mr. Thomson: No, I opposed it.

The PREMIER: I believe practically every member of the Opposition pledged himself in that direction.

Mr. Thomson: I did not support it at all.

The PREMIER: In the circumstances, members should not oppose the tax on that score.

Mr. Thomson: Your memory is at fault; I did not support it.

The PREMIER: Well, most hon. members did. I am charged with bringing down the

taxation proposals too early. Some hon. members object to it coming before the House at this stage. The member for Tood-yay (Mr. Lindsay) suggested it was slighting the House. As a matter of fact, the tax Bill should be the first to be introduced each session of Parliament.

Mr. Thomson: That is a matter of opinion.

Mr. Davy: Should the Bill be introduced before the Estimates are discussed?

Mr. Thomson: The Estimates should come first.

The PREMIER: How can a Treasurer finalise his Estimates unless he is able to determine the amount of taxation he will receive? How can a Treasurer do that unless the rate of tax is fixed? If a Budget is to be placed before Parliament, the Treasurer must know the rate of tax so that he will know the amount he will receive. That applies to the land tax and the income tax as well.

Mr. Griffiths: How was it done in previous years?

The PREMIER: If a Treasurer brought down his Estimates and calculated that so much would be received by way of taxation, and later on the House refused to agree to the rate of taxation on which that Treasurer had based his calculations, where would the Budget be? The whole of the calculations would be upset.

Mr. Thomson: This is a new method of finance!

The PREMIER: The hon. member knows as much about finance as he does about most other things.

Mr. Thomson: He knows as much as you do.

The PREMIER: The hon. member usually quotes what other people say. It is usual for him to quote what someone else has said and to add that if that were correct, something or other would be the position. Will the hon. member tell me what will be the position if the Budget is based on a certain rate of taxation that Parliament subsequently refuses to grant?

Mr. Thomson: How did other Treasurers get on?

The PREMIER: Certainly they got through, but I am following a procedure that I think is the proper one.

Mr. Davy: You say that the proper way is to tax first and then fix the expenditure.

The PREMIER: No. I say that when I have the authority of Parliament to impose taxation at a certain rate, I will know what my receipts from taxation will be; then I can

frame the Estimates and present the Budget. Previous Treasurers have always assumed that the rate of tax they have in mind will be granted by Parliament, knowing that they have a majority in the House behind them. If that were not so, how could they estimate what they would receive?

Mr. Davy: Now we are to grant taxation without knowing what the expenditure is to be.

The PREMIER: If Parliament refused to allow our taxation proposals to pass, after I had counted on certain receipts, where would the Budget be then?

Mr. Thomson: You know Parliament could not refuse you your proposals, because you have a majority behind you.

The PREMIER: I do not know what may happen. The hon. member apparently hopes to achieve some result because he intends to move an amendment to reduce the tax. I claim that the proper method to be adopted is to ask Parliament to approve of the taxation proposals first.

Mr. Lindsay: Then this is the first time that the proper procedure has been followed.

The PREMIER: That does not matter. If what I propose is correct, then that is possibly the only reason why the hon. member thinks the procedure is wrong! The question should be discussed on its merits, otherwise we will be getting back to the dark ages.

Hon. Sir James Mitchell: It does not matter when the taxation proposals are brought in, but what does matter is the taxation itself.

The PREMIER: I know the hon. member would not have made such a silly statement as that to which I take exception.

Mr. Davy: As a fact, is it not unusual to introduce the taxation Bill before the Budget is before the House?

The PREMIER: As a fact, I believe it is. The taxation proposals are usually introduced after the Budget, but that does not furnish any reason why the Bill should not be introduced at an earlier stage. My view is that the taxation Bill should properly and logically come before the Budget. If that course were adopted, then the Treasurer would know how to frame his Budget.

Mr. Davy: That is where the points of view of Parliament and of the Treasurer differ.

Mr. Thomson: That is so.

The PREMIER: Is it?

Mr. Davy: I suggest that it is.

Mr. Angelo: What you complain of really happens, because you deliver your Budget speech before your Estimates are agreed to.

The PREMIER: I do not recognise the point the hon. member is driving at.

Mr. Angelo: The same thing applies in this instance.

The PREMIER: There is another sound reason why the taxation Bill should be introduced at the commencement of a session. The Taxation Department has to collect a year's tax within a year and in the past we have allowed about six months only in which to do a year's work. Usually, no taxation assessments have been issued until December and frequently not until January. The result is that the Taxation Department officials have to work overtime in order to carry out rush work. They have to do in six months what they should be allowed 12 months to cope with. If we did that, we would pretty nearly collect in each year the taxation that properly belonged to that year. In the past there has always been a very considerable carry-over from one year to another. This year a substantial amount of income revenue was brought into the revenue returns that should have gone towards last year's revenue.

Mr. Thomson: That has been so for years past.

The PREMIER: But it is wrong.

Mr. Thomson: What difference does it make?

Hon. G. Taylor: How can it be avoided?

The PREMIER: If the taxation proposals are agreed to, the assessments can be issued earlier.

Mr. Thomson: It will make a difference in one year.

The PREMIER: It will avoid the heavy carry-over from one year to another. Much of that can be avoided by passing the taxation Bill early in the session, thus enabling the Taxation Department to issue the assessments early in the financial year and thereby collect in the year the taxation that properly belongs to that period.

Mr. Thomson: There has always been a carry-over, so what difference does it make in the end?

The PREMIER: It makes this difference; that in the past we have not known definitely how much of the taxation revenue belonged to a particular year. The officers of the Taxation Department have not been able to say the exact amount of taxation outstand-

ing at the end of each financial year. All that we can be told is that a considerable amount of taxation due in one year will have to be taken into revenue for the next year. Surely it is only business-like to afford the department an opportunity to do a year's work in 12 months and not in six months. Already two months of the financial year have passed.

Hon. G. Taylor: And all the taxation returns are not in yet.

The PREMIER: That is so, but if the Bill is passed at this early stage of the session, it will enable the assessments to be issued promptly. Last year no assessments went out until the last week in December and even then only a few were issued. Thus, hon. members will see that the officers of the Taxation Department had to rush through in the remaining six months of the financial year work that could have been spread over a greater portion of the 12 months. It has been usual in other years to bring the staff back and pay them overtime in order to get the assessments out so as to collect the revenue before the end of the financial year.

Hon. G. Taylor: That has always been so.

The PREMIER: I cannot see any reason why the Bill should not be introduced at this stage. It cannot make any difference to hon. members, because they have the opportunity to discuss it. It cannot have any effect on the finances other than in the directions I have indicated.

Mr. Thomson: That is where a difference of opinion comes in.

The PREMIER: Hon. members have had a good deal to say about the land tax. I cannot avoid the belief that they were just talking to their electorates.

Mr. Thomson: You support our amendment.

The PREMIER: The member for Tooday (Mr. Lindsay) declared that Ministers had said the Government had not increased the land tax. Ministers have not said anything of the sort. What they have said is that the Treasury, the finances of the State, have not benefited to the extent of £1 by the increase of the land tax; for although the land tax was increased, an equal amount was given away in railway freights.

Mr. Thomson: But the taxation returns show considerably more than that.

The PREMIER: The hon. member ought to know the reason why considerably more is shown. It is because the valuations also

have been increased. But the Government were not responsible for that.

Mr. Lindsay: You doubled the tax on the increased values.

The PREMIER: No, we doubled the tax, and the valuations were then increased. It is the valuations that have been responsible for the increased amount received from land tax. However, as I say, this Government had nothing to do with increasing the valuations.

Mr. Angelo: Still, you got the benefit of that increase.

The PREMIER: I have never said we did not get that benefit. What I have said is that this Government were not responsible for getting increased revenue from the increased valuations. The increased valuations started years ago, and will be going on for years to come.

Mr. Thomson: How can you argue that way, when you doubled the land tax?

Hon. Sir James Mitchell: I think the Premier told the electors I was responsible for the increased valuations.

The PREMIER: No, I said the revaluations began when the hon. member was in office. They began in 1921 or 1922.

Hon. Sir James Mitchell: And of course the process must keep on.

The PREMIER: But all over the country candidates at the recent elections charged this Government with responsibility for the increased valuations.

Hon. Sir James Mitchell: I did not tell them that.

The PREMIER: No, of course the hon. member did not; he knew the facts. But it was said all over the country that we were responsible for the whole thing, for the increased amount in land taxation, both as the result of the direct increase in the tax rate and as the result of the revaluations. I accept no responsibility at all for the revaluations.

Hon. Sir James Mitchell: Nobody can object to pay taxation on a proper valuation.

The PREMIER: Of course not.

Hon. Sir James Mitchell: This Parliament has control over the rate of the tax.

The PREMIER: Yes, but the Government have no control over the valuations. Still, an attempt was made to show all over the country that this Government were responsible for the valuations. The farmers were made to believe that it was for us to either reject or accept the increased valuations, and that we were in every way responsible for them.

Mr. Lindsay: Even the Government in power when the revaluations started were not responsible for them.

The PREMIER: I am not saying who was responsible. I know that in 1921 or 1922 the proposal was discussed between the then State Government and the Commonwealth Government. It was agreed to have a revaluation made by direction of the two Governments, and the major portion of the expense of revaluing was borne by the State Government. I think it was a right thing to do. The then Premier agreed to the revaluation. Undoubtedly the time had arrived when a revaluation should be made.

Hon. Sir James Mitchell: Had land values fallen, the valuations would have been reduced.

The PREMIER: Of course so. The valuations of that time were entirely out of date, and a revaluation was long overdue.

Mr. Lindsay: That is so.

The PREMIER: Yet members to-night have talked about the increased valuations, and complained that they have been doubled, in some instances increased fourfold.

Mr. Thomson: And the tax has gone up.

The PREMIER: Hon. members to-night have stressed the fact that the valuations have increased fourfold. That does not prove that the valuations are excessively high. What it does prove is that those men, the valuations of whose land have increased so much, have for years had the benefit of valuations much below the proper value of the lands; and therefore they owe to the Treasury retrospectively a considerable sum of money. Where a valuation of, say, 10s. per acre has been increased to 30s. per acre it means that for many years the farmer had the benefit of a valuation 20s. per acre too low.

Mr. Lindsay: Until 1920 one could not sell a wheat farm for its unimproved value plus the cost of improvements.

The PREMIER: But the value did not increase 300 per cent. in one year.

Mr. Lindsay: No, but it did in three years.

The PREMIER: It increased gradually.

Mr. Lindsay: That is so.

The PREMIER: What is all this cry about the burden of taxation, that we have increased the taxation? It has been urged against us that we doubled the tax. That way of putting it, of course, always looks more impressive to the elector considering our sins of commission, than if it had been said that we increased the tax by one half-penny in the pound. From one end of the

country to the other in the farming districts candidates succeeded, perhaps unintentionally, in making the farmers believe that we were responsible for heaping enormous burdens of land taxation upon them, burdens for some of which, particularly the increased valuations, we had no responsibility whatever. That is the position.

Hon. Sir James Mitchell: You did not stop the revaluations.

The PREMIER: Of course I did not. I am not complaining of the revaluations. I am only just remarking that an attempt was made to place the whole of the responsibility for them on the shoulders of this Government.

Mr. Griffiths: All the attempt I made was to dub you "Lucky Collier" in having the increased valuations.

The PREMIER: Well, you were a fair critic, at all events in that respect; much fairer than many others. What, then, is this great outburst about doubling the tax? Take an average farm. I have not the figures, but the member for Toodyay will have a pretty fair idea of the valuations of farming land. Take the wheat belt around. What would be the range?

Mr. Lindsay: From 10s. an acre to £2 an acre.

The PREMIER: There would not be many as high as £2. In most of the wheat belt, I suppose from 25s. to 30s. per acre would be the unimproved value. If we take 30s. we are going pretty high; the number above that would be a small minority. If we assume a thousand-acre farm at 30s. per acre, the land tax on that farm would be £6 per annum. A man on a well improved, up to date farm in, say, the Bruce Rock district, with a valuation of 30s. per acre, pays land tax of £6 per annum, and of that amount this Government are responsible for £3. Previously he would have paid £3; we doubled it, bringing it up to £6.

Hon. Sir James Mitchell: Then there is the dog tax.

The PREMIER: But I want to show how little justification there is for the complaints made this evening. Someone else, perhaps, will point to the worm tax. However, there is the position. Despite all the complaints we have had to-night, a successful farmer has to pay £6 per annum land tax.

Mr. Thomson: Some considerably more.

The PREMIER: And some considerably less. Those whose land was valued at only £1 per acre would pay £4 per annum. Not more than 50 per cent. of the farmers of the wheat belt would have valuations exceeding £1 per acre, and so they would pay land tax of not more than £4 per annum. And whilst this cry is raised about our having increased the land tax and extracted from the poor farmer an additional £3 per annum, not one word is said of the relief we have given him by way of reduced income taxation.

Mr. Thomson: You gave every other taxpayer the same relief.

The PREMIER: I venture to say that while perhaps we have added £3 per annum to the farmer's land tax, we have relieved him of income tax to the extent of £50. £60 or £70 per annum.

Hon. Sir James Mitchell: Rubbish!

The PREMIER: I think the member for Toodyay will not contradict me.

Mr. Lindsay: Oh, yes.

The PREMIER: It is just as well the House should be reminded and the country should know that even whilst we accept responsibility for having added £3 per year to the average farmer's land tax, we have relieved him of 10 or 12 times that amount by way of reduced income tax.

Mr. Thomson: You do not allow him to deduct the land tax from his income tax.

The PREMIER: Even allowing for that, if we balance the increased land tax against the reduced income tax, we shall see where the benefit lies.

Mr. Davy: A man has to pay his land tax whether he makes any income or not.

The PREMIER: Of course he has.

Mr. Davy: He gets no benefit.

The PREMIER: Of course not, if he has no income.

Mr. Davy: There are farmers in that position.

The PREMIER: Fortunately there are not many. The burden of £4 a year land tax would not kill a farmer.

Mr. Lindsay: It is the last straw that breaks the camel's back.

The PREMIER: Yes; I know there is the dog tax and there are all the rest of the taxes. Every member who has spoken, whilst stressing the land tax, kept wide of the income tax. Not one of them quoted any figures to show the benefit that the

farmer as well as everyone else received from the reduction of income tax.

Mr. Thomson: I quoted it.

The PREMIER: Then I must have missed the hon. member's reference.

Mr. Thomson: I am sure you did.

The Minister for Mines: But he quoted it to show that the Federal Government gave us the money to enable the reduction to be made.

The PREMIER: Yes, he gave us no credit at all. The Government are entitled to some credit for the relief from income tax, although portion of the money came from the Federal grant.

Hon. Sir James Mitchell: The whole of it.

The PREMIER: No, 33 per cent. of it; we reduced it by another 15 per cent. While we have added a halfpenny in the pound to the land tax and increased the average farmer's land tax by £4 a year, we have reduced the income tax by nearly 50 per cent. in the last three years.

Mr. Thomson: You were compelled to.

The PREMIER: Never mind that; it was done by the present Government on a Bill initiated by the Government. Though the Government reduced income tax by nearly 50 per cent. in the last three years, members steered well clear of that fact during their remarks.

Mr. Thomson: Thanks to the disabilities grant.

The PREMIER: Not all of it. Thirty-three per cent. of the reduction was due to the disabilities grant, but 15 per cent. was due to the Government, bringing the total reduction to close on 50 per cent.

Mr. Thomson: The 15 per cent. reduction was due to the Upper House.

The PREMIER: It was accepted by the Government.

Mr. Griffiths: At the point of the pistol.

The PREMIER: No, not at the point of the pistol. The Government could have declined to accept the amendment and could have dropped the Bill.

The Minister for Lands interjected.

Mr. SPEAKER: Order!

The Minister for Lands: It is the first time I have interjected.

The PREMIER: There have been interjections all round the Chamber this evening.

Mr. SPEAKER: I am aware of that, and I have endeavoured to keep hon. mem-

bers in order. I have repeatedly called them to order. Strictly speaking, the interjections were not interjections, but conversations and arguments across the floor of the House, and therefore were strictly disorderly. I must ask all hon. members, whatever their position in the House, to preserve order.

The PREMIER: I am glad we have reached that stage, even at this late hour. All the afternoon and evening there has been a sort of general address-in-reply debate carried on across the Chamber.

Mr. SPEAKER: I hope the hon. the Premier is not reflecting on the Chair.

The PREMIER: No, I am merely stating a fact.

Mr. SPEAKER: The truth is hon. members have received considerable latitude and have repeatedly been called to order, but have ignored the Chair. It has become insufferable, and it must be stopped.

The PREMIER: I think I may claim that throughout the evening I have stuck strictly to the Bill. I have not digressed into all the channels of political subjects. I repeat that while the Government take the responsibility for what was done regarding the land tax and maintain emphatically that it was justified, it is one of the lowest land taxes in Australia. If a successful farmer with a thousand acres of land in the wheat belt cannot carry a burden of £6 or £7 a year in the way of land tax, I shall be very sorry for the future of farming in this State. It was my desire to present the other side of the picture. Balancing the two taxes, the farmers as well as others have received very great relief from taxation during the last three years. For that reason I claim I was justified in stating at the commencement of my remarks that the discussion was largely a sham and was entirely without sincerity.

Hon. Sir James Mitchell: I do not think you ought to say that.

The PREMIER: I mean with regard to a number of members, as I said before, who if they could, would jump the claim of the Leader of the Opposition to move this amendment.

Hon. Sir James Mitchell: I do not object.

The PREMIER: I believe an amendment will be moved to reduce the tax. The Leader of the Opposition, who was the first to speak on the Bill, intimated his intention

to adopt that course, but he will have to be pretty ready to get on his feet if his claim is not to be jumped by those who would have us believe they are greater friends of the farmer than is the hon. member. The vermin tax has been brought into the discussion. I want to say that the Government are prepared to repeal the vermin tax to-morrow.

Hon. G. Taylor: I do not think it would be wise to do so.

The PREMIER: If members desire it and consider that the people they represent are unfairly treated as regards the vermin tax, we will repeal it to-morrow. If ever a Government received unfair criticism in the country, the present Government received it on the question of the vermin tax. That tax, as members know, was introduced at the request of the people who were suffering from the depredations of vermin. When the Minister for Lands brought the matter before Cabinet, it was late in the session, and I was disinclined to have the measure introduced because the notice-paper was already crowded. The Minister pleaded for the Bill to be brought in because he was being pressed on all hands for such legislation. After I had complied with the request of those people, they went out to the country and flogged us for having done it.

Mr. Thomson: I did not.

The PREMIER: I know the hon. member is reliable for consistency; I exempt him. Perhaps he will admit that some of his colleagues on the cross benches or members supporting him took the opposite view. Wherever I went in the country, I had the vermin tax thrown up at me until I cursed the tax and the vermin and everything else. On one occasion I was attacked so strongly at a public meeting of farmers that the Hon. J. J. Holmes, a member of another place, who had done me the honour to be one of my audience, came to my assistance and justified what I had said regarding the origin of the tax. If members think their constituents are over-burdened with the vermin tax, we can repeal it, but I venture to say they will suffer greater loss from the depredations of the dogs than from the payment of the tax.

The Minister for Lands: My constituents do not want it.

The PREMIER: Generally speaking, not many of those people who support us are affected. However, if members desire it, I

will introduce a Bill next week to repeal the tax.

Hon. Sir James Mitchell: I hope you will not.

Hon. G. Taylor: I would not support it.

The PREMIER: I realise that members opposite had no case against the land tax. I go further and say I do not believe they voice the feelings or views of the large majority of the people they represent or claim to represent regarding the land tax. I do not believe the farmers endorse this continual whine that is set up in the House about the burdens imposed on them.

Mr. Griffiths: You ought to go through my electorate.

Mr. Richardson: Then your electors must be hard up.

The PREMIER: I may make an excursion through the hon. member's electorate next election.

Mr. Griffiths: I hope you will.

The PREMIER: If we have a redistribution of seats before then, my constituency might disappear, and I shall be happy to go through the hon. member's electorate. I should be prepared to take a chance, notwithstanding all the awful calamities that it was said would overtake the farmers as a result of the administration of the Labour Government. I do not believe that the farmers complain so much about the land tax. It may be that they complain about taxation as a whole, because apart from State taxation there are Federal taxes, local taxes, wheel taxes, dog taxes, and vermin taxes, and in the aggregate they amount to a considerable sum. I venture to say the present Government are just as keenly anxious to relieve the primary producers of any unnecessary burdens as any other section of the community. We realise—and it would be a foolish Government that did not realise—how much the future of this State depends on primary production and the work of the farmers. We have given evidence of that in a hundred directions, both during the time we were in opposition and since we have occupied the benches on this side of the House.

Mr. Angelo: Make it a hundred and one.

The PREMIER: Every fair-minded farmer in the country was ready enough to admit as much during the recent election, although it was against their political principles to vote for us.

Hon. Sir James Mitchell: They pulled your leg just a little.

The PREMIER: We got a very substantial measure of support from them.

Hon. Sir James Mitchell: Where is the evidence of that?

The Minister for Mines: The actual votes polled.

The PREMIER: That is another subject, and I shall be getting out of order if I go on to that track. In my final remarks I do not wish to touch irrelevant subjects. I am not going to agree to any reduction of tax because the Treasury cannot bear it at present. There is no question about that. The Leader of the Opposition knows that for weeks and weeks before the introduction of a budget the worry of a Treasurer is to try to get his expenditure down somewhere to approximate the estimated revenue.

Hon. Sir James Mitchell: Everyone else is trying to keep the expenditure up.

The PREMIER: Everyone is trying to keep the expenditure up and the revenue down. Whilst members of this House plead for a reduction in taxation on every hand, never an hour passes during the session but the burden of their speeches is for increased expenditure by the Government in various directions throughout the country. No Government can carry out each year much of that increased expenditure which is essential to the development of the country, but no Government could give the assistance where it is needed in the various directions if at the same time they are to be deprived of the revenue necessary to enable them to do it. Whatever may be said in Committee, I am sure that no member believes that this tax is burdensome, or that the present state of the finances warrants the Government in effecting any reduction.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Panton in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Grant of land tax and income tax for the year ending 30th June 1928:

Hon. Sir JAMES MITCHELL: I move an amendment—

That in line 1, paragraph 1, the word "two" be struck out with a view to inserting "one"

I know that if this tax is reduced the Premier will revert to the old railway rates. The people who are paying this tax do not get out of the reduced railway rates sufficient to compensate them for the payment. I do not know who is getting the advantage. A reduction of £45,000 from rates totalling £3,000,000 can have very little effect upon anyone. Apart from that, I object to this method of raising taxation to enable the Government to reduce railway freights. The railways render a service for which they collect fees. These fees should be high enough to cover the cost of running them. Taxpayers would prefer to pay for the use of the railways, and to be relieved of this special tax. I hope the Premier will revert to the system that applied before. It is not right that people should be asked to pay for a service they do not get. The Premier says this tax falls lightly upon each landowner. That is incorrect.

The Minister for Railways: There would be a howl if your suggestion were adopted.

Hon. Sir JAMES MITCHELL: I do not care how much people howl at the Minister. This way of fixing up the railways is wrong, and he deserves criticism. If the £45,000 were paid to the railways it would be merely handed back to the Treasury, after being shown in the railway accounts. My suggestion should be adopted even if it is uncomfortable for the Minister for Railways.

The Minister for Railways: It would be all right for me, for I would collect another £45,000, but it would go all over the country that we had raised the freights.

Hon. Sir JAMES MITCHELL: It is wrong in principle. The fees charged by the railways should be adequate for the conduct of the service.

Mr. GRIFFITHS: I support the amendment. There is very little for me to add to what I have already said, and to what has been said by the Leader of the Opposition.

The PREMIER: I am sorry I cannot accept the amendment. Nothing would give me greater pleasure than to reduce taxation. No one would accuse any Government of increasing taxation from any ulterior motive, for no Government can make itself popular by so doing. At this stage I feel that the position is so uncertain that we would not be justified in reducing taxation. It is uncertain because we do not know what will happen with regard to the proposed

financial agreement between the Commonwealth and the State. If it becomes an accomplished fact, and is endorsed, it may be possible for us to review the whole field of taxation during the next financial year. I do not say what may be done, but adjustments may be made. We shall then know definitely where we are for a number of years. As the Leader of the Opposition remarked, the financial agreement will be of advantage to the State for a few years.

Hon. Sir James Mitchell: Not many!

The PREMIER: If it be adopted, and we can see what is ahead of us, Parliament will be able to review our taxation. If we make reductions this year, and the agreement does not become law, I do not know where we shall be financially. The per capita payments will have gone, and we may have to accept the first suggestion put forward 12 months ago by the Federal Government, and enter those fields of taxation that will be left to us.

Hon. Sir James Mitchell: That would be better for us than the agreement, if they would do it.

The PREMIER. Yes, if they would leave us entirely free, but it is clear they will never leave us certain fields of taxation. I see great difficulties for all the States if they have to finance on the basis proposed last year by the Federal Government, that is, that certain fields of taxation will be cut out and the remainder left to the States. We do not know when we could return to those other fields. The Federal authorities will not cut out the major portion of their direct taxation, and leave that to the States.

Hon. Sir James Mitchell: That would be the proper thing to do.

The PREMIER: I am afraid they would not do that. It would mean they would have to depend for revenue entirely on Customs and Excise for the carrying on of the Commonwealth. I do not say that would not be enough, for I believe it would be enough. The fact that the Commonwealth have been deriving heavy surpluses for years past, and have been obliged to cast about for means of disposing of their revenue to the extent of many millions of pounds each year, surely indicates that they are collecting too much in taxation from the people. If they will not alter their policy in regard to tariff, the only proper alternative is to leave the field of direct taxation to the State. They will not, however, do that. For the moment everything is uncertain. The agreement has

to be endorsed by seven Parliaments—the six State Parliaments and by the Commonwealth Parliament, and then by the majority of the States and the majority of the people voting in Australia. That is a big thing to get. Whilst I think it will go through, it may not receive the endorsement of the people even if the Parliaments endorse it. The final results will be known before the end of the financial year, if all the Parliaments deal with it during the present sessions. It will then be put before the people some time early in the new year. Before the close of the financial year we shall know where we are, and then shall be better able to deal with the question of taxation. For the current year I am unable to accept the amendment.

Hon. Sir JAMES MITCHELL: I have not suggested that the Premier should lose revenue. I object to this tax on principle, and I also object to its amount. The people who pay the tax do not get the benefit of it. The financial agreement has not yet been considered by this Parliament or by other Parliaments, some of which are not even in session. It will be difficult to endorse the proposed agreement with any feeling of pleasure or satisfaction, even if it is approved.

The Premier: We shall not go to the poll feeling joyful about it.

Hon. Sir JAMES MITCHELL: No. I know the Federal Government will not in future get the taxation they have had. As regards death duties, for instance, people will endeavour to escape them by distributing their wealth before they die; and such a distribution is quite within their rights. In my opinion the proposed agreement will not find the favour which the Premier expects. The per capita payments have undoubtedly been taken from us.

The Minister for Mines: Yes. The Federal Government gave us no option about that matter.

The Premier: They have us in a cleft stick: we have to take whatever comes to us.

Hon. Sir JAMES MITCHELL: The position is difficult, I admit. For the moment I ask the Premier to surrender the additional tax which was imposed merely in order that railway freights might be reduced. Let railway freights be paid by the users of the railways, and not by these people.

Amendment put and negatived.

Mr. THOMSON: I move an amendment —

That the following proviso be added to Subclause 2:—"Provided that land tax assessed be allowed as a deduction from income tax if the land is in actual and full use for primary production."

I hope the Premier will accept the proviso. The Country Party fought for it when the original measure was before Parliament, and we now stand solidly for it. A similar proviso existed formerly, but the exemption was abolished. We cannot now deal with exemptions, but there is justification for asking that where a man is actually making his living from land he should pay only one tax.

The Premier: This proviso amends the assessment Act.

Mr. THOMSON: No.

The Premier: Is not the case of paying the double tax provided for in that Act?

Mr. THOMSON: The Committee are dealing with the proposed tax, and this is the only way I see of getting the exemption.

The Premier: But the amendment you speak of was made in the assessment measure.

Mr. THOMSON: It was.

The Premier: If it were inserted here, this Bill would amend the assessment Act.

Mr. THOMSON: If the Bill were passed without this amendment, the proviso could have no effect. I regard the amendment as in order. The proviso really means that the tax of 2d. shall not apply where a man is making his living by primary production from land.

Mr. Davy: Why only primary production?

Mr. THOMSON: Because every other class of business can pass taxation on. The man with £1,000 invested in business is taxed only on the income derived from that £1,000.

Mr. Davy: If he carries on business on land, he pays land tax too.

Mr. THOMSON: But he is able to pass it on. In arriving at the percentage of profit to be added to the cost price of his goods, a merchant takes into account all the costs he has to meet during the 12 months; and thus he passes them on.

Mr. Davy: The primary producer can do the same.

Mr. THOMSON: If the hon. member will demonstrate how the primary producer can pass taxes on, much good will have resulted from this discussion. All I desire is that, as formerly, a man should be allowed to de-

duct his land tax from his income tax. My amendment does not apply to city lands.

Hon. Sir JAMES MITCHELL: I have always objected to a man paying double tax, or paying a tax on tools of trade, such as machinery. Formerly, if the income tax was greater than the land tax, the income tax was paid, and vice versa: but both taxes were not paid. Now, however, there is only a rebate of one-half as regards one or other tax. The amendment ought to apply with equal force to all land used for productive purposes. The Premier will argue that the amendment cannot be introduced into this Bill, and that we shall have to wait for the assessment Bill. I know how anxious Governments are to bring down assessment Bills. I suggest to the Premier that the opinion of the Committee be taken on the amendment, which then can, if approved, be introduced into the assessment Bill as a matter of form. On the second reading I stated my concern about the aggregate of the taxes which have to be paid. We should consider the position of our people, and endeavour to lighten the whole scheme of taxation. Let us set an example by re-introducing the proposed exemption into the law of the land.

Point of Order.

The Premier: I ask for a ruling as to whether it is permissible to amend the Land and Income Tax Assessment Act by an amendment to the taxing Bill now before the Committee?

The Chairman: That would be out of order.

The Premier: The Assessment Act provides for the manner in which the tax is to be collected, and so on, whereas the amendment provides for a deduction affecting the provisions of the Assessment Act.

The Chairman: That would not be permissible in this Bill.

Hon. Sir James Mitchell: If we recommit the Bill, we can get Mr. Sayer to fix it up.

The Premier: The member for Katanning said that he had been advised that it was in order.

Mr. Thomson: I did not see Mr. Sayer.

The Premier: The amendment will, in fact, amend the Assessment Act, whereas the Bill is purely one to impose a tax—

Hon. G. Taylor: The method of collection being outlined in the Assessment Act.

The Premier: Yes. The amendment goes beyond the scope of the Bill because it pre-

scribes a method by which an exemption may be granted from the payment of certain taxes. That method will be contrary to the one outlined in the Assessment Act. I submit that the amendment is out of order.

The Chairman: In the circumstances I must rule the amendment out of order.

Dissent from Chairman's Ruling.

Mr. Lindsay: I move—

That the Committee dissent from the Chairman's ruling.

[The Speaker took the Chair.]

The Chairman reported the dissent.

Mr. Lindsay: The principal objection taken to the amendment was that it is really an amendment of the Assessment Act, and as such has no right to appear in the Bill. If that is correct, I would draw your attention, Mr. Speaker, to Clause 6 which seeks to amend Section 55 of the Land and Income Tax Assessment Act by setting out that it shall not apply to the land tax or income tax to be levied and collected for the financial year ending the 30th June, 1928. Thus the Bill is already seeking to do something that the amendment also proposes to achieve. If the amendment is to be ruled out of order, then Clause 6 should not appear in the Bill at all. If it is right to include Clause 6, we should have the right to amend Clause 2 in the direction suggested.

Mr. Davy: I support the remarks of the member for Toodyay to this extent that although it seems to me that the proviso proposed in the amendment would be out of place in the Bill, Clause 6 of the Bill appears to be even more out of place. A similar clause has been included in the taxing Bill for years, and on previous occasions attention has been drawn to the fact that it was out of place in such a measure. Now the attention of the Speaker has been drawn to the necessity of strict relevancy respecting the contents of the Bill, it follows that if the proviso sought to be added by the member for Katanning is ruled out of order, it will be difficult for you, Sir, to rule that Clause 6 is in order if its relevancy is questioned. The time has come when we should insert Clause 6 in the Assessment Act, where it should rightly appear, and that will provide the Government with an opportunity to bring the Assessment Act before

the House to enable necessary alterations to be made.

Mr. Corboy: Should we not rather strike out the section in the Assessment Act to which Clause 6 applies?

Mr. Davy: Of course, if that is the desire it would be all right, but that is the provision that enables taxpayers to pay their tax in two instalments.

Mr. Thomson: I consider the proviso is relative to the Bill because it deals with the land tax. I also contend that Clause 2 provides for the method of collection and the amendment, therefore, is quite in order, seeing that it merely provides for an exemption along certain lines. I maintain it is relevant to the Bill because it is dealing purely with the land tax and the method of collection. If the ruling of the Chairman of Committees is to be upheld, then surely Clause 6 also is out of order.

Hon. G. Taylor: The position is considerably complicated. You, Sir, are called upon to decide only one question, which is as to whether the Chairman's ruling is sound. I do not think anybody by any stretch of the imagination can say the amendment does not seek to amend the Assessment Act.

Mr. Thomson: It is relevant to the Bill.

Hon. G. Taylor: I do not see the relevancy. The Bill deals exclusively with the imposition of a tax. Under this Bill we cannot amend another measure. But the complication arises through our having been doing something for years past under Clause 6, which is no more relevant to the Bill than is the proposed amendment.

Mr. Thomson: We have not the Assessment Act before us.

Hon. G. Taylor: If we had, the proposed amendment would be perfectly in order.

Mr. Speaker: The hon. member who has just resumed his seat is perfectly sound in drawing attention to the fact that the Bill before the House is one dealing exclusively with the imposition of a land tax and an income tax. The assessment is quite another matter, distinct and separate, requiring another Bill. I do not think it is necessary for me to answer the argument put up in reference to Clause 6. The subject has not yet been formally discussed, and in a sense my attention has not been drawn to it. But even supposing the arguments adduced were sound, it would not make the ruling of the Chairman of Committees unsound. When Clause 6 is reached, it may be considered in

the light of the arguments adduced. For the present it is not under discussion. The amendment proposed by the hon. member deals purely with matters that are included under the heading of the assessment measure, and therefore I uphold the ruling of the Chairman of Committees.

Committee resumed.

Clause put and passed.

Clauses 3 to 5 agreed to.

Clause 6. Section 55 of 1907. No. 15, not to apply:

Point of Order.

Hon. G. Taylor: I should like your ruling on this clause, which beyond a doubt is similar to the amendment already disallowed. Is the clause in order in view of the assessment measure? It has been in the annual taxing Bill for years, but attention has not been drawn to it.

Mr. Corboy: It has been established by custom.

The Premier: It was challenged some years ago, and held to be in order.

Hon. G. Taylor: It has been practically challenged again to-night. It is on all fours with the disallowed amendment. Can the Premier in this Bill amend another measure? Surely this clause goes beyond the order of leave given the Premier to introduce the Bill.

The Premier: I submit this is entirely different from the disallowed amendment. The Bill is to impose a land tax and an income tax, and the clause merely declares the time at which the tax shall be collected. It directs that the tax shall be collected in one instalment instead of two.

Hon. G. Taylor: The Assessment Act says it can be paid in two instalments.

The Premier: Yes, but this clause is quite consistent with the rest of the Bill. The disallowed amendment was quite different, inasmuch as it deals with exemptions. The clause is in conformity with the remainder of the Bill, which provides for the levying of a tax. The clause will not affect by one penny the amount of tax any taxpayer will pay. It only determines whether he shall pay it once a year or twice a year. The clause has been in this annual Bill for years, because it is relevant to the subject matter of the Bill. Members are assuming that because it alludes to a certain section in the As-

essment Act, therefore it must be out of order. But so long as it is relevant to the Bill, it is perfectly in order; and I submit it is relevant to the Bill, whereas the disallowed amendment would affect exemptions. The Assessment Act contains nothing but the basis on which the tax shall be paid. Since the Bill declares that a tax shall be paid, surely it is relevant to state in the Bill the time at which that tax shall be paid.

The Chairman: I rule that it is in order, because a clause can only be out of order if not covered by the Title. There is a difference recognised between clauses originally in the Bill and clauses sought to be added in Committee. Standing Order 260 reads—

No clause shall be inserted in any such draft foreign to the Title of the Bill, and if any such clause be afterwards introduced, the Title shall be altered accordingly.

We have already had a ruling from the Speaker that the amendment proposed to be added a little while ago was irrelevant to the Title. Standing Order 277 reads as follows—

An amendment may be made to a clause, provided the same be relevant to the subject matter of the Bill, or pursuant to any instruction, and be otherwise in conformity with the rules and order of the House; but if any amendment shall not be within the Title of the Bill, the Committee shall extend the Title accordingly and report the same specially to the House.

This clause is in the Bill, and is relevant to the Title of the Bill. Therefore I rule that it is in order.

Dissent from Chairman's Ruling.

Mr. Davy: I move—

That the Committee dissent from the Chairman's ruling.

[The Speaker took the Chair.]

The Chairman reported the dissent.

Mr. Davy: The Chairman of Committees has ruled that Clause 6 is in order because he says it is covered by the title. The title is "A Bill for an Act to impose a land tax and an income tax," and you yourself, Sir, in giving a ruling a little time ago, practically laid down that the Bill dealt purely with the imposition of a land tax and an income tax. The clause deals in no way whatever with the imposition of

a land tax and an income tax. It deals with the suspension of a section in an entirely different Act, the section giving taxpayers the right to pay the tax in two instalments. As the Premier has put it, we have considered it wise to gather taxation requirements under two entirely separate Acts—the actual imposition of the tax and the rate under one Act, and the methods of collection, the time for payment, the exemptions and the hundred and one other things necessary as part of the machinery for getting in the tax under the other Act. It is true that Clause 6 has appeared in similar Bills for many years, but I take it the Chair will not uphold a practice, if it is manifestly wrong, merely because it has been continued for a number of years. Even this evening I heard the Premier suggest that the worst reason in the world for supposing that anything should continue was that it had been continuing for a long time.

The Premier: Yes, I would not support it on that basis.

Mr. Davy: Of course not. Clearly Clause 6 is even more irrelevant than was the proviso that was ruled out of order not 10 minutes ago. No very terrible results will occur if the clause is ruled out. It will mean that the clause should be put in a place where every member will agree it more rightly belongs. The Premier will merely have to bring down an amendment of the assessment Act. I do not know that he has much to fear if he brings down the assessment Act for amendment. No doubt there will be a lot of comments on it, and I can visualise the member for Toodyay (Mr. Lindsay) passing some severe strictures, but that does not matter. The clause is irrelevant in this Bill and is not covered by the title.

The Premier: I suggest that the clause is entirely in order. It has no relationship in essence or principle to the amendment that you, Sir, have already ruled out of order. The Bill is one to impose a land tax and an income tax. The clause, by merely declaring the time at which the tax shall be paid, will not interfere with the basis on which the tax is paid, and therefore is entirely relevant to the tax itself. The amendment ruled out sought to make exemptions and to alter the whole basis on which the tax would be paid. This clause does nothing of the kind. The amendment

went to the whole root of the assessment Act. If we introduce a Bill to provide that a tax shall be imposed, it is relevant to state the time at which the tax shall be paid—once a year or twice a year. The clause conforms to the subject matter of the Bill and is relevant to the Bill itself.

Hon. G. Taylor rose to speak.

Mr. Speaker: I am prepared to give my ruling. There is a very wide distinction between this clause and the amendment I ruled out of order. The amendment clearly dealt with assessment, whereas Clause 6 does not deal with assessment in any way whatsoever. It simply does what is perfectly legitimate in all legislation, delays the time of the application of a section of an Act affecting as to time the measure before the House. It does not assess; it makes no provision for or against assessments, and deals with it in no fashion whatsoever, but says that a certain section of a certain Act shall not have effect upon this measure until a certain time. That is the essence of the clause and no more. It fixes the time of the operation of this Bill in relation to other Acts on the statute book. I, therefore, must hold that the clause is relevant to the title, and in order.

Dissent from Speaker's ruling.

Hon. G. Taylor: Painful though it be, I am bound to dissent from your ruling, Mr. Speaker. I do so on the ground on which you previously ruled. Clause 6 says—

Section 55 of the Land and Income Tax Assessment Act, 1907, shall not apply to the Land Tax and Income Tax to be levied and collected for the financial year ending the 30th day of June, 1928.

What does that seek to amend and render powerless? The Act of 1907, Section 56, says—

Where the amount payable by any taxpayer either in respect of land or income tax or in respect of both, exceeds the sum of 20s., the same shall be payable in two equal half-yearly instalments at such times as the Governor may direct by notice published in the "Government Gazette."

If we pass Clause 6 we may interfere with that section. The amendment moved earlier in the evening must of necessity have amended the Assessment Act, and we would be rendering Section 56 silent by passing Clause 6 of this Bill. It is not a question of relevancy, it is a matter of amending an-

other Act without authority. The Premier says it is only a matter of fixing the time. It means, under this Bill, amending an Act we have no right to amend, and it does not come within the order of leave given. The Bill does not deal with the collection of the tax. That is dealt with in the Assessment Act, which says how the tax shall be paid.

The Premier: It is within the order of leave.

Hon. G. Taylor: We cannot amend the Assessment Act by this Bill. I move—

That the House dissent from the Speaker's ruling.

Mr. Griffiths: I listened to the explanation of the Premier, and was filled with admiration by his ingenuity, and the way in which he worked round the subject and showed why this clause should be retained and the amendment deleted. The argument advanced was that the clause was covered by the Title. If the amendment moved by the member for Katanning was out of order this clause is also out of order. As pointed out by the member for Mount Margaret, this clause amends the Assessment Act. All the sophistry and smoke screens of the Premier will not alter that fact. The member for Mount Margaret is right in his argument.

The Premier: You are wrong.

Hon. Sir James Mitchell: If the previous ruling is right, this ruling must be wrong. This Bill merely imposes the rate to be applied for this year. The machinery itself is provided in another Act. If it is possible to alter one section in the other Act, having relation to land and income tax, we can amend every section.

The Premier: It depends on whether they are relative subjects.

Hon. Sir James Mitchell: The time of payment is just as important as the rate of tax.

The Premier: The other dealt with exemptions.

Hon. Sir James Mitchell: The other said that the taxpayer should be exempt, whereas the Treasurer, by this clause, tries to have himself exempted. In effect he says, "The Land and Income Tax Assessment Act tells me I must take the tax in two moieties."

The Premier: One deals with time, and the other the amount.

Hon. Sir James Mitchell: Both are contained in the other Act, which provides that

the amount has to be collected in two payments. The Premier seeks to amend the Assessment Act by this clause. I agreed entirely with the previous ruling, but do not understand this one.

The Premier: If we set out the time when the tax shall be paid, that is relevant to the Title of the Bill. To make exemptions would be foreign to the Title.

Hon. Sir James Mitchell: The Premier is wrong. The Bill deals with the rate of tax to be collected and not the method of collection. You have rightly ruled, Mr. Speaker, that we cannot deal with exemptions under this Bill. This provision is just as important as was the amendment of the member for Katanning. If the one was wrong, the other must be wrong. Because this clause is printed in the Bill, it does not give it any more right to be there than the amendment of the member for Katanning had a right to be there.

The Premier: It depends on the particular subject dealt with.

Hon. Sir James Mitchell: It deals with the same Act. If the tax were collected in one amount, its value would increase. If the whole tax, representing say £500,000, could be collected on the 31st December, it would be worth more than if it were collected on the 30th June next. The effect of this clause will be to increase the burden of taxation. This clause found a place in the Bill because in 1924 the measure was assented to on the 31st December. The clause imposes an additional burden just as the amendment of the member for Katanning sought to relieve the taxpayer of part of the burden. It cannot be maintained that the clause is rightly in the Bill. I hope the Speaker will agree with me as to that, and I hope the House will also agree with me.

Mr. Davy: I must confess this is rather confusing to an inexperienced member like myself. If there is a difference between the two cases which have been decided in different ways by you, Mr. Speaker, it is a difference which I cannot perceive. Admittedly there is another unsatisfactory feature in our procedure, in that, you having given your ruling, the appeal must then be to the House, which must of course be always extremely reluctant to reverse your decision by vote. It seems as if further talk were waste of time, but I submit again, with the greatest respect, that you, Sir, having yourself stated that this is a Bill dealing purely with the imposition of a land tax and an income tax, the inclusion of a land tax or an

income tax must be irrelevant. Particularly must that be so when we find that the practice of the Legislature for 20 years has been to confine in one Act those provisions which actually fix the rates of tax, and in another measure the whole of the machinery. Yet we find in this Bill an amendment of the complementary measure, and for a very obvious reason—that at the time the Treasurer did not desire to place before the House the machinery Bill. Therefore he sneaked this clause in.

The Minister for Railways: The clause has been put into this Bill because that is where the Crown Law authorities think it ought to be.

Mr. Davy: They have put it there because it has been there for the last 20 years. To put it in the Bill is simpler than to find a new nest for it. It is in the 1907 Act.

The Minister for Railways: This provision has not been in the Act for more than four or five years.

Mr. Davy: I find it in the 1907 Act.

The Minister for Railways: But it has not been in this measure for 20 years.

The Premier: It has had a rest.

Mr. Davy: Let us give it another rest now. I do not know whether the House is of opinion that you, Mr. Speaker, are technically right; but I cannot believe that the Treasurer thinks this is the proper place for the clause. It is a misfit here. It may be right according to the rules of the House; if so, I am perfectly bewildered.

The Premier: Would not the clause be more obviously a misfit if, because of circumstances attending the present Bill one way or another, say because we desired to make the collection in one instalment, we had to go back to another machinery Act which has nothing at all to do with the collection of the tax, to enable us to do what we desire?

Mr. Davy: But the Land and Income Tax Assessment Act deals with nothing except the collection of taxes. It first of all appoints a Commissioner with powers and staff, and then provides that returns shall be made, and on what the taxes shall be paid, provides exemptions and so forth, and finally deals with the time when payment shall be made.

The Premier: I suggest that the proper Act in which to fix the time at which payment shall be made is the Act stating what shall be paid.

Mr. Davy: This is a Bill dealing purely with the imposition of taxes, and nothing else.

The Premier: And the imposition is the collection.

Mr. Speaker: The matter is now in the possession of the House. I wish to make a few additions to my ruling before the vote is taken. I need not, I think, quote Standing Orders 260 and 277, as every member who has spoken appears to be familiar with them. We cannot introduce foreign matter irrelevant to the Bill; and I ruled previously that so far as this Bill is concerned the amendment dealing with assessment and prescribing a method of assessment did not belong to this Bill and could not possibly be made to belong to it. Now it has been argued by the member for Mt. Margaret and the member for West Perth that this clause, No. 6, is an amendment of another Act and therefore irrelevant. If that contention were strictly accurate, why then this clause must be out of order; but I think those hon. members have confused in their minds certain words as setting forth acts which this Bill prescribes, such as those of levying and collecting, as being the imposition of an assessment, or rather the matter of assessment. In my humble opinion, it has nothing whatever to do with that. If the clause is read carefully, one will observe the purpose of it. And it is the purpose of the Act that has to be relevant to the Bill. Let us see what the clause is in its purpose. It reads—

Section 55 of the Land and Income Tax Assessment Act, 1907, shall not apply to the land tax or income tax to be levied and collected for the financial year ending the 30th day of June, 1928.

That is a pure statement of purpose, namely, to suspend in regard to that Act, not the assessing, the levying or making provision for levying or for collecting. It does not deal with the subject at all, but merely with the operation of the section in regard to the clause in the Bill. It is customary for provision to be made, apart from anything in any other Act, at any time Parliament thinks fit. Therefore it is clear in my mind that there is the broadest possible distinction between the amendment I ruled out of order, which was to introduce into the Land Tax and Income Tax Bill an assessment provision, and the clause under discussion which

merely determines a time when the section shall operate in the Assessment Act.

Hon. G. Taylor: And in doing so the clause amends Section 55 of the Assessment Act.

Mr. Speaker: There is no amendment whatever. If the hon. member reads the clause clearly, he will see that it does not mean levying or making any provision from levying or for collecting. All it does is to say that the tax shall be free from any other law, or the operation of any other law, as it was passed.

Hon. G. Taylor: And in doing that you have to suspend Section 55 of the Assessment Act.

Mr. Speaker: Undoubtedly, but that is another matter. That is distinct from the point relative to assessments. The clause does not deal with assessments nor yet with levying. Therefore, it is a Bill purely to impose a land tax and an income tax, and does not define the method of collection.

Hon. G. Taylor: My point is that it amends the Assessment Act.

Mr. Speaker: It does not amend it at all.

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

Ayes	9
Noes	15

Majority against	..	6
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AYES.

Mr. Barnard	Mr. North
Mr. Brown	Mr. Sampson
Mr. Davy	Mr. Taylor
Mr. Lindsay	Mr. Griffiths
Sir James Mitchell	(Teller.)

NOES.

Mr. Chesson	Mr. Millington
Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Troy
Mr. Coverley	Mr. A. Wansbrough
Mr. Cunningham	Mr. Willcock
Mr. Heron	Mr. Withers
Miss Holman	Mr. Pantou
Mr. Lambert	(Teller.)

Question thus negatived.

Committee resumed.

Clause put and passed.

Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 10.40 p.m.

Legislative Assembly,

Tuesday, 30th August, 1927.

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

QUESTION—POLICE, TRAFFIC DUTY.

Mr. LATHAM asked the Minister for Police: 1, Is it a fact that the police officers stationed in country districts do not observe the instructions contained in Subsection (4) of Section 20 of "The Traffic Act, 1919," namely:—"It shall be the duty of every police officer to aid and assist inspectors in the exercise and discharge of their powers and duties"? 2, If so, will he instruct the police to do so accordingly?

The MINISTER FOR POLICE replied: 1, No. 2, Answered by No. 1.

QUESTION—PUBLIC SERVICE, TEMPORARY OFFICERS.

Mr. J. MacCallum SMITH asked the Premier: 1, How many persons have been appointed to the permanent staff, to date, under Subsection (3) of Section 6 of "The Public Service Appeal Board Act, 1920"? 2, Will he call for a report and inform the House as to the number of persons who are now eligible for such appointment, and why their applications if lodged have been refused? 3, What is the total number of such persons in the Public Service who have served five years or over continuously as on the 31st July last?

The PREMIER replied: 1, Thirty-two. 2, If this information is desired, I suggest that the hon. member move for it in the usual way. 3, Eighty-five.