Legislative Council,

Wednesday, 29th September, 1909.

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

PAPERS PRESENTED.

By the Colonial Secretary: 1, Report of the Registrar of Friendly Societies for 1909. 2, Report on the working of the Government Railways and the Cossack-Roebourne Tramway, for 1909.

BILL—POLICE (CONSOLIDATION.)

Read a third time and transmitted to the Legislative Assembly.

BILL—HEALTH.

Report of Committee adopted.

BILL—OPIUM SMOKING PROHIBITION.

Second Reading.

Debate resumed from the previous day.

Hon. J. W. LANGSFORD (Metropolitan Suburban): I have no lengthy remarks to make upon this Bill, more especially as the whole question will probably be investigated by a select committee which Mr. Moss intends to move for. Some of the clauses of the Bill, particularly clauses 2 and 6, will, I believe, conflict to a large extent or at any rate to some extent, according to medical opinion, with the preparation of medicine required in sickness. I understand opium is largely used in the preparation of quite a large number of medicines, and these could be treated in such a way that the opium could be separated, and perhaps, used afterwards for smoking. I have no futher remarks to make.

Hon. W. KINGSMILL (Metropolitan Suburban): This Bill strikes me as being a most interesting and enterprising dash into the realms of prohibitive legislation. One thing that struck me about it was the peculiarity of the drafting, at all events of the first few clauses. It struck me that if it was not drafted by the late Charles Cameron Kingston at least it might have been drafted by an admirer of his, who believed that imitation was the sincerest form of flattery. The Bill in a very few words is a general condemnation of a large class of persons, but I fear that in aiming at terseness, those responsible for the drafting of this Bill have certainly attained terseness, but they have left the Bill incomplete. I understand the measure is aimed at combating the deleterious effects of the drug known as opium upon the human system, and that being so they seem to have forgotten that throughout the world, I suppose quite a large preparation of opium is taken by being eaten as much as being smoked; and furthermore, if anything, the habit of opium eating or drinking is far harder to leave off than the habit of opium smoking. That being so, I maintain the Bill falls far short of its object, and to what extent we are justified in bringing in this class of legislation in so general a form as this Bill does, I suppose it is for this House to decide. It seems to me for while all hon. members will join in condemning in the strongest manner possible the use of opium, the manner in which this Bill is framed to combat the degredation of young white people by the influence of this drug, and by the insidious practices of Chinese and others who pander to their tastes, while that is indisputable, I maintain that this extremely crude measure will fall far short of the object in view, and not only that, but it will bring about results which the Bill was never meant to bring about. Leaving out the question of eating or drinking the drug, let me point out that I have been told by what I regard as a good authority, that cigarettes are constantly being sold—you can buy them in Perth—containing an appreciable amount of opium, that is Egyptian and Turkish cigarettes, which are made outside Australia. There is no definition of what is to be considered opium in the Bill, which I thing is a grave

omission. Take the question of these cigarettes. If the Bill becomes law, and in the words of Clause 2, "no person shall smoke opium," it will be possible for enterprising people to so increase the quantity of opium in the cigarettes that it will be hard to say when they cease to be cigarettes, and when they became opium. I do not wish to recommend this as a way of escape to those people who desire to circumvent the Bill, but it is obvious that what I have stated will be so if the measure becomes law. If we are to go in for this kind of restrictive legislation, there is a very much wider field left for the Government to fight, and that is if they are going to attack opium let them attack it in its most deadly form, and bring in legislation prohibiting its use in other directions. A great many people suffer a lingering death from being morphine maniacs. If we are to bring in this restrictive legislation let us make it complete. It is quite possible that under Clause 6 a hampering restriction may be placed upon the trade. Preparations of opium are numerous, and I have no doubt whatever that by a simple process many of these preparations could be reduced into opium which would be suitable for smoking. Again, the climate of Australia is, I believe, eminently adapted for the growth of the poppy. Our industries are yet undeveloped, and there is no doubt that within ten years, or perhaps within five years, many industries may have sprung up in this Continent of ours not thought of now, and possibly for the supply of its own medical wants Australia may find it profitable to cultivate the opium-producing poppy. That being so, opium in its first stage is suitable for smoking, that is, opium taken from the seed part of the poppy. If this industry is ever engaged in how will the Bill affect it? Is it not possible for intending growers of opium poppies to be debarred from the industry through having legislation of this kind upon the Statute Book. I have little more to say about the Bill, but I think the idea of Mr. Moss to refer it to a select committee a good one. There might be another idea which would be better, but possibly it would not be well to adopt that course. I do not wish in regard to this Bill to hang it first and try it afterwards, so I shall fall in with the idea of Mr. Moss with the utmost willingness, and join with him in referring it to a select committee. At the same time I hope that one of the points that will be considered by the select committee will be to what extent any Parliament is justified in introducing this very restrictive legislation, because we have only to go a little further and we will find the Government bringing down some Bill, Clause 2 of which will read, "No person shall drink whisky." It is very possible, and as far as the comparative evil effects of the two articles go I venture to say that for the British race the evil of drinking whisky is very much more terrific and to be avoided than the evil of opium, either smoking it, as mentioned in the Bill, or what the Bill leaves available, eating or drinking the drug.

Question put and passed.

Bill read a second time.

On motion by Hon. M. L. Moss, Bill referred to a select committee consisting of Hon. J. D. Connolly, Hon. W. Kingsmill, and the mover, with the usual powers, to report on the 13th October.

BILL—REDEMPTION OF ANNUITIES.

Second Reading.

The COLONIAL SECRETARY (Hon. J. D. Connolly) in moving the second reading said: This is a short Bill intended to deal with certain estates on which the testators have left annuities for certain purposes. The reason for the introduction of the Bill is that there are several estates in the Eastern District burdened with certain annuities left by the testators. There is one large estate on which the testator willed that twenty pounds should be paid annually to the Anglican clergyman at York; and if any portion of that estate is sold, the portion sold will have to bear the responsibility of the annuity; if even an acre is sold the acre will still be responsible for the annuity. The Bill provides that the annuity may be converted into a capital sum and dealt

with as a Judge of the Supreme Court may direct; that is to say, the parties go to the Supreme Court and get power to sell the estate, and the Judge shall then order that a certain portion of the money shall be invested so as to secure the payment of the annuity for all time. Similar Acts have been passed in other States; as far back as 1853 a similar Act was passed in England; and no doubt a Bill of this kind would have been introduced before in this State had there been more estates burdened with annuities. The Bill does not give people the power to get outside the wishes of testators. I move—

That the Bill be now read a second time.

Hon. M. L. MOSS (West): I think this is a very dangerous Bill. I did not know there was legislation of this character in the other States, but I shall certainly not vote for the measure. One can readily understand that a person possessed of land, say in the city of Perth, who may be desirous of charging that land with an annuity to provide an income for his wife and children, may be perfectly satisfied that the land is of sufficient value and in such a situation that the annuity charged upon it will be a sure income for the maintenance of his wife and family for all time. This Bill now enables these charges on land to be removed with the result that the Supreme Court will cause the surrender value of the annuity to be assessed and the money will then be invested with the idea of its producing a similar annuity from some other kind of investment; but it does not at all follow that the subsequent investment will be of the character the person to whom the property originally belonged intended, nor does it follow that the investment will be at all of as lasting a character as the annuity charged on the land in the first instance. In view of the illustration I give of one of these charges being put upon land, say in Perth, and of the annuity being converted into money by order of a Judge and then loaned out probably on a country land, or on land in some other part of the State, and knowing full well the way in which a good many of these securities on rural property shrink from time to time when business becomes bad, or when periods of depression come over the country, in my opinion the proposal interferes with a person's management of his own property in a way that legislation is not justified in doing. Of course it is as the Colonial Secretary says, that where property is burdened with one of these annuities the transfer of the smallest area will carry with it the encumbrance of the annuity that exists on the whole of the estate: but I have yet to learn there has been such inconvenience in this having been done that it is necessary for an Act of Parliament to be put on the statute-book to interfere with the freedom of people in regard to their own property. The only instance given is that in the Eastern District, where an estate is charged with the payment of £20 a year to an Anglican clergyman; and simply because that property is burdened in this way, and not burdened by some third party or stranger, but by the owner of the land, who surely has aright to burden it as he thinks fit, this Bill is to be passed. I maintain there is no call for legislation of this character which is to say that a man shall not do with his own property that which he thinks fit. I can understand that a person possessed of a valuable freehold property may desire that the annuity charged upon it shall remain upon that particular class of property, knowing well that the provision made in that direction is of a permanent character, and that he is making a permanent provision for his wife and family, and I fail to see why Parliament should interfere and undo the investment he makes and insist on the investment beng made in another direction. I certainly do not intend to support the Bill.

Hon. W. PATRICK (Central): Provided there was a clause in this Bill directing how the money was to be invested in place of the annuity discharged, I do not see there can be any harm in passing a Bill of this character.

The Colonial Secretary: It is left in the hands of a Judge of the Suprême Court.

Hon. W. PATRICK: I think it would be much better if the Bill directed that out of the proceeds of the property a sufficient sum to pay the annuity at the same amount should be invested in a security that would be beyond doubt so far as stability is concerned. In the course of business in South Australia I had a case pass through my hands which exactly illustrates what I wish to point out. I was winding up an estate under the Supreme Court in South Australia, and on a portion of that estate there was an annuity of £50. I found a purchaser for the land. He was prepared to purchase on condition that I could get the annuity discharged. I approached the annuitant and she objected to the annuity being discharged, but at length I persuaded her that I would purchase an annuity in the A.M.P. Society, though it was some time before I could persuade her that it was a much better security than on a section of land. I think if there were a clause in the Bill directing how the money was to be invested so as to produce an annuity that would be beyond dispute, it would be a great convenience in many cases to relieve property for purposes of this kind. I do not see any reason why such a clause should not be inserted in the Bill.

The COLONIAL SECRETARY (In reply): While what Mr. Moss says may be perfectly true, I do not think the House would be justified in following the course he suggests, that of rejecting the Bill on its second reading. There is necessity for the Bill, as the instance I have given and that mentioned by Mr. Patrick clearly show. In regard to the argument advanced by Mr. Patrick, I think it is sufficiently safeguarded by the fact that the investment has to be made by the order of the Supreme Court. I do not know enough of the facts of the case in the Eastern District, but very likely it is the case, and we may suppose an instance where a large estate that has been left to the testator's family is probably not worth a great deal to them as it is, yet they cannot do anything with it, they cannot sell it or subdivide it on account of this charge being on it. As to the wish of the testator being given effect to, if it be insisted upon that the annuity shall be a charge for all time on the estate, I maintain it is not. You are inflicting a hardship on the beneficiaries under a will inasmuch as you do not give them the full benefit of what has been left to them by the testator.

Hon. W. Kingsmill: The testator might want to do that sometimes.

The COLONIAL SECRETARY: If he left a certain interest in an estate to any particular person it was his intention that that person should get the benefit of it. If a provision can be inserted in the Bill mentioning the securities in which an annuity should be invested I do not see much objection, but I do not see how it can be done unless we say, "British Consols." I trust the House will agree to the second reading. As this is legislation in a direction that has not been before the House on a previous occasion, I am prepared to postpone the Committee stage so that members will be able to consider any amendments they may wish to propose in Committee.

Question put and passed.

Bill read a second time.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

In Committee.

The COLONIAL SECRETARY: On a previous occasion members mentioned that it was somewhat inconvenient in considering amendments to an Act in not having the original Act before them. In this case he had provided sufficient copies of the Municipal Corporations Act so that members might each have a copy.

Clause 1—agreed to.

Clause 2—Amendment of 1906, No. 32, s. 6:

Hon. R. F. SHOLL: What was the object of the words "'land,' includes all reclaimed land, and all messuages, tenements, and hereditaments?"

The COLONIAL SECRETARY: There was no clear definition of "land" in the Act. This provision was to make the definition of "land" clear.

Hon. R. F. SHOLL: A better explanation was required why the words "all messuages, tenements and hereditaments" were inserted. There had been no difficulty in the past.

The COLONIAL SECRETARY: In the present Act "land" included "all reclaimed land, houses," etcetera. That was rather ambiguous, because, "land" might only include reclaimed land, and not other land. It was thought better to have a clear definition of what was meant by land."

Clause passed.

Clause 3—Amendment of s. 12:

Hon. C. SOMMERS: The amount should be increased to something like £2,000, at least £1,500. It was a mistake to have small municipalities all over the country, as the roads boards provided all that was necessary. He moved an amendment—

That in lines 3 and 4, the words "one thousand two hundred and fifty pounds" be struck out, and "one thousand six hundred" inserted in lieu.

Hon. R. F. SHOLL: There were many municipalities in existence, and he doubted very much if their income amounted to £1,250. The Government should cancel municipalities and expend the money over large areas. The revenue derived from roads boards would be absorbed in municipalities. He did not suppose that any municipality north of Geraldton, and even Geraldton itself had an income of £1,600.

Hon. W. Patrick: Oh! yes.

Hon. R. F. SHOLL: Certainly not North of Geraldton was there a municipality that had an income of £1,600.

The COLONIAL SECRETARY: The amount provided in the Bill was a large increase on the amount in the present Act. This increase had been made in anticipation of another place raising the rating power to 2s. That would be an increase of £200. If the rating were increased to 2s., £750 would then be equal to £950. In another part of the Bill it was not proposed to abolish municipalities until the revenue was below £750. He had a list of municipalities whose revenue was under £1,000 at the present time, and if we raised the amount to £1,600 half the municipalities of the State would be erased. Carnarvon, with a rate of 1s. 6d. last year raised £498, and some of the municipalites had a remarkably small revenue. It was the intention so far as the Government were concerned to pass a Roads Boards Act to give special power to spend money in their districts.

Hon. M. L. MOSS: Carnarvon would naturally go, if the amount stated by the Colonial Secretary was the revenue of that municipality.

The COLONIAL SECRETARY: No: it would be foolish to make the provision mandatory, because a municipality might be growing.

Hon. C. SOMMERS asked leave to withdraw his amendment.

Amendment by leave withdrawn.

Clause put and passed.

Clause 4—Repeal of Section 66 and seventh schedule:

Hon. J. W. HACKETT asked for an explanation.

The COLONIAL SECRETARY: There was no provision under the new Electoral Act for inserting the names on the roll, so that it was a waste of time to send them in. It was not necessary to force on the municipalities the condition that they should send in the names. Application had to be made for enrolment, and, therefore, the lists were of no use.

Hon. R. F. SHOLL: Would this prevent any list being made out for the information of the ratepayers.

The Colonial Secretary: It was for the Parliamentary roll.

Clause passed.

Clause 5—Amendment of s. 179, s.s. 24:

Hon. J. W. LANGSFORD: Subclause (*h.*) provided that when once fish had been taken out of the refrigerating chamber it should not be returned; should not the word "received" in line 3 of the Subclause (*h*) be "returned," so that fish could not be returned to the refrigerating chamber?

Hon. M. L. MOSS: The fish might be taken to another refrigerating chamber. The provision was all right.

Clause passed.

Clause 6—Amendment of Part XVII:

Hon. E. M. CLARKE: What would be the definition of the words "rates and taxes" under the Bill? What would those words include?

The COLONIAL SECRETARY: Rates and taxes would apply to the general rate; in other words the municipal rate. They would not apply to health rate or water rate. This would only give the Council power to act as a water board, or to take charge of water rates if so desired. It had been inserted at the request of the Carnarvon municipality.

Hon. E. M. CLARKE: That was all very well so far as the rates were concerned, but taxes also were mentioned.

Hon. M. L. MOSS: The information required by the hon. member would be more properly sought for on Clause 12.

Hon. R. F. SHOLL: Would the Colonial Secretary inform them as to whether, in in respect of the waterworks, the municipality would have to supply the people along the pipe track.

The COLONIAL SECRETARY: The municipality would have to supply anyone who required the water within the water area.

Clause put and passed.

Clauses 7 to 11—agreed to.

Clause 12—Amendment of Section 378:

Hon. E. M. CLARKE: Both rates and taxes were mentioned in the clause. It seemed that there was a rate to be taken off and a tax to be taken off also.

The COLONIAL SECRETARY: The rate or tax that would be allowed off was the municipal rate.

Hon. R. D. McKENZIE: Possibly that was not quite correct; the procedure with municipal councils was first of all to take 20 per cent. off the gross valuation and then all rates and taxes.

Hon. M. L. MOSS: The word "taxes" could have no application to anything assessed under the health or municipal Act; they were all rates. The practice in Perth and Fremantle was to take off the ordinary water rate and the loan and health rates.

Hon. J. W. LANGSFORD: That was the only meaning that could be attached to the term. The term "tax" was not known in municipal finance. If, in this instance, it did not mean the land tax imposed by the Government, what could it mean?

Hon. M. L. MOSS: moved an amendment—

That at the end of the first proviso the words "excluding for the purpose of this proviso all improvements of such land," be added.

Under the Act of 1900 the only value for the purposes of rating was the rent at which a property might let from year to year, less all rates and taxes, and less 20 per cent. for outgoings and repairs. That Act provided that the rental, subject to these reductions, should never be less than 4 per cent. of the improved capital value, or 7½ per cent. of the unimproved capital value of the property. Under Subclause (*a*) the rateable annual value of a property like that of Messrs. Sandover in Hay Street, would be its fair rental value on the basis of letting from year to year, less all rates and taxes, and 20 per cent. for outgoings and repairs. Parliament never had intended that when a person improved a property to the extent which that particular property had been improved the rate should be computed on anything else. The Committee should consider the amendments made in the law between the year 1900 and the present time, with regard to improved properties. Up to the year 1900 the law regulating this rate, and the control of these municipalities, was the Municipal Institutions Act of 1895. And the law regulating these assessments, as set forth in the Act of 1895, was on a fair and equitable basis. In 1900, when the Municipal Act was passed, the system of ascertaining the annual rental value where a property was improved and where the rent, with the deductions mentioned, did not amount to 4 per cent of the improved capital value, was very materially altered. He had no hesitation in saying that the attention of Parliament had never been drawn to the very drastic alteration made between the law as in 1895 and

the later measures. In the interpretation section of the 1895 Act land included, except for the purpose of the valuation of the capital value of the land, all houses, buildings, and other structures, etcetera. Section 155 of that Act, for which Clause 12 of the Bill is the substitution, laid it down that the capital value of ratable land shall be taken to be the probable and reasonable price at which such land in fee simple exclusive of improvements might be expected to sell at any time when valued for the purposes of the Act. The plain English of that and of the alteration was that when a municipality commenced to assess the annual value for rating purposes under the 1895 Act it took the rent which might be received for it, subtracted from it the rates and taxes, and 20 per cent., and the balance was the amount of the annual value; while if that value did not amount to 4 per cent. of the capital value, excluding improvements, then the 4 per cent. was the annual value; and if the rent minus deductions exceeded such 4 per cent. the rent minus deductions was the annual value. But in the Act of 1900, and in the 1906 Act, it was found that the land shall include all reclaimed land, houses, buildings, structures. etcetera, whether fixed to the soil or not; and another section of the Act provided that the capital value of the ratable land shall be taken to be the probable sum at which it would sell. The result of that was that in 1900 when the rental value did not come up to the 4 per cent. the 4 per cent. procedure was resorted to; but instead of computing that 4 per cent. on the capital value. exclusive of improvements, the owners of property which improved their propetry, no matter to what extent, had to pay 4 per cent. on the improvements as well as on the unimproved land. And that was repeated in the Act of 1900. Mr. Sandover's property was to-day the subject of an appeal to the local court in Perth. This was a matter of very serious contention in the Perth city council. When Sandover's property was valued the work was done by competent valuers on a rental basis, and on he deductions in the way of rates and taxes and 20 per cent., being taken, it was found it did not equal the 4 per cent. The result was that Sandovers' were called upon to pay on the 4 per cent., as provided for in the 1906 Act, on the value of the land plus improvements. That was a very serious alteration, and members who were in Parliament in 1900 and 1906 when the previous measures went through, would agree that their attention had not been directed properly to the position. When the rental value on properties, less the deductions prescribed by statute—the 20 per cent. and rates and taxes—did not equal 4 per cent., then the 4 per cent. should not be computed upon the value of the land and improvements added, but upon the land on its unimproved value. The proposed alteration was a very serious one, and provided a considerable departure from the system that had been in force in the State for many years. He understood that a number of municipal councils, when dealing with the 4 per cent. method of assessments, only computed it on the value of the land minus improvements. He believed that was the case in Perth, and although the condition of affairs he had mentioned had prevailed since 1900 the alteration was never resorted to until last year. His point was that if the rent less the deductions allowed was less than 4 per cent. of the unimproved value of the land it was only fair that the 4 per cent. should be based upon the unimproved value. The system he advocated was the basis of the law in Victoria.

The Colonial Secretary: The law in Victoria is 5 per cent. on the annual value.

Hon. M. L. MOSS: The law was so far as he knew 3 per cent. on the improved value, and 5 per cent. on the unimproved value. That was not the point however. He hoped the Committee would get back to the method of assessing the annual value, when not based upon the rental, to what it was in Western Australia in 1900. That was a very much fairer system of computation than the existing law.

The COLONIAL SECRETARY: There was no need to refer to the old Acts, as since the Act of 1895 Parliament had twice considered the question of the rating powers of Municipal Councils, and had seen fit to alter the old method. The plan now suggested by Mr. Moss provided a new departure, and would make an enormous difference to the revenues of municipal councils. It would give the councils the right to come down to 4 per cent, on the unimproved value when assessing the annual value. The hon. member could not be right when he said that Perth, when assessing the annual value, never took notice of the improvements. Any valuation took improvements into consideration. It would make a vast difference to the incomes of the councils if the amendment were agreed to. In Victoria it was 1 per cent. higher than here, and improvements were taken into account when assessing the annual value.

Hon. E. M. CLARKE: The clause inserted in the Bill of some years ago was passed with a view to prevent the practice of a man holding valuable property unimproved evading the provisions by putting a shanty on it for which he got a rent of say ten pounds a year. At to the assessment only on the unimproved value of 4 per cent.; he did not know what prevailed in Perth, but in Bunbury if there were a building on the land the valuation was taken on the land and building as it stood.

Hon. M. L. MOSS: The Minister was somewhat incorrect in the statement he made, as the 4 per cent. method of assessment could only be resorted to where the rental was not equal to or greater than the 4 per cent. That was to say, if the rental, less deductions—rates and taxes, and 20 per cent.—came to a smaller amount than 4 per cent. on the capital value, the greater of the two was the annual value for the purposes of assessment.

Hon. A. G. JENKINS: Had not Mr. Moss brought forward his amendment, he had intended to move one. As it was it seemed to him that probably his amendment would more nearly meet the case, and be clearer than that moved. However, he was quite in accord with what Mr. Moss had said on the question. He had intended to move to strike out the words "fee simple thereof" and insert "land exclusive of improvements."

Hon. M. L. MOSS: The amendment suggested by Mr. Jenkins met with his approval and consequently he would withdraw the one he had moved.

Amendment by leave withdrawn.

Hon. A. G. JENKINS moved an amendment—

> *That in lines 12 and 13 of paragraph "a" the words "fee simple thereof" be struck out, and "land exclusive of improvements" inserted in lieu.*

The COLONIAL SECRETARY: If the amendment were carried the result would come very heavily upon the municipal councils. Undoubtedly in the past the councils computed the annual value upon the land inclusive of the buildings. The result of the amendment would be that the revenues of the municipal councils would be decreased very considerably.

Hon. C. SOMMERS: The City council were known to take every opportunity they could of increasing rating powers, but he could assure members that that body were in favour of Mr. Jenkins's amendment. The suggested scheme was the fairest way to rate.

Hon. R. F. SHOLL: Under the Act the system of assessment was either on the unimproved value of the land, or on the rental value less the deductions, whichever was the greater. He had paid on the unimproved value of the land because the land brought in more revenue than the rental.

Hon. G. RANDELL: What the hon. member had stated as being his experience was the experience of a good many. Speaking for himself, he had to deal with some property which, in 1906 was valued at £18,000, in the following year it was valued at £27,000, and in the next year £32,000. This was where the trouble came in. In 1907-8 there was nothing said about improvements, and again in 1908-9 nothing was said, but what had happened? In 1907-8, improvements were included by the valuer. In 1908-9

they were excluded and did not appear on the notice paper. That part of the rate notice was ignored. The consequence was that the Taxation Department accepted the value of the unimproved land, and that was very much higher than the rental value of the land. It was a monstrous thing to think that they should charge 4 per cent. on the unimproved value of the land on which valuable improvements had been made. The amendment suggested by Mr. Jenkins would not work any harm in Perth.

The Colonial Secretary: But it would on the goldfields.

Hon. G. RANDELL: That showed that it was not wise for the Government to bring in a Bill to apply to the whole State where there were such varied conditions. It would be better to have special Acts for other places which differed so much as Perth differed from Kalgoorlie. What was suitable to one place was not suitable to another.

Hon. M. L. MOSS: In the 1895 Act there was a form in the Schedule of the Act, with which every member was familiar, known as "notice, valuation, and rate," and there were a number of columns there setting out the number of assessment, the rating, the annual value, and the capital value. In the 1900 Act we found on looking at that valuation and rate Schedule, "unimproved value" was inserted, clearly indicating that the draughtsman had in his eye the intention to perpetuate that which was the law in 1895. But they did not alter the form of the Schedule to accord with the alteration made in the body of the Act. In the 1906 Act there appeared "annual value" and "capital value." When dealing with the capital value in the 1906 Act, we were dealing with the value of the land, plus improvements. The City council of Perth for a long time, even after the alteration had been made on this rate notice, were always taking the capital value and not the unimproved value. It was not until the last year or two that they discovered that they could rate on the basis of 4 per cent. on the land and the improvements. With regard to Sandover's case, the year before last the land was shown to be valued at £25,000, that was the unimproved value. If their rental value did not come up to 4 per cent. on £25,000, the rating was to be on the basis of £1,000 a year. The next year that land which was put down at £25,000 had gone up to £42,000. They were thus to pay a tremendous rate, which was not fair.

Hon. R. W. PENNEFATHER: The amendment would receive his support, because it was a wrong principle to go on that a municipality should have the right to penalise improvements. By allowing a municipality to make a rate in the manner explained showed that the more improvements were put on the land the greater would be the tax that would have to be paid. The amendment suggested made for a rational method which would not penalise improvements, and it should be the object of the Committee to encourage in any shape or form improvements on the land.

Hon. W. PATRICK: In smaller towns if the rating were on the basis of 4 per cent. on the capital value of the land, some of them would have for themselves not £750 but hardly £75. There was not the least doubt that the fairest way was by taxing on the unimproved capital value of the land.

Hon. M. L. MOSS: It was understood that the City council desired the alteration which was suggested. In November and December there were about 100 appeals against their rating, and the City council said that, having added the improvements, they could not then take them off. What was wanted was a fair basis on which to assess this annual value.

Hon. W. PATRICK: If there were two adjoining properties with improvements to £20,000, one occupied by the owner and the other by a tenant, undoubtedly the owner of the property occupied by a tenant took into consideration the value of the improvements when fixing the rent, and the fact that he would have to pay rates on the rent. If that was the principle of valuations the owner occupying his property should pay on a similar basis, but if the improvements were exempt he would not do it.

Hon. R. D. McKENZIE: It seemed that the Government were desirous of

giving municipalities increased powers of taxation, which increased powers were not desired by the municipalities. But with that we would be able to deal later on. In the meantime in this clause there was a desire to perpetuate an injustice that had been done in Perth for two or three years past. We had it on the word of some metropolitan members that the Perth municipalities wanted the amendment moved by Mr. Jenkins, and he (the Hon. R. D. McKenzie) would gladly support it. Mr. Patrick evidently lost sight of the fact that the valuer could value on the fair amount of rent a man expected to let his property at from year to year, no matter whether the owner or tenant was occupier. The thanks of members were due to Mr. Moss for the lucid way he had put the case before the Committee.

Amendment put and passed.

Hon. R. F. SHOLL: This clause provided that a man would need to have a house worth £500 on land worth £2,500, and instead of raising a fair percentage on the unimproved value it was sought to levy 7½ per cent. That was too much and was not fair. He therefore moved an amendment—

That Paragraph 1 of Subclause (a) be struck out.

Hon. M. L. MOSS: The hon member was starting at the wrong place. The proviso to which the paragraph the hon. member sought to strike out was attached had to be read in conjunction with Subclause (d). As the law stood now, to put a fence around a piece of land, or to put a humpy on it, was sufficient to make the property improved property.

The Colonial Secretary: The proviso is to do away with that.

Hon. M. L. MOSS was aware of that, but the question was whether the improvements had not been made too excessive. The object of the proviso was to declare what was unimproved property. Parliament was to pronounce that property should be deemed unimproved unless, by Paragraph 1, twenty per cent. of the value of the property was expended on improvements, or, by Paragraph 2, improvements to the value of £30 per foot on the main frontage were effected.

The COLONIAL SECRETARY: The proviso simply defined what was now undefined in the present Act. It defined what was and what was not improved land. There were blocks of land in Perth worth thousands of pounds with humpies on them worth but £10, yet they were deemed improved under the present Act. This clause now provided that before a block worth £500 could be deemed improved there must be improvements on it worth £100.

Hon. R. F. SHOLL: The requirement that the improvement should be 20 per cent. of the value of the land was too high.

The Colonial Secretary: It is less than under the Land Tax.

Hon. R. F. SHOLL: It should be reduced to 10 per cent. An improvement worth 10 per cent. of the value of the property would certainly not be a humpy.

Hon. C. A. PIESSE: The clause should not be altered, twenty per cent. was not too much. An improvement worth £100 on a £500 block was not too much.

Amendment by leave withdrawn.

Hon. R. F. SHOLL: Members apparently considered that 10 per cent. was too low. He moved an amendment—

That in Paragraph 1 of Subclause (a) the word "twenty" be struck out and "fifteen" inserted in lieu.

Members must not forget that this would mean an increase in the water rates also. It was nothing but taxation Bills coming down. It meant the confiscation of land.

Hon M. L. MOSS: No doubt the proviso would make a vast amount of property subject to the 7½ per cent. that was not now liable to it. This proviso would increase the rating power of municipalities out of all recognition. We could not make people improve valuable properties when there were no tenants.

Progress reported.

House adjourned at 6·15 p.m.