

to do so, but I would like the leader of the House to give us some indication as to the attitude the Government are likely to take up in this respect. There is only one fly in the ointment of the proceedings of this select committee. Hon. members may have received a communication from the Perth Chamber of Commerce on this measure, in which the Bill is strenuously objected to, for one or two reasons which appear to me most inadequate indeed, and they regret that they were not afforded an opportunity of giving evidence before the select committee. I regret to say the correspondence with which the secretary to the committee furnished me, in anticipation of this motion not coming on so quickly, has been left by me in another place, and therefore I am not able to quote it. That correspondence clearly shows that the Perth Chamber of Commerce had, I think, six or seven days' notice requesting them to give evidence before the committee. They found the time too short, and I suppose they thought the committee would hang up the proceedings in order that this evidence might be forthcoming. But as we had evidence from representatives of the chartered banks, from one of the most eminent legal authorities in Western Australia in a private capacity, from the Solicitor General and from the legal gentleman who drafted the Bill, we did not think it necessary to call upon the services of the Perth Chamber of Commerce; nor indeed did we think they could shed any additional light on the subject, judging by the report of their proceedings in the morning Press. By that report objections seem to have been taken to one of the clauses which had already been eliminated by the committee before those remarks appeared. So the Perth Chamber of Commerce need not have been so strenuous in their objections to the Bill, nor did they have any excuse for saying that they were not afforded an opportunity of giving evidence before the committee. I hope hon. members will agree to the adoption of the report, and I hope the leader of the House will have some cheering news in the way of a promise that the Govern-

ment will introduce such legislation at the earliest practicable date. I move—

That the report be adopted.

Hon. H. P. COLEBATCH (East): I second the motion.

On motion by the Colonial Secretary debate adjourned.

House adjourned at 9.13 p.m.

Legislative Assembly,

Tuesday, 25th November, 1913.

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The SPEAKER took the Chair at 3.30 p.m., and read prayers.

OBITUARY—HON. C. E. FRAZER, M.H.R.

The PREMIER (Hon. J. Scaddan): Before the business of the House is proceeded with I desire to say that with very great regret I have to announce the death of Mr. C. E. Frazer, M.H.R., of Kalgoorlie. Mr. Frazer had been a member of the Federal Parliament, representing one of the five constituencies of this State for something like 10 years, and during that time he rendered faithful service, not alone in the interests of his own constituency, and not alone in the interests of Western Australia, but also in the interests of Australia as a whole. He was not long a member of the Federal Parliament before he became an Honorary Min-

ister, and his services in that capacity were so appreciated by the then Federal Government, that eventually when a vacancy occurred, owing to the death of one of the Ministers, Mr. Frazer was elevated to the position of Postmaster General. I think it can be claimed that in that capacity he rendered faithful service to Australia. Although he was a strong adherent to the Labour policy as it is known in Australia, yet he was not forgetful of his duty to the general taxpayer, even when pressed from some quarters by those who may be looked upon as Labour supporters, and he was always desirous of doing what he thought was best in the interests of the community as a whole, and meting out justice to the people generally irrespective of who preferred the requests. It is a matter of extreme regret to me personally to have to mention his death, because when he was elected to Parliament, Mr. Frazer and I were mates driving the same engine on the Golden Mile, and I assisted in my little way to secure his election to the Federal Parliament. Afterwards I entered the State Parliament, and although we were working in different spheres, we at various times in conferring on different matters, endeavoured to render assistance to the two Parliaments, to Western Australia and to Australia as a whole. I regret exceedingly Mr. Frazer's sudden death, and all hon. members irrespective of their political views will agree that he proved a valuable servant to Western Australia during the ten years in which he was a member of the Federal Parliament.

Hon. FRANK WILSON (Sussex): I am sure hon. members on the Government side will appreciate the fact that I can say we join with them in expressions of sincere grief at the loss of another prominent public man belonging to their party. When death sets its hand upon public men and removes them from the sphere of practical politics and public life, naturally all opposition then dies. We do not carry our political animosities any further, indeed we cannot, and we can only see the virtues which the de-

ceased possessed. I recognise that in Mr. Frazer we had an earnest, although a young man, a man who was ever desirous of doing his best, not only in the interests of the party to which he belonged but in the interests of the country of his adoption. He had a strenuous public life, and the fact that he rose so rapidly from the position of engine-driver on a mine, the same as our own Premier has done, to the high and honourable position of a Minister of the Commonwealth of Australia, necessarily points him out as having been a man of considerable ability. I am pleased to acknowledge that ability. I know that every hon. member of this House will sincerely voice the regret to which the Premier has given expression, and that our sympathy will go out wholeheartedly to his widow and to the members of his family. After all is said and done, this is their grief. His life was strenuous; it is over; he has gone to his rest, and the grief is with those whom he has left behind.

QUESTION — RAILWAY RATES, LINES UNDER CONSTRUCTION.

Mr. MOORE (without notice) asked the Minister for Works: Will the Minister inform the House if the railrage rates lately obtaining on the Wongan Hills-Mullewa railway have been reduced and what rates he proposes to charge now on the two lines, cereals and fertilisers?

The MINISTER FOR WORKS replied: As I have already informed the House, a conference of expert officers sat recently to go into this question of the rates on these railways. Their report has been considered by Cabinet, and I hope to make Cabinet's decision public to-morrow.

QUESTION—SELECT COMMITTEE, CAPT. HARE'S RETIREMENT.

Hon. FRANK WILSON (without notice) asked the Premier: In view of the expressed agreement of the Honorary Minister (Hon. W. C. Angwin) to give evidence before the select committee ap-

pointed by the Legislative Council to inquire into the discharge of Captain Hare, and on the understanding that the hon. member for Mount Margaret (Mr. Taylor) is also agreeable to give evidence, will he enable the House to consider the Council's Message in order to grant the necessary permission to those two gentlemen to give evidence.

Mr. Bolton: Will the House grant it?

The PREMIER replied: I have already replied to a question of this description asked without notice by the member for York (Mr. Monger) when I said we had other important business to be dealt with, and I do not propose to bring up that motion as I consider it would be useless.

Hon. Frank Wilson: Then you prevent them from giving evidence.

QUESTION — OIL IN WARREN RIVER DISTRICT.

Mr. WISDOM asked the Minister for Mines: 1, Did he authorise the publication of a report in the *West Australian* of the 12th inst., by Mr. Gibb-Maitland, dealing with the prospects of oil occurrence in the Warren River District, and described by him as "A Timely Warning" to investors? 2, Does he concur in Mr. Gibb-Maitland's report, which is adverse to the existence of oil in that district? 3, Is he aware that Mr. Montgomery, as the result of a subsequent visit, reported that it was possible oil might be found in that district, and recommended that the Government should subsidise a company to put down a bore, which was done? 4, Has any satisfactory explanation been given of the existence of large quantities of bitumen (a product of petroleum) in the Warren River District? 5, Is he satisfied that, as inferred by Mr. Gibb-Maitland, the question of the prospects of oil occurrence is settled by one bore? 6, Is he aware that the only report available in the office of the Agent General in London is the report of Mr. Gibb-Maitland? 7, Will he arrange for the reports of Mr. Geoczel and Mr. Montgomery to be published here and supplied to the Agent General? 8, Is he aware that the British Admiralty and the American Oil Corporations are sending

experts to Australia to report on the prospects of finding oil, and that the Commonwealth Government has appointed an expert for the same purpose? 9, Will he endeavour to have these experts examine the Warren River District?

The MINISTER FOR MINES replied: 1, Yes. 2, It is not a matter on which I am prepared to offer an opinion. 3, The substance of the State Mining Engineer's report was that there was a bare possibility of oil being discovered, and that assistance might be given to the company which had undertaken boring. 4, Bitumen has been found on the beach at various places between the mouth of the Blackwood River and Kangaroo Island. It has not been found inland in the Warren River District. 5, No such inference can be drawn from the Government Geologist's report. 6, No. All reports on the subject have been forwarded to the Agent General. 7, The State Mining Engineer's report is already in the Agent General's office. I am not prepared to give further publicity to Mr. Geoczel's report, which has already been published privately, but I am prepared to have a revision by the Geological Survey of all evidence on the matter. 8, I am not aware that the British Admiralty and the American Oil Corporations are sending experts to Australia to report on the prospects of finding oil, but advice has been received that Dr. Wade has been engaged by the Commonwealth Government to proceed to Papua to report on the reputed oil fields there. The Commonwealth Government has been informed that in the event of Dr. Wade visiting this State every assistance will be rendered to that gentleman in inspecting the possible oil-bearing districts. 9, I will welcome the fullest investigations on this locality by any experts, but I am not prepared to engage them for the purpose.

QUESTION—COLLIE COAL ON RAILWAYS.

Mr. A. A. WILSON asked the Minister for Railways: 1, What was the number of the locomotive that took the 8 a.m. passenger train from Perth to Katanning

on Saturday, the 15th? 2, Was Newcastle or Collie coal used on the journey? 3, If both, what percentage of each was used?

The MINISTER FOR RAILWAYS replied: 1, From Perth to Spencer's Brook, locomotive 347; from Spencer's Brook to Katanning, locomotive 338. 2, A mixture of Newcastle and Collie coals was used on both locomotives. 3, Locomotive 347.—Collie, 22 per cent.; Newcastle, 78 per cent. Locomotive 338.—Collie, 87 per cent.; Newcastle, 13 per cent.

PAPERS PRESENTED.

By the Minister for Works: Map showing route of proposed railway from Esperance northwards. By-law of North-East Coolgardie Road Board—Valuation on annual value. By-laws of Kalgoorlie Road Board. By-law of Mount Margaret Road Board—Valuation on annual value.

By Hon. W. C. Angwin (Honorary Minister): Report of the Bunbury Harbour Board for the year ended 30th June, 1913.

By the Minister for Agriculture: Reports on phosphate deposits at Nambam, Dandarragan, and other places in the State (ordered on motion by Mr. E. B. Johnston).

STANDING ORDERS SUSPENSION.

The PREMIER (Hon. J. Scaddan) moved—

That for the remainder of the Session the Standing Orders be suspended so far as to enable Bills to be passed through all their stages in one day, and messages from the Legislative Council to be taken into consideration on the day on which they are received; also, so far as to admit of the reporting and adopting of the resolutions of the Committee of Supply and of Ways and Means on the same day on which they shall have passed those Committees.

No undue advantage would be taken if the motion was carried to press measures through which should have careful consideration and discussion. It could be applied, of course, to small Bills with which we could deal and practically complete in

one day. Except in the case of such Bills, it would not be used at all, unless to receive the reports of Committee and read a Bill a third time. Where, however, a Bill was introduced and members of the Opposition or on the Government side of the House wanted it to be adjourned to enable them to consider it, no objection would be raised. The adoption of the motion would facilitate business considerably in the matter of adopting the reports of Committee and carrying third readings on the same day. He would again assure hon. members that no undue advantage would be taken.

Hon. Frank Wilson: When do you propose to get through?

The PREMIER: That was hard to say. It depended largely upon hon. members. If hon. members would be prepared to accept the advice of Ministers in regard to different measures, we could get through in about a week, but after endeavouring to give members a fair opportunity of dealing with these various measures, he hoped to conclude before the Christmas holidays.

Question put and passed.

BILL — MONEYLENDERS' ACT AMENDMENT.

Introduced by the Attorney General and read a first time.

LEAVE OF ABSENCE.

On motion by Mr. UNDERWOOD leave of absence for three weeks granted to Mr. Mursie on the ground of urgent private business.

BILL—LAND AND INCOME TAX.

Second Reading.

Debate resumed from the 19th November.

Hon. FRANK WILSON (Sussex): We have once more to consider the suggestions of the Premier in regard to taxation in respect of land and income. I agree

that the Legislative Council was to some extent justified in throwing out the measure last year upon the grounds that there was not time to give it proper consideration. I am sorry that the Premier seems to be repeating the experiment this year. The Premier has told us the Bill is similar in its provisions to that which we adopted last session. Be that as it may, I should have thought it would have been all the more reason why the measure should have been introduced in the early weeks of the present session instead of waiting until the flag end of the session. It is not as if this is the only important Bill we have to consider. We have other important measures which are being treated in a similar fashion. We have that big measure which the Attorney General introduced the other day, the Factories Bill, and we have a very controversial measure in the Local Option Bill, introduced, to my way of thinking, for a certain purpose, and we have the great Bill which the Minister for Works introduced the other night for the construction of a railway in the Esperance district, then we have the Electoral Districts Bill. All these embody important proposals and we have not much time between this and Christmas to deal with them, even if the Premier does intend to prorogue prior to Christmas.

The Premier: It would not be the first occasion that the House sat after Christmas.

Hon. FRANK WILSON: It would be a disgraceful thing if we were forced to sit here after Christmas after having been in session since June last, and attending here week after week with very little to show for it, yet all these important Bills are left to the last, although, according to the Premier this measure is substantially the same as the one brought in last session.

Mr. Underwood: You should not talk so much about the State steamships.

Hon. FRANK WILSON: I am opposed to this measure and I do not believe in the principles the Premier has enunciated in regard to it. Our policies of course differ considerably; they are as

wide asunder as the poles on this question of land taxation, and the Premier knows it. I hold we ought to endeavour to relieve the burden in regard to the land so far as we possibly can, and when we take into consideration that we have had for several years past a heavy burden in connection with the Federal land tax, I think hon. members if they speak their minds will agree that we ought to lighten our land taxation in this State rather than increase it. That is my policy at any rate, and believing that, with the adjustment of the Customs tariff which must come about sooner or later, so as to bring it more in accordance with a revenue tariff instead of a protectionist tariff, the Federal burden will also be increased, and that we cannot possibly hope for any relief from their land taxation, I think it is our duty here to see what we can do in this direction as a local Parliament. Liberals are not the rabid protectionists that the Premier has stated them to be. We have free traders and protectionists and revenue tariffists among our ranks the same as hon. members opposite, and I should think most hon. members of this House, no matter what side they sit upon, would claim to be revenue tariffists rather than out and out free traders or protectionists as the case may be. At any rate, the value of the settler to the State is, I think, fully recognised by every member on this side of the House, and I believe to some extent by members opposite, and, therefore, I ask them all to join with me in endeavouring to make the lot of these people as light as possible.

Mr. Bolton: Have they not done so?

Hon. FRANK WILSON: No, and instead it is proposed here to increase it. We are helping these settlers as usual in this House by demanding more onerous conditions, increased taxation. The Government are going to raise railway rates, and now this Bill provides that we are to take away the exemptions and rebates of every description which were provided in the 1907 Act. We had the astounding announcement from the Premier in introducing the measure that it is not wise to have any exemptions because many have escaped taxation by means of dum-

mying, and he made this charge against both town and country. I cannot understand where dummying can help a man to escape land taxation. The tax is not levied on the individual; it is levied on the property, and it matters not who may be there that tax can be collected, and how the Premier can come to such an astonishing conclusion that the exemptions are responsible for them evading taxation, those who do it, and that dummying is the chief cause, I am at a loss to grasp. Dummying, so called, of course could be availed of by splitting up a large estate and dividing it into a number of holdings and putting different holders into different portions of that estate, or an owner could split up an estate and divide it among members of his own family, and to that extent could get the benefit of exemptions which exist under our present law, but I do not think it would pay him to the extent of cutting up his estate for that reason only, and even if he did what are we aiming at but the division of large estates into smaller holdings? What is underlying all our efforts in legislation at the present time? Is not the very ideal state of things which we want to see brought about, numbers of small holders, men who are working their own farms and who are making the most out of the land which they own? If that be so, then, even at the risk of losing some little taxation by division of holdings in this manner, we should continue the present exemptions. I cannot understand how Crown lands can be dummied to avoid taxation, or town lands either, and more particularly town lands. I should like the Treasurer to explain how he comes to that conclusion. The Premier claims that by sweeping away all exemptions he is making a better Bill than we have had previously, but I fail to see how that can be. For instance, by allowing the exemption on country lands at £250 to no longer exist, and the exemption on all lands up to £50 to go by the board, he thinks he will assist the small settler and the worker in the town. It seems to me sheer madness to argue in that direction, because almost all the re-

cords and figures of the Commissioner of Taxation point to the conclusion that it is the small man who has received the advantage of these rebates and exemptions. I again protest against this method of rendering assistance to our settlers. Then we are told that the rebate on improved land is to be abolished. The existing law provides that a man who improves his land in the country or town up to a certain extent, as provided in the Act, is rewarded by a reduction of half the tax, but this has to go out and no matter how a man may expend his energies and his money, in improving his property, the very thing we want to encourage, he is to be mulct in exactly the same taxation as the man who sits back and does nothing, who spends neither money, labour or energy, but who waits until his neighbour improves his property and so rakes in the unearned increment. The Premier spent some time in labouring this question whilst all the time his language was directed against the man who will sit back and take advantage of another's activity; yet the legislation is in an exactly opposite direction. The Premier is playing into their hands, it seems to me, by this proposal and all the relief that is held out, or all the promised relief that is held out, to counteract the burden put upon the small people, particularly under this measure, is in the paragraph in which he states that it is intended to make abatement by dealing with the land in a different way so far as the rents were concerned, and he went on further to state that eventually the provisions would fall more lightly upon the new comer than under the existing conditions. We want to know more than that. The country is entitled to have a fuller explanation at the hands of the Premier as to how he will compensate the people who will have to bear this extra burden. I cannot see how the Government are justified in mixing up the two questions. If we are charging too much for our lands by way of rentals or purchase money, we must adjust those matters, irrespective of taxation. If we want funds, and I believe at the present time the Government want all the revenue

they can lay their hands upon, then we must impose our taxation in an equitable manner. We must not penalise one section of the community as against another, but endeavour to make it so that all shall bear a portion of the burden. I regret with everyone that we should find ourselves in the position financially that we must raise extra revenue. I do not think the Premier will be able to raise enough to meet his liabilities. We must get some extra revenue, but to hold out the hope to the people who are being penalised under this measure, that they will get compensating advantages in some other direction is mere clap trap. Such a proposal exists only in the imagination; it cannot be done. We were charged in 1905, when the Liberal party went to the country, with being opposed to land taxation, but that later on we imposed it. The Liberal party were never opposed to land or any other form of taxation, if necessary. I have a recollection of Mr. Rason, when appealing to the country on that occasion, using words something after the following effect. "that so far, or up to the next year at any rate, it was not his intention to increase taxation," and Mr. Rason went on to add that he preferred that there should be a small deficit than that there should be imposed further taxation that year, and he bound it down to that year. Later on he inferred that the matter would be gone into, and if necessary, increased taxation would be imposed.

The Premier: He said that it required a big hearted man and he was that man, and he added that it would not be introduced by his Government.

Hon. FRANK WILSON: Mr. Rason said it would not be introduced that year. I have before quoted Mr. Rason's words in the House, and on more than one occasion, but it seems to me that no matter how often one quotes exact words from speeches, the Premier will go on repeating statements which are not correct. I have proved that Mr. Rason's remarks only applied to the then financial year, and that the future had to be left to take care of itself so far as the exigencies required.

The Premier: That was throwing dust in the eyes of the electors.

Hon. FRANK WILSON: It was not; the electors were quite satisfied.

The Premier: The member for Northam came in on a by-election opposed to land taxation.

Hon. J. Mitchell: I did not.

Hon. FRANK WILSON: I have myself said, in introducing land and income taxation, that so far as I was concerned, I was personally opposed to increased taxation. All hon. members are of the same view; they would rather not have taxation, but we are prepared to do our duty to the State and, if necessary, we must face the music and pay our contributions. But the Premier says it is more equitable to make these poor people bear the burden which he is inflicting in his Bill. On the other hand, how can he reconcile his attitude by increasing the exemption in regard to the income tax? The struggling settler will have to pay. The small artisan who owns his block of land, on which he proposes to erect his home, is to be taxed, but the great mass of those who are working for wages and earning up to £250 a year—£5 a week—will escape, and this is a sum which very few of our settlers to-day are earning. Those in receipt of this income are to go scot free. Whilst there must be a necessity for increased revenue, as it is admitted, I say emphatically that the Premier is doing wrong when he refrains from exercising proper care in seeing that the taxation is framed on an equitable basis, and that all ought to be treated alike. I regret that additional revenue must be raised, but I condemn the cause for such increased revenue. There ought not to be any necessity for extra taxation at the present time. When we remember that in 1907, when the first land and income tax measure was introduced, we had only a revenue in Western Australia amounting to £3,400,000, and that the return from the Commonwealth Customs and Excise, which was £1,027,000 in 1904-5, had fallen in the following two years to £780,000, a shrinkage of £247,000, and that to-day we have Estimates placed before us put-

ting the revenue down at £5,400,000, nearly two millions in excess of the figures I have quoted, people must agree with me when I say, where does the necessity come in for this increased taxation? How is it, with this enormously increased revenue of £5,400,000, we must scratch around for every penny and shilling that we can obtain by way of taxation, and striking off all the moderate exemptions which had for their object the encouragement of thrift and assistance towards the development of the State. Times of stress, I repeat, should be borne by all. I admit we have a time of stress just now, caused by my friends who are in power. It is due to lack of experience on their part in financial matters and in the large undertakings they have embarked on, and if it is necessary for them to find additional funds, the increased burden should be borne by all equally. So far as I am concerned, the £250 exemption in the income tax, as proposed, is a wrong thing. The present exemption of £200 should rather be reduced to meet the necessity of the times.

Mr. Brown: How many farmers are making £250?

Hon. FRANK WILSON: I have just pointed that out; very few indeed. There is a lot of interesting information in the report of the Commissioner of Taxation, and hon. members will do well to look it up. It says that under the land tax exemption in the 1907 Act some £37,000 was not collected; in other words the taxpayers to that extent received a refund under the exemptions which are now to be abolished. This is now to be taken from the smaller man, and we find that conditional purchase leases, at any rate the new ones, have to bear taxation from the inception. Yet we are striving our utmost to settle the lands, and all shades of political thought hold the opinion that it is desirable that we should settle our lands; that we should get people to cultivate the land and make it produce, and we give them an inducement under the existing law. We say "Till you get up your farm we will not impose this taxation at all; we recognise that you want every penny you can raise,

that you can negotiate for, to enable you to develop your estate and work it profitably, profitably to yourself and to the State." And saying that on the one hand, we have the Minister for Works glibly chipping in and saying that he is going to put a tax on them, to put a tax on them from the day they go on the land, notwithstanding that we should try our best to make their burden as light as possible.

Mr. Gill: Is the farmer the only one whom we should encourage?

Hon. FRANK WILSON: Perhaps not the only one, but he is the primary producer. Inconsistency stands out a mile whenever these hon. members open their mouths. These settlers want their money for the development of their holdings, but we are going to put this increased taxation on them and raise the railway rates, forsooth, as well. We are going to hit at them every time. What I cannot understand is the iniquitous proposal of the Government that improved land should remain under the same tax as unimproved land. We have had no explanation from the Premier. He has gone all round the point, and simply said that it was unwise to have these conditions. Therefore he proposed that they should be done away with. But it must appeal to everyone that the man who does improve his estate ought to be encouraged, ought at least not be penalised; and it ought to appeal to everyone that the man who sits down and merely speculates in the land—although there is no crime in that—should be asked to bear a higher proportion of taxation than the first man. Not content with that, we are also going to make life insurance companies, whether proprietary or otherwise, pay on their estimated profits. Life insurance companies are exempted under the existing Act; they are not to be taxed. It does not amount to a great deal, the whole sum exempted for the year is only about £2,500. But it seems to me it is inconsistent to encourage life insurance among taxpayers by allowing them a deduction of up to £50 for a life premium, when we are collecting income tax on the one hand and imposing a tax on 20 per cent.

of the premiums paid by the persons insured, which will be the case if the Bill be passed. On the one hand we say, "We will encourage you to insure, to cover your life for the benefit of your wife and children, and we will allow you up to £50 on which you will not pay income tax." But we go to the company and say "We are going to tax you one shilling in the pound on the premiums." Where is the consistency, unless indeed the company distribute its profits among shareholders? But the A.M.P. Society and others in the State do not declare any dividends to shareholders. They simply collect from their customers sufficient to pay the liabilities, and if there is anything over and above what will meet the just and legal demands of the concern they return it in the shape of bonuses to the people providing the money. There are, I notice, about 6,000 persons in Western Australia who earn between £200 and £300 per annum, and in raising the exemption to £250 it is natural to suppose that we reduce that number by at least one-half, if not more. So we are going to put the burden of this income tax upon 3,000 of those people or under, and that number, who draw between £250 and £300, together with the other income taxpayers, who number about 5,500—we are going to collect from 8,500 persons in Western Australia the whole of the income tax, whereas at the present time we collect from 11,500 persons. This ought to furnish food for reflection. Surely when the country is in a tight corner financially there are more than 8,500 persons in Western Australia who ought to carry some portion of the burden. I cannot emphasise the point too much, that when we do come to hard times the burden should be distributed as equitably as possible amongst the whole of the population, barring those who are earning only a subsistence. We are asked to collect something from clubs; we are asked to see that they pay on their profits the same as do trading concerns. If they were proprietary clubs I could understand the reason for this, the equity of it. Proprietary clubs run by an individual or a

number of individuals for their own benefit and profit are traders in the ordinary acceptation of the term, and they ought to pay, exactly the same as the owner of a grocery establishment or a furniture shop. But clubs which consist of a number of men or women, as the case may be, banded together to provide a home or an adjunct to their homes, to contribute each member so much per annum in order that they may have the comforts of a home, and who do not distribute profits under any circumstances, but who spend their surplus, if any there be, in providing for the comfort of their members—why should they be called upon to pay income tax on something which is not an income?

Mr. Harper: Be called upon to pay twice.

Hon. FRANK WILSON: Exactly. They pay on their own incomes as individuals, and again they are to be called upon to pay tax on a certain proportion of it which they have paid into their club. We are told that development work on mines is to be exempted. That seems a pretty wise provision, rather a fair provision; but if we exempt development work on mines why should we not exempt development work of a club, the giving of more comfort to its members?

Mr. Harper: Or development work on farms.

Hon. FRANK WILSON: And we might carry it further and exempt a certain proportion of development work on farms. It would take an expert to define what was meant by the term in this connection.

Mr. Harper: I could define it.

Hon. FRANK WILSON: I know the hon. member could define it on his own farm. He would soon have no profits left on which the taxation commissioner could collect any revenue. Then we have admitted in this measure that provision which was boasted about so much by the Minister for Lands last year, and deservedly so, namely, the exemption of £20 on every child under 16 years of age.

Hon. J. Mitchell: It is £10.

Hon. FRANK WILSON: But £20 was proposed, although it is only £10 in the

measure. The sum of £20 was suggested last year, and the Government took credit to themselves for having doubled the amount. It has dropped this year, and I suppose next time the Bill comes before us it will have disappeared altogether. At any rate I hope the Premier will agree to increase that £10 exemption to £20; because we can have no more profitable citizen in the country than the man with his quiver full, who brings up sons and daughters to be citizens of the State after him. Then we have a provision which I shall only briefly touch upon as having caught my attention. It is proposed that the Government may take land when the court is satisfied that the value has been understated 25 per cent. or more. I do not know that anyone would take exception to such a drastic action if it were satisfactorily proved that the value of the land has been wilfully understated to the extent of 25 per cent. But the provision is a dead letter in the Commonwealth Act, and it is unnecessary to enact these provisions which will never be put into operation. There have been no cases yet under the sections of the Commonwealth Act dealing with land which has been wilfully undervalued for the purpose of evading taxation. In any case I object strongly to taxation values being taken for the purpose of compulsory resumption. I did that in dealing with the Land Valuation measure the other day, and I do so again here. I do not see what connection the two questions have at all. Why, because a man puts in his return to the taxation commissioner he should be forced to part with his property at that price, I cannot understand. It is too heavy a penalty to ask any man to bear. The taxation commissioner has plenty of means available at hand to ascertain whether valuations are right or wrong, at any rate within 25 per cent., as is to be done here. Why, then, should he not take some responsibility? Again, I bought a block of land only to-day at £320. I shall send in that value for taxation purposes to the commissioner as being the money I paid. But I am not going to sell the land at the same price. I am one of those culprits or criminals who

want a profit out of the transaction. If I buy a block of land I want a profit on it, just the same as if I had bought shares in a business or purchased any other marketable commodity. I want it for a rise, but I cannot put a prospective rise into my land valuations for the commissioner. Therefore, if a man returns the actual price he has paid for something he is carrying out his duty. To ask him to be forced under compulsory resumption to accept that price as a fair valuation of the property he is dispossessed of is taking an unfair advantage, and I think this power ought to be struck out of the measure. We have another suggestion, namely, that the absentee shall pay double the tax. Of course I have no sympathy with absentees as such, with men who have all their money or a great portion of it invested in Western Australia, and live elsewhere. To my mind they are not so desirable as the man who lives within the State. But considering that the Treasurer is after these men every month to see if he cannot raise new loans, I think it would be advisable for him to call a halt instead of increasing taxation on these people. Under the old Act 50 per cent. was imposed. It was considered somewhat outrageous at the time, and it was pointed out that we exceeded some of the other States in our efforts to put the increased burden on those who do not reside here. I have not heard that there is any justification for doubling the amount of taxation to one penny unimproved land tax for all with two pence for the absentee.

Mr. E. B. Johnston: It ought to be 3d. on the absentee.

Hon. FRANK WILSON: I do not think so. The hon. member would exterminate the absentee altogether if he could.

Hon. J. Mitchell: And borrow his money.

Hon. FRANK WILSON: We have to go afield for our loan moneys, and is it in the best interests of the State to make enemies of those who have acquired a position to lend us capital? Our actions are inconsistent. We are every day hav-

ing fresh proofs of our inconsistency. We are condemning the man who lends money; we go very far in the direction of calling him a thief and accusing him of getting his money from the sweat of the toiler, and yet we go to him cap in hand, saying, "Will you please invest in our securities," and at the same time assure him that his capital is perfectly safe in Western Australia, that he need have no fear, that we have no intention of doing him an injury or an injustice. These are pinpricks and our measures are teeming with them. This increased tax against the absentee will not produce very much, I do not think it will give the Treasurer another £1,000 a year. Is it worth while? It seems to me we are going out of our way to increase that sense of insecurity and unrest and dissatisfaction which is undoubtedly present amongst those who have capital to invest and to expend: I do not know that I need labour this Bill much longer. There is a number of alterations, but the main features are those which have been touched on by the Premier and on which I have commented. These matters can be discussed more fully in Committee but in any case whatever may come, I am opposed to this measure because it is inequitable. It does not distribute the burden as it ought to and it is increasing the burden on a section of the community who can ill afford to carry it. It is a breach of faith, a breach of undertaking with many who have purchased properties, small properties, who have built their homes, who have settled on the terms imposed under our previous legislation and who are entitled to the exemptions provided thereunder. The Bill, on the other hand, attempts to do what must be admitted by all right thinking people to be unjust, namely, to increase the deductions under the income tax to cover an enormous number of wage-earners both in the ranks of the actual manual labourer and in the ranks of those who can just as well afford to pay a small portion of this increased impost, and better than the bulk of the settlers who are struggling to furnish homes in our backblocks.

Mr. THOMAS (Bunbury): I am inclined to think the leader of the Opposition is not in his very best form to-day, or he would have put up as he generally does a substantial case in opposition to the Bill under consideration.

Hon. J. Mitchell: Knock his case over if it is so easy.

Mr. THOMAS: I am not going to say anything unkind or ungenerous, but I want to remark that as a rule I admire the hon. member's efforts, no matter how mistaken he may be. It seems to me that in attacking this question of land taxation, the hon. member has directed his attention to only one phase of the matter. That seems to be the case with most other hon. members on the Opposition benches, and the one phase they deal with is the effect which the proposal will have on the small farmer of Western Australia. After listening to the hon. member's remarks one would be under the impression that in the first place all the farmers of Western Australia were very small and very poor and were struggling very hard and that about 95 per cent. of the whole of the tax was raised from these people. None of these assumptions is true, for it must be remembered that the major portion of the total tax will be levied upon city properties. If we take the value of city properties from Midland Junction, including Perth, down to Fremantle, it will cover the scope of more than one-half of the tax.

Mr. Underwood: We poor city workers have to pay it.

Mr. THOMAS: I am only quoting the fact to prove that one-half of the tax is accounted for by the metropolitan centres alone. When we come to consider further that there are some enormous estates in Western Australia, one at the present time, I believe, of over one million acres, which contribute their proportion of this taxation, when it is summed up, I say the small and struggling farmer contributes but a very small portion of the actual land taxation of the State. According to the leader of the Opposition—and he continually repeated the statement—this proposed taxation is unfair and inequitable. I

wonder how any man can logically argue that a land tax is inequitable. I think all the political economists in the world are agreed that a land tax is the most equitable form of taxation which can be imposed in any country. The land tax, the same as any other tax which raises income, which the Treasurer would say is a very necessary thing just now, not only raises revenue, but has many other benefits attached to it that probably no other form of taxation has. It discourages land settlement without improvement; it encourages the land owner to use his land to the best advantage in order that he may without difficulty be able to pay his taxation to the State. The hon. member dwelt with some feeling on the question of an unfortunate man who held £50 worth of land and would be called upon to pay this most iniquitous tax. If a man holding £50 worth of land paid the tax without any exemption or any rebate, the tax would amount to the enormous sum of 4s. 2d. per annum. I am sure it would be a tremendously difficult burden for a small struggling farmer to raise 4s. 2d. per annum! To those who are always claiming that the small farmer is being trampled in the dust, it might be pointed out that within the last year or so the Government in reducing the surcharge of 1s. a ton on agricultural railways has made a return to the farmers of something like £20,000 or £25,000 per annum.

Hon. J. Mitchell: They did not get £14,000.

The Premier: Considerably more than that, owing to the fact that there were more spur railways added. That was in the first year.

Hon. J. Mitchell: An average of £14,000.

Mr. THOMAS: Well, let us say £30,000!

The Premier: Easily £30,000, and more than that this year.

Hon. J. Mitchell: Make it the amount of the deficit.

The Premier: Do not be silly.

Mr. THOMAS: The hon. member cannot help it, it is not his fault, but his misfortune.

Mr. Harper: I would like to sell at the hon. member's price and buy at my own.

Mr. THOMAS: The hon. member has been successful in selling to people in the past much which has been to their disadvantage. He would sell me a pup, to use a vulgarism, if he could do so.

The Premier: He would sell you half an interest in a show.

Mr. THOMAS: Yes, the hon. member stated that.

Mr. Harper: What about pink pills?

Mr. THOMAS: That is a poor old joke, I have heard it in this House before. If I were the hon. member I would get hold of something new. I might as well remind him of the wheelbarrow, but we have heard of that before and I do not intend to repeat it because it is stale.

Mr. Harper: Nearly as stale as the hon. member.

Mr. THOMAS: I do not know that this class of repartee is either clever or entertaining, and if hon. members will permit me I would like to proceed. The Premier has just informed me that 1s. per ton surcharge on the spur lines will result in a loss of approximately, £30,000 for this year. That is one of the concessions made directly to the farmers.

Hon. J. Mitchell: To the timber mills.

Mr. THOMAS: That amount alone will more than cover the total collection of the land tax under the present Bill if it is carried through both Houses of Parliament; that is so far as the country people are concerned. In addition to the surcharge, there is an amount of something like £30,000 which the Government lost through carting fertilisers at a loss. That has been done for many years, but when we say that the people who own land are entitled to pay a reasonable measure of taxation we are told that we are continually trying to stamp out the small man in this country, the man we should foster and help in the development of Western Australia. Every sane man agrees that we should foster the primary producer. No one wants to take

any action which will in any way hamper the development of Western Australia, but while we owe a duty to the primary producer, we also have a duty towards the rest of the people of the State. In doing justice to one section any Government worth their salt must endeavour to do justice to all sections of the community. It has been asked why a land tax should be imposed. What is it that the farmer gets from the State that he should in return be asked to submit to the imposition of a tax which does not fall on other sections of the community? Two years ago, in speaking in this House on the question of the non-alienation of land, I quoted the fact that about six or seven years ago there had been sold throughout Australia some 123 million acres of land and the return received was approximately 123 million pounds. About six or seven years ago for the purpose of land taxation, figures were obtained by Mr. Watt to ascertain the unimproved value of the land in Victoria alone. It was discovered that the unimproved value of land in Victoria alone was five million pounds more than had been received for all the land sold throughout Australia. This shows that the unearned increment on the land at that time must have amounted to very many millions of pounds. How does that unearned increment come about? It comes about through the influx of population brought here very largely by attractions which the State has to offer; it also comes about for this reason that all the money borrowed by Australia and all the revenue expended in Australia tends towards one point above all others—an increase of land values, the increase of the unearned increment of the people of Australia, and in return the Government have the right to say that the people owning the land shall pay something fair in the way of taxation, to make up for the benefits they are getting. In the year 1889 the unimproved land in New Zealand was valued at 75 millions sterling. Eighteen years later it was valued at 175 millions, showing that in under 20 years the unimproved value of the land in New Zealand increased by 100 millions sterling.

Probably pro rata the same increase has been taking place in Western Australia, showing that the people of Western Australia are enriching the landholders and the owners to that enormous extent, and I claim that we are perfectly justified in saying that in return for that enormously increased value of land we have a right, on behalf of the people, to expect a reasonable return by way of direct taxation. I would like the hon. member for Northam to explain away that fact. I notice from the figures obtainable two years ago that 299 people owned 33 per cent. of the land alienated in Western Australia, so that when we hear heart-rending appeals to be kind to the small settler, we would wish hon. members to take into consideration the fact that I have just mentioned, that 299 people own 33 per cent. of the alienated land in this State and that they at least are entitled to pay a reasonable percentage of land tax.

Mr. Male: Pastoral leases?

Mr. THOMAS: I said land alienated; pastoral leases are not alienated. I would also point out that there is a good deal of misconception on this matter and the member for Northam and his chief, the leader of the Opposition are, perhaps unwittingly, throwing dust in the eyes of the farmer. Of course I understand just now it is necessary to appear to be playing up to the wants of the farmers and the settlers, on account of the new association which has come into existence.

The Premier: The ghost in the cupboard.

Mr. THOMAS: Whether they are on the right track or not. I understand it is customary for politicians—those politicians of the Liberal ranks—to play up to where votes may come from. Notwithstanding that interest backed up by this desire, I think in the interests of the farmer himself, and in the interests even of the small farmer, hon. members opposite are making a mistake in opposing this land tax. I have already pointed out that probably three-fifths of this tax will come from city property. In many cases there are people owning valuable blocks worth hundreds of thousands of pounds, the

values of which have been created largely by the people. With the additional revenue that may be raised from these properties it would be possible for the Government to grant many facilities to the farmers that they are unable to grant at the present time. If we go on whittling down the income we must of necessity whittle down the usefulness of the Government. There is no class in the community to-day better able to pay taxation than the owners of big city properties, and I consider at the present time under the existing tax they are not paying anything like the amount they should be contributing to the State in return for the benefits they are getting from it. If I remember Adam Smith correctly—I have no doubt if I do not quote him correctly the member for Pingelly, who is a profound student of political economy, will correct me—this writer in his book, the *Wealth of Nations*, lays down the first canons of taxation. I would ask the hon. member to correct me if I am wrong, but so far as my memory serves me Adam Smith says that the citizen shall pay back to the State in proportion to the benefits he receives from the State. If that is so I think there is no individual in this State who should more liberally contribute to the revenue than the individual who owns big city properties.

Mr. Wisdom: But he does.

Mr. THOMAS: In a small measure; he is contributing a halfpenny in the pound.

Mr. Wisdom: What about the municipal taxes?

Mr. THOMAS: They are a mere bagatelle. The hon. member must remember that if it were not for the fact that the Government are bringing thousands to the country to populate it, land would not carry anything like its present value, and since the Government are spending money in the direction of the development of the State, which makes for the wealth of these people, is it not common justice that they should return some measure of that unearned increment to the source whence it came?

Mr. Allen: They already pay land tax.

Mr. THOMAS: They are paying a certain amount of taxation for their own immediate direct benefit.

Mr. Allen: They also pay a municipal rate of 5s. in the city of Perth.

Mr. THOMAS: It is only a fraction of the unearned increment, but I wish the hon. member would go into this question a little, so that he might grasp some of the basic principles underlying the question of land taxation. The man who has studied the question of land taxation is always a very easy individual to argue the question with. The less a man knows about it the more difficult it is to convey ideas to him.

Mr. Wisdom: We are sitting at your feet.

Mr. THOMAS: I might say without vanity, that the hon. member might sit at my feet to some advantage. However much I might be inclined to play second fiddle to anyone else in the House, I believe my knowledge on this question equals that of the hon. member. With regard to the argument of the leader of the Opposition that we are also imposing a tax upon the small artisan with the small block in the city worth £50 or £100, assuming that he paid the full amount of the tax now imposed by this House, on £100 he would contribute 8s. 4d. per annum. Anyone who gives the matter a thought must admit that the value of property is enhanced by the State's expenditure and the population which is attracted to the country, and if such is the case is it unjust that we should ask him to return the enormous amount of 8s. 4d. for the £100 worth of land he holds? I read a very eloquent speech by the leader of the Opposition on one occasion, when I believe he introduced or supported a land tax measure in this House, in which that gentleman pointed out the necessity for it, and among other things he said that the occasion demanded it. If ever the occasion demanded a land tax or increased revenue in Western Australia, that occasion exists to-day, so that if it was expedient then to impose such a tax how much more expedient is it to-day. I shall

be exceedingly interested to hear the remarks of the member for Kimberley, in case he should favour us with his opinions, because I understand he really is a keen land taxer. Therefore I should like to hear the hon. member come out from his unfortunate surroundings and throw a little light upon this interesting and important question.

Mr. Male: Do not worry about me.

Mr. THOMAS: With regard to the income tax, the leader of the Opposition stressed the point very much that we were going to raise the exemption to £250. While I do not think most people will argue that an income tax is an altogether equitable tax, it can generally be proved that an income tax is not altogether fair, but it is necessary, it is expedient, and in imposing a tax that cannot be made perfectly fair the only thing we can do is to impose a tax to get as near the ideal as we can. I think that with the increased rate of living in Western Australia, it must be admitted that no man can keep a wife and rear a reasonable-sized family and live in anything like comfort on anything less than £250 per annum.

Mr. Male: How about the man who has only himself to keep?

Mr. THOMAS: I tell the hon. member candidly that I would get at him by means of a bachelor tax. This form of taxation has always been ridiculed outside and often inside Parliament, but if I had the power I would introduce a measure to impose a bachelor tax. Unfortunately a private member cannot do that. I honestly think that is one of the most just taxes that can possibly be submitted.

Mr. Wisdom: I would be with you.

Mr. THOMAS: I think the time is not far distant before we shall have it, but that is beside the mark. It is necessary to raise as much revenue as possible, and the Bill seeks to place the burden of taxation on the shoulders of those best able to bear it. The income tax, by its graduated scale, seeks to collect as much as five per cent. from the income of some individuals in Western Australia. I think that is only fair and equitable. If a man is making a large income he is only doing that through the opportunities that the State

is providing, and he should be only too glad of the chance of being so patriotic as to contribute a fair amount towards the support of the country that is doing so much to promote his wealth and his welfare.

Hon. H. B. LEFROY (Moore): The Bill that we have before us is almost a fac-simile of that presented to Parliament last session. The Bill deals in the first instance with the land tax, which is levied on one class of persons alone, owners of land. I hold that the owners of land are sufficiently burdened with taxation in Western Australia at the present moment. They have a multiplicity of taxes; they have the tax levied by the Federal Parliament, they have the tax levied by the State Parliament, and they have all the rates and taxes with regard to municipal government. All these are levied on the land, but under the Bill the proposal is made to double the burden upon improved land. This additional tax is levied on the wrong man. It has been often held in the House that every inducement should be offered, every encouragement should be given to people to improve their properties. By improving their properties they not only benefit themselves, but they benefit the State also. An additional inducement is given by the Act under which we have been living so many years by reducing the tax on improved land, but this inducement is done away with under the Bill, and I claim that is a very retrograde movement on the part of the Government. I might also say in dealing with this question that some hon. members are inclined to look at the matter from one point of view only, that is, the point of view of city properties. The hon. member who has just sat down dwelt largely with the question of the unearned increment, a term that is very dear to members on the other side of the House. I do not know whether from the fact that they are jealous of some people who obtain what is ordinarily known as unearned increment or profit in what they are able to dispose of. Members, especially the member for Bunbury, spoke at length on the question of the unearned increment of land. Country lands which

are used for productive purposes only are entirely different from town lands. In the towns those lands which pay the highest taxation are the lands in the heart of the city, and these are all used for business purposes. When these lands are taxed, no matter how high the tax is, the persons engaged in business have the means of putting this extra taxation on to the other man. They can put it on to the public; they are able to charge more for their wares and goods, and consequently the tax they have to pay is simply paid by the public. People who are producing from the soil are in a totally different position. The man on the land cannot put the tax on anybody else. The man on the land cannot say to the public, "My land tax is double this year, I want an extra threepence per bushel for my wheat." The man who grows wool cannot say, "My land tax is double this year, I want an extra penny a pound for my wool." The man on the land has to go into the open markets of the world and get what he can, and he has no way of putting the extra charge on the public generally. That is a point that should not be lost sight of in the House, and this burden of taxation which is now an extra burden, doubling the land tax, will be an extra burden on the producer that he is ill able to bear. A great deal is said about the unearned increment in regard to land. I do not know where the unearned increment comes in in regard to country lands. In districts provided with railways the value of country lands can only be based on what the land can produce and what the produce will fetch in the open market. You cannot base the value of the land in any other way. There is no unearned increment coming to the owners. The man who owns land, unless he produces, has to pay a higher tax.

The Premier: That is not correct. The hon. member is arguing on the basis of how far from a railway the value of the land depends, and how far from a railway the land is situated, showing that it is given an added value by the construction of railways.

Hon. H. B. LEFROY: I am glad the hon. member has reminded me of that, for I intend to ask in that connection

that the settlers on the Midland agricultural areas shall have no land tax to pay. The Premier has argued, and he argued it in a speech the other evening, delivered on the motion of the member for Kataning, that the true basis of the value of the land should be the value of the land for productive purposes. You must go out first to value the land according to its productiveness and then when the railway comes along, the land tax is to be put on to repay the public generally of the State who have had to find the money to build the railway, and which, I certainly admit, is unearned increment. In the case of land within the Midland agricultural area, that land was all purchased after the Midland Railway was constructed. That land within the Midland Company's area was put up to auction and sold in the market to the highest bidder after the railway was constructed, so that no unearned increment has accrued to the producers of that land, consequently I claim from the Premier that the land within the Midland agricultural area should be exempted from taxation.

The Premier: No wonder you smile when you claim that. You do not think anything of the sort.

Hon. H. B. LEFROY: I claim that on the line of argument used by the Premier. I hope the Premier will see fit to exempt that area I refer to, because no unearned increment attaches to the land I refer to.

The Premier: There is not only the expenditure on railways. What about all the harbour improvements we have to make?

Hon. H. B. LEFROY: The hon. member said nothing about harbour improvements, he said the land tax was put on in order to refund to the State the unearned increment caused by the construction of railways.

Mr. Dwyer: What about a person who has purchased an improved farm adjoining unimproved land?

Mr. Wisdom: He pays for it in the increased price.

Hon. H. B. LEFROY: It is a retrograde movement on the part of the Government to come in with this Bill and not

place the man who has improved his property in a different position from the man who is doing nothing.

The Premier: When you get a congregation of estates you will find that the great proportion remains unimproved.

Hon. H. B. LEFROY: We are dealing with the individuals.

The Premier: No, we are dealing with the land.

Hon. H. B. LEFROY: In the Land Tax Bill individuals are not taxed in groups but individually, and I maintain it is not to the benefit of the State that the same tax shall exist on unimproved land as on improved land. The Act provides in regard to country lands that if a man has improved his property up to £1 per acre or one-third of the unimproved value of the land, his tax is reduced one-half, that is to one-halfpenny in the pound. That concession which is made holds good at the present time, because it is offering an inducement to people to improve their land, and they are doing good with it. People who own land throughout the State are frequently held up as drones in the hive of industry; they are frequently held up as people who are doing no good for the country. If that is so, and I admit it is so, those who are workers in the hive of industry and doing something for the benefit of the country, spending every penny they can scrape together in improving the national estate by it, for their own interests, and also for the interests of the State, those people who are doing that, I consider ought to be allowed some of that indulgence that has been allowed in the past, for the benefit accrues to the State as a whole. I am not going to use the small man as a lever of opposition to the measure and say that the poor, unfortunate small man with a few hundred acres is likely to suffer so much under the Bill. No, perhaps it is not the small man who is likely to suffer so much under the Bill, perhaps it is the man who owns a considerable area of land. The Premier is trying to relieve as far as he possibly can the small people in the community. Quite right he should do so. The more a man has the better able is he to pay taxation.

The Premier: You are getting at cross purposes with your leader now.

Hon. J. Mitchell: No.

The Premier: Yes, he is.

Hon. J. Mitchell: You tax the small man.

The Premier: We are not taxing the man at all, but the land.

Hon. H. B. LEFROY: Again the member for Bunbury made use of the remark that the Liberal party always plays up where votes are concerned. I do not think the hon. member should have taken that line of argument, because in the present Bill the party represented by the Government in power certainly have not played down to those who have placed them there by raising the exemption. It must be admitted in the case of incomes they are assisting those who have helped to put the Government in power.

The Premier: What about the exemption in the land tax, the small holder?

Hon. H. B. LEFROY: We admit it is a fact those who put the Government in power are largely, I think almost wholly, those who have incomes under £300 a year.

Mr. Thomas: One-third of my electors are farmers.

Hon. H. B. LEFROY: I do not suppose they would vote for the honourable member. I am very pleased that he has a number of farmer electors in his district, and I am sure they are a very fine body of men.

Mr. Thomas: They are, undoubtedly.

Hon. H. B. LEFROY: But I doubt very much if they would give the honourable member their support, much as they must admire him in his personal capacity.

The Premier: The fact that the farmers may not vote for him does not prove anything.

Mr. Thomas: But they do: they are intelligent farmers.

Hon. H. B. LEFROY: I have always been of the opinion that it would be very much better, if the Government did away with all land taxation altogether and made all the local bodies self-supporting. I have always been of that opinion, and it would be very much better for the country and a great deal more satisfac-

tory to the people as a whole if the Government did away with all grants to roads boards and made those local bodies support themselves.

The Premier: We tried that and it failed miserably.

Hon. H. B. LEFROY: I do not think it would. The only trouble is that possibly we would have the Government subsidy taken away and then when the Government were *in extremis*, as they are to-day, they would re-impose the Land Tax on them. If the people could be sure that the land tax would be put off for all time this proposal of mine would be well and good, but as the land is an article so easily seen and so easily got at by the Government, I am afraid that when they are *in extremis* on some future occasion they might come back with the land tax and still do away with the subsidy which at the present time they pay to the roads boards.

The Premier: You would be all right without having to pay for roads and bridges.

Hon. J. Mitchell: What is your roads and bridges vote?

The Premier: Since we have been in office it would have almost wiped off the deficit.

Hon. H. B. LEFROY: In regard to the income tax I believe that a man should pay according to his means. As we make the land tax apply to the whole of the community, it would be very much better if we were to make the income tax apply all round in the same way. It is a graduated tax: it is not as if a man with a large income paid less in proportion to the man with the small income: the larger the man's income the more he pays in proportion, and it would be well for the community if all the people could feel that they had to bear some of the burden of this taxation. They would take more interest in the question and would feel it more than they do at the present time. I see no reasonable grounds of argument by which it can be held that the income tax should not be borne proportionately by the whole community. Through the customs the whole community have to bear proportionately their

burden of the taxation, and I see no logical reason why we should not all pay proportionately a share of the income tax.

The Premier: Only the wage earner pays through the customs.

Hon. H. B. LEFROY: I pay a good deal of duty. We are all wage earners, and we all pay duty through the customs, and the more expensive the article we use the more duty we pay. I do a great deal of work, and although I am not a wage earner in the ordinary acceptance of the term, I am sure I pay a good deal through the customs, as every honourable member in the House does. If a man smokes a very expensive cigar he has to pay a higher duty than the man who smokes cheap tobacco. The man who imports a ten-guinea suit has to pay a higher duty than the man who buys a suit for thirty shillings, and so on, proportionately, every man has to pay through the customs according to his means. I notice that the Premier has done away with the deduction which is allowed to owners of land on account of the value of their business premises. In the present Act it is provided that persons may make a deduction for income tax purposes of four per cent. of the value of their business premises. I have always held that anyone who is carrying on a business has a right to make that deduction of four per cent. on his business premises, but as my income is so small that I do not pay any tax it does not matter to me. I argued the point with the Taxation Department, but I was told that I could not make that deduction of four per cent. I said, "It will not make any difference, so I will not continue to dispute the point." A learned gentleman here disputed this point and took it before the courts and won on appeal. Now the Premier says that he is taking this deduction out of the Act, because it was found to apply to leasehold. In the case quoted by the Premier it was made to apply to leasehold, and I think it was put into the original Act for the purpose—

The Premier: No, it was not.

Hon. H. B. LEFROY: If the Premier will wait I will tell him what I think. I

think it was put into the Act in the first instance to enable a man carrying on a business to obtain some sort of interest on the value of his business premises, so as to make up for ordinary wear and tear.

Mr. Dwyer: To correspond with the deduction which the lessee makes of his rent.

Hon. H. B. LEFROY: I thought that was only a fair provision, but because it was found to affect certain leaseholders in the North the Premier comes down, in a rough and ready way, and proposes to get rid of the thing altogether. I think it would have been only fair, in the interests of the business people, that the Government should have allowed this four per cent. deduction on account of business premises. It was put into the Bill originally because it was considered a fair provision. There is another provision in the Bill which is a hardship and inequitable, that is the provision in regard to the winding up of a company—

In the event of the winding up of a company, income tax shall be payable on any money or its equivalent distributed among the shareholders in excess of the amount paid up, or deemed to be paid up, on the shares, less any portion of such money or its equivalent so distributed on which dividend duty or income tax has been paid by the company.

That is to say, in the event of the winding up of a company, if a man has bought shares for ten shillings and at the time of the winding up of the company they happen to be £1, or 10s. above the original face value he has to add that 10s. to his income for the year, although he has made nothing out of the shares at all. On the other hand, if he bought these shares for £2 he loses so much more. I think that is an inequitable provision. A man should pay income tax on income he actually derives, but he should not pay on money he has never received. Where the face value of shares is £1 and a person buys them for 30s., I do not think that, in the event of the winding up of the company, he should pay income tax on the ten shil-

lings over and above the original face value of the shares. I do not think the Premier has thought this provision out sufficiently well. I am sure he has no desire to be unfair, but it seems to me that a number of these Bills pass from the draftsman's hands very often without further consideration being given to them. The Premier desires to act honestly to the community as a whole, but this provision is an unfair one, and the Premier would do well to reconsider it. We have threshed out this question of the land tax over and over again in this House, and here we have it before us for the third time. The main objection I have to the Bill is that the tax on unimproved country land is doubled. The tax on unimproved land remains as it is; but where a man is improving his country, doing all he possibly can for the benefit of the State, that man's tax is doubled under this Bill, while at the same time the man who is doing nothing to his land is left alone. I think that is the most inequitable provision in the measure. So far as the Bill as a whole is concerned, there is very little difference from the main principles of Bills we have had before us on other occasions, but in this main provision a great injustice is being done to people who own land and who cannot gain anything from unearned increment, or demand a higher price for their produce than they are getting at the present time. It is in the interests of these people that I raise my voice against doubling this tax at the present time, when many people are struggling in the early stages and opening up the country, and when we want to take all the burden we possibly can from the land to enable the people to open up this vast territory of ours and make it the great country we all hope and feel sure it will be. The Government are absolutely unable to do anything to open up this country without the aid of the people, and those people who are going into the back country to open up the territory, suffering hardships not known to many members but known to myself and others because we

have been out back on many occasions and have had to suffer these hardships those people who are doing all this without a murmur or a grumble, and who are making this country, are doing a great deal more than we can possibly do in this House. Those are people who should be relieved of this burden of taxation which it is intended under this Bill to place upon their shoulders. Even in the older settled districts those people who are improving their properties, spending all the money they possibly can for developing their holdings, people who are good citizens and a great advantage to the country in every way, instead of being discouraged by fresh burdens of taxation should rather be taken in hand by the Government of the country and told, "You have done well by opening up this country and expending your money for the benefit of the country as a whole." Instead of that they are discouraged by legislation like this and a want of confidence in this country is brought about which is detrimental to the advancement of Western Australia at the present time and detrimental to the future of the country.

Hon. J. MITCHELL (Northam): The Premier, we know, is hard up. The people he proposes to tax under this measure are nearly as hard up as the Premier, but their troubles sit more heavily upon them than troubles sit upon the Premier. The Premier comes down here in an airy fashion and introduces his taxation proposals but his speech was a very good argument against his Bill. When the Premier read his speech in the *West Australian*—

The Premier: I never read my speeches.

Hon. J. MITCHELL: The Premier found there reproduced very many good reasons against increase of taxation. Will the Premier remember what his revenue is? In 1907, when this taxation was first introduced, the revenue was only £3,400,000; to-day the revenue is £5,400,000 and still the Premier is stretching out for a little bit more.

The Premier: What does that prove?

Hon. J. MITCHELL: The Premier is stretching out for £20,000 here and

a few thousand pounds there. He asks us to agree to increase the land tax when we are faced with an increase of revenue of something like £2,000,000 during the last six or seven years. At present, too, it is perfectly true the Premier has an enormous expenditure to meet. He expects to pay away over 5½ millions of money, but are we expected to find money for the Premier to waste? So far as I am concerned I am not going to encourage the Premier in extravagance. The Premier will soon learn that where one is spending 5½ millions of money one has only to be a little lax all along the line to build up in a few years a very big deficit. Just a little carelessness, just a little extravagance, just a little want of thought, and away goes the surplus and a deficit is produced. The Premier's revenue has increased very rapidly. In 1910-11 the revenue was £3,850,000; in the next year it was £110,000 up, and the following year there was an increase of £630,000. This year there is something like £800,000 increase in revenue. Surely the Premier should cry a halt; he should be satisfied. There is a deficit of £480,000. During the time the leader of the Opposition controlled the finances of the State there was never a year when he failed to balance for the year by much over £100,000. The Premier gets his increase in revenue and his very first effort produces a deficit of £134,000 for the year. His next effort is £190,000, and now, already this year we have gone £170,000 to the bad. Of course it is nothing for the hon. member. It may not seem much to him. It is, however, a matter which should engage the very serious attention of the Premier. The Premier knows that our returns from Customs and Excise are going down year by year. We have a hard up Federal Government, a Federal Government who want money.

Mr. SPEAKER: The hon. member must discuss the Bill.

Hon. J. MITCHELL: I am producing reasons why we should reject the Bill. I want to point out that this return

from Customs and Excise is bound to get less year by year. So far as I can see, even under good management, not management such as we now enjoy, we will be hard up in this country until our developmental work is carried through. The Commonwealth Government are stretching out in new avenues of expenditure and it is possible that we shall get very much less from this source, and the Premier will be in a very short time at his wits' end to make ends meet. But this will never be done if the extravagance at present going on is to be continued. It is true that we have an enormous expenditure to face. All along the line people are wanting expenditure on new developmental works, education, and so on, all legitimate expenditure, and in addition to legitimate expenditure the Premier has added his trading concerns, which up to date have very much increased the deficit. Since 1907 we have had imposed upon us the Federal land tax, an increased roads board tax, increased municipal rates, and we have had the Minister for Works taxing our land by way of a water rate. These things have all been brought to bear upon the land owner. Now we are to have the Irrigation Bill and an irrigation tax, which the hon. member for Bunbury (Mr. Thomas) will hear about from the people down there before he is very much older. These different taxes may be for special services rendered, but that does not make the taxation any easier to bear, especially where the service is not worth the tax. We are to have increased railway freights on fertilisers, which, of course, will bear heavily on the landowner. Will the Premier not remember, in regard to his troubles, which have been brought about during the last year or two, that his own administration is in a no small degree responsible. Hon. members have an absolute right to protest as vigorously as they are able to against additional taxation to cover losses on the State trading concerns. It is all very well for the Premier and his Ministers to say "Give us a chance and in a little time they will pay."

Mr. Thomas: The trading concerns as a whole do not show a loss.

Hon. J. MITCHELL: We are to have increased railway freights because the railways, which showed a profit during the management of the present leader of the Opposition three years ago of £224,000, last year with considerably increased earnings provided only £25,000. This falling off has got to be made up.

The Premier: How would you propose to do it in this case?

Hon. J. MITCHELL: I would do it by better management of these trading concerns. The Premier cannot allow this extravagant bent of his to have full play very much longer. He must see that these trading concerns are made to pay. If the people were receiving the benefit of reduced railway freights, there would not be very much to be said against the present figures, but that is not the case. The Premier says he has knocked 1s. off in respect of the terminal charges but the farmers have not had very much benefit from the taking off of the terminal charges. We are now told that because this charge has been taken off some of them the rest of the State must bear increased land taxation. The people must know that the £30,000 said to have been saved to them is not true and that the amount is infinitesimal. I admit that the wiping out of the 1s. terminal charge will be appreciated by farmers on the spur lines, but it is not sufficient justification for increased land tax and the wiping away of all rebates. How can it be said that it will compensate for the taxation which will be imposed for the first time against many of the landowners in our new districts, and how will it compensate for the removal for all time of the rebates these people enjoyed? Most of the people along these new lines have 1,000-acre blocks exempt for five years, and they are to be taxed now. It is true they have some small benefit in regard to the remission of this terminal charge. Under the Premier's proposals the smallest possible block at say Esperance or Norseman, Narrogin, or Busselton, is to be taxed. It cannot be too small

for the Premier. There is to be no exemption at all in connection with the land tax. The Premier says he wants the increased taxation against everyone in order that he may be fair to the man who is improving his land. We said that there should be a special penalty for the man who did not do his duty, and so the tax is a halfpenny against the man who has improved his property, and a penny, or 100 per cent. more, against the man who has not improved his property. Is that system not likely to encourage people to develop their holdings? The Premier says he is going to encourage them by charging all alike; whether a man has improved his holding or left it as Nature presented it to the State all are to pay the same tax. He reasons that that is good business, that we will get more land improved; but he says the people who hold unimproved land should share the burden with the other fellow.

Mr. Carpenter: What would you call improved land?

Hon. J. MITCHELL: You may turn up the definition, and you will there find what "improved" means. That rebate is to go. The Premier, it is true, does not propose to take away the exemption applied to selectors for the first five years on holdings of 1,000 acres. That is perfectly right. It is an undertaking we have agreed to that they shall not be charged for the first five years.

Hon. Frank Wilson: Why not exempt the next man also? -

Hon. J. MITCHELL: I do not agree that the next man should be charged at all. The Premier has said that the land and not the man should pay the tax. But can the land pay the tax? Many of us have taken up land and improved it; but did we get the amount of tax out of it for the first two or three years? No. The Premier is right; the land and not the man should pay the tax. We should give our selectors an opportunity of converting their holdings into profitable concerns, of making them produce, before we tax those selectors. Therefore, I hope the Premier will agree that the exemptions in regard to

conditional purchase land should continue. There is the small farmer, the man with £250 worth of land. His exemption is to go. Why? Surely it is good policy to let the man with a small bit of land live as comfortably as possible. Why bother him with taxation? The member for Bunbury (Mr. Thomas) said it is so small that it would not bother anybody. I would like hon. members to ask themselves if they are not bothered every time some one wants a half-guinea from them by way of subscription. Of course it is bothering them. These people should be considered. Then there is the cottage block of £50. It may mean a small payment, but it is very important to these small cottagers, and we desire that a man should have a home of his own and that his land should be held as cheaply as possible. Quite apart from the amount of the tax there is the making up of the taxation returns. Many of these people will have to go to other people, to accountants, to have these returns made up, and in some cases the fee to be paid will amount to more than the tax. Is that good business? When we have collected all these small sums, will they do very much more than pay office expenses? It is one thing to tax a few people and quite another to tax every block of land in the State. I know, of course, the Premier will reason that it is a matter of principle with him. It is quite true that he had a mandate from the people before the last elections. The people said that if he was returned to power there should be no exemptions and no rebates, that the land tax should be imposed on every particle of land in the State. That is perfectly true, but I doubt if the people thought he would ever endeavour to put that plank of the platform into operation. If it is good that all the land owners should be taxed, why is it wrong to tax people who have not more than £250 per annum by way of income? For the land owner there is to be no relief at all. We believe a man drawing £200 a year should be free from taxation. The Premier says that is not enough. While he is going to put a bit more

tax against every land owner, he is going to let every man with an income of £250 a year go scot free. Is that right? In addition to the £250 exemption, there is the £10 rebate for each child, another deduction which in very many cases will bring the thing up to £300. I hope the Premier will see that £200 is a fair amount. I would like to see the rebate for children increased very much above the £10. The member for Bunbury suggested that we might tax bachelors. I think we might let off the man with children and put a bit against our unmarried friends. At any rate, the suggestion made by the member for Bunbury is well worth the consideration of the Premier. The man with children has a pretty hard time. The rebate of £10 lets him off an actual amount of 3s. 4d., while a rebate of £20 would let him off 6s. 8d. a year—not a large sum, but something. I believe the exemption should not go beyond the £200, but I would be willing to agree to the rebate for children being increased.

Mr. B. J. Stubbs: Do you support a tax on bachelors?

Hon. J. MITCHELL: Yes, I would.

Mr. B. J. Stubbs: Have you always supported the exemption for children?

Hon. J. MITCHELL: Yes, I think that ought to be raised.

Mr. B. J. Stubbs: Did you always think that?

Hon. J. MITCHELL: I do not know.

Mr. B. J. Stubbs: *Hansard* might show.

Hon. J. MITCHELL: If the hon. member has always been consistent he has always been very foolish.

The Premier: But did you or did you not?

Hon. J. MITCHELL: Did I what? I know at any rate that the Premier went to the country and told them that we were repealing the Dividend Duty Act in order that we might let rich companies off. He said that from one end of the country to the other. What do we find? We find that we are asked to agree to the repeal of the Dividend Duties Act, just as the leader of the

Opposition suggested. He suggested that they should pay on the net incomes and not on the dividends. The Premier said it was wrong, and a trick on the part of the leader of the Opposition.

The Premier: He did not make the position very clear.

Hon. J. MITCHELL: It was impossible to make the position clear to the Premier at that time. I am glad that he can follow the leader of the Opposition a little better now. But I think he ought to withdraw all that he said before the last election. At any rate, the people will realise now what to expect from the Premier. What was wrong and rotten when suggested by the leader of the Opposition is absolutely right when suggested by the Premier. It is right, too, that these companies should pay on the profits they make. The Premier's suggestion is precisely the same as that of the leader of the Opposition.

The Premier: No. Only one thing could be read into it, and that was that the companies should pay an ordinary income tax of fourpence in the pound.

Hon. J. MITCHELL: Nothing of the sort. The leader of the Opposition said that they should pay on their net incomes.

The Premier: Yes, but what rate?

Hon. J. MITCHELL: Whatever the dividend duty was at the time.

The Premier: He did not say anything of the sort. It was the difference between fourpence and a shilling.

Hon. J. MITCHELL: Nothing of the sort; the Premier should be honest.

The Premier: You would not know honesty if you saw it.

Hon. J. MITCHELL: I am never likely to see it in the Premier. I say the Premier was wrong when he denounced the proposal of the leader of the Opposition. It is true that the Premier says he is going to provide some relief for the land owner in connection with rents, which is a totally different thing from land tax. The rents are paid by people on the maturing freehold in reduction of the principal. A man pays on his holding for 20 years; but

the tax goes gaily on increasing year by year for all time, and the only benefit the taxpayer gets is the indirect benefit, while the man who is effecting his freehold is getting something for every penny he pays to the State. The Premier is going to relieve the conditional purchase selector if the Bill goes through. He makes it appear that if the Bill does not become law he cannot reduce or postpone rents. It would be well for him to make that quite clear, and also as to whether this reduction or postponement is to apply to everyone. The Premier proposes to exempt mining companies to the extent of the cost of their development work. He did not enlarge very much upon the idea which prompted him to this. It seems to me that if the mine owner can be relieved for development which goes on, the other people engaged in other primary industries might well expect some like consideration also. The man who clears 100 acres of land is just as much entitled to relief to the extent of the cost of the clearing the land as are the rich companies. Why should rich mining companies be exempted in connection with development work on mines in order that they may gain added wealth, when the farmer is not to be exempt, no matter what his expenditure may be? In the aggregate, of course, the farmers' expenditure would be enormous, and it might seriously embarrass the finances of the State if the Premier were to give relief to everyone; but if he is going to do it for the rich mining company, he certainly should do it for the agriculturist. It is just as important to the agriculturist to have relief as it is to the mining companies. The member for Bunbury referred to the unearned increment, particularly in connection with broad acres. Many people who went out into the back country in the early days have paid the penalty, have borne the heat and burden of the day, have lived very many miles away from railways, and taken their share of the development of the State. As I say, they have paid dearly for it, and now, when they are approaching their time, the Premier comes along and tells them that

they are not entitled to unearned increments. Does the Premier not remember the trials and troubles these people have had to go through? We are told of the trials and troubles of those situated near to railways; but what about those who, very many years ago, settled at enormous distances from railways? It is all very well to talk of the unearned increments. The Premier says that if a man sells a block of land he must return as his income the profit derived from the sale of such land no matter when it was bought. Can the Premier or any other member say just what the land cost? The owner possibly did not anticipate that he would be taxed in this way, and it would be quite impossible for him to calculate the cost of acquiring the land. We have a system laid down for valuation purposes, but when it comes to the actual cost and the actual profit, whether it be in a cottage of a worker or a farm of a farmer, it would be utterly impossible in a great many cases to say just what the cost has been. In any case why should a man pay a special tax on the profit? He has to pay land tax all the time and he has to pay income tax all the time, and he has probably had to wait for years during which he could get no interest from the land. Would the Premier allow him to charge a fair rate of interest for the capital during those years of waiting, and before there was any income tax imposed by this Parliament against people of this State? There are many minor provisions in the Bill to which I object and which I will endeavour to get altered. I realise that in many respects the Bill is the same as that of last year. In regard to the second schedule the Premier was wrong when he stated that he proposed to make the absentee pay 50 per cent. more than a resident land holder. The Premier means to make the absentee pay 100 per cent. more.

Mr. Bolton: Hear, hear!

Hon. J. MITCHELL: It is all very well for the hon. member to say "hear, hear," but if a man is sending money into this great empty State probably the interests of the workers will be

well safe-guarded so long as the money is being legitimately spent and the land is being used.

Mr. Bolton: That is a different thing.

Hon. J. MITCHELL: It is not a different thing. It matters not whether the land of an absentee is improved and used or not, or whether the absentee has invested his money here; if he does not live here, he has to pay 100 per cent. more in land tax.

Mr. Bolton: Hear, hear!

Mr. E. B. Johnston: Quite right too.

Hon. J. MITCHELL: Not if he is using his land and improving it. Does it matter whether the owner lives on it or some one else? Does it matter if hon. gentlemen sit in this House and employ people to work their farms? It does not make very much difference whether they stay here in Perth or—

Mr. Bolton: That is tripe.

Hon. J. MITCHELL: Let us say that this is to apply to vacant land, unimproved land. I want to see unimproved land taxed by a heavier tax than improved land whether the owner is a resident or not. If a man holds broad acres for purely speculative purposes we can tax him, but if he is doing his best with the land and putting his money into it, it would not be a right policy to do so.

Mr. Bolton: Who is increasing the value of his property?

Hon. J. MITCHELL: Population improves the value, particularly in main street blocks, but we must give some credit to the man who clears the broad acres and has a plough used on them. Does he do nothing towards improving the value of the land?

Mr. Bolton: Certainly not, if he is an absentee.

Hon. J. MITCHELL: The absentee mine owner is to have relief to the extent of the improvements he makes, but for the absentee land owner there is to be an additional impost of 100 per cent. if he is away for 18 months.

Mr. Bolton: Your 18 months is wrong; that is temporary absence.

Hon. J. MITCHELL: Here we are in a country of hundreds of millions of acres, with very few people, the Premier hard up, the people not rolling in riches but wanting money to develop their land, and we say that if a man sends his money in and spends it wisely and develops his holding he is to pay this additional burden. I hope hon. members will realise that I am willing to tax a man who buys land and does nothing with it, who puts his £10,000 in and marches away and allows the land to lie idle. But I think it is a pity to tax a man who sends his money here and has it invested in the development of the country. He does his best with his holding even if he lives, not in Perth but in London. I have nothing more to say in connection with this measure. No doubt a great many hon. members are very anxious to have something to say in regard to it. Hon. members on the Government side who believe that that there should be no rebate and no exemption should realise that this is not the time when farmers can stand any additional burden. Day after day we have been told in this House that the Premier's troubles have been caused to some extent by the fact that he had to hold over rents against some of the land and in many other cases to make advances for the purchase of seed wheat and fertiliser. It is not true that this is the cause of the Premier's troubles because the sum involved is not a very big one, but it shows that the time is not ripe to impose fresh burdens. I hope hon. members, notwithstanding that they came here pledged to take away these rebates and exemptions, will see that they do it at the right time. This does not seem to me to be the psychological moment.

Mr. Bolton: Will it ever be?

Hon. J. MITCHELL: With me it would never be the right moment, but from the point of view of hon. members on the Government side the moment is not ripe for imposing additional burdens. However, it is waste of time to appeal to hon. members. They have already determined what shall be done

with this Bill. Their course is cut and dried and it is waste of effort on our part to oppose these measures. But I hope hon. members will realise that we have conscientious objections to increasing the burdens, especially on the poorer of our land owners, for no other reason than that we believe the policy of the present Government in this connection is absolutely wrong. We know these people just as well as the Government know them, and when hon. members speak lightly of a tax of 10s. or 4s. 2d. and say airily that it is nothing, they show that they know nothing about the position of these farmers.

Mr. Bolton: Do you oppose land values taxation altogether? That is a fair question.

Hon. J. MITCHELL: I can only hope that if hon. members opposite desire to take away these exemptions they will not do it now.

Mr. Bolton: Do you oppose land values taxation altogether? It is a fair question.

Hon. J. MITCHELL: The hon. member asks the question and does not expect me to answer. I am not in favour of land taxation at all.

Mr. Bolton: All right, so long as that is reported.

Hon. J. MITCHELL: I think the man who wants taxation is a fool. I am perfectly willing by the fairest possible way to contribute all that is necessary at my hands to provide for the good government of Australia. I do not think that in a new country land values taxation is wise. Of course I realise that the Premier must resort to direct taxation because the Federal authorities have taken away the customs and excise, and he has to face direct taxation whether he likes it or not, but the question whether I like it or not is very easily answered. In a new country every pound that can be got together by the land owners is wanted and it can be better and more efficiently spent by the land owners than by the Government. If the Premier collected £10,000 from the farmers of this State it would be £10,000 diverted from the development of land,

from the clearing of land and from the fencing of land.

The Premier: You collected £20,000.

Hon. J. MITCHELL: I said £10,000 additional. A man who wants to take money from legitimate development work at this stage of the country's history is foolish.

The Premier: It is foolish because you took £16,000 in your last year of office from the newer districts by putting a shilling impost on the new lines.

Hon. J. MITCHELL: It has come down to £16,000 now.

The Premier: I am talking about the last year when you were in office.

Hon. J. MITCHELL: That has nothing to do with the land tax. We were discussing the value of this money to the farmers as against its value to the State. When we want to put down dams, to erect fences, and do other developmental work that money is worth a thousand times more to the working man, the business man and to the farmer than to the Premier while we have this land lying unimproved. This money is to be taken away from those who are willing indeed to spend their last penny to improve their holdings. When the time comes and their improvements are finished the burden will be a totally different matter. The Premier states that I took £16,000 from the farmers in connection with the spur line charge of 1s. Will the Premier tell me how much of the total, which I believe was £114,000, was paid by the farmers and how much was paid by the rich timber companies? It has been asserted and the assertion has passed without contradiction, that the greater portion of that amount was paid by the timber companies. I have had no means of ascertaining definitely for myself, but Mr. Gregory who was Minister at the time said that £4,000 of that amount was all that was paid by the farmer and the rest was paid by the timber companies. Does the Premier wish the farmers to believe that they paid that £16,000?

The Premier: You made the tax of 1s. a ton on the man's industry, the struggling settler about whom you are

always talking and whom you have never assisted.

Hon. J. MITCHELL : We made the charge and two thirds of it was paid by the timber companies who benefited, and now we are asked to tax the farmers to make up for the losses sustained. Does the Premier say that it was right to increase the fertiliser charge to these farmers ? Can he boast that he has benefited them in connection with the terminal charge which would benefit the timber companies when at the same time he proposes that they shall pay increased railway freights ?

Sitting suspended from 6·15 to 7·30 p.m.

Hon. J. MITCHELL : I notice there is a provision in the Bill that on the winding up of a company the difference between the amount actually paid on each share and the amount the share realises will bear a tax. If this legislation is to be made retrospective it would affect an institution like the Western Australian Bank. The shares in this bank were originally £10; to-day they are worth something like £30. That £30 is represented by reserved profits which of course are necessarily there as a guarantee to the shareholders, and it is right that a certain percentage of the earnings should be set aside to create a reserve fund. I am not supposing for one moment that the Western Australian Bank would come under this measure, but I am using this as an instance of what might happen. If the shares were bought to-day at £30, and if the company were wound up, the difference between £10, the original price, and the £30, their value to-day, would bear a tax. The shareholders for the most part, of such an institution, are small shareholders, and they are not even rich people, and the unfairness of this proposal lies in the fact that it is intended to make it retrospective. I would call this undesirable legislation. I have drawn the attention of hon. members to the proposal because I think we should be careful to only carry into law that which will apply to everyone. I do not suppose it has occurred to the Premier

that what I have instanced might happen where shares are above their face value. I merely mention this in order that we may realise what it is proposed to do by the particular clause in the Bill relating to this matter. I have nothing further to say except that I hope hon. members will consider well what they are doing before they alter the method of taxation which has obtained in the past.

Mr. Underwood : We will give it serious consideration.

Hon. J. MITCHELL : The consideration the hon. member would give it will not avail much, therefore I cannot thank him for his promise.

Mr. HARPER (Pingelly) : A great deal has been said about the farmers in connection with this measure, and I would point out that the farmer is taxed in very many ways directly and indirectly. The taxes have been piling up on the farmer in this State for the past 20 years.

Hon. Frank Wilson : But we have not been farming for 20 years.

Mr. HARPER : People seem to forget the fact that burdens are being continually put upon the farmer, burdens which have been brought about by the Arbitration Act, Compensation Act, and many other Acts of Parliament, and this kind of thing has been going on for the past 20 years, and all this time the prices of the farmers products have not increased. The same thing applies to the gold miner, and it might be mentioned here that the sovereign is not worth nearly so much to-day as it was 20 years ago. The farmer, whom we should look upon as the mainstay of Western Australia, is being victimised unconsciously by the legislation of this State, and this has been going on for a considerable time past. The member for Bunbury trotted out some remarks on political economy by Adam Smith. We do not want to go back 120 years in order to learn what political economy meant in those days. The member for Bunbury, however, understands more about political extravagance which has been running rampant throughout the whole of Australia ever

since we have had Responsible Government.

Hon. Frank Wilson : Not in our time.

Mr. HARPER : To a very great extent there has been too much of the policy of giving away; even the most conservative governments we have had have never studied the producer. The unfortunate producer has always had to take a back seat, and until recently he never had a voice in the legislature of Western Australia, and it is only now he is beginning to realise that he has been living in a fool's paradise. The unfortunate farmer has gained nothing by the introduction of the numerous Acts of Parliament, in fact he has suffered to a considerable extent. He has been penalised by taxation in every direction; he has to pay exorbitant prices for everything, he has to pay exorbitant railage rates and high prices for his implements, and everything in connection with his living has to be paid for at excessively high rates. Then when he has anything to sell he is again penalised. Only the other day in connection with the sale of some oats that came from Brookton, it cost 4d. per bushel for railage and commission. I could give many instances of the manner in which the farmer is penalised. Only quite recently a man who came from the goldfields sold out his farm, and his advice now to his friends is that rather than take up farming for themselves they should go and work for someone else. It is the wages man at the present time who is infinitely better off than the man who is trying to make a living by cultivating the soil for himself. We have heard a good deal about the unearned increment, but so far as I can see we are a little bit premature. Since I have gone in for land my experience is that there has been a great depreciation in values, and it has depreciated to the extent of £1 per acre all over Western Australia. I think it is an absurdity to tax the man who is trying to build up the country. And then again we have the proposed exemption of £250 for the wage earner. Surely the man who endures hardships and privations, and who perhaps has been isolated for many years, should receive

some consideration at the hands of the Government. If a man goes on the land and cares to economise so as to put every penny he can earn into the development and improvement of what he owns, he should not be taxed in this manner. This unfortunate individual deprives himself of all the luxuries that the wage earners enjoy.

Mr. Gill : On the farm?

Mr. HARPER : Yes. He deprives himself of the enjoyment of skating rinks, picture shows, of whiskies and sodas, shandy-gaffs, and the rest of such luxuries, and he never attends football or cricket matches and the hundred and one other things which go to make the life of the other man more pleasant. And so he devotes the whole of his effort to developing and improving the land. His is a very different position from that of the man who is a wage earner, and who has to put in eight hours a day and does as little as he can for the money during that time.

Mr. Gill : What does he do on the farm?

Mr. HARPER : I have done my whack of hard work, much harder than the hon. member. I put my time and money to good account when I was a young fellow and so was able to improve my position. I did not waste my money on billiard tables and in hotels.

Mr. Gill : Did you sell some shares?

Mr. HARPER : I would like to sell some shares in the hon. member but I do not think I would get any buyers. Everything is against the producer. There is this land tax that is supposed to bring in a few thousand pounds. It is going to cost 50 per cent. of the money collected to get that extra revenue in, and it will be only building up a large staff of civil servants who are not producing anything. They will be living on the people who produce, the men on the land. We know that at the present time the Government have committed themselves to an expenditure of half a million for workers' homes, brick yards, steamboats, sawmills, and many other socialistic enterprises they have introduced, and all of them losing propositions. Therefore, the man on the land is taxed. It does not matter whether

it is to-day or in the future, he is the man who will be taxed for all these socialistic experiments that we are going into at the present time. Another injustice to the farmer is the increase of £107,000 to the railway employees. That means that the freights are raised to the farmer and he pays directly and indirectly on every occasion. We have to look to the farmer to carry this State through. Therefore, I say that the man who elects to go on the land should receive every consideration. Some members have said that the farmer will not object to paying his fair proportion. He has paid more than his fair proportion up till now. He has been imposed upon because of the smallness of his representation in this House. Members on the Opposition side are twitted about the Farmers and Settlers' Association. I am not speaking from that point of view, because I have been an advocate of the producer for at least 16 years, and I have not changed my political views in that direction. I say, build up the country districts and the towns will follow; build up the agricultural and the mineral districts and success will follow in the towns. It is an idle, silly and useless business to build up the position of the employees on all occasions when the industries of the State cannot stand it. I do not wish to go into the whole of the particulars that were so eloquently elaborated upon by the leader of the Opposition. He dealt with everything in a masterly manner and showed to the House the absurdity of further taxing the man on the land. I can only emphasise and endorse what he said. I have watched this matter very keenly, have taken a great deal of interest in it, and have been very careful in my observations. As I have pointed out before, the State has been drifting, the producer is being heavily taxed, and this is about the last straw that breaks the camel's back. Another point that I wish to refer to is the falling off in the earnings of the railways. A few years ago the net return per train mile was 9.18d. and now it is only 1.08d. That represents a loss of a quarter of a million on the railways, and that will mean more taxation and increased rail-

way freights to the producers. I say that it is time the people of the State realised that the man on the land should have a fairer deal.

Mr. A. N. PIESSE (Toodyay): If there is one feature more than another which I strongly object to it is the proposal to impose taxation on the Crown lands that are likely to be taken up from now onward. I feel sure the Premier has failed to grasp his true position as leader of the Government when introducing a measure of this kind, because he must realise that it is absolutely essential in the best interests of the country that the Crown lands shall be taken up as speedily as possible and developed with the utmost rapidity. If we impose further burdens of taxation we must certainly reduce the financial powers of the settlers for the development of their holdings, and thereby retard the development of the country. We have only to think for a few moments to realise the burden that is already borne by these people. Although much has been done for the man on the land it is not nearly as much as should be done for him. Farming is a very different proposition from what it was a few years ago. In the early days the country was comparatively calm, but to-day the conditions inland require a brave heart, a strong constitution and a good cash balance in the bank to successfully develop the country. To impose further taxation must increase the burden and militate against a man's prospects of making a success on the land. The member for Bunbury (Mr. Thomas) in his speech referred to the surcharge which was abolished by the present Government and which, it is claimed, represented a sum of £30,000. That is a ridiculous estimate. It requires only a moment's thought to realise that that £30,000 would mean a gross tonnage of 600,000, which would be equal to 20,000,000 bushels. It is ridiculous to state that the relief to the farmer on the new lines amounts to £30,000. If we were to say that it amounted to £10,000 it would be an exaggerated estimate. We have only to glance at the report of the Commissioner of Railways and the tabu-

lated figures to see that the total tonnage on those new lines is comparatively small. Therefore, this continual assertion that the farmer has already been benefited by the abolition of the surcharge to the tune of £30,000 is not correct, to say the least. We are told also that this has been a great relief to the people. I question if there was any complaint of this surcharge on the part of the farming community, for the simple reason that they had to have the produce before the impost was made.

Mr. Thomas : Would you like to have it put back ?

Mr. A. N. PIESSE : I do not know that I would like to have it put back because the burdens already existing are much too heavy, but I venture to say that the member for Bunbury is not in a position to make the statement he made this evening, with any degree of accuracy. He was completely out of his depth.

Mr. Thomas : What statement do you refer to ?

Mr. A. N. PIESSE : That statement regarding this £30,000. If the hon. member confined himself to single tax studies the country would benefit much by his abstention from these figures. When an erroneous statement is made in the House and repeated again and again throughout the country, that the farmer is being spoon fed, and the abolition of this surcharge is put forward as an instance of the spoon feeding, I claim that the statement is unjust. We have enough burdens of taxation to bear and I do appeal to the Government that this land tax should certainly be reduced and that the exemption as hitherto existing should be retained. Some hon. members laugh when the word burden is mentioned. It is easy to realise that we have not the sympathy of the member for Bunbury, but I have pointed out that he is incapable of grasping the position of the man on the land.

Mr. Thomas : You are always pleading for yourself.

Mr. A. N. PIESSE : I am pleading for the people in the district that I represent. 99 per cent. of whom are farmers and hard working struggling men.

Mr. Bolton : Say a word for the State generally.

Mr. A. N. PIESSE : The State depends on those 99 per cent. It is an old phrase that they are the backbone of the country, and it is not wrongly applied. If the farmers have a bad season there is a general howl throughout the State, and who feel it more than the business men and the workers whom they employ ? Therefore, I maintain that the farming community are, after all, the basis of the progress and prosperity of the country, and that being so, it is not fair that they should be called upon to shoulder these extra burdens.

Mr. E. B. Johnston : This will fall on city and town properties.

Mr. A. N. PIESSE : It comes back on the farmer, and therefore, I claim that the tax is not fair. All we ask for is fair consideration. Whilst on the question of this taxation I should like to draw the attention of the Premier to the returns that are required in connection with the land and income tax. That I venture to say is a greater burden upon the people of the country than in many instances the tax itself. It is a laborious task to make up these returns and I feel sure that some easier method might be devised so that people might make up the returns themselves. I believe there are some thousands of pounds expended in clerical work in this connection, and the position demands that some simpler method should be available. I hope that in Committee the Premier will be prepared to accept an amendment striking out that portion of the Bill which imposes taxation on Crown leases from now onward.

Mr. BROUN (Beverley) : I do not desire to take up the time of the House at any great length because to do so would only mean a repetition of the objection I made to the Bill during last session. The Bill before the House at the present time is practically similar to that introduced last session, therefore it is unnecessary for any member on this side of the House to voice his dissent to it at any great length. I am somewhat surprised at the Premier in introducing a measure of this description again this session, be-

cause I think there is no time more inopportune than the present to introduce such a Bill. If there is any evidence why the measure should not be placed on the statute-book, it is the evidence of the extravagant administration of the present Government. If the money borrowed was spent judiciously and the Government were economical in their administration there would be no cause for a measure of this description at all. We have heard a great deal stated in regard to the assistance that has been given to the man on the land, but I consider that he is absolutely justified in receiving all the assistance that the present and past Governments have given to him. We must recognise that the agriculturist, or the man who is utilising the land, is the backbone of the country, and this fact is one which has been admitted by hon. members on the Ministerial side of the House. In my opinion, the men who produce practically all the food stuffs of the people are of greater importance than others, whether in Western Australia or any other State. We have heard comparisons made with regard to the assistance given to agriculture, but I would like to point out to hon. members that the farming industry is not the only industry which has been assisted by the Government in Western Australia. The hon. member for Bunbury, Mr. Thomas, mentioned cheap freights on fertilisers, but according to the Commissioner's report they have been carried at a rate of 3s. 6½d. per ton, and if they had been carried at the class M rate the freight would have been 12s. 5d., and therefore it shows a loss of £27,500. On the other hand, there are other industries being pampered in a similar way. Collie coal is carried at 5s. 8d., whereas the class M rate would be 9s. per ton, and this shows a loss of £21,867, so there is one industry which has been pampered, if one can refer to it as such, on similar lines to that of the agriculturist. There are other industries which I could mention, but I am not going to take up the time of the House in bringing these forward. It has been stated repeatedly by those on the Ministerial side of the House that there has been a saving to the farmers of £16,000

by knocking off the impost of 1s. on the freights over new railways, but I would remind hon. members that a considerable proportion of this is not in regard to agricultural products at all. The carriage of timber was mainly responsible for this amount. If we take the estimate as £6,000 we would be well within the margin. If the hon. member for Bunbury will go into the statistics for the year 1910, a year before the present Government came into office, he will find that what I say is pretty well correct. I cannot agree with the Premier when he says that were it not for the large amount put on the Estimates for roads and bridges it would not be necessary for this taxation. I would point out in regard to the Eastern States that the tax in any of these States is not nearly as high as the tax which the Premier wishes to impose on the land in Western Australia. There is no comparison between the two, and in every other State they have an exemption, except, I think, South Australia. It is interesting to note that in New South Wales in 1906-7 the land tax imposed amounted to £345,497, and in 1910-11 it had diminished to such an extent that it amounted only to £7,438. This was owing to the exemption given on account of the local governing bodies imposing a fairly high tax there to carry out their work. In New Zealand they have a graduated land tax which is not nearly so high as the tax the Premier intends to impose on landowners in Western Australia. The amount for £5,000 or £6,000 unimproved value is very nominal indeed, but as it increases the land tax in New Zealand amounts to a very large sum, and undoubtedly it should do so. If a man is holding a considerable amount of land, and is not utilising it, or even if he is utilising it, he should pay a fair amount of taxation.

Mr. Wisdom: Does he get any greater yield to the acre?

Mr. BROWN: No certainly not, but he is in a better position to pay it. I would far sooner pay a greater amount of tax than a man who is very much below me. I regret to see in the measure before the House that conditional purchase lands from now on will be taxed right from the

jump. I think this very unfair indeed. The Premier might have considered that point, and he could easily overcome the difficulty he mentioned the other night, when he said that there is a lot of dummyming: Also that people were prevented from sending in their returns and left it to the department to find out whether they had to pay a tax or not. I admit there are complications in that direction. If the Premier desires to overcome the difficulty he mentioned, why not have a graduated land tax going gradually up to an amount similar to what it is at present? I object strongly to taxation in the direction aimed at by the Bill, because it has been pointed out repeatedly in this House that the man on the land pays a considerable amount of taxes in a year. They are innumerable, and it was amusing indeed to hear the Premier this evening say that the worker is the only man that pays the Custom duties. I beg to disagree with him very greatly, because the worker does not pay any more Customs duty than the man on the land or any other individual in Western Australia. All he pays in Customs duties is in respect of food and clothing. The man who has any interest in the State is continually paying duty. He pays a high duty on everything imported into Western Australia, no matter what occupation he has, he has to pay duty on all the stuff he uses which comes into the country. We have some members on the Ministerial side of the House trying to make us believe that the farmers have all their produce carried over the railways, shipped, and sent away for absolutely nothing at all, but I would remind them that the freight on railways alone is a very big item and were it not for the freights on the railways from the agricultural industry the railways would be showing a very big deficiency. The freight on wheat alone is a high rate. We heard the Premier talk about increasing freights on the railways, but if he is going to do that and increase our land taxes, all we can do is to ask the Premier to take over our homes and give us some other occupation. I would like to make a comparison in regard to the rates. Take a man with 3,200 acres

in a settled area at the present time. I know a case where the main pipe line runs through such an area for a distance of about two and a half miles. According to the water supply rate, he would have to pay £31 13s. on that 3,200 acres, and on top of that pay a Federal land tax of £5 16s., and a local land tax of one penny, or £13 6s. 8d., and the local roads board tax of £25, or a total of £75 in taxation, without wheel tax, insurance, and so forth. That is heavy taxation, without all the other imposts he has placed upon him.

Mr. B. J. Stubbs: What is the value of the land?

Mr. BROWN: The value of that particular land is £2 per acre unimproved, and there are numbers of other blocks valued higher than that. It goes to show that there is a considerable amount of taxation imposed on the land. I regret this is so, because it will have a tendency towards stopping people from settling on the land. There is no doubt about that. Already we find the value of land has decreased considerably, and I can say without hesitation that the cause of it is largely the financial stress and the bad administration of the Government. Estates that were being run after by would-be buyers, and for which big sums were offered, cannot now be sold at a 30 per cent. reduction. There is no doubt that taxation has a tendency in this direction. In regard to the income tax, I cannot see why a man deriving an income of £250 should be free from taxation.

The Premier: He is not, or only under income tax; he has to pay it in other directions.

Mr. BROWN: I do not see that he is paying it in any other direction whatever, because he is only paying Customs duties.

The Premier: Of course, you cannot see it; still, it is a fact.

Mr. BROWN: It is all very well for the Premier to talk like that. I know that the duties and taxes such a man has to pay are nothing in comparison with those paid by the man on the land or the ordinary worker. Here we have a man receiving a salary of £250 who

is absolutely exempt from taxation. How many farmers throughout the State, men tilling the soil, derive an income of £250? Suppose we allow such a man £150 for living expenses. That would leave him £100, which he ought to be able to save. How many farmers make a profit of £100 a year?

The Premier: Nearly all of them.

Mr. BROWN: Rubbish. There is not 10 per cent. of the farmers in the newly settled districts of Western Australia making a clear profit of £100.

The Premier: You are a croaker.

Mr. BROWN: I am talking of newly settled areas. I feel certain that not ten per cent. of the farmers in those areas make £100. And what privileges and comforts do they have? A man on the land is working from daylight to dark, year in and year out. He rises early in the morning, and has nothing but work, work before him the whole time. Compare him with the man in the City, earning £250 a year. The City man has eight hours labour, after which he cleans himself up and goes to a picture show, or has a fish supper, or something of the kind. He always has some amusement, but the man on the land, never. When first I was on the farm, I considered myself a lucky man if I had an outing twice a year.

The Premier: I am prepared to believe that.

Mr. BROWN: So it is with the settlers at the present time. They are unable to get away from their work. It is all the more reason why this exemption should not be given in respect of the income tax. Possibly an exemption of £150 might have been all right, but members on the other side are afraid that it is going to impose taxation on themselves, and so they have made this £250 exemption to save their own pockets.

The Premier: I will give you some of that back directly.

Mr. BROWN: It is true, nevertheless. In regard to the valuation of property, if the Bill becomes law there is not the slightest doubt there will be a large number of appeals against the valuation. Farmers have not troubled

themselves much in the past, because the tax has been merely nominal, and although in repeated instances land valuations have been far too high, the farmers have not troubled about appealing because the taxation amounted to only a small sum; but I can assure the Premier that if the Bill becomes law there will be a considerable number of appeals. I regret there is not a provision in the measure similar to that in the Commonwealth Act, providing that if a man undervalues his property by twenty-five per cent., the Government can add ten per cent. and take it over. That is a wise provision, because it would not then be necessary for the Premier to bring a measure before the House creating an expensive board to make valuations. I would also insert a clause that if a man valued his property at a certain figure, and the taxation commissioner demanded a higher valuation, the owner should be able to compel the commissioner to take the property at his own valuation. That would be fair to both sides, and would do away with all trouble in connection with valuations. In conclusion, I would like to say that if the measure is passed it will be time for the farmers in Western Australia to take some action to prevent further taxation being imposed. There is not the slightest doubt that we are not going to sit down and allow the Government to trample on us, as they think fit. It is about time steps were taken in this direction. We will have to do something to prevent the recurrence of this.

The Premier: There is no room for any Carsons here. We will have you put in gaol.

Mr. BROWN: It would take more than the Premier to put me there. I would have him put there first. We do not know where this taxation is going to stop. It is all very well for the Premier to bring down a measure of this kind, but we do not know where the end is to be. The taxation can be increased year by year, and I think the wisest thing is for the men on the land to take steps to show the Premier what they are capable of doing. We will stand the brunt of any opposition we may meet, and the

Premier can endeavour to put me in gaol if he likes, but despite him I will be one to lead the party, if necessary.

Mr. A. E. PIESSE (Katanning): I am sure that every member on this side of the House views with a great deal of concern the proposal put forward by the Government to bring about increased taxation. This latest addition, particularly in regard to the imposition of the increased land tax, is not viewed throughout the country with very much favour, more especially when we take into consideration the fact that the Government have been already warned, both by Parliament and the Press of the country in regard to their State socialistic enterprises, which to a very large degree are responsible for the necessity for this increased taxation. That is just the point upon which the people of the country might well feel some grievance against the Government. It is the duty of members of the Opposition to again bring under the notice of the Premier the ill effects this legislation will have. I have not the least hope that anything which may be said on this side of the House will have the slightest effect upon hon. members sitting opposite. We have had, ever since the present Government came into power, this fact brought home to us, that whatever might be said from this side of the House in regard to measures of this kind, very little notice is taken of it.

Mr. A. A. Wilson: What about the last Government?

Mr. A. E. PIESSE: The last Government did take a very reasonable view of any suggestion made by the then Opposition.

Mr. A. A. Wilson: Nonsense.

Mr. A. E. PIESSE: On many occasions amendments by the then Opposition were freely accepted, and I am not anticipating too much when I say that any amendment to this measure moved from this side of the House is not likely to be accepted by the present Government.

The Premier: You have no right to anticipate that.

Mr. A. E. PIESSE: I have arrived at that conclusion by reason of the fact

that during the whole of the debate hon. members sitting behind the Government have not once voiced their opinions, except by way of interjections which have been in total opposition on every occasion to any suggested amendment from this side of the House.

Hon. Frank Wilson: Caucus has settled it.

The Premier: Caucus settled you in October of last year.

Mr. A. E. PIESSE: In the minds of Ministerial members nothing good can emanate from the Opposition. The Bill before the House has been settled upon, and therefore with our scanty numbers we are unable to press for any important amendment. I am right in assuming that we cannot hope for any material amendment of the measure.

The Premier: If that is your opinion, why all this wind?

Mr. A. E. PIESSE: The Premier has said that all parties are agreed as to the equity of land taxation, but he anticipates that here will be a difference of opinion as to the incidence of that taxation. That is just where we differ. In a new country like this we can freely differ on the principle of taxation.

The Premier: Somebody has to bear it, you know.

Mr. A. E. PIESSE: There is a much more equitable form of taxation, and even last year the Premier was able to pass through Parliament in his Land and Income Tax Bill certain increases in regard to the incidence of income taxation, and I might well feel anxious with the hon. member for Beverley when I say that we as representing agricultural districts want to know where this increasing burden of taxation is going to stop. I think the country might very well ask the question from the Government. It seems to me that no sooner does Parliament agree to an increase in taxation than we are called upon each succeeding session for further powers to increase taxation. I want to be fair to the Government. I do not want to say that we have not something to be grateful to the Government for. I do not wish to be ungenerous for a moment, or to say that the people en-

gaged in tilling the soil are the only people to consider, but we want to consider how far we can assist the primary producer of this country to increase the productiveness of the land so that he may secure the fullest return from his land which will aid materially to build up the prosperity of this State, and in this direction the Government have not taken into consideration what effect the increasing of the taxation proposed will have upon that industry. When we consider that the rural community are already responding to a very large extent—to a greater extent than ever they have previously been asked to respond—in the direction of local taxation, and all the disabilities with which the producers have to contend in the early stages of settlement, and the proposal of the Government to put a further burden upon them in regard to the increase of railway freights, we might very well ask the Government to hesitate before thinking of bringing about an increase by doubling the land tax paid in the past.

The Premier: You do not want either, do you?

Mr. A. E. PIESSE: I have already said that I am prepared to pay a reasonable proportion of taxation when there is a necessity, but the Premier and the Government desire to make this a tax for all time; there is to be no rebate or reduction. The Bill is intended to fix the rate for all time until it is increased or decreased by Parliament, not as in the past giving us an opportunity to deal with the rate each session. We are asked to pass this measure, which is a more comprehensive one fixing the methods of arriving at the taxation, and we are not to have an opportunity each succeeding session to revise the rate. It is patent to all that unless the measure is introduced by the Government it will be impossible to have this question of land and income taxation reviewed; therefore we will be passing the measure for all time.

The Premier: This does not make it a measure for all time.

Mr. A. E. PIESSE: Until the Government of the day brought in a revision it would be impossible for any private mem-

ber to bring about a reduction in this taxation.

The Premier: With a majority supporting the Government, they could bring in a Bill to repeal it.

Mr. A. E. PIESSE: If this Bill is passed as presented, we will never have the same opportunity which we have had in the past of being able to ventilate our opinions in regard to the matter.

Hon. W. C. Angwin (Honorary Minister): I quite agree with you, because you will never be over here again.

Mr. A. E. PIESSE: That just shows how much the Honorary Minister realises the duty which they owe to the country with regard to watching interests in this direction. The Premier has mentioned the fact that the tax is to be levied against all owners at a uniform rate. There is to be no exemption; and on this point alone we who claim to have a greater knowledge than the Premier or his Ministers of the good effect which this exemption has had in the past, might well claim that the Government are taking a very unwise step in wiping away all exemptions, particularly in regard to new settlement.

The Premier: I am not prepared to admit that you know any better than we do. You might assert it.

Hon. J. Mitchell: That is enough.

Mr. A. E. PIESSE: We come more closely into contact with these people, and have a knowledge of the good effect and the assistance which this exemption has been to new settlers.

Hon. J. Mitchell: And the fairness of it.

Mr. A. E. PIESSE: Yes. I had an opportunity a little while ago to bring under the attention of the Government on a motion in this House the fact that in many instances the land had been overvalued, and after the sale of conditional purchase lands from the Crown—

The Premier: The member for Northam when Minister was responsible for that.

Mr. A. E. PIESSE: They are being overvalued to-day.

Hon. Frank Wilson: You are selling at the same price to-day.

Mr. A. E. PIESSE: When speaking on that motion, the Premier admitted that these people were being heavily taxed by this rate. With the knowledge of that the Premier is bringing in this further increased taxation. Does the Premier consider that he is assisting the settler, who is taking up virgin country and endeavouring to make a home, by adding to those already high prices which I have pointed out are seriously affecting the successful settlement and development of our lands. The exemption is to be wiped away under this Bill for all future selections, and I want to ask the Premier, in view of the fact that we have had a large falling off in land settlement, and that day by day land settlement is falling off, whether he is going to further add to this falling off by increasing the difficulties of the new settlers?

Hon. Frank Wilson: He is.

Mr. A. E. PIESSE: I contend that he is, and I maintain that in doing away with this exemption he will not give any inducement to people to come here and take up land, and I think it is a very bad move, particularly in view of the fact that as the Premier knows in most of our agricultural districts the best of the land has been taken.

The Premier: You cannot have your cake and eat it.

Mr. A. E. PIESSE: I am referring more particularly to the effect that this will have on future settlement. The best of the land has been taken. The Premier instead of offering the same inducement to people who are coming here to take up the poorer land and the lighter soils will be content to keep up the price of land and add a further impost and place the settlers at a greater disadvantage by not providing the exemption which should be provided in the early stages of settlement. With regard to the question of land taxation provided for in the measure, the Premier was somewhat inconsistent in introducing this Bill. He said that in his opinion the one method to pursue in providing for the cost of the railways which we construct for the development of our country is to place the tax on those land values which will com-

pel those who are not using their land to return something to the revenue for the loss sustained through the railways having to run past big undeveloped holdings. The Premier went on further to say that in our cities the same thing applied. If that were the principle underlying this Bill I would more readily support it; that is to tax land which is not being put to its best use. The Premier could hope to receive more general support from the Opposition if his Bill provided for putting greater taxation on those lands which are not developed or improved than by taxing the energy and thrift of the settler who is doing his best to develop the land and make his holding of some value as an asset to the country. No one objects to taxation on land which is not being used, and I think it should be severely taxed. Let us suppose that I am developing my property and doing my best to get the most from it, and my neighbour, perhaps right alongside of me, has a holding, not even fenced and the timber not ringbarked, with no improvements at all on it, his unimproved value would be the same as mine, and he would be paying the same taxation under this measure as I would be.

The Premier: He must get it out of the land or else draw it from some other source.

Mr. A. E. PIESSE: Why does not the Premier be consistent? He admits that the cost of railways should be borne by increased taxation upon the undeveloped holdings through which the railways pass, and yet he has not brought that principle into operation in this measure because he taxes the man in the country and the City who is doing his best to improve the land just as he taxes the holder who is keeping land with a view to getting the unearned increment. The Premier said he could give evidence that where once a land tax had been put into operation the system had been continued, and I here take objection to this Bill on that very ground. In view of the fact that our local governing bodies, principally our roads boards, have increased their taxation year by year until this year, according to the Minister for

Works, they are likely to raise a sum of no less than £80,000 by roads board taxation alone, and considering that most of these roads boards are within the rural districts, the Government should take this fact into consideration and weigh carefully whether they are not putting an impost upon the settler which it will be impossible for him to bear. I would like to refer to some of the remarks of the member for Bunbury. We had it from that hon. gentleman that the country was entitled to the benefits of the unearned increment. We have heard a great deal about that. We have also heard a great deal from the member for Bunbury about the expenditure of public money in enriching land owners and farmers, and we also had quite a long address from the hon. member, who is, by the way, a disciple of Adam Smith, as to the taxation of land values. What we want to take into consideration when dealing with this matter is, what effect is the proposal likely to have upon this country. I think that Adam Smith knew very little about the difficulties of the early settlement of a country like this when he made such a proposal as mentioned by the member for Bunbury. I think he knew very little about grubbing poison and clearing country and all the difficulties that new settlers have to contend with. What I want to point out is that it is absurd for the member for Bunbury to come along to the House and advocate this principle as the one great and glorious principle of land taxation. When we come to take into consideration the special difficulties of a country like this, how can we compare it to older settled countries, settled perhaps for thousands of years?

Mr. Thomas: It was only the principle I was dealing with.

Mr. A. E. PIESSE: The hon. member would sooner stick to his principle in regard to land taxation and see the country go down than take the trouble to go around the back country and see for himself some of the difficulties the people have to contend with.

Mr. Thomas: Do you not think that is a rather ungenerous remark to make?

Mr. A. E. PIESSE: I do not wish to be ungenerous, but when the hon. member states that the only fair way of raising this revenue is by a uniform system of taxation, and when I can point out to him that there will be very bad results in some localities, which will affect not only the people directly concerned but every person in the country, he should, I think, to say the least of it, be prepared to make further inquiry, and even at his time of life pay a visit to the back country and see for himself what effect this increased burden of taxation is likely to have upon the people there. I have no wish to take up any further time of the House but I do desire again to impress upon the Premier that by doubling this tax, it may not appear to be a very large sum, yet I can hardly see how he can conscientiously ask this House to pass the measure. He knows that the Lands Department are receiving applications from many of the settlers in this country who, through no fault of their own, are asking for their rents to be reserved and the Agricultural Bank interest to be held over. How can he ask the House, then, to pass a measure which is going to impose further taxation upon those people who are not even to-day able to pay their rents, and the interest due to the bank? In regard to the values of our C.P. lands, there is one point I would like to make and I should like the Premier to take particular notice of it, because there is a good deal of discontent in the country in regard to this question of the values of C.P. land, arrived at for the purpose of taxation. Where land has been taken up only some two or three years, and, for instance, where it may have been sold by the Government at £1 an acre, the rent on which would be 1s. per acre per annum, and say that three years' rent had been paid, does the Premier think it a fair thing to put an unimproved value on that land of £1, when the Act specifically declares how the unimproved value shall be arrived at, that is, the value on which the land would sell, provided there were a bone fide purchaser, and the value would be the price at which it was sold less the value of the improvements? In

that case the value of the land would, in my opinion, be considerably less than £1 per acre, and the only valuation that could be rightly put upon that land would be the price at which it would sell. But it seeks to be the rule of the department to fix the valuation of these C.P. lands at not less than the price sold by the Government, although a smaller amount has been paid by way of purchase. In many cases the settlers are paying taxes upon the prospective values, and that I think was more than Parliament ever intended should be the case. I hope, when the Bill is in Committee, we shall have an opportunity of knowing from the Government their intentions in regard to the question of the valuations, so far as C.P. holdings are concerned. The Premier will, no doubt, be able to tell us what are the intentions of the Government in regard to the valuations of these lands, whether the lands should pay on the prospective value or the actual value at which the land would sell, less the value of the improvements. That is a matter which has been engaging the attention of the people in the agricultural districts for some time past. The Premier surely does not wish those people to pay upon an unimproved value of three times the actual value of the land, because if he does it is just as well that the people should know. There are some in the State who are paying on a much higher value than they were ever expected to pay. I trust the Premier will accept an amendment from this side of the House reducing the rate as it appears in the second schedule by one-half of the amount, leaving the increased rate on the unimproved land as it exists in the present Act. I hope the Premier will accept this and other amendments which may be suggested by the Opposition.

The PREMIER (in reply) : The outstanding feature of the debate on this Bill from the point of view of those who have spoken on the other side of the House has been the want of unanimity in connection with the principle as contained in the measure. First we had the leader of the Opposition who, I take it, is the one member sitting opposite who is entitled to de-

liver the policy of those in opposition to the Government. Then we had the member for Irwin stating something which was directly opposed to the remarks of the leader of the Opposition. Next came the member for Toodyay, who took up a different attitude, and now the member for Katanning comes forward with his views. So that it is difficult to know what really is the policy of the Opposition in connection with this matter. I realise that the Opposition, naturally enough, are anxious to curry favour with the ghost in the locker of the farmers and settlers.

Mr. A. E. Piesse : That is an ungenerous remark.

The PREMIER : It is true and although it may be ungenerous I am going to speak the truth.

Hon. H. B. Lefroy : It has nothing to do with them.

The PREMIER : The hon. member will not deny it 12 months hence. Naturally hon. members opposite are trying to curry favour with the farmers and settlers by attempting to show that they are against taxation of any kind, but they must realise that if they were in charge of the Treasury bench they would be called upon to find the wherewithal to carry on the development of the country, and to say that we are going to prevent development is to say something which hon. members opposite know is not correct. For the life of me I cannot understand how any hon. member can declare it is essential that we should continue the policy of immigration, the policy of inducing people to come here, and settle our lands, and in the next breath to announce to the world, as the member for Beverley did to-night, that the farmers in this country could not make an income of £250 per annum; and then the member for Katanning asserts that the farmer has nothing that we can tax. For croaking commend me to the hon. members opposite. If we on this side of the House had been responsible for statements such as those which have been made by members opposite to-night, when discussing this measure, we would have been regarded

as people who should have been drummed out of the country. And members opposite are those who represent farming constituencies who have urged the settlement of the land, but evidently their desire is to bring about a condition of affairs which would result not only in the settlement of the land but the settlement of the settlers. It seems to me that that is what hon. members are desirous of bringing about. So far as the Government are concerned, we have by practical illustration during the past two years shown to the country, notwithstanding the croaking of members opposite, notwithstanding the continued criticism of wasteful expenditure, we have shown to the country definitely and distinctly that we are in sympathy with the man on the land and we do not consider the man on the land from the point of view of the individual who has control of from 4,000 to 10,00 acres and who is able to reside in St. George's Terrace and carry on farming operations from there. It is the man who is working the land himself to whom this Government have extended their sympathy right through the piece. But the position is just this, that hon. members opposite will continually represent that they are anxious to protect the interests of the struggling settler.

Mr. A. E. Piesse : Hear, hear.

The PREMIER : Hear, hear, of course, but they never put their sympathy into practice. As a matter of fact they do the very reverse. What are we to judge from but history, and we have it on record that the member for Northam, when Minister for Lands, deliberately, and he admits it, put up the price of land because the settlers were to be served with a railway. He admits distinctly and definitely that when he issued lithos. from the Lands Department he marked on them the proposed route of a railway and said "because we are going to give you that railway we are going to put up the price of the land." The price was raised in some instances from 10s. to 27s. on the ground that the settlers were going to have railway facilities, and then he comes to the House, and so do those who support him, and says that he does not pro-

pose to tax the struggling settler. Who is the struggling settler, but the man who has been on the land outback for years without any railway communication ? It is not the man in the old established districts who has his 4,000 or 5,000 acres of improved land and has had railway facilities for years. But hon. members are not content with increasing the price of land, which is a direct tax on that struggling settler; on top of that, when they come along and build a railway they further tax him, not by means of a land tax, but by charging him 1s. for every ton of wheat, of fertilisers, of machinery, and of bags brought over that line for the purpose of carrying on his operations, and then hon. members have the audacity to come here and say they are protecting the interests of the struggling settler. If the settler cannot see the hypocrisy of that cry, it is because they do not read the newspapers and cannot understand matters when they are brought under their notice.

Hon. J. Mitchell : They understand you.

The PREMIER : They are beginning to understand as we move about the country and place the truth before them. They understand how the member for Northam treated them. The present Government have taken credit for having abolished that special rate on those district railways, as they were called.

Hon. J. Mitchell : Largely the timber companies.

The PREMIER : The hon. member can make that statement if he likes. I say we have been building railways in agricultural districts, and building them at a greater rate in the last two years than ever previously; almost the whole of the new lines are in the agricultural areas. If we had continued that special rate of 1s. per ton on those district railways this year, the latest settlers in the outback districts, men who have been waiting for years for railway facilities and struggling on against tremendous odds compared with the struggling settler who owns 4,000 to 5,000 acres about Northam, would have been contributing to the revenue of the State to the tune of over

£30,000 this year. The abolition of that special rate has been the means of a direct saving, not to the whole of the farming community, but to the struggling settler, the man who required our assistance, to the tune of £30,000. That is practical sympathy. It is not something said for the purpose of pleasing the ears of the settlers, but we have actually put into practice a saving of £30,000 on new railways constructed in districts which had been waiting for many years for these facilities. Set that against the land tax to be paid by the struggling settler and hon. members will find that even then there is a saving of £15,000 or more per year. Let me put the position clearly. If a settler owns 1,000 acres of land and has 250 acres under crop yielding him 15 bushels to the acre, carrying the result of that crop over the railway with the special rate charged by our friends opposite to the struggling settler still in existence, he would pay a special charge of £5 1s. for carting his wheat alone. That is in addition to the ordinary rate he would pay for carting the result of his crop. In further addition he would have to pay 1s. per ton on his fertilisers, 1s. per ton on his bags, 1s. per ton on his machinery, and on any other requirements he would find essential for the carrying on of his operations.

Mr. E. B. Johnston: One shilling per ton on his fencing wire.

The PREMIER: Yes, including fencing wire, and making an amount of at least £7 10s. which he would have to pay in operating 250 acres cropped in one year. That is a direct tax on the latest settler, but, of course, it covers up the tracks of the Opposition very effectively it is true, because the struggling settler does not feel it. He thinks he is paying for services rendered, but it is just as great a tax, and not as honest a one, as the land tax. In that case it is the settler outback who has to provide the whole of the tax, and his operations outback are increasing the value of the land of the farmer who is operating 5,000 acres in an old established district that has had railways for years past. Yet members of the Opposition assert that they

are speaking in the interests of the struggling settler. Let me now compare that with what a man would pay under this proposed tax. One thousand acres valued at 10s. per acres would mean a sum of £2 1s. which the owner would be called upon to pay as against £7 10s. he was compelled to pay by that substitute for the land tax, the special rate on district railways; whilst if the value of the land was £2 per acre he would pay only £4 2s. as against the £7 10s. That is the whole of the charge to be levied against him. He will be treated just the same as any other settler on the land, and no favouritism will be shown; whereas under the other tax, the special rate, the old settler, the successful man who has held his land for years past, got all the consideration and had no taxation levied upon him. It is urged that we are doing wrong in removing the exemption. We are removing the exemption, not only against the man who is the owner of farming property, but also against the holder of City and town lands, and the exemption in towns is a block of the unimproved value of £50. What does that mean? It means that a man was exempted from paying 4s. 2d. a year. How he could own the land and not afford to pay 4s. 2d. a year is a problem I am unable to solve. We are going to make the owner of a block of land in the City or town pay 4s. 2d. a year from which previously he was exempt. That is the meaning of the removal of the exemption, and it will be seen that when we get down to individual cases, as hon. members are so prone to do, there is nothing in the arguments against our proposal.

Mr. Wisdom: You are going to take £1 off the income tax.

The PREMIER: But the property owner in the City or town is not analogous to the person who pays income tax, and although the town taxes are provided for in the measure there is no analogy between them, as the hon. member will know if he has ever attempted to read any authority for advice on the question of taxation.

Mr. Wisdom: You want advice.

The PREMIER: Probably I do, but I am aware of it, and I am always ready to receive advice, but the hon. member is not able to give it.

Hon. Frank Wilson: Why do you allow a set off of the land tax against the income tax?

The PREMIER: Because we do not want the man to pay a double tax.

Hon. Frank Wilson: There you are!

The PREMIER: I say there is no analogy between the incidence of the two taxes.

Hon. Frank Wilson: Of course there is.

The PREMIER: As I have shown, in one instance we are removing that tremendous burden that was placed on the shoulders of the new settlers to the tune of £7 10s. on a crop of 250 acres, and we propose to tax him to the extent of £4 2s. at most.

Mr. Wisdom: How do you make the £7 10s.?

The PREMIER: I have already shown how I make it.

Mr. Wisdom: You are wrong anyhow.

The PREMIER: Naturally I am wrong in the eyes of the hon. member.

Mr. Wisdom: I am talking from my past experience of you.

The PREMIER: The hon. member's experience is only what takes place on Sundays. As I have previously tried to explain, it was frequently asserted that because the farmer does not show a clear profit of £250 on the year's operations, he is in a worse position than the wage earner who is earning £250. But that is not a fair comparison. The proper method of making a comparison is to ask how much is left in the hands of the farmer, if his net income amounted to £250 and he had to draw from that living expenses, as compared with the wage earner in the town receiving £250. I say definitely that a man who has a profit of £250 on his farming operations is in an infinitely better position than a man who is receiving £250 in wages or salary in a town.

Mr. Taylor: Because the farmer does not count his upkeep.

The PREMIER: The expense of keeping himself and his family is charged against the operating expenses of the farm.

Mr. Wisdom: Not at all.

The PREMIER: I say it is. What the hon. member forgets is the fact that the farmer to-day is paying each year from his income into capital account, and of course naturally one would arrive at the conclusion that he was showing a loss, whereas the wage-earner receiving £250 a year is able to pay very little into capital account. He has to pay heavy taxes on his living, whereas the farmer is paying nothing in taxation because he produces all he requires on his land. If he puts his capital into his property he sets off against the operations for the year the interest on the capital expenditure, and if he has a loan from the Agricultural Bank or any other financial institution he has to pay interest and a certain amount by way of redemption, but every pound he is paying by way of redemptions is really a payment to his capital fund.

Mr. Taylor: It is increasing his wealth.

The PREMIER: Of course it is, but where does the wage-earner land himself at the end of the year? Probably on the 1st January he finds that he is out of employment and has to go round begging for work, or on the other hand go short of the necessities of life.

Mr. Brown interjected.

The PREMIER: I deny the statement made by the member for Beverley. Although I admit that a great many of them have had a struggle during the last two years, I deny that, given ordinary conditions, farming operations properly carried on will not return a net income of over £250 per annum. If I were prepared to accept that, I should have to advise every man who wanted to come to Western Australia to go on the land that he had better keep away.

Hon. Frank Wilson: That is what your colleague, the Attorney General says.

The PREMIER: My colleague, the Attorney General, like others who have started on the land, is capitalising at a tremendous rate. Under our system when we sell 1,000 acres of land we only ask

the settler to pay at the rate of 6d. per annum per acre, and that 6d. per annum per acre is a payment into capital account, and he has no right to set that against his income. The same may be said in regard to improvements. The improvements he put on the land by the expenditure of money obtained from the Agricultural Bank or other financial institutions, and for the redemption of which he provided a certain sum, represent a further payment into capital account and should not be charged against his net income.

Mr. Wisdom: What difference does it make to his income?

The PREMIER: I am replying to the hon. member for Beverley who says that farming operations do not show a profit of £250 a year. I regret exceedingly that the hon. member for Beverley, who otherwise was very fair in his criticism, should in his peroration have made a reference to hon. members on this side of the House to the effect that they were supporting this measure in order to protect themselves against any income tax.

Mr. Broun: So they are.

The PREMIER: Perhaps I may assert just as definitely, and perhaps with more truth, that the hon. member instead of representing the electors of Beverley is more interested in this Bill from the point of view of how it will affect his farming.

Mr. Broun: I am paying no income tax.

The PREMIER: Perhaps the hon. member so arranged his balance-sheet that he avoided it. The hon. member is unhappy in his references; if we were to probe into his transactions we might find the reason why he is so strongly opposed to the income tax.

Hon. Frank Wilson: Do not make assertions like that; delve into his transactions.

The PREMIER: The hon. member can do that.

Hon. Frank Wilson: It cannot affect me.

The PREMIER: I have sufficient to do to mind my own business. The hon. member is more prone to pry into these matters.

Mr. Broun: I will give you all the liberty to probe the statement.

The PREMIER: I do not desire to do so. It would be no satisfaction to me, and would not be educational in any way.

Mr. SPEAKER: Order!

The PREMIER: The hon. member for Katanning in keeping with other members of the Opposition, must of course indulge in a little croaking when a land tax is suggested. This poor country, according to the hon. member, will be absolutely ruined by it. According to the hon. member there are no further opportunities for settlement; all the good land has gone.

Mr. A. E. Piesse: I said most of it.

The PREMIER: The hon. member stated that I must admit that in our agricultural districts the best land has all gone.

Mr. A. E. Piesse: Most of the best land has been taken.

The PREMIER: I am not prepared to admit that.

Mr. Wisdom: You do not know anything about it.

The PREMIER: A great portion of the hon. member's remarks were worthy of consideration, but the hon. member for Claremont has shown his wisdom by not speaking at all. The hon. member for Katanning asserted that all the best land was gone, and a minute before that he stated that the action of the Government in imposing this land tax would prevent land settlement. If the land tax will starve the people out of the country, surely it will be a good thing, if all the best land is gone. We do not want them to take up land which is no good.

Mr. A. E. Piesse: Who is croaking now?

The PREMIER: The hon. member for Katanning.

Mr. A. E. Piesse: No, it is the Premier.

The PREMIER: If the statement that all the best land has gone is correct, the hon. member cannot complain if we refuse to allow people to come here. We do not want them to come merely to assist to increase the value of other land. Hon. members forget that we are proceeding at a tremendous pace.

Hon. Frank Wilson: Oh! you are going back.

The PREMIER: The hon. member merely compares one year's figures with those of another year. As we settle our land we cannot still have it available for settlement. There is a limit to the land available for settlement. It is all very well to say "Look up the records; we can talk about 600,000,000 acres somewhere available"; but it was never acceptable to the people who wanted land. Hon. members, in order to carry their opposition to a land tax to the extreme, make all sorts of croaking references to the position of Western Australia. The hon. member for Beverley says that farming in Western Australia will not show a turnover of £250 a year, and the hon. member for Katanning says that all of our best land is gone.

Mr. A. E. Piesse: I did not say all.

The PREMIER: And the hon. member for Pingelly says that land values have depreciated, since he took up land, to the tune of £1 per acre.

Mr. Broun: Quite true.

The PREMIER: Then the hon. member for Katanning, in submitting a motion to the effect that we had overstated the value of the land which we sold, was wrong, because most of it was sold at less than £1 an acre. If the value of land was reduced to the extent of £1 an acre, we must have been giving it away.

Mr. Broun: The hon. member for Pingelly was referring to land which had been purchased in the old settled districts.

The PREMIER: I thought the hon. member referred only to the "struggling settler." Apparently hon. members sometimes do think about the men in the old settled districts; the men who had the opportunity to get the best of the land. Hon. members have referred to the poor beggars who were coming to the country under the immigration policy of the Liberals and to the fact that the best land is gone.

Mr. Taylor: There was any amount two years ago.

The PREMIER: Yes, we have disposed of it, although we do not get credit for it. I am not going to pursue the question further than to say that all the authorities who have considered the question of

the incidence of taxation for the purpose of carrying on government have concluded definitely and distinctly that a land tax properly applied is the most equitable form of taxation known in the civilised world.

Mr. A. E. Piesse: In a new country?

The PREMIER: I assert that it is not properly applied if we have exemptions. From the point of view of levying a tax, we have no right to consider the individual standpoint. Hon. members of the Opposition cannot get away from the fact that this Bill will compel them as individuals to pay a certain amount to the revenues of the State. They have no right to consider it from that aspect. They should consider that the owner of land should make return to the revenue in proportion to the value of the land he holds. If he is a small holder he will return a small amount, and if he is a large holder he will return a larger amount; he should pay on the value of his land, improved or unimproved, in order to get a proper incidence of taxation.

Mr. Broun: You want to say that if a man has a thousand acres he ought to pay £4 from the jump.

The PREMIER: When we hear about the value of exemptions because land is improved, we must not forget that the exemption is based on the amount of improvements necessary under the Land Act, and the amount of improvements necessary to get the exemption is so slight that the land tax of a halfpenny in the pound will not compel an owner to utilise his land.

Mr. A. E. Piesse: You can alter that.

The PREMIER: We intend to alter it; that is the object of this Bill. There are holders of land amounting to 4,000 and 5,000 acres who have made improvements on about 500 acres; the balance of it is unimproved, and yet they get that exemption, whereas, if that land was subdivided in order to settle five families with a thousand acres each, each would have to effect similar improvements. That is not a correct method of imposing taxation. We are not imposing it upon the individual but upon the land, irrespective of

whether it is a large holding or a small holding. We are imposing it on the unimproved value, and we have no right to consider whether a portion is improved or not. We must recognise the fact that last year, under the imposition of the land tax, the owners of land other than country land, that is those in the metropolitan area, and other towns in the State, contributed at the rate of 9s. 6d. per acre, whereas the holders of all country lands contributed slightly over a farthing an acre. With this Bill in operation, the owners of land in the metropolitan area, from Fremantle to Midland Junction, will contribute about 46 per cent. of the land tax.

Mr. Underwood: Shame!

The PREMIER: It is not a shame; it is right that they should. They are receiving the greater benefit, owing to the operations of the outback settler; as his operations bring about an increase in values, it is right that they should contribute more.

Mr. Broun: You are wrong in your estimation.

The PREMIER: I am not.

Mr. Broun: According to the Commissioner of Taxation, city land returns £20,352 and country land £16,792.

The PREMIER: I am referring to the imposition of a penny in the pound on all land, improved or unimproved, and under these conditions the land in the metropolitan area will contribute about 46 per cent. of the land tax. Then we have been told that we are imposing undue burdens on the struggling settler. The struggling settler is used on all occasions whenever taxation is proposed, in order to prevent the large land owner and the capitalist from paying their share to the State.

Mr. Thomas: You have hit it.

The PREMIER: Hon. members can look through the records of this Chamber, and the records of other similar Chambers in other parts of Australia, and they will find that the opponents of taxation continually to use the poor struggling settler as an argument, and the poor struggling settler is unable to appreciate the fact that the methods pursued in the past for

obtaining revenue for the purpose of government have imposed the burden largely upon him. It has been done under similar methods to that adopted by the hon. member for Northam, when Minister for Lands, by unduly increasing the value of land when it was sold and by making the settler pay an increased impost on the railways, while those in the more settled districts were let off scot free. That has been the attitude of the opponents of all forms of taxation right through history. The hon. member for Katanning says that what he opposes most is that the measure will be of a permanent nature. The hon. member knows that what I stated on the second reading was correct, namely that where land taxation has been put into operation in any part of the civilised world it has remained in operation, and instead of being repealed it has been amended and often largely increased.

Mr. Taylor: That conclusively proves the justice of the tax.

The PREMIER: Yes. The man who has to go further out, although we may provide him with railway facilities, is called upon to pay more in order to get his wheat to the port than the man who is more favourably situated.

Mr. Broun: Why is it?

The PREMIER: Simply because the hon. member and those in Opposition refuse to allow us to impose a just system of taxation in order to relieve him of that impost. If we can get revenue from a land tax which will bear fairly on every one in the State, then we will be able to reduce railway freights, and put every farmer on the same footing. In order to get their wheat to the markets of the world, the farmers who are less favourably situated will be put on the same footing as those who are more favourably situated. Why should not that be done? The present Government exist in order to give fair consideration to all, but under the conditions imposed by the Liberals, or so called Liberals, we are compelled to treat them differently. As the Government, we have no right to exist except in the interests of all the settlers; that is just the difference between the

Liberal policy and the Labour policy. Our friends opposite only mouth their policy and when they get an opportunity oppose our policy. They do so using the poor struggling settler as a subterfuge, in a manner which he cannot appreciate. As regards the question of the income tax I asserted, and I repeat, that, short of absolute confiscation, we cannot impose an effective tax on the capitalists. So far as income tax is concerned, the wage-earner has to pay it for them. I have an authority who is recognised as such in every part of the British Dominions, who in speaking on the question of taxation, makes the following statement. My authority is Professor Thorold Rogers, who says—

And then when we remember that all finance is inevitably based on contributions of those who work for wages and cannot escape the tax gatherers—That is a definite statement made by a professor of economics, and who ought to know. He further says—

It is a maxim in finance, that the sufferings of the nation, when taxation is heavy, are the sufferings of the poor, that beyond naked confiscation, or, as a statesman has said, by the ransom of their property only, can taxation really touch the rich.

And may I point out further the hon. member assumes that we are acting unfairly by making the exemption £250 per annum, but £250 per annum does not apply merely to the wage-earner—I want that clearly understood—it applies to all alike, to the farmer as well as to the wage-earner, and it must be understood that there is a vast difference between £250 earned in wages and salaries, that is, by the industrial class in the community and the £250 of the capitalist who gets what we may call a spontaneous income. This is what Thorold Rogers says in another work of his—

The possessor of an industrial income, as contrasted with the owner of a spontaneous income, is constrained to select the locality in which he can most conveniently and certainly carry on his calling, while the owner of the other kind of income can consult his

own choice as to the region in which he can spend his annual resources. The time of the former is occupied, and he has no leisure to attend to those smaller economies, for the pursuit of which the latter can devote his entire energies. The former is disabled from attempting a number of occupations which the latter can follow.

Now I want to come to another point. Hon. members asserted the other night that they were prepared to support any expenditure on education, neglecting of course to admit at the same time that we can only expend on education what we receive from the taxpayer. Thorold Rogers goes on to say concerning the occupations just mentioned—

These are not indeed lucrative in any sense, and therefore are not liable to taxation, but they are eminently useful, and may be the means of considerable saving. A parent who has leisure and capacity can undertake for himself, and frequently with great success, the education of his children, a function which the man who earns an industrial income is debarred from attempting, however competent he may be to perform it, and for which he must pay heavily when he delegates it to others: so heavily, indeed, that were it not for school endowments, it does not seem clear how the higher culture could be accorded to many of those who now enjoy it. It is no exaggeration, I think, to say, that taking all the items into account, house rent in a town, a necessary condition towards earning most industrial incomes, is five times as costly as equal accommodation in the country.

Members opposite frequently forget that last fact, that while we may receive £250 per annum in wages or salary in the towns, the house rents and other conditions which apply, make it so costly to earn where the same thing does not apply in the country towns or the country generally.

Mr. Broun: Look at the comforts in the town compared with the country.

The PREMIER: The comforts which one obtains from going to a picture show

once a week would not satisfy the hon. member. I know there are not a dozen wage earners in this State who are able to take trips every four or five years to the old country, but I know a number of men on the land who are able to do that.

Mr. Allen: And some members on your side of the House.

The PREMIER: I could mention some members on the other side of the House who can do it, but not wage-earners. I say with Thorold Rogers that unless a tax is imposed which is confiscatory in its nature it is not possible to make the incidence of it fair to all in the community.

Mr. Wisdom: Nonsense!

The PREMIER: Does the hon. member for Claremont know more than Thorold Rogers? The hon. member may know more, but I have not read his works, and for the present I am prepared to accept Thorold Rogers in preference to the hon. member, and therefore I claim that we are justified in exempting the first £250, and this does not apply merely to the wage earner as he is ordinarily understood, but to all wage earners throughout the State. There are other matters in connection with the Bill which can be dealt with in Committee when we are on the various clauses. The hon. member for Katanning (Mr. A. E. Piesse) is not justified in asserting that any amendments moved by members of the Opposition will not receive any consideration. Members of the Opposition will notice that some of the amendments they moved last session have been given effect to in this very Bill. We have taken into consideration the amendments they submitted last session and have embodied them already in this measure, and the same thing will apply on the present occasion if an amendment is introduced which does not affect the principle. We are going to adhere to the principle, as land tax should be imposed whether the revenue requires it from a revenue standpoint or not, as the incidence is so just, and if the State receives more from the revenue than is required it can reduce the charge to the outback struggling settler for services that are rendered to him.

That is infinitely more desirable than the present system and therefore I claim that when the measure, which is an equitable one, is on the statute-book, it will operate for the good of the State as a whole.

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

Ayes	25
Noes	11

Majority for 14

AYES.

Mr. Angwin	Mr. Lewis
Mr. Bath	Mr. McDowall
Mr. Bolton	Mr. Mullany
Mr. Collier	Mr. Price
Mr. Dwyer	Mr. Scaddan
Mr. Gardiner	Mr. B. J. Stubbs
Mr. Gill	Mr. Swan
Mr. Green	Mr. Taylor
Mr. Holman	Mr. Thomas
Mr. Hudson	Mr. Walker
Mr. Johnson	Mr. A. A. Wilson
Mr. Johnston	Mr. Underwood
Mr. Lander	(Teller).

NOES.

Mr. Allen	Mr. A. E. Piesse
Mr. Broun	Mr. A. N. Piesse
Mr. Harper	Mr. F. Wilson
Mr. Lefroy	Mr. Wisdom
Mr. Mitchell	Mr. Layman
Mr. Monger	(Teller).

Question thus passed.

Bill read a second time.

In Committee.

Mr. Holman in the Chair, the Premier in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Interpretation :

Hon. J. MITCHELL moved an amendment—

That from the definition of "business" the words "The term also includes the business carried on by any club under the authority of a license granted under the Licensing Act, 1911," be struck out.

No doubt the Committee would agree that the profits of these clubs were not distributed, and that they were largely made up of subscriptions, money upon which income tax had no doubt already been paid. It did not seem that the Premier's suggestion represented a legiti-

mate source of revenue at all. There were small clubs in town and country, but they were not profit making concerns in any sense, nor were the profits distributed. Of course if there were any proprietary clubs, that was a different matter and the Premier could alter the clause to meet such concerns. The Premier, however, ought to agree to this amendment as it seemed a small thing to tax the profit of clubs used solely for the purpose of recreation.

The PREMIER: Whether the profit was distributed or not distributed it should contribute something to the revenue of the State, particularly in view of the fact that these clubs were granted privileges under the provisions of the Licensing Act to make that profit which were not enjoyed by others paying heavy license fees with whom they were in competition. In the circumstances, if they made a profit on liquor consumed on the premises by members of the club they should be called upon to pay a tax as others were who made similar profits under the Licensing Act. If there was no profit there would be no tax.

Hon. FRANK WILSON: If we took the clubs in Perth he guaranteed that we would not find one that made a profit outside its subscriptions.

The Premier: What do they do with their profits?

Hon. FRANK WILSON: They simply increased the comforts of the members by providing more accommodation. A club took the place of a man's home; even a working man's club did that.

The Premier: That is the regrettable feature about a club.

Hon. FRANK WILSON: It was outside the province of the Treasurer to obtain a little revenue in this way because the profits of the club were only paper profits.

Mr. Lander: Do you mean to say that the profits of the Commercial Traveller's Club are only paper profits?

Hon. FRANK WILSON: Yes. Very often the subscriptions were reduced. At any rate, whatever profits there were were spent amongst themselves. Of

course, wherever there was a proprietary club, and occasionally they existed in small centres, that was a different thing. That became a trading concern and the individual who took the profits should justly pay.

Mr. WISDOM: This question was discussed fully last year and the Premier recognised the justice of the amendment which was now moved, inasmuch as he agreed at that time to accept an amendment moved by himself Mr. (Wisdom) practically to the same effect.

The Premier: Was that not in regard to racing clubs?

Mr. WISDOM: The wording of the amendment was in the case of a club, association or company formed for social or sporting purposes. That included all clubs. The Premier recognised the justice of exempting entrance fees and subscriptions and he agreed to accept the amendment. The position had not altered since then. It was unfair to tax one income twice. By insisting upon the taxation of entrance fees and subscriptions of clubs, the Premier would be actually taxing that portion of a person's income twice.

The PREMIER: The statement about taxing incomes twice was absurd because the same thing applied to the holder of a general publican's license.

Hon. Frank Wilson: We tax him on the profits he puts in his pocket.

The PREMIER: And the publican obtained that profit from his customers, who had already been taxed. It was going round the whole time and the same thing applied here. At the most a club did not make more than £1,000 a year.

Mr. Harper: They make £3,000 or £4,000.

The PREMIER: Did they? Then that would help the Government materially. But assuming a club made £1,000 a year—

Mr. Wisdom: They make no profit at all.

The PREMIER: Then if that was the case they would pay no tax at all. If the clubs put their profits into additions to their property they should be in the same position as anyone else. If a publican

spent his profits on improving his premises for the comfort of his customers, he was not allowed to make a reduction, and the clubs should be in exactly the same position. If they made £1,000 they could well contribute £25 to the revenue of the State. It would be a poor old club if it could not pay that amount and it would be a club that would employ Chinamen in preference to white labour, and in that case it was not deserving of consideration at our hands.

Hon. FRANK WILSON: The logic of the Premier was astounding. The club that was making £1,000 a year, and because it employed Chinamen should pay this tax!

The Premier: I did not say that. I said that a club that would show a profit of £1,000 a year and would refuse to contribute £25 to the revenue of the State would be guilty of employing Chinamen.

Hon. FRANK WILSON: The Premier certainly did say the other thing but he would accept the new version of it. What had the employment of Chinamen to do with the matter? The Premier admitted that he had been in the Weld Cub once and he must have been served by a Chinaman. Was his drink any the worse because it was served by a Chinaman? A club which would show a profit of £1,000 would probably receive £1,500 or £2,000 a year in subscriptions but we were not justified in charging income tax on profits which were subscriptions of members.

Mr. A. N. PIESSE: It would be unfair to impose this tax on clubs, particularly in the country where the clubs were useful institutions. They were places where distinguished visitors could be entertained.

Mr. THOMAS: If there was one clause in the measure more just and equitable than another it was the one under discussion. If a club returned a profit of £1,000 a year it should not object to paying a reasonable amount of taxation. The consideration claimed for clubs by the member for Toodyay was somewhat ridiculous. The hon. member held that they were public benefactors, and consequently should receive special consideration. If these clubs were benefactors at all they were benefactors to the individuals who enjoyed

their special benefits. There were no institutions in the community which should be more prepared to pay the income tax than profit-making clubs. If any club was merely a poor struggling institution making only a few shillings profit the income tax would not trouble it.

Mr. WISDOM: There was an attempt made to create a false impression. The Premier had talked glibly of a club making £1,000 a year profit. There was no such club in existence in the State. Entrance fees and subscriptions could not be taken into consideration in estimating the profits. One might as well impose income tax on calls paid by shareholders in a company. The purpose of the Bill was to tax, not profits, but income. If it was proposed to tax profits then there could be no objection to taxing legitimate profits made by clubs, just as in the case of the profits of a licensed victualler, although there was no connection between the two concerns, one being run for profit while the other was not. Moreover, it was to be remembered that the subscriptions and entrance fees paid by members of clubs had already been taxed to the individual, and to tax them again as the profits of a club would be imposing a double tax. All the clubs in the State were corporate bodies, and consequently were on a par with limited liability companies; therefore if they were to be put on the same basis as those companies and their profits taxed there could be no objection, but to tax an income which included entrance fees and subscriptions already taxed was manifestly unfair. Last year the Premier had been convinced that such a proposal was wrong, and the Premier was wrong in having altered that opinion.

The Premier: It is not the same wording as last year.

Mr. WISDOM: But it would have absolutely the same effect.

The Premier: What about sporting clubs?

Mr. WISDOM: The amendments last year had included companies formed for social or sporting purposes, which would embrace every club.

The Premier: I have dropped them all except those which come under the Licensing Act.

Mr. WISDOM: They all came under the Licensing Act.

The Premier: No.

Mr. WISDOM: Wherever there was any license attached to a club the club came under the Licensing Act, and therefore there were very few clubs which did not. The fact remained that there was no club in Western Australia making any profit whatever outside of subscriptions and entrance fees.

The PREMIER: The provision in the Bill was different from that in last year's measure. He had purposely excluded all clubs except those coming under the Licensing Act, when a definite privilege was conferred upon such clubs by statute. If a profit was shown on the year's operations the clubs ought to contribute, the same as any other business had to do. He had not a great knowledge of the operations of clubs, but according to some of the statements made by members of the Opposition, the clubs would more correctly come under Subclause 6 of Clause 14, which provided for the exemption of charitable institutions.

Mr. HARPER: There was some misunderstanding about the profits of clubs. He knew of one which made a profit, but it was to be remembered that in that club 400 members paid £8 a year, or £3,200 in all. That club might have a surplus of £1,000 or £1,600 a year, but surely the Premier could not regard that as a profit. One might as well say that calls paid into a company ought to be taxed. The members of a club were already taxed, and when they put into a club a portion of the money on which they had already paid tax that money was to be taxed a second time. Income tax having already been paid on club subscriptions, those subscriptions should not be taxed again. There was evidently some misconception in regard to the matter, because he did not think the Premier wished to have a double tax.

Mr. ALLEN: It had been asked what became of the profits of these clubs. In at least one or two clubs of which he had

some knowledge the profits, or surplus rather, was disbursed in providing amusement during the year for members and friends. In one club in particular a great deal of amusement and entertainment was provided at Christmas time out of the club's surplus, if surplus there was. When there was no surplus the children were deprived of their entertainment. These clubs would not consent to a double taxation, for it would be very easy to evade the provision by reducing subscriptions.

The Premier: Let them evade it.

Mr. THOMAS: As a matter of fact one paid his subscription to a club in return for the privileges and conveniences which he received from the club.

The Premier: He gets value for his money.

Mr. THOMAS: Of course. Among other things he got better whisky, and, perhaps, more of it for his sixpence than he could get anywhere else, and he had the advantage of reading rooms and libraries, and he could get drinks on Sundays, when any other man was liable to be fined. The point was that the subscription to a club was in return for the advantages and benefits which the club could supply. It was given for a definite return, and if there was any profit over and above, such profit was a legitimate matter for taxation. He did not believe there would be any big profits to tax, but if there was so little money to be taxed, why make a fuss about it?

Amendment put and negatived.

Clause put and passed.

Clauses 4, 5, 6—agreed to.

Clause 7—Court of review:

Mr. A. E. PIESSE: What limit would be placed on the jurisdiction of the court? The clause said that the court should have jurisdiction within such limits and in such cases as the Governor might prescribe. Was it proposed to have district courts of review to save expense?

The PREMIER: The object of the clause, which was a slight alteration of the existing legislation, was not to limit the magistrate sitting as a court of review to the magistrate of the local court. The Government might appoint some other magistrate. This brought the measure

more into conformity with the Land Valuation Bill, and if that measure became law appeals would be heard under it. The Land Valuation Bill made special provision for the constitution of a valuation board.

Clause put and passed.

Clause 8—Land tax on unimproved value:

Mr. A. E. PIESSE: In ascertaining the unimproved value was it desired that the method of valuation outlined in Subclause 2 should be adhered to? In regard to conditional purchase lands, the valuation accepted by the department was in nearly all cases not less than the price charged by the Crown. Where a holder of conditional purchase land had only paid two years' instalments, the unimproved value would not exceed the amount which the man had paid.

The PREMIER: The subclause was exactly in conformity with the provisions in the Land Valuation Bill, and he knew of no better method of arriving at the unimproved value. This was a definite direction to the commissioner, and if he used any other method of valuation the owner of the land would have the right of appeal.

Mr. HARPER: What was the proper definition of unimproved land value? Did it mean the land in its original state?

The Premier: No.

Mr. HARPER: The clause did not seem clear. Probably after a man had improved his land he found it was worth no more than the value of the improvements. In Perth, for instance, if the improvements put on certain land had not been made that property would not have been worth 50 per cent. of its present value. The unimproved value of the land in his opinion would be the value of the land before the improvements had been made. The improvements made the value of the land in the instance he had mentioned, and, therefore, the term unimproved land value was an absolute misnomer.

The PREMIER: Clause 2 was a clear statement of what unimproved value meant, namely, "the capital sum which the fee simple of such land might

be expected to realise if offered for sale on such reasonable terms and conditions as a *bona fide* seller would require, assuming that the improvements (if any) thereon or appertaining thereto had not been made." That did not mean a forced sale, but a sale under reasonable terms and conditions.

Mr. Wisdom: The improved value less the value of the improvements upon it.

The PREMIER: The selling price of the land less the value of the improvements. Improvements did not give unimproved value except that improvements made generally in a district naturally added to the unimproved value. One could go into a district where wheat growing could never be made profitable and he might improve his holding as much as he liked without improving the land at all. It was the demand for land of a similar nature in the district that increased the unimproved value. The object of the land tax was to return to the State a small portion of the increased value given to land by the community.

Hon. J. MITCHELL moved an amendment—

That in line 4 of Subclause 4 after "State" the words "or Federal" be added.

The Premier: That will increase the value.

Hon. J. MITCHELL: No, it would reduce it. The tax, no matter by whom collected, must affect the value of the land. Logically the Federal tax must be included. This was one of the disadvantages of Federation and regard should be paid to it.

The PREMIER: The amendment could not be accepted. We had no right to take into consideration taxes imposed by the Federal authorities. That matter should be dealt with through the Federal Parliament. It would be unfair to the State Government to consider the question. The Federal authorities could make further taxation on the ground that the State would provide an exemption and the State would not be able to protest. The motive of the hon. member was correct,

but it was not right for the State to concede everything. The Government must protect the revenue of the State.

Hon. J. MITCHELL: The point being dealt with was that of disadvantages and it was quite fair to recognise the disadvantage imposed by this Parliament and also the disadvantage imposed by another Parliament.

The Premier: Why should we carry the responsibilities of another Parliament?

Hon. J. MITCHELL: The Premier's responsibilities were to the taxpayers of the State and he must recognise the disadvantage of taxation imposed by the Federal authorities.

The Premier: It is quite an innovation.

Hon. J. MITCHELL: At least the Premier should agree to take the matter into consideration.

Hon. FRANK WILSON: It was impossible for him to see how the Federal Parliament would be able to make further inroads into the State revenue.

The Premier: Why should we carry the responsibilities of another Parliament?

Hon. FRANK WILSON: The Premier was dealing with his own citizens.

The Premier: Are they not Commonwealth citizens as well?

Hon. FRANK WILSON: If we considered the rates and taxes imposed by a State law it was just as right to consider the rates and taxes imposed by a Federal law.

Mr. B. J. STUBBS: The argument of the leader of the Opposition was extraordinary. When the Commonwealth Parliament was considering the imposition of a land tax, the great argument urged in its favour was that the States had not seen fit to impose it. If it had existed he believed the Federal Parliament would have foregone that tax.

Hon. Frank Wilson: All the States had land taxes at the time.

Mr. B. J. STUBBS: Very few of the States had them.

Hon. Frank Wilson: I am not sure about Queensland, but all the rest had them.

Mr. B. J. STUBBS: If we agreed to forego the amount of Federal taxation we would be giving up avenues of taxation to the Federal Government and making it impossible for the State Government to carry on.

Hon. Frank Wilson: Nonsense.

Mr. B. J. STUBBS: That was what the argument of the leader of the Opposition amounted to.

Hon. Frank Wilson: Why not read the clause.

Mr. B. J. STUBBS: The State Governments were already finding it fairly difficult to carry on.

Hon. H. B. LEFROY: The hon. member seemed to be under the impression that we would do away with the State tax altogether, if a man paid Federal tax. If a person paid so much by way of Federal tax it was proposed that that amount should be deducted from the value of the land. The amount was infinitesimal but it was the principle to which he objected. Members on this side of the House thought that where an exemption was made, on account of any State law, of rates and taxes, the same should apply to any of the taxes under a Federal law.

Amendment put and negatived.

Clause put and passed.

Clause 9—agreed to.

Clause 10—Exemptions:

Hon J MITCHELL: It was his wish to add two subclauses to stand as Subclauses 4 and 5, and he thought it would be convenient to take both of them together.

The CHAIRMAN: The two proposed new subclauses could be taken together.

Hon J MITCHELL: moved an amendment—

That the following subclauses be added:—(4) All lands the unimproved value of which does not exceed fifty pounds are exempted from assessment for taxation under the Act. But where the same person is owner of several parcels of land, this exemption shall not apply if the aggregate value of such several parcels exceeds fifty pounds. (5) All improved lands outside the boundaries of any municipality used

solely or principally for agricultural, horticultural, pastoral, or grazing purposes, or for two or more of such purposes shall be assessed after deducting the sum of two hundred and fifty pounds. Such deduction shall not be made more than once in the case of an owner of several estates or parcels of land, but in every such case the aggregate of the values of such several estates or parcels shall be regarded, for the purpose of taxation, as if such aggregate represented the unimproved value of a single estate or parcel.

It was not necessary to discuss these amendments. The Premier knew they meant exemptions to which he (the Premier) was very much opposed, but the Opposition believed that small land-owners should be exempt. The Opposition believed that a man's cottage block should be exempt from taxation. We had heard an argument that 4s. 2d. was nothing to the working man, but he must go to a lot of trouble and probably pay to have a return made out.

The Premier: Under this measure he will not be required to pay to have a return made out; it is as simple as possible.

Hon. J. MITCHELL: The method of making out the return would be provided by regulation, but so far as he knew it would be the return he himself had had to make out.

The Premier: That is under your Act.

Hon. J. MITCHELL: If the Premier had told us just what he proposed to do under this measure it would have saved a lot of time, but so far as we knew the returns of the past would be the returns of the future, and if these small cottage holders were compelled to have these returns made out the cost to them would be considerable. In regard to country lands, the man who had a small farm and was struggling for a living should be exempt. Even in and around Perth, and also, for example, in the Swan electorate, there were people who had just a few acres and were making good use of their land, but were not making a very large profit from it. These were the men he

(Mr. Mitchell) was endeavouring to protect.

The Premier: You do not represent them.

Hon. J. MITCHELL: Among those he represented were a good many men owning small blocks. What was more, he represented every class in the community. He had stood as a representative of the working man ever since he had been in Parliament.

Mr. B. J. Stubbs: The working man does not recognise it.

Hon. J. MITCHELL: Those on his side said that these small holders should be exempt, but with the Premier it was different; they were to be taxed. It was to be hoped the Premier would agree to these subclauses because they were in the best interests of the people generally, and we would only be dealing fairly with the small holders if we allowed this amendment to be made.

The PREMIER: This was the principal feature of the measure on which we were divided. He had contended that if we imposed a land tax on a method that would be equitable, we could not justify exemptions. The owner of land should return something to the State of the unearned increment which was obtained by the expenditure of public funds, and by the increase of population. If it was a small block the owner paid a small amount. The man exempt to-day was exempt from paying 4s. 2d. on his £50 block, but he was causing difficulties for others, and also causing further expenditure to the State, because under existing conditions we were continually trying to discover whether land exceeded £50 in value, and it meant extra expense to the State and to the individual. Under the Bill there was one rate for all land, and no exemption, and there would be no difficulty in making out a return.

Mr. WISDOM: The Premier knew well that the ordinary routine of the taxation office would have to be carried out whether the sum involved was 4s. 2d. or £400 0s. 2d. All this question of making it easier was just so much tommy-rot, and it was what we expected

to hear from the Premier when he tried to argue.

The Premier: Have you read the Bill? If you read it you will understand it.

Mr. WISDOM: Whilst he was prepared to agree to the taxation of land or incomes he was not in favour of no exemptions. We should be consistent, and do away with exemptions in regard to income tax as well. He was not prepared to agree that a man should have to pay land tax who did not earn an income of over £250 a year, whilst the man earning less than £250 a year and who owned no land should be exempt from taxation.

The Premier: He is not.

Mr. WISDOM: That man was, and he did not pay as much as the man who had land, for the reason that both paid an indirect tax through the Customs. The Premier seemed to forget the amount that each contributed towards the welfare of the State, and when we tried to compare the amount contributed by the man who produced on the land, as against the amount contributed by the man who engaged in manual labour, all he had to say was that the man on the land was contributing to the welfare of the State double the amount of the other man, and therefore was entitled to more consideration. If there was any argument at all it was in favour of the small man who did not earn an income from his land up to £250 a year. We knew well that the whole purpose of exemption in connection with the income tax was so that the Premier's own friends might benefit. There was no getting away from that fact, and the sooner the House realised that this sophistry and nonsense was so much waste of breath the better it would be for the business of the country. The fact remained that preference was being shown to the people who supported the Premier and his party. He (Mr. Wisdom) opposed the exemption simply for the reason that a similar exemption was not done away with in connection with the income tax. As a matter of principle he did not believe there should be any exemption. The Minister for Works had said at Geraldton that he

believed that the man with much land should pay a big tax, whilst the man with a little land should pay a small tax, but everyone should contribute towards the revenue. That was perfectly right, but it applied equally to income as well as to land. If the income was small let the amount of the tax be small, but everyone who derived a benefit from his residence in the State should be prepared to pay taxation.

The PREMIER: There was no one who was a better judge of utter rubbish and rot than the hon member for Claremont. The hon. member's speech had been nothing but balderdash and rot. It was evident the hon. member did not understand the measure. It was interesting to know that the exemption of £250 had been made in the interests of Ministerial members. Did the members of the Opposition recognise the fact that in the State there were 160,000 electors, and that 11,439 of these had been taxed last year. As the Government were going to reduce that number to 10,000 Opposition members would have the support of that 10,000, while the Government would receive the support of the remaining 140,000 electors.

Hon. J. Mitchell: Are only 10,000 to be taxed?

The PREMIER: According to this reasoning it was so. He was endeavouring to show the balderdash which the member for Claremont had talked when that hon. member said the exemption had been made to suit Government supporters. The member for Claremont had asserted that because there was an exemption in respect to the income tax there should be an exemption also in respect to the land tax. Did not the hon. member recognise that if a person was not the owner of land he had to pay rent to somebody for the use of the land, either for cultivation or residential purposes. If such a man cultivated the land it was for the purpose of earning an income, while if he resided on it it was for the same purpose. In any case he had to pay rent to the land owner, and the land owner in paying

land tax was only paying a part of that rent to the State. Who, then, actually paid the land tax, the land owner or the earner of an income who came under the income tax exemption? From that point of view the member for Claremont would see that although the wage earner was exempt up to £250 and had not to pay land tax directly, yet he had to pay rent to the owner of the land, who netted the difference between the rent he collected and the amount paid in land tax, while the exemption under income tax applied alike to the owner of the land and the person renting the land.

Mr. Wisdom: But there is a *quid pro quo* for the rent paid.

The PREMIER: There was none whatever.

Hon. J. Mitchell: Does the Premier realise that taxation all comes back upon the worker?

The PREMIER: Yes, I contend that.

Hon. J. Mitchell: Well, let us let him off a bit.

The PREMIER: That was being done to the point where it was considered fair to tax him. If a man received £251 in salary he immediately paid a tax and, as against the man who made £5,000 during the year, the man with the lower salary had to pay a very heavy tax, while furthermore he had to work for the money he received, whereas the other man probably did nothing at all. It was impossible to get an income tax to fall equally upon all the community unless we took a certain proportion up to a given point and afterwards took the lot.

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

Ayes	11
Noes	22

Majority against	..	11
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AYES.

Mr. Allen	Mr. A. E. Plesse
Mr. Broun	Mr. A. N. Plesse
Mr. Harper	Mr. F. Wilson
Mr. Lefroy	Mr. Wisdom
Mr. Mitchell	Mr. Layman
Mr. Monger	(Teller).

NOES.

Mr. Angwin	Mr. Mullany
Mr. Bolton	Mr. Price
Mr. Collier	Mr. Scaddan
Mr. Dwyer	Mr. B. J. Stubbs
Mr. Gardiner	Mr. Swan
Mr. Gill	Mr. Thomas
Mr. Green	Mr. Turvey
Mr. Hudson	Mr. Walker
Mr. Johnston	Mr. A. A. Wilson
Mr. Lander	Mr. Underwood
Mr. Lewis	(Teller).
Mr. McDowall	

Amendment thus negatived.

Clause put and passed.

Clauses 11, 12—agreed to.

Progress reported.

PAPERS PRESENTED.

By Hon. W. C. Angwin (Honorary Minister): 1, Annual report of the Chief Harbour Master; 2, Annual report of the Registrar of Friendly Societies.

House adjourned at 11.13 p.m.

Legislative Council,

Wednesday, 26th November, 1913.

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Papers presented	3005
Bills: Rights in Water and Irrigation, Assembly's message	3006
Fremantle Improvement, Assembly's message	3010
Criminal Code Amendment, report stage	3013
Mines Regulation, Com.	3014

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

PAPERS PRESENTED.

By the Colonial Secretary: 1, By-laws of the Albany Water Supply. 2,