

ADJOURNMENT.

The House adjourned at half-past 10 o'clock, until the next day.

Legislative Council,

Thursday, 27th September, 1906.

	PAGE
Questions: Railway Station Bricks	1908
Railway Revenue, how made up	1908
Railway Construction, Subletting	1908
Leave of Absence	1908
Bills: Bills of Sale Act Amendment, 3a., opposi- tion, division	1908
Land Tax Assessment, 2a. resumed, concluded, division	1911

The PRESIDENT took the Chair at 4:30 o'clock p.m.

PRAYERS.

PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1. Public Works Department—Papers in connection with the Survey and Construction of the Katanning-Kojonup and Wagin-Dumbleyung Railways, Return to Order of the House of 12th September. 2. Roads Act, 1902—By-laws of the Claremont Roads Board. 3. Government Railways Act, 1904—Report on the working for year ended 30th June, 1906.

QUESTION—RAILWAY STATION BRICKS.

HON. W. MALEY asked the Colonial Secretary: 1. In the contract now advertised for the erection of Railway Station Buildings at Narrogin is it specified that machine-made bricks only may be used, thereby preventing competition? 2. Is the Government aware that the local hand-made bricks have been proved to be of excellent quality, and accepted by the best architects, and that by their use a

considerable saving may be effected in the cost of the work? 3. Will the Government take the necessary steps to amend the specifications with a view to effecting an economy?

THE COLONIAL SECRETARY replied: 1. No. The specification provides that the bricks must be sound, hard, well-shaped, and kiln-burnt. The contractor must submit sample for the Department's approval, but can purchase where he likes. Alternative prices have, however, been asked for brickwork with machine-pressed bricks. 2. The Department has been informed to this effect by the Narrogin Town Council. 3. This is not considered necessary.

QUESTION—RAILWAY REVENUE.

HON. W. MALEY asked the Colonial Secretary: 1. Does the sum of £77,701, which appears in Statistical Abstract No. 75 as the amount collected from railways and tramways for the month of July, represent the full amount collected. 2. What is the cause of the average monthly revenue suddenly diminishing by about £60,000?

THE COLONIAL SECRETARY replied: 1. The amount appearing in the Statistical Abstract No. 75, viz. £77,701, represents the collections from railways and tramways from the 1st to the 26th of July, being the business for the month (1st to 26th). In addition, £35,000 was collected between the 1st and 10th of July and brought to account in the financial year ending 30th June, 1906, in accordance with Treasury Regulation No. 6. There was also collected, from the 27th July to the 31st July, the sum of £18,029, which has been taken to account in August, making the total collections from the 1st to the 31st July, £130,730. The collections from the 1st to the 31st July, 1905, were £129,425. 2. Answered by No. 1.

QUESTION—RAILWAY CONSTRUCTION, SUBLETTING.

HON. G. RANDELL asked the Colonial Secretary: Is it a fact that the Public Works Department has sublet to various persons its contract for the construction of the agricultural railways, or for any one of them?

THE COLONIAL SECRETARY replied: No. Sleepers have been cut and portions of the clearing and grading done by piece-work, in accordance with the usual practice of contractors.

LEAVE OF ABSENCE.

On motion by the HON. W. PATRICK, leave of absence for one week was granted to the Hon. J. A. Thomson, on the ground of illness.

BILL—BILLS OF SALE ACT AMENDMENT.

THIRD READING.

THE COLONIAL SECRETARY moved that the Bill be now read a third time.

HON. S. J. HAYNES moved an amendment—

That the word "now" be struck out, and the words "this day six months" be added.

HON. W. MALEY seconded the amendment.

THE COLONIAL SECRETARY (Hon. J. D. Connolly): Members had seen fit to pursue an unusual practice in regard to this Bill. He did not question the right of any member to move an adverse motion to a Bill at any stage, whether in Committee or on the third reading; but he appealed to the House for some consideration for this measure. This was not a party House, and he hoped it never would be: it was a House of revision. A long discussion had taken place on the second reading of the Bill; it was fully and fairly debated, and several adjournments were granted at the request and for the convenience of those opposed to the measure; so it could not now be said members were taken at a disadvantage. On the second reading, although some members were opposed to the measure they did not see fit to call for a division, the Bill being allowed to pass the second reading on the voices. On that occasion there were at least 20 members present, and no doubt several others were within the precincts and would have been in attendance had a division been called for. We came to the Committee stage a week later, and the Bill as intro-

duced by the Government passed through Committee without amendment and without discussion. A new clause was proposed by Captain Laurie, and progress was then reported so that consideration might be given to it. But the Bill as introduced by the Government went through Committee without discussion, and was adopted without alteration. Later on without notice Mr. Haynes moved the Chairman out of the Chair. Believing that the measure had not been properly considered, he (the Minister) had the Bill reinstated. Yesterday Mr. Haynes took another unusual course by moving that the report of the Committee be adopted that day three months; and to-night he moved a farther adverse motion, the only one of which he had given notice to the Government. He (the Minister) appealed to members' sense of fairness. Here the Government had no party to depend on. Ten members formed a quorum; and when business which was considered purely formal was before us we often found that not more than fifteen members attended. Thus a minority of eight members could determine the fate of any Bill brought in, by opposing it without notice. On the motion for second reading, members knew that the principle of the Bill was to be decided; and if they wished to oppose it, they should then have been in their places. The third reading was always considered a formal matter. What would the people think of the House if business was to be conducted thus? Would they think of it as a House of revision, and continue to hold it in respect? Whether members favoured or opposed the Bill, he appealed to them not by their votes to countenance this procedure.

HON. G. RANDELL: It was frequently followed.

THE COLONIAL SECRETARY: No; only once during the last five or six years, and then only in the case of a Bill introduced by a private member.

HON. S. J. HAYNES: As the Leader of the House admitted, he (Mr. Haynes) had a right to oppose a Bill at any stage. That right he had exercised; and when a member considered that injustice would be done by passing a Bill, it was his duty to oppose it at every stage, as he had done. He appealed to members to sup-

port the amendment, and not place an unjust Act on the statute-book. The existing Act might need some amendment; but this would make it a vicious and pernicious measure. This was class legislation; and though creditors should be considered, the unfortunate debtors should not be lost sight of.

HON. R. F. SHOLL (North) had taken no part in the debates or divisions on the Bill, for at first he thought it an excellent measure. The *Hansard* reports showed much to be said on both sides. But after consideration he had concluded that the Bill would have a most injurious effect in the distant province he represented, so far removed from centres of population and deprived of regular communication. The amendment of Mr. Laurie might have overcome that difficulty, but the Government, though prepared to exempt stock and wool, would not exempt chattels.

THE COLONIAL SECRETARY: In one year fourteen bills of sale were given north of Geraldton.

HON. R. F. SHOLL: No matter how many, the Bill would act injuriously to a distant province which received little consideration from the present Government. Were the North Province excluded from the operation of the Bill he would vote for the third reading; but after mature consideration he would support the amendment. Let the Bill stand over for twelve months, and bring in an amendment to suit the Southern parts of the State. Merchants should undoubtedly be protected against unprincipled small traders who got credit everywhere and gave bills of sale probably to persons in the Eastern States; but the Bill as it stood, though possibly suited to a small State like Victoria, was not applicable to our huge northern territory. Here in the South trade-protection circulars showed what mortgages and bills of sale were registered; but such information could not be circulated in the North, where none would know that a man proposed at the expiration of fourteen days to give a bill of sale.

HON. R. LAURIE (West): Supported by the Fremantle and Perth Chambers of commerce, he had moved a clause to

protect station owners, and meet the wishes of Northern members. Any member might have moved to amend that clause to suit his constituents; but after a brief adjournment we found the fate of the Bill to depend on a count of heads. If Mr. Sholl wished pearl-shell-ers to be protected, why did he not amend the clause accordingly, or move that the Bill should not operate in the North? At the last moment the merchants in Fremantle, Perth, and other large centres were to be sacrificed because the Bill did not contain a special provision for the North, though that provision had not been called for.

HON. C. SOMMERS (Metropolitan): After yesterday's division in a pretty full House, when 25 votes were recorded, the Bill might have gone through without further debate. That total in a House of 26, one member being on sick leave, should be taken as a fair expression of opinion by the House as a whole. The raising of questions time after time did not tend to raise the standard of public estimation of the Chamber. In face of the fact that every reasonable effort had been made to meet the wishes and objections of opponents of the measure, an attempt was now being made to defeat the Bill in its last stage. It had been shown that the measure was required by the commercial community; and although one bank raised an objection to it, the banking community as a whole was not opposed to the Bill. In order to meet the latest objections raised, he would favour an addition to the list of exemptions so as to exempt pearling fleets, if it were shown that such exemption was necessary in the interests of the people engaged in that industry in the North-West. The Bill had been subjected to a thorough test in a practically full House, and it was not the correct thing to attempt to defeat it in its last stage.

HON. W. MALEY: When the Chairman was moved out of the Chair, he thought the last had been heard of the Bill for the present session; and the Government having since resorted to an entirely new procedure, so far as the House was concerned, should not now complain if members who believed the

Bill was not such as should become law opposed it at every point.

HON. G. RANDELL: Members opposed to the Bill had as much right to complain at the reinstatement of the Bill, as the Leader of the House had to complain of the tactics adopted to defeat the measure. After the strong indictment of the Bill by Mr. Moss and the strenuous opposition of Mr. Haynes, both particularly qualified to express an opinion as legal authorities, members should pause before passing a measure the real effect of which even the Government could not foresee. If a precedent were required for the attitude now adopted by opponents of the Bill, it was furnished in the instance of a Bill rejected some years ago after passing every stage up to the motion "That the title of the Bill be an Act."

HON. W. KINGSMILL: Anyone who had studied Mr. Moss's condemnation of the Bill must be driven, as he had been, to the conclusion that the Bill if passed would work an injustice and operate restrictively on trade. Despite the complaint of the Colonial Secretary, the procedure adopted by opponents of the Bill could not be classed as unusual. Throughout British Parliaments it was a common occurrence for Bills to be defeated on the third reading. Members who supported the Bill had been induced to do so on the *ex parte* statement of a section representing only one of the parties to transactions under bills of sale; and the interests of the borrower under a bill of sale did not seem to have been considered. While he sympathised with the difficulty in which the Leader of the House found himself, it was unreasonable for the Minister to complain, seeing that the measure was of so contentious a character that it should be opposed even at its last stage. If the Bill were placed on the statute-book we should be exchanging a good measure for a bad one.

HON. J. W. LANGSFORD: It was the right of any member to oppose a Bill at any stage, if he thought it would be injurious to the country; and members who were opposing this Bill were not to blame for using the opportunity to vote against it at the third reading.

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

Ayes	...	...	...	11
Noes	...	...	...	10

Majority for ... 1

AYES.				NOES.			
Hon. G. Bellingham				Hon. C. E. Dempster			
Hon. J. D. Connolly				Hon. J. M. Draw			
Hon. J. W. Hackett				Hon. S. J. Haynes			
Hon. J. W. Langsford				Hon. W. Kingsmill			
Hon. E. Laurie				Hon. W. T. Loton			
Hon. E. D. McKenzie				Hon. W. Patrick			
Hon. E. McLarty				Hon. G. Randell			
Hon. W. Oats				Hon. E. F. Sholl			
Hon. C. A. Piesse				Hon. Sir Ed. Wittenoom			
Hon. C. Sommers				Hon. W. Maley			
Hon. J. T. Glowrey							
(Teller).				(Teller).			

Question thus passed.

Bill read a third time.

Question "That the Bill do now pass and be entitled an Act" put and passed.

BILL—LAND TAX ASSESSMENT.

MACHINERY MEASURE.

SECOND READING.

Debate resumed from the previous day.

HON. C. E. DEMPSTER (East): I do not enter into this subject with any desire to move in a manner antagonistic to the Government; but it seems to me the feeling throughout the whole of the country at the present time is adverse to the proposal made. I give the Colonial Secretary credit for the very moderate and lucid way in which he introduced the measure. I read the speeches delivered in another place with considerable irritation, because it struck me there was an effort to have two taxes; that it was desired to get hold of those who have long held land and to exempt those who acquire land at a late period. However, I think the Colonial Secretary explained that there had been no feeling of that kind, and that the Government had only been prompted by the knowledge that an addition to the revenue was absolutely necessary; and therefore they acted in the way they did. Still, I cannot help feeling a certain amount of irritation on that head. The Premier has often referred to the desirability of cutting up large estates and getting at the original owners, as the dream of his youth. We know that the original estates have been considerably cut up and that there are only a few large areas of 20,000 or 30,000 acres. Members all know that the future

of Western Australia now depends upon the settlement of people on our soil. Every possible interest in the State depends upon the cultivation of the land and the thorough settlement of the country. Therefore any measure introduced which would have a detrimental effect upon these very important interests must be regarded as calculated to retard the progress of the whole State. In order to show what the feeling is throughout the whole of the agricultural districts, I have resolutions here which have been passed in the various districts, expressing in the strongest terms their desire that this House will protect them and prevent this measure from being carried. This is the general feeling. They are leaning upon this House to relieve them in this matter. They admit that the future of the whole of this State depends on the prudence of this House in dealing with measures of this sort. I hope and trust that the House will show that it deserves the confidence which the State has reposed in it. I will proceed to refer to resolutions which have been passed at certain places, in order to show that my statement is correct in that respect. This resolution was passed at a large meeting held in the Northam Town Hall without a single dissentient voice:—

That in the opinion of this meeting the sudden reversal of the existing liberal and successful land policy of the State by the imposition of a land tax as proposed by the Government is highly impolitic and unnecessary, and detrimental to the continued prosperity of land settlement, especially when taken in connection with the increased compulsory taxation by the roads board.

The same resolution a few days afterwards was brought before a large and influential meeting of our agricultural society; and there also it was carried without a single dissentient voice. The same resolution, or one very nearly allied to it, was passed at Jenapullen, a large agricultural district of no mean importance, and there, too, the resolution was passed without dissent. Then there was a meeting at Grass Valley of a number of the residents in that district of agriculturists, at which a similar resolution was carried unanimously. They were all agreed that it was desirable in the interests of the agricultural development of the State to ask this

House to reject the measure, to pass which they consider would be detrimental to the best interests of the State. Members need not hesitate about opposing this measure, because I am certain that by doing so they will be doing that which will be appreciated throughout the country. The immense importance of the question of the advancement of the agricultural development of the State must be apparent to members. For myself, I am getting an old-stager now, having nearly reached the allotted span of three score years and ten, and the passing of this Bill will not make a great difference to me. All the freehold I possess does not amount to more than 6,000 acres, and that when cut up and divided amongst those belonging to me will not be affected very much. Therefore, I am not arguing from personal motives when I say that a land tax is not desirable at the present time. I have always been opposed to the principle of land taxation, because I remember that in my early youth my relations were driven from England in consequence of land taxation; and because also I know how badly land taxation has worked in other Australian States. Many of our new settlers have been induced, in order to escape the land taxation of other States, to come here, and Western Australia should benefit by the experience of those other countries; for if we are to tax such people on arrival here, where will be the advantage of their coming here? They were led to believe that the conditions here would be very much better than those obtaining where they previously lived; but no sooner do they get here than they find themselves saddled with a road tax for works which should be of general benefit to the whole State. There is no getting away from the fact—I have always held the view and will stick to it—that if there is one item of public expenditure which should come out of the general revenue of the State, it is the money required for the upkeep of roads; because the maintenance of roads is a matter which affects the welfare of the entire community and not only of those who are living in the vicinity of the roads. The whole State derives a direct benefit from the public roads, as it does from the railways. Roads and railways are the life arteries of any country;

therefore it is manifestly unfair to make one particular class contribute more than a fair proportion towards the upkeep of public roads. Land-owners and farmers may make the most use of the roads, but they do so in the interests of the general public; for roads are the cheapest means by which produce can be brought to market, and the cheaper a producer can sell his produce the better for the consumer. Therefore from whatever standpoint you look at it, good roads and railways are beneficial to the whole State; and I contend that this expenditure should come out of the pockets of everyone. It is not my intention to repeat what has been stated by other speakers in pointing out means by which the revenue of the country may be increased or by which economy may be largely effected; but there is one item which we ought not to forget—the enormous amount of money which has been spent on Federation. I am not afraid to speak on this. Some members seem to fear to speak of the desirability of withdrawing from the Federation. I am not. I say we cannot derive any benefit from Federation; it is against our interests in every way; and so long as the position is that Western Australia cannot get out of Federation, so long will our State be under a species of slavery, because we are too far separated from the other States to derive any benefit, and our representation there will never give us a voice in our own affairs. If we could now get out of Federation, there would not be any farther necessity for economy, and our wants would be at once met; we ought to be thoroughly independent of the other States. I am annoyed every time I reflect on this matter, what a glorious position Western Australia would have been in if we had kept out of Federation. I know all the interests of the permanent residents of Western Australia were opposed to Federation at first, but they were forced into the position, and it will be very humiliating and very discouraging to them to know we have been drawn into an immense deficit in consequence of the revenue Federation has taken from us. Therefore I do not think any of us ought to hesitate to say that if we can get out of Federation it is our duty to do so. It does not seem to me that it is impossible.

We should join with Queensland and exercise every effort to attain that end.

HON. J. W. HACKETT: Queensland is our worst enemy.

HON. C. E. DEMPSTER: I thought Queensland would assist us. Perhaps Queensland finds it is making a considerable amount out of the Federal revenue at our expense. At any rate I have not the slightest doubt if we could possibly withdraw from Federation it would relieve our position, and in the future we would be in a better state than we are now. If it is necessary to economise, there is another matter which has been alluded to and which certainly ought to receive consideration—I refer to the Coolgardie Water Scheme. There is no reason why a sufficient rate should not be charged for the water supplied to relieve the country of the indebtedness on that account. It was understood when the scheme was constructed it would pay for itself in 20 years. It was understood that it would provide a sinking fund and interest and pay for the work in 20 years. We know the scheme has been such a success, that there is no earthly reason why it should not be made to pay, except that the rate the Government supply the water at is not sufficient to make up the amount to realise the money which would pay sinking fund and interest. That is no reason why the Government should not do this in future. That is one of the first steps to be taken to make up our deficit, and £78,000 a year would be a large item.

HON. R. D. MCKENZIE: Would you raise the price of water?

HON. C. E. DEMPSTER: It would not only apply to the goldfields but all who consumed the water. It would apply in the greatest measure to the goldfields because the whole scheme was entered into for the goldfields, and they have benefited to a greater extent than any other portion of the community. We should study the interests of the settlers in this country, and I am sure every member will be willing to admit the settlers ought to be fairly and reasonably considered. I cannot think the Government are justified in taxing the pastoralists in the way suggested. The pastoralist pays for a lease of land for a given period. He pays so many years at 10s. per 1,000 acres and then one pound

per 1,000 acres, and under the Bill he will have to pay a tax in addition to the rent which he agreed to pay when he applied for the lease and it was granted to him. Is it right. Would it be right for any private individual to enter into an agreement, and before the termination of that agreement to draw up fresh arrangements and make other conditions? I do not think the Government are justified in doing this, and what is considered unfair and unwise on the part of individuals should be treated in the same way by the Government. What is right in one case ought to be right in another. We ought not to countenance a measure that would not be fully borne out by straightforward conduct between individuals. I am quite satisfied that it is the duty of a representative of any portion of the country, if after careful consideration he comes to the conclusion that a certain line of action is necessary, to follow that course and persist in it and not be induced to depart from it. As long as I am in the House I shall stick to those ideas which on due reflection I think are right to follow out in the interests of those I represent, and in the interests of the country generally. Those representing the agricultural districts are expected to do that, and if they stick to that principle and are not led away from it they will be doing what is right in the interests of the country. For my part, I have always found if I listened to any compromise of any sort it is bound to be unsatisfactory; as a rule it is the straightforward dealing, "yes" and "no," that is right. If we intend to give assent to a measure let us assent to it; if not let us protest against it straightforwardly. I do not think persons should be led into acquiring rights that may be wrested from them in the future. We should see their efforts are protected. Everybody has a fair right to prosper if he can. I do not like pulling one behind to allow another to advance. I do not believe in the policy of equality and socialism which is now being talked about. There is too much cowardice, too much pandering to the classes. If a man stands up and says what he believes is right, people are always amenable to reason, and if a man acts as he ought to do and acts fairly, people will know that he is doing

right. I think a great deal more might be done if people were outspoken and honest. I believe in being frank and open and honest at all times. I cannot think there is any necessity for the Government to bring forward the Bill. The country has not called for it. There has been no desire to have a land tax except from a certain section of our representation. We know it is one of the principal planks in its platform, but that is no reason why the Bill should be introduced when the country has not asked for it. The country is opposed to a land tax, and I hope the House will bear that in mind when dealing with this measure. There is one point that has been alluded to by most members who have spoken on this matter, and I will touch on it also. We know that the sliding scale has disappeared and there will be no protection whatever for the agriculturists and squatters against the other States. There is nothing to prevent the other States sending their surplus products into our markets, and we know what the result will be. Our markets will be glutted with all kinds of produce, and the people in the other States can produce at a much lower rate than we can. It does not seem that they trouble much about going bankrupt now and again and starting afresh: the Government seem to help them. I do not think we could do that here. One of the greatest difficulties the farmers will have to meet in the future is the competition from outside. Farming will not produce that profit which people think. It will be an up-hill battle to fight, and no man in the country will be able to make farming a paying industry unless he has a lot of stalwart sons to do his work. Those who have large families and can do the work themselves will make a good living, but those who have to pay a high rate of wages will never make a good thing out of farming, for the price of produce will be very low in the future. In view of all these discouragements we are to face a land tax and an increased roads board tax, because I take it the roads boards will have to adopt the valuation put on the land by the Government valuator. For the first year the Government will adopt the roads boards valuation, but after the first year the Government valuation will have to be accepted by the roads boards

as well as by the tax receivers. I do not know how the Government will calculate this amount, but whatever the valuation of the Government valuator is it will have to be adopted by the roads boards and of necessity a larger amount will be raised. The whole of the lands of the State will have to pay more than they do at the present time. I think it would be fair for the roads boards to adopt as the valuation that value which the Crown is selling the land for every day to those settling the country, namely 10s. an acre, which is to be paid in 20 years. If that valuation was accepted by all the roads boards in the State it would be more satisfactory than making different valuations, some as low as 5s. and some gradually higher, and perhaps some lower. However, I think it would be far better for roads boards to accept in future some settled valuation, and not to be in any way influenced by other valuations should this Bill be passed, as I hope it will not be. With an enormous revenue of £4,000,000, or, as I am reminded by Mr. Moss, £3,900,000, where is the need for a land tax? Mr. Moss is entitled to the thanks of the whole country for the very forcible speech in which he laid the matter before the House last night; and I trust that all he said will not be thrown away on the House, for members, I am sure, are most anxious to do all they can to meet the wishes of the people, to advance the future interests of the State, and not to retard progress as it would be retarded by the passing of this measure. We are already taxed to the extent of £15 10s. per head. In the other States taxation amounts to only half that sum; yet we continue to make rods for our own backs, and never seek for possible economies, never consider what our expenditure should be. That is a most unwise and injurious policy. I often think that we are like the black-fellow who, when he saw some white men building a gaol, asked "What for white-fellow build that gaol to put himself in?" We impose taxes to injure ourselves, and to injure the whole State; and one man submits because he thinks his next-door neighbour will have to pay a little more. That is not right. We should endeavour to do what is fair and just to all classes of the community. In this debate allusion has been made to the

rabbit-proof fence, which I sincerely hope will eventually prove a wise undertaking. Personally, I have always entertained doubts about it; but I hope it will ultimately be successful. But so large an item of expenditure should not be continuous. The fence should be completed, if not completed already; hence the outlay should not be perpetual. I do not know how many men are employed on each section to protect the fence, or what is the cost per month for upkeep; but I know that many men are employed, and that wages are high; and that a large liability has been contracted on account of the fence. I expect that every member of the Chamber has fully made up his mind as to how he will vote. If members will vote as I desire, they will not hesitate very long. Before I sit down I must express my pleasure in supporting the amendment of Mr. Moss, that the Bill be read this day six months—not only the Assessment Bill, but the Land Tax Bill also.

HON. J. W. HACKETT (South-West): Before commencing my remarks on the subject of this debate, I think I may congratulate the House on the level which the debate has attained. This has been one of the best, most searching, and most thoughtful debates that I have ever heard in the course of my experience of the Legislative Council. And in particular, though I am forced to disagree with him on many points, I would single out the speech of Mr. Moss, who certainly argued his side of the case as strongly, as perspicuously, and as eloquently as could well be desired. Nevertheless, it is hardly necessary for me to say—as I believe the opinions members hold on this Bill are pretty well known all round the Chamber—that I was not persuaded by his remarks.

HON. R. F. SHOLL: You do not know how he will vote.

HON. J. W. HACKETT: I know privately, though not publicly. I think I know how Mr. Moss will vote in the long run, however he may hesitate before voting. However, the Bill is one which I am sure the Government have had no pleasure in placing before the Legislative Council. The Colonial Secretary knows well that, if he values his peace of mind, if he wishes to get on comfortably

with the House, with members, and with the debates, the less he has to do with taxation, and especially with fresh taxation, the better. And I am sure we must all realise that if the Government had perceived any method by which they could have avoided this last recourse to fresh taxation, that method would have been adopted. It cannot be pleasant for gentlemen to tax themselves. Still less is it pleasant for the Government to ask their loyal supporters—I am of course speaking not alone of this Chamber—to consent to a measure which they naturally dislike, and to place a severe strain upon the loyalty of those members, by inducing many of them, in consideration of the interest of the country and of their regard for the Government, to forego their own private opinion, certainly their own private feeling. It is only when we see how necessary it is to carry on our Government, and how the advantages derived from a wise expenditure far outweigh the personal inconveniences which all of us must suffer, that we realise how, after all, unpleasant as is the operation, much good results therefrom. As to the Bill before the House, I may say at once that while I shall vote for the second reading, there are many details which I wish to see altered; and if there is any movement in this Chamber to make an alteration in these details, I shall certainly be found supporting it. But on the main question of whether more taxation is necessary, and above all whether a land tax should be imposed, I may say, for reasons which I am prepared to give, that I shall vote with the Government, and against Mr. Moss's amendment. The objections to the Bill are numerous; and I say that in principle as well as in detail, we can always raise arguments against a Bill of this class. It does seem extraordinary that with a revenue which, including that portion exacted by the Commonwealth and that portion obtained by the State, amounts to £4,000,000, or £4,025,000—for I believe Mr. Loton's statement is correct—we should not be able to pay our way without a resort to fresh taxation. It is still more absurd on the face of it—an absurdity we must endure if we agree to a land tax at all—that we are inviting all the world to settle here on peculiarly favourable terms

of settlement; that we offer immigrants free grants of land, and yet to each grant we attach a sort of coupon declaring that the land will be taxed, in many cases from the start, and in any event after five years. These and other points are obvious to us all. It is hardly necessary for an opponent of the Bill or any supporter of the Bill to dwell upon them. Take the question of assessment. I may say that when the Government begin to apply that principle they will find themselves in serious difficulties. So great do I apprehend those difficulties will be that so far as I can see a very small return will be reaped from this tax before the 30th June next year. In making the assessments no two principles are identical; no two valuers will proceed on the same principle; there are no two districts in which there will be, I do not say uniformity, but even similarity of method. Between the town and country there is a great gulf fixed. All these difficulties have to be overcome; but this does not affect the two questions of principle: whether the Government ought to get more money, and whether the money ought to be secured by means of a land tax in preference to any other means. For my part I should be quite prepared to accept a proposal that the same clause be inserted in the machinery Bill as finds a place in the taxation Bill—that the Bill shall be annual, at all events on its first operation; because I am satisfied that much of the Bill will be found unworkable. I am also satisfied that the principle of assessment will need to be altered, and I am sure that a great deal that is incongruous in the Bill will have to be cut out.

THE COLONIAL SECRETARY: That may happen in any Bill.

HON. J. W. HACKETT: I know that amendment is absolutely necessary in regard to many points, and the Leader of the House seems to agree with that; but I am leading up to the point that it is just as well we should make certain that the Bill should be revised from the first line to the last line in common with the taxation Bill, and that it should be once more submitted to Parliament. I think if the tax is set going, like the course of most other taxes it will, like the brook, flow on for ever—at all

events, it will run for a considerable time. The taxation Bill and the machinery Bill are not incorporated, but they run altogether. If one fails, the other fails. I think the measure has claims upon our careful consideration and cautious regard, and that members will do very wisely in giving full thought towards it. Considering the position of this House, our constitutional relations, and the greatly important work we are called upon to perform, we should not be led away by any words—I do not say they are used in the House, but any words used outside of irresponsible hardihood—to throw out the tax under the circumstances suggested by Mr. Moss. No doubt the tax has been in the policy of three successive Premiers, Mr. James, Mr. Rason, and Mr. Moore. [HON. R. F. SHOLL: Not Mr. Pason.] Mr. James three years ago, in the month of March in the Queen's Hall, declared in favour of it, as Premier of the State he committed himself to it; and then came Mr. Rason. [HON. J. M. DREW: No; Mr. Daglish.] Yes; of course Mr. Daglish; but he did not put it forward in the same express way as the others did. After Mr. Daglish came Mr. Rason, and lastly Mr. Moore. Mr. Sholl says that Mr. Rason did not commit himself to the principle of a land tax; but at Midland Junction, in the policy speech made on the 9th September, 1905, Mr. Rason used these words, and whether they committed him definitely or not will be for the House to decide:—

They could not close their eyes to the fact that they were dealing with a consistently diminishing revenue, and that in the near future some increased taxation would be absolutely necessary. When it was, and if he were in power, that increased taxation would take the shape and form of a tax on unimproved land. That, however, was a matter for the future.

HON. M. L. MOSS: Yes; unimproved land, but not unimproved land values. It makes all the difference.

HON. J. W. HACKETT: A tax on unimproved land would yield so small a sum—

HON. M. L. MOSS: I do not say what it will yield, but I say there is a difference between the two.

HON. J. W. HACKETT: The sum it would yield would be so small that it is clear Mr. Rason had a great deal more in

his mind than the mere inflicting of an impost on unimproved land. Mr. Moss may have been responsible for the cautious words used on that occasion; but in connection with the newspaper with which I have something to do, we kept on preaching that there was a difference between a tax on unimproved land and a tax on unimproved land values, and one found that what was in everybody's mind was "unimproved values" and not "unimproved land." However, leave Mr. Rason. Mr. Moore at great length in a policy speech at Bunbury, made in view of his appointment as Premier, laid down this principle; and if ever there was one thing this Ministry made clear to the country, it was that the Government stood on the policy of unimproved land values. Mr. Moss shakes his head, but from the day the Attorney General first broke the ice in Kalgoorlie, he was followed by every Minister in succession declaring that part of the inherent policy of the country was the introduction of a tax on unimproved land values. [HON. R. F. SHOLL: That was the policy they stole.] At any rate the Government are in possession of it now. There can be no question about what I have said. More than that, I think most members of this House who were standing for election made reference to it one way or another. I certainly did. I declared myself entirely in favour of an unimproved land tax, and I gave my reasons for it, with which I need not trouble the House; but there was no mistake so far as I was concerned, and I had the honour of being returned unopposed.

HON. C. E. DEMPSTER: Yours was not an agricultural district.

HON. J. W. HACKETT: The South-West is not an agricultural district? The hon. member must coin his own definition. I cannot pit the South-Western District against the Eastern District at present, but give us a few years and the railways the hon. member has through his province, and we will turn out a very different show. That is not all. These stated claims to our consideration, which it is impossible for us to ignore; but there is more than that. Some of my friends, especially Mr. Dempster, speak of meetings held all over the country. There is some

truth in that, but they are the roads boards, the bodies that will be least affected by this tax. There has not been a single meeting held in those parts of the State where the tax will most heavily fall in its incidence, so far as I know, to protest against it; and those parts of the State are the towns. It is most remarkable. The major part of the tax will come from the urban taxpayers, but they are content for the sake of the country, and in the belief that a fair addition to the revenue should be obtained, to accept this tax which will probably something like double their rates. There is another consideration, which I think I am entitled to appeal to, and one which I make with all due deference to this House, knowing its high and independent position. This tax has gone through another place which is charged with the making and unmaking of Ministries, and with the infliction or abatement of taxation, which is the Government-making House and the taxation-imposing House, without a single division of importance, and unchallenged on its second and third readings. That is a remarkable fact.

HON. M. L. MOSS: It is no reason why this House should be a registry House for the Assembly.

HON. J. W. HACKETT: We will talk about registration later on; but according to the Constitution, it is to my mind an unheard of thing, when a tax is passed up from the Lower House to an Upper Chamber, when there has been in the Lower House no division of any importance except on details—and I trust there will be some divisions on details in this Chamber when we go into Committee—and when it has been passed unanimously by the Lower House, and another Chamber has taken on itself to throw it out. Taxes have been thrown out in Upper Chambers; but, so far as I know, not unless there has been a considerable party in opposition to it in another place fighting the tax stage by stage, and giving a good basis for the Upper House to say, not that it would not have the tax, but that it would reserve the tax for the opinion of the country.

HON. R. F. SHOLL: It was supported by the Opposition in another place.

HON. J. W. HACKETT: That alone shows that the decision was unanimous. It is a very serious matter in dealing with

a unanimous Lower House. [Interjections by HON. M. L. MOSS and HON. F. CONNOR.] I know we are not supposed to know what is going on in another Chamber, but I am giving the House the correct information, and if the hon. member seeks to verify my statement, he can get the file of the *West Australian* at my office, and he can find *Hansard* in the library. I wish to lay emphasis on the fact that this tax has been agreed to unanimously by the Lower House, that it has been placed before the country by three Premiers, even if Mr. Rason is not allowed to me, that it has been placed in the forefront of their policy by three of the present Ministers of the Crown, that is by all the Ministers who were seeking reelection at the last change of Government. It may be considered an argument of timidity, but I consider it an argument of prudence, that if there is to be a constitutional struggle on this question I prefer to have as the basis of my fight, not a case which benefits my friends or my own class, and not a fight which rests upon protecting my own party.

At 6:30, the PRESIDENT left the Chair.
At 7:30, Chair resumed.

HON. J. W. HACKETT (continuing): I was pointing out that this Bill has special claims for cautious consideration, and was laying stress on the fact that it comes to us from another place with all the authority of a measure on which no division took place, that it comes from the Chamber which is responsible for the expenditure of money and the granting of supplies. What I am stating is couched in the most constitutional and I will add cautious language. We have to remember that while we have great power and while we can moderate and modify—and I will take this opportunity of saying that the proper sphere for us to deal with this Bill is in Committee—we cannot go beyond a certain point. We can do all these things, but we cannot because we ought not to do so, and that should be sufficient for this House—make government impossible. We can absolutely block government, but we ought to be able to take the responsibility. If we throw the whole scheme of government into confusion, if we refuse supplies asked for in order to carry on the King's Gov-

ernment, well and good; but to put us into a perfectly constitutional position to bring that about, we should submit ourselves to the electoral laws which govern another place, namely manhood suffrage, and we should be subjected to dissolution. As we have simply the power of closing the career of the Government if we wish to use it, I claim that before we exercise such a tremendous right as that, members of this Chamber ought to be very well assured of the ground on which they take such a step. Passing from that subject, I understand the position the Government take up is this. They say: "We want money, and we believe this is the best way of obtaining part at all events of what we want, by taxation." In other words they say there is a shortage, and that a land tax ought to be imposed partly to meet that shortage. As I have said, we have worked for what we have, most of us, and if we are deprived of a portion it is not pleasant; but we have seen the useful purposes to which our contributions are put. But what I wish to draw the attention of the Chamber to at present is that there is very often a serious mistake made with regard to the means at the disposal of the Government. We are told that opportunities of retrenchment are abundant, that wherever we look we see signs of extravagance, or at all events where reductions can be made. I do not altogether fall in with this view. I think it is an exceedingly difficult question where to find money which is not wanted in the departments, where we can pare off expenditure and not inflict injury. The total income of this State last year, not including those sums which are devoted to Federal purposes, was according to the statement of the Colonial Secretary, £3,558,000. That is the revenue for the State. The shortage I understand is said to be something like a quarter of a million, but that includes the accumulated deficits of the two preceding Governments.

HON. M. L. MOSS: The actual deficit at the end of June, 1905, was £46,521.

HON. J. W. HACKETT: Add that and the £74,000 for the next year's deficit, and we have altogether close upon £120,000 deficit which has to be made good. There is also a sum of £30,000 for interest, and altogether, including

shortage from the Commonwealth receipts, a quarter of a million is required by the Government. All round the Chamber there have been exclamations during this debate about the abundant revenue we possess. It is said that surely with £3,558,000 we should be able to do all that we ought to do and not suffer in the process, and there is no need to impose taxation, all that is wanted being good administration. This sum seems immense, but when you remember that you have a State to administer of a million square miles, which is something like two-thirds of the size of Europe with Russia left out, you will see that the cost of administration is necessarily immensely greater here than in other countries, for we have practically no concentrated population except round the capital, but we have odds and ends to provide for in the course of the rapid rise to success of this State. That success has led us to try and compete with the other States, and we have endeavoured to do in some short ten or fifteen years, perhaps a dozen years, what it took some of the States the best part of a century to carry out. Out of this sum of £3,558,000 something like two millions and a quarter are appropriated to two specific purposes, one being the railways and the other the statutory appropriations, including the interest and sinking fund; and if you deduct two millions and a quarter from £3,558,000 you have only about £1,300,000 left to deal with.

HON. M. L. MOSS: Raised by a quarter of a million of people.

HON. J. W. HACKETT: Just so; but what I am drawing attention to just now is not so much our own success, of which we are exceedingly proud, in contributing this large sum, but the immense demands on it, to show that practically there is very little left for the Government to come and go on; in fact, a very small falling off places the Government in difficulties. Out of that sum we have to provide for the mines, the lands, the police, justice, education, subsidies of all kinds, medical and other things. Which are we going to cut down? All round the Chamber we talk of reductions and retrenchment. I have no word to say against that, but what we want are proposals serviceable to the Leader of the House, which he can take to the

Treasurer and say, "Here is a way of making good our deficit, doing away with the shortage and the necessity for this taxation." The Minister would then be the most popular man in the land. Who is the hon. member who is going to aid him in that respect? I am sure the Leader of the House would be happy to receive suggestions, even if we had to adjourn the House now to get them; but when we look into the matter we find that there is a very scanty margin indeed to work on, so much so that less money must be devoted to public works. As the finances improve we increase the public works; as they fall away we diminish the public works. We find that there will be a small sum indeed for the public works, according to the reading of the returns. I have gone into this very carefully, and am satisfied that there may possibly be reductions in the cost of departments, two or three of which I might mention. But take the case of the Lands Department. I venture to say that there is no department, here or elsewhere, in which the idea is so general that considerable savings can be made by economical administration. I have shared that idea myself for 16 years. I know that the strongest man we ever had in politics, who knew the work of the Lands Department from garret to basement, who was practically familiar with every face in the department, knowing every man's work and his salary, and who knew where savings could be effected, whose name I need not mention because we all know who he is, and with whom I have had many talks of reducing the land expenditure, expressed himself that considerable reductions could be made, but in the course of the 10 years of his premiership of Western Australia he was totally unable to carry out any idea of reform on this subject.

HON. R. F. SHOLL: The cost of the department has risen 40 per cent. since then.

HON. J. W. HACKETT: But the work of settlement has more than increased in proportion. The services and the work to be performed by that department have greatly increased, largely because Sir John Forrest's land policy is beginning to bear fruit. We try to settle our lands in the cheapest way possible;

that is the difficulty in the matter; somebody must pay for it, and the cost is borne by the general revenue of the State. There is one other cry heard outside, and inside this Chamber as well, and that is "Retrench." It is said that by a proper course of retrenchment we will obtain funds that will enable us to square the finances and not put the country to the necessity of additional taxation. The word "retrench" is easily used; it drops quite smoothly from the lips, but in the first place, let those who believe in it seek to carry it out, and see whether the results will be worth the storm that arises. We know that there is extravagance, that money is paid for work that is not done and that too much is paid for work that is badly done; but I have seen the result of a course of retrenchment, and I do not wish to see it again. Whether it be for political purposes or during the fiercest stringency of a broken boom, the most melancholy and terrible period a country can go through is that which visits it when what is called retrenchment takes place, when wives and children are practically turned into the streets to look for food, and men go about the roads and cannot find work. [HON. R. F. SHOLL: And praying they will not find it.] I am talking of the better class, not that to which the hon. gentlemen refers. It is a terrible episode, and anything that can be done to avoid such a hardship ought to be done by any humane and politic Government. There is only one way, it seems to me, of reducing the expenditure in the departments so far as salaries go—and that is what I am speaking of—and that is to refuse to fill up vacancies as they occur. It is a slow process certainly, and not much of it will be available in balancing the finances of the present year. Retrenchment, taking the whole of this shortage out of revenue and trying to balance affairs by not spending, is a very seductive process, but it involves a great deal. I am sorry Mr. Dempster is not present—I hope he was not so startled as to cause him to leave the Chamber as he was when Mr. Muir spoke with reference to the roads board—but this is involved in any considerable reduction of public works, cutting hundreds, perhaps thousands of men on the

labour market. I cannot see where the interest to pay for the spur lines is to come from, because we must remember that Mr. Piesse in his speech on the spur lines question when members pleaded for more information and got none, warned the House that these spur railways were not intended to be directly productive. [Interjection by Mr. Moss.] It is the simple fact. I admit these spur lines are altogether essential; I am not opposed to them; they were introduced last session to a large degree because of the influence of a paper with which, it may be news to members, I am connected; but I urge that if interest and sinking fund are to come forward for these railways the money must be raised, and the Leader of the House says that one of the ways in which we hope to do so is by a land tax.

HON. R. F. SHOLL: But we are going to continue building railways.

HON. J. W. HACKETT: I hope so. I trust the policy of 1,000 miles of railway for a million pounds will be carried out, but I also trust that these railways will be made to pay as far as they possibly can. They will do so indirectly, but in the meantime we have to find interest and sinking fund. It is said that the railways are not to be directly reproductive, and that we are to depend on the results of opening up the country. All these services have to be provided for from new taxation; retrenchment will not do it; the Government will be lucky if they close the year with a fair balance, even leaving out last year's deficit. I am entirely with Mr. Loton that the accumulated deficit must lie idle. There is another consideration which leads me to the speech made by Mr. Moss that made a striking impression on the House. The hon. member read some extraordinary figures from the report of the Public Works Department. I am not going into them fully; I shall only give the totals. It appears that the Treasury contributed to the roads boards in grants last year £83,695, while the total rates collected by the boards amounted to £21,144; that is, the Treasury grants were nearly four times as much as the total of the rates collected by the different roads boards. This is where Mr. Moss put Mr. Dempster to flight. Mr. Moss at once pounced on

this and said, "Here are opportunities for saving." The hon. member insisted that the proper course was to cut off the subsidies and leave the roads boards to find the money themselves for their roads. That is absolutely impossible, and no one knows it better than Sir Edward Wittenoom, whose grants to the roads boards, when he was Acting Treasurer, were large and generous. [SIR E. H. WITTENOOM: Properly, too.] Certainly; I am entirely with the hon. member. I have a word to say about these roads boards. By a very curious coincidence the amount of money the Treasurer thinks it possible to obtain from this land tax nearly coincides with the money given in the course of the regular normal subsidies to the roads boards, nearly £57,000. Mr. Moss proposes that these should be wiped out, which would give him exactly the opportunity he is seeking for dispensing with this tax. I say the proposal is impossible of adoption, because this money is given not to railways, but to something quite as important, for roads and bridges, the required funds for which, I am certain, cannot be obtained from the proceeds of roads board rates. These moneys are devoted to the opening up of the country. To put a man on a farm and give him no means of approach by rail or road is the very excess of cruelty; it is murder. If we consent to go on the lines suggested by the mover of the amendment and cut off all subsidies to roads boards, make reductions in all directions, deprive the centres of their roads, what is to become of more than one large area of country almost destitute of roads and entirely destitute of railways, and in many instances infested with poison plant, which ought to be cleared by the State.

MEMBER: By the State?

HON. J. W. HACKETT: Yes; just as watering-places are provided on stock routes in the North. The House has been appealed to to throw out this tax and go in for what is called solid retrenchment. But with the vast areas of this huge State of Western Australia, with the sand which prevails everywhere, these sums are inevitable if the country is to be settled on proper lines in order to achieve results which perhaps in our own life-time we will not see. Yet the

matter is spoken of as if it were a light and trifling affair to stop the settlement of the country by stopping the subsidy to roads boards. Then the hon. member suggests that any moneys required for roads should be raised by roads board rates. I may state one case in illustration to show that this would mean an amount four times as great as the $1\frac{1}{2}$ d. in the £ now proposed to be levied.

HON. M. L. MOSS: But the money raised locally would be spent locally.

HON. J. W. HACKETT: Of course it would; but they would not be able to raise it locally in order to spend it locally. The hon. member reminds me that the money would be spent locally.

THE COLONIAL SECRETARY: But he did not attempt to show how the money could be raised.

HON. J. W. HACKETT: I will not delay the House by showing how many thousands of pounds even the simplest work may easily run into, when you are dealing with new works in new country. But this is a fair sample of the rough and ready way in which the hon. member proposes to meet the financial difficulties of the State. Leaving that illustration, I wish to draw attention to the other side of the question which the hon. member has put forward; firstly we must consider that we need more money, and in the next place we must consider what form taxation should take in order to raise the money. And in regard to the latter, the Government has decided, rightly, to my mind, that the taxation shall take the form of a land tax. It may be asked why I say that this is a specially suitable form of taxation. I think the answer is obvious. Land is a peculiar commodity. If a tax is levied on anything other than land, it is nearly always a tax on personal exertion. In the case of a land tax, however, it deals with that peculiar property of land that it is limited to a tax on the unimproved value, that it is imposed not on the result of personal exertion but on the unearned increment. If it were not for the added value given by the construction of railways or roads, there would be no such thing as unearned increment. It is that which gives value to a farm.

HON. W. MALEY: Not necessarily. It often depends on what the property has cost the owner.

HON. J. W. HACKETT: The hon. member knows that his farm has risen considerably in value since the Great Southern Railway was constructed. What I say is known to be true as a general fact, that every railway carried into the country, every road laid down, every expenditure by other people, not by ourselves or by the owners of the land, goes so far in raising the value of this form of wealth, whether improved or unoccupied lands. [MEMBER: And city land.] I am coming to that. That is a well-known fact established from time immemorial. The feudal system was based on that principle. An area of land was given to a man, who in return was bound with his knights and men at arms to defend his king in times of danger. That is the history of the world. Land is a monopoly, and we buy it because it is a monopoly and we can make money out of it.

HON. M. L. MOSS: Western Australia must be a big monopolist, then.

HON. J. W. HACKETT: Because it has so much land. But the hon. member would prevent us from settling the land. The case is shown most clearly in regard to city lands. We know what the unearned increment means, and to my mind rent is a first form of it. Rent is primarily determined by locality; that is, a piece of land in Hay-street is worth a hundred times more than it might be in Leederville. And the same principle applies to farms; if a farm is close to a railway, it is worth treble the price of another five or six miles away.

HON. W. MALEY: Not always.

HON. J. W. HACKETT: I would like to see the exceptions. It depends on its local accessibility, convenience to market, and the readiness with which one can get to that market and back again. Lands combining those features bear a higher price, gradually reducing in price as accessibility is lessened. So far as this matter has been understood everywhere land has been regarded as a fit subject for taxation. In every State in Australia, with the single exception of Queensland, there is a land tax at the present moment. Only two or three days ago a cablegram was published stating that Natal had instituted a land tax as well as an income tax. There is one matter I would like to touch upon here, and it is a matter for

which I crave the earnest attention of the House. It has been alluded to by Mr. Moss in his striking and suggestive speech; but I think that in his view of this matter he is altogether astray. He said, "You ask us to accept a State land tax, and the Federal Labour party asks us to accept a Federal land tax." The hon. member is a busy man and perhaps cannot get that full grasp of things occurring in the East, only meagre details of which dribble across here. If he were in a position to know the full workings, he would be aware that the true strength of the demand for a Federal land tax lies in the fact that such a place as Western Australia is without a land tax. I can assure the hon. member that it is so; that that fact gives the Federal Labour party a vantage ground from which it can fight for a land tax which it would be hard for us to meet.

HON. M. L. MOSS: The Federal Labour party is not worrying about Western Australia.

HON. J. W. HACKETT: But it is worrying about a Federal land tax; and the surest and most conclusive way for us to block a Federal land tax is to impose a State land tax, which we should enjoy the benefit and the returns from, which would go to fructifying and developing our own State. Let hon. members not be deceived on the point. So long as we are without a land tax we are an inviting prey and the best of all instances for the purposes of the arguments of that party which desires to impose a Federal land tax. If members felt as sure on this point as I do, and I believe they would do if they were in a position to know all the facts, there would be no division on the amendment moved by Mr. Moss; they would gladly accept the less of two evils and accept a State land tax. If we throw out this tax and have afterwards to submit to a Federal land tax, and then in consequence of the exigencies of the State have to add a State land tax, the seriousness of such a position is obvious. At present the most effectual block which can be placed in the way of a Federal land tax is to vote for a State land tax now. This State is looked upon and cited as the dreadful example. Mr. Moss said that the taxation of this State amounted to £16 per head of the popula-

tion. Surely he was making a mistake and was referring to the revenue; because our population is only 260,000.

HON. M. L. MOSS: I said that we—

THE PRESIDENT: I would remind Mr. Moss that he will have an opportunity of replying later.

HON. M. L. MOSS: On a point of personal explanation, I think I made myself perfectly clear when I referred to the £16 per head of the population. I said it included all moneys received by the Government for services performed by the Government for the State.

HON. J. W. HACKETT: Whatever the hon. member may have said, he kept on repeating the words "£16 per head of taxation." There may have been an explanation of the kind at the beginning; but whatever impression that may have caused, it was worn away by the iteration of the words "£16 per head of taxation." If it is not to be a land tax, what tax is it to be? Because I think we are all satisfied that farther taxation is necessary. The only proposal I have heard—and I have heard it in many quarters, and when it has been mentioned there was a sort of jubilant shout—is an income tax. It is quite certain that the incidence of an income tax would fall on an immensely larger class of taxable persons even than a land tax; but have members considered the effect of an income tax? In the first place, where a man would pay a few shillings for land tax, he would pay one pound or more for income tax. Take £500 derived from landed property. The land tax is a mere fraction if the property be improved. But the income tax in this State is 5 per cent., 1s. in the pound. That is to say, a man who derived from land an income of £1,000 would have to pay for income tax £50; whereas by the land tax he would probably be let off with £3 or £4. Members must recollect that 1s. in the pound is an immensely high income tax, and it cannot be reduced.

HON. J. W. WRIGHT: Why should it be 1s.?

HON. J. W. HACKETT: I will tell the hon. member why it is incapable of reduction. At present the dividend tax, which to a certain extent takes the place of an income tax, is 1s. in the pound. If we reduce the dividend tax to 6d. we shall lose half the amount realised from that

impost, and we shall certainly not make up the loss from the new section of people brought under the tax. The six-penny rate will not bring in anything like the sum from the larger class, as will the shilling rate from the smaller; and anyone who makes the calculation will be astonished to see how considerable a proportion of the sum obtainable by an income tax is now actually paid by way of dividend duty. Undoubtedly the present dividend tax is unfair. Mr. McLarty and other members are engaged in pastoral pursuits, carried on by joint-stock companies. He pays his dividend tax; and I fancy that all around the company's station the other pastoral occupiers pay no tax at all.

HON. E. McLARTY: Not a penny.

HON. J. W. HACKETT: There is in that case undoubted hardship and inequality which it is for the Government to remedy. The breweries were exempted from the dividend tax on the ground that they paid an excise duty on sugar. That duty goes to the Commonwealth, and we may surely reasonably ask that the joint-stock companies which own the breweries be placed on the same footing as the pastoral joint-stock companies, as the mines, as the timber companies, or as joint-stock enterprises like the *West Australian*, as an hon. member suggested. It is clear that an income tax is absolutely out of the question. I take it the Colonial Secretary would have five times the difficulty in carrying it through the House as he will have in carrying this land tax, if only because of the difficulty of applying an income tax of 1s. in the pound to all incomes above a certain minimum. And if we reduce the rate we shall lose so much that we shall probably derive less from a sixpenny tax all round than from a shilling tax in the case of joint-stock companies. At the same time, it seems to me that those anomalies and inequalities should be rectified by the Government; that a uniform dividend tax should be introduced, the exemptions carefully revised, and additions made to the list of taxable companies. I shall no longer detain the House. I have endeavoured to put clearly my case for the land tax: I will not say strongly, because it is a tax which I dislike very much. But I acknowledge the

justice of the case made out by the Minister and the other advocates of the Bill. I have only to add that whoever may complain of this tax, the country districts at least should be silent. Not only will it be in their case a mere bagatelle, provided that they do their duty and improve their land—if not, it should be taken away from them.

HON. C. E. DEMPSTER: Not without notice.

HON. J. W. HACKETT: No; but the hon. member does not figure in the list—he improves all his land, and so I dare say does a large proportion of members of this House. But nine out of ten people who hold rural land in this State—I say advisedly nine out of ten—do not do their duty to the country or to the land; and they ought to be compelled to do it. For the country districts to complain of this paltry contribution is to my mind an act of the deepest ingratitude. I am now referring not to municipalities but to road boards. Last year the latter received £33,000 in subsidies, in ordinary and special grants. They get the benefit of railways, of Government roads, of communication of all kinds—an infinite number of benefits. And when they are asked to pay this small sum to the expenses of the country, they wail and lament; and their selfishness is so great that they are content, like an hon. member here, to suggest that the burden should be made still lighter, and that every mile of made road should be constructed and maintained by the Government. I cannot understand his logic. That is all I have to say. I am prepared to help the Minister to get this Bill into Committee. That is I say the proper sphere for the Legislative Council to work in, rather than to take upon itself a degree of authority which the Constitution may not recognise. As we all know, taxation is necessary. The Government have shown that they cannot carry on efficiently and with satisfaction to the country, with the means at their disposal. They realise the great difficulties of retrenchment; and with that realisation they are prepared to make great efforts. Three institutions with which I am connected have received notice that their grants will be reduced this year by £2,500. We complained,

but we accepted the situation. The Government believe that this tax is the justest, the fairest, the most equitable that can be introduced; and I agree with them. With those views in my mind, even if I were less patriotic than I trust I am, I should readily support the Government in securing this light grant from the rural interests of the State.

HON. W. PATRICK (Central): I agree with Dr. Hackett that the level of the speeches made during this debate reflects considerable honour on the House. Yesterday I listened with great pleasure, and should have listened with equal pleasure though I had held opposite opinions, to the passionate speech of Mr. Moss; and to-night I have listened with the greatest interest and attention to the speech of Dr. Hackett, whose carefully weighed sentences and silvery language showed the country of his origin. We have not all the advantage of having kissed the blarney stone.

HON. F. CONNOR: It is your own country too.

HON. W. PATRICK: No; I was born in a country a hundred miles away—a country of which no native is ever ashamed—Scotland. But although in that country we have a considerable dash of Celtic blood, as a general rule we are not possessed of the same persuasive eloquence as is displayed by the countrymen of Dr. Hackett. In fact to-night, when I listened to his beautiful language, I was inclined to think that instead of being in this Chamber I was in ancient Greece, in the company of Plato and Socrates, in the groves of the Academy. It seems to me the question before us to-night in reference to these taxation Bills—the whole debate is on the two measures—is whether the tax is necessary. I do not see any necessity for dealing with the constitutional question of whether this House has power to approve of or to reject the measure now before us. I consider we have been sent here to do what we conceive to be our duty, without fear or favour, without having before our eyes any anticipated pressure from any direction whatever. Personally, I do not take the doleful view of the State's financial position taken by the Colonial Secretary when he

introduced this measure. He painted our financial position in black and white, with a good deal more black than white in the picture. I speak from memory; but I believe I am correct in saying the Minister stated that the income for the financial year ended 30th June, 1906, was £571,000 short of the income received in the year ended 30th June, 1902. Now I am not only quoting from memory, but from an authority which I am sure Dr. Hackett will recognise as invariably correct—the *West Australian* newspaper. The revenue of Western Australia for the year ending 30th June, 1902, excluding the cost of administering the Commonwealth departments, was £3,354,123; and the revenue of the State, with the same exclusion, for the year ending 30th June, 1906, was £3,558,939, or roughly speaking the revenue for the year ending 30th June last was about £200,000 more, instead of being £571,000 less than the revenue in the year ending 30th June, 1902. [HON. W. MALEY: Absolutely correct.] When we consider the enormous reduction in the Commonwealth revenue which has taken place during these years, it seems to me we have every reason to congratulate ourselves that the finances of the State are in such a sound and I say prosperous condition. It shows that we have had a large increase in all other departments, and especially the departments under our own immediate control; and when we examine this matter and look into the enormous expenses of some of the departments and the enormous losses of some of them, we are perfectly justified in saying that this tax is entirely unnecessary. There is one department alone to which I drew special attention during the debate on the Address-in-Reply. I believe Mr. Sommers pointed out in reference to the Coolgardie Water Scheme that there is no reason why the loss on that scheme should not be made up by selling the surplus water to the city of Perth. I spoke strongly on the losses on this scheme during the Address-in-Reply, and I am glad to see that the same important matter has been drawn attention to several times during the present debate. Since I spoke on the Address-in-Reply, I have perused the report of the scheme for the year ending 30th June, 1906; and I crave the attention of the House while I read one or

two short extracts from that report. On page 6 the report says:—

It will be observed that the revenue from Kanowna mining has declined from £2,154 to £1,526. This is attributable to the reduction in price brought into effect at 1st July, 1905. The other two items showing a decrease are the general services (that is, other than mining) at Coolgardie, Bonniavale, and Burbanks, and the rural services between the Weir and Bulla Bulling. In both cases the diminution of revenue results from the reduction in prices.

And in reference to the fact that the Railway Department took a little less water during last year than the previous year, the report says:—

But for the advent of the scheme, those sources of supply would not have been upon the market, except at exceedingly high prices.

They might also have said that but for the advent of those sources of supply the goldfields might still have been buying water by the gallon, instead of by the million gallons. The report also says:—

Reviewing the trade as a whole, it may be said that the main contributing factors in the advance shown in most directions have been the dryness of the past season on the goldfields, the consumer's gradual relaxation of that scrupulous economy in the use of water which was imperative prior to the existence of the scheme supply, and the quoting of special rates in certain classes of service. The reduction to the ordinary householder, however, has not, as is popularly supposed, induced a compensating increase of consumption. For the purpose of a direct, unmistakable comparison of the effect of the reduction in price for excess water, for domestic services, to 4s. during the year, a minute examination has been made of the whole of the ordinary services in the Kalgoorlie district that were metered during the two half years ending 30th June, 1905 and 1906, respectively. The experience in these services (in number over 1,000) is that an increased consumption of only 2,570,000 over the output of 12,370,000 gallons in 1904-5 was attained, and that an actual loss to our revenue of over £300 resulted. It has, however, to be remembered that the reductions only came into force towards the close of the last winter, and that the coming summer may witness an increased consumption as a result of the household gardens and grass-plots started this winter.

Then farther on it says that they are supplying market gardens at 3s. per thousand gallons, to enable people on the Eastern Goldfields to grow tomatoes and cabbages. I paid 3s. a thousand gallons for water in Kapunda, in South Australia, and it was brought into town by gravita-

tion; yet here we are pumping water nearly 400 miles and selling it at 3s. per thousand gallons, to enable market gardeners on the goldfields to compete with the people down here, who provide money to enable them to do so.

HON. J. T. GLOWREY: The average cost of the water is not 3s.

HON. W. PATRICK: The average cost, including sinking fund, in 1904-5 per thousand gallons was 8s. 8-35d.; in 1905-6, the average was 7s. 10-92d., or a near as may be 7s. 11d. The final portion of the report is as follows:—

It has to be remembered that the year just closed has been a most favourable one for the scheme operations owing to the climatic conditions on the goldfields, and in the absence of this adventitious aid during the coming year the consumption will, in some directions probably show a moderate diminution. In the trade to our principal customers—the 86 mine supplied—no appreciable increase in consumption is anticipated during the ensuing 12 months, and the business from the new extension to Bulong will probably only serve to compensate for a diminution in another district in which there are indications of decline. There are evidences, however, that the consumers are gradually growing habituated to a less sparing use of the water, and this factor, in conjunction with the new trade being tapped at Midland and Guildford should enable the year's results to just about hold their own with those of 1905-6.

HON. Z. LANE (on point of order): What has this to do with the Assessment Bill? The hon. member is certainly not discussing the Bill before us.

THE PRESIDENT: I rule that the hon. member is in order; but perhaps he will connect his remarks and let all members see it.

HON. W. PATRICK: My object in speaking on this subject is to justify the vote I intend to register at the end of this debate, and to show that new taxation is unnecessary. I wish to point out that the State is contributing to this scheme out of general revenue raised through the whole State nearly £80,000 per annum, and I have been reading these reports to show that there is no hope whatever under the present management of these £80,000 being saved. That is my object in referring to this matter.

HON. Z. LANE: It has nothing to do with the land tax. It is water.

HON. W. PATRICK: I would like to say that if we were not burdened with this £80,000 deficit on the water scheme last year—and under proper business management we should not be burdened with one penny of it—there would be no necessity whatever to raise £60,000 by a land tax or any other form of taxation at the present time. Surely there is sufficient business capacity or engineering skill in this State to utilise the waste water flowing over the weir since the inception of the scheme? Last year the enormous quantity, the inconceivable quantity of 20,000 million gallons flowed needlessly into the sea. I do not blame the present Government, but the Government have power to appoint someone to manage this scheme so that it may return a large revenue to the country, and so that we can save this expenditure. This 20,000 million gallons of water, after allowing for the full quantity to keep up the flow of the river, would supply a city ten times as great as the city of Perth is to-day. I contend that this country represented by the Government has no right to allow this condition of things to continue, and I say that it reflects and will continue to reflect on the business capacity of the people of the State if we are to allow such a vast sum to be wasted, a sum of money that would pay the interest on two millions sterling, sufficient to build two thousand miles of cheap railways. I refer to this matter because I consider it is quite right to do so, and because the money the Colonial Secretary asks us to vote as a tax is estimated as £60,000. Referring to the remarks of Dr. Hackett, the Government intend to make enormous reductions in the shape of economy. Sir Edward Wittenoom asked, when the Colonial Secretary was speaking, how the Government intended to make up the balance of the deficit; and the answer was that they intended to make it up by economy and reductions in expenditure. In reference to this Bill, even had there been necessity for the tax, I do not believe I would have voted for it as it stands. I am in favour of a land tax, if a tax is required, but I am not in favour of a hybrid measure such as this. It seems to me that the chief characteristic of this measure is altogether unnecessary complication. In reading through the Bill it

reminded me of the shorter catechism I saw when I was a child. On the outside of it was "The shorter Catechism, abridged and adapted to those of minor capacity;" and inside it contained the most difficult problems of theology? This Bill contains so many problems and difficulties that one is in a labyrinth from which, once you get in, it is difficult to get out. I will read one or two clauses. [HON. Z. LANE: We will take them as read.] Unless I read them it will be impossible for the hon. member to understand them. In the interpretation clause it says that unimproved value means "in respect of any land held under contract for conditional purchase under the Land Act 1898 or any amendment thereof, the capital sum for which the fee simple of such land would sell, on the assumption that the taxpayer is the owner in fee simple." That is to say, as far as I understand it, that 19/20ths of the land may be owned by the State and only 1/20th of the purchase money have been paid, yet the occupier will have to pay a tax the same as if he held the fee simple, as though he owned the whole instead of only a fraction. I am coming to the exemptions, which are about the toughest part of this Bill. Subclause (2) of Clause 10 says [subclause read, also Subclauses (3) and (4)]. As far as I can understand all these exemptions and so on, it seems to me that unless a person has expended £1 an acre or one-third of the unimproved value, he has to pay the full tax. If he is guilty of the crime of owning £1,000 worth of land he is not entitled to the rebate of £250, and in the case of his owning more than 1,000 acres he does not get the exemption at all. All these exemptions and restrictions apparently put into the Bill—I do not say deliberately put into it—must have been fabricated by a mind of a peculiar Machiavellian type, for they are really of no value. I am sure the Minister, Mr. Piesse, must know that there are far more settlers whose land will be valued at £1,000 than there are whose land will be valued under it.

THE HONORARY MINISTER: Not after the improvements are taken off.

HON. W. PATRICK: I think I have commented on that. Unless the improvements are of a certain amount he gets no

relief whatever. If he owns £1,000 worth he gets no relief; if he owns 1,000 acres he gets no relief. It is a crime to own £1,000 worth of land, and it is a crime to own 1,000 acres. All these restrictions and limitations are perfectly worthless, and the effect of the tax will be that everyone practically will have to pay the highest tax. What is the use of pretending to give relief and giving no relief at all? We have heard that we have such a vast territory unoccupied. I think that Dr. Hackett, in giving us such an elaborate disquisition on the principle upon which the land tax should be imposed, referred to the fact that land was of limited quantity, and that whilst we were asleep the increase in value was going on, and supposing we slept like a Rip Van Winkle we would waken up as millionaires at some time in the future. But who is going about contending that land is limited in Western Australia at the present time? What is the object of all these pamphlets that have been scattered broadcast over the old country and over Europe, trying to induce people to come to this land? What is the object in sending lecturers to the Eastern States to bring settlers over here; lecturers, some of whom are blind, and I dare say that some settlers coming now would consider that it was the blind leading the blind—what is the reason of all this propaganda to bring people to this State, if it is not the fact that at the present moment we have practically unlimited land? Here is the position at the present moment, as the result of belonging to the Commonwealth, and I am not going to say anything now in reference to the connection with the Commonwealth. I did my level best to assist in forming the union. I am older now, and possibly a little wiser. But I say the time has gone by when the settler in this country is going to get £6 a ton for hay, or 6s. a bushel for wheat. At the present moment while these proposals are made for additional taxation on the land the Federal Government have passed a measure doubling the duty on agricultural implements, increasing the cost of harvesters and ploughs and everything else to an extent that will mean a great deal more than half a dozen land taxes. But still there is no relief from it, and all these burdens are not

going to add a farthing to the value of a bushel of wheat, or sixpence to the value of a ton of hay. We must take all these things into consideration before passing the tax. If a tax were necessary I should say pass it by all means; but I contend that in this State, with a population approximating 260,000 and a revenue approximating four millions, the revenue being 50 per cent. greater per head than in any other portion of Australia, vastly greater per head than that in any other part of the civilized world, surely we can carry on the government of the State. I have just referred to South Australia. Mr. Loton gave us a lot of figures last night. I am fairly familiar with South Australia, and I remember when the land tax was imposed in that State. I would remind members that when it was imposed in South Australia and in the rest of the Eastern States they had become highly civilised, highly organised communities, with practically all the land sold, and all ready for the plough. When the tax was imposed in South Australia 22 years ago they had two million acres under the plough, nearly as much as they have to-day. Last year they raised nearly 20 million bushels of wheat, and they sent out of the State thousands of tons of hay. South Australia is the greatest wine-growing country in the Commonwealth. It supplies all the population with bacon, butter, eggs, and so on, and sends vast quantities out of the State, chiefly to Western Australia; among other things £80,000 worth of eggs. South Australia is producing ten times the wheat we produce, and is producing hundreds of thousands of pounds worth of other commodities which we have to import, and are not able at present to produce. South Australia, producing such a vast quantity of every kind of horticultural and agricultural produce, only raised £100,000 last year by land tax. Some people talk about the amount being £150,000 in this State, if the State is fairly charged. In the name of common sense, how is it possible for us with one-tenth of the production to pay a tax equal to that imposed in the neighbouring States? You must not forget in talking about a tax on unimproved value that really as far as country land is concerned it is a tax on

unimproved land. The vast majority of the settlers have only begun to improve that land. Take a man with 1,000 acres. He goes there, and the first thing he has to do is to fence the land, which costs probably £150. He clears a little bit of land, and along comes this tax, and he will have to pay on the whole of the land. In South Australia, New South Wales, and Victoria the tax is on land which has been ready for the plough for the last 20 years. We have not sufficient population here to clear our land, and what is the good of talking about taxing people and forcing them to do improvements which must come on gradually? I think it was Mr. Drew who referred to New Zealand as a country to follow. New Zealand is a highly organised community with 850,000 people, and naturally one of the richest countries in the world. It grows 30 bushels of wheat per acre, and somewhere about 50 bushels of oats per acre, and it maintains in that little country 20 millions of sheep. I believe that the entire revenue from the land and income tax in that country last year—and one portion of the tax is tremendously high, as a matter of fact I believe 3d. in the pound—was less than £400,000. How can we expect to produce any great sum? Besides, if we are going to impose a land tax it should be an honest land tax, a tax such as that passed in South Australia 22 years ago, of which I approved. Why all this complication? Why not pass a Bill the same as they did there, that is to say a measure providing that the land tax shall be a halfpenny in the pound on all unimproved values of all freehold land. They never dreamt of putting it on anything but freehold. In conclusion I would just say that, if this tax is imposed, unless you exempt the newer settlers it will be in vain for you to bring any more people into the State, perfectly vain to send circulars broadcast to England, or travellers to the Eastern States. It is my intention to support the amendment.

HON. S. J. HAYNES (South-East): I intend to say a few words on the important Bill now before the House because in an important measure like this I would not like to give a silent vote. I had not the pleasure of being present

when the Leader of the House spoke on the second reading, but I have carefully perused his speech, and I must say that he placed the facts before the House in an able manner, and I think a fair manner from the Government's point of view. The hon member in introducing the Bill suggested three questions, the first was, "Is the measure necessary?" Personally I do not think that the measure is necessary, nor do I think that the revenue required will be raised from a measure of this kind. The second question was, "Is the revenue required?" As I say, I do not think a measure of this kind will raise the revenue required. The third question was, "Is this an equitable mode of taxation, or will a tax on land tend to the prosperity of the State?" These questions I must answer in the negative after thinking the matter over. I do not think the measure is necessary. I do not think the revenue is required if the expenditure is properly looked after, and I certainly contend that it is not a fair and equitable mode of taxation at the present time. We hear that there has been a falling off in the revenue, but the figures show that our revenue is going up. We have suffered to a certain extent by the sliding scale; but it took five years to work off the scale, and past Governments had notice of its diminution and should have taken notice of the falling off. Apparently they have not done so. We are told that at the end of the financial year, if I understand the Leader of the House properly, there will be in round figures a deficit of a quarter of a million; yet the Leader of the House advocates taxation on land to raise a paltry sum of £60,000. [HON. R. F. SHOLL: Less the cost of collection.] We have heard some remarkably good and able speeches in connection with this tax both for and against, and I am not going to reiterate what has been said because it would serve no good purpose, as members have listened very attentively to what has been said. Dr. Hackett gave a warning that we must be careful and serious in dealing with a taxation measure of this sort coming from another place that has to provide the sinews of war; but we are all serious men and must approach a measure of this sort in a most serious and most careful manner. We are also

told by the hon. member that the consequence of rejecting a Bill of this sort may be exceedingly serious. If this were a Bill to bring in a much larger sum than £60,000 something might be said in that direction, but with a small sum like £60,000 no great trouble would ensue to the Government if the Bill were rejected. How is the balance of the deficit to be procured? As the Leader of the House says, by economy. At the same time I think in a subsequent interjection the Colonial Secretary qualified that statement and said that it would be wiped out in time by economies. I agree with him, and if the Government can see their way clear within a reasonable time to wipe out the balance of the deficit by economies, then they can take the trumpety sum of £60,000 and economise to that extent as well. I am satisfied that course would be much better than advertising to the world that Western Australia, with its enormous income as compared with the population, with its undoubted great wealth and with its large territory, is in need of a paltry £60,000. It would be the worst advertisement the State could possibly have; I do not know any worse; and by paying £60,000 for it would, I think, be paying very dearly indeed. We are now endeavouring to the best of our ability to get people on our land, and though so far as the country lands are concerned the tax will scarcely be felt, because it will bear very little indeed on them, the advertisement will be exceedingly detrimental to the State. Instead of this Bill stating that it is an "assessment on land for the purpose of taxation," I think the better title would be the "taxation of town lands." Undoubtedly the pressure and severity of this measure as time goes on will fall heavily on the large centres; and I think if the Bill becomes law a greater number will be alive to the seriousness of the situation. Some people do not seem to realise it now, but it seems to me that with the taxes we have at present and with the present calls on people, this addition would be extremely hard at any rate on the large centres. The present state of affairs reflects little credit on past Governments, inasmuch as with our tremendous income we should not have been in the present difficulties at all. Past

Governments should have been watchful for the reduction in the sliding scale, though to a certain extent the reduction in the sliding scale is of benefit to the people. The money may not be found in the public purse but the public should have it in their pockets. This money has been saved to the people in the way of duties. If the Government wish to see how the deficit can be made up, I think numerous instances have been given and clearly given by Mr. Moss who showed many avenues; for instance the water scheme. I was in Parliament when the water scheme was passed, and we all understood that the scheme would be worked out in a certain period, that it would be a payable scheme, and that there would be a sinking fund and no loss to the State; but now that we have the scheme we are faced with the fact that there is a deficit on its working of £80,000. I agree with Mr. Moss, and I am sure it is the feeling of the majority of members in this House, that the scheme should be made to pay that £80,000, at any rate there should be no loss to the State. The other evening when another member was speaking on another measure it was shown that certain duties might be collected from the Fremantle Harbour, £27,000 I believe. Then I am sure there is room for the pruning knife and economy in all the large departments in the State. At the same time I agree with the words that fell from Dr. Hackett as regards drastic treatment of the civil service or any public department. I do not believe in it all. I have seen the great misery it has caused in other places in the past, particularly in Victoria. I do not believe in drastic or acute treatment at all, but a system of economy may be practised in all the departments until we arrive at a lesser expenditure than we have at the present time. I do think it is inopportune at this period of our history to introduce a measure of this sort. It has been pointed out by previous speakers that those other States which have introduced a land tax have done so at a much later period in their career than ours. We are not suffering from any shortage of land; we have got too much. By attracting people to the land, by giving them every encouragement to go on the land and making their

lot as easily as possible, by not harassing them with a land tax, we would be assisting in production of wealth by the State. And when the proper time comes we can put a tax on the land. But this is not the proper juncture. As regards the Bill what do we find? Dr. Hackett, in the strongest speech in favour of the Bill after that of the Leader of the House, said "I think it is a very wise thing that this Bill should only be passed for one year." Why? Because it requires so many alterations; trouble may ensue within the next twelve months. Let us then consider the position. Are we going to throw the country into a state of turmoil over a land tax with such a crude measure as this is admitted by the strongest supporter to be? Attention has been drawn to many hardships which may result under the Bill. I have previously pointed out that the taxation will not press very heavily in country districts; but at the same time the exemptions contained in the Bill are contradictory and illogical. For instance, Mr. Clarke has drawn attention to one matter, that although there is exemption for five years in the case of conditional purchase land purchased from the Government, yet if virgin land is taken over from a private individual, the new owner is not exempt and will have to pay the tax. In addition to that—I do not wish to repeat all the peculiar attitudes presented by the Bill, Mr. Patrick having already drawn attention to them—I will draw attention to another: although original conditional purchase holders are exempt, directly an owner of a conditional purchase transfers it to another person, the exemption vanishes—that is according to my reading of the Bill. And these lands change hands pretty well every day. I oppose the Bill, and shall support the motion moved by Mr. Moss on the ground that at the present time such a measure is unnecessary. I hold that the proper mode of getting out of our financial difficulty is by economising. Numerous channels have been pointed to whereby we can economise. If there is pressing need for money, if the want of this £60,000 is going to ruin this country or do us incalculable harm, if the Government require £60,000 or even a quarter of a million, all they need do is simply

to issue Treasury bills to the amount; and if they will offer $4\frac{1}{2}$ per cent. interest, I feel positive the money may be subscribed in three days. It is better for the Government, if they actually require cash with which to carry on, to resort to that expedient; and in the meantime let them go in for systematic economy—not necessarily a system which will operate harshly on the civil service, or on any one. If we do get this land tax, I am perfectly satisfied that in the course of a year or two we will be again met with arguments similar to those we have heard to-night, that the country cannot carry on without farther revenue. Immediately a taxation Bill passes, it enables the Government to go in for extravagance and to incur expenditure which the country would be better without. When this money has been obtained by the Government or a very little time after, we will be saddled with an income tax; and so it will go on. I am not discussing whether an income tax is or is not better than a land tax; but if the proposal had been to institute an income tax, I am certain there would have been a greater outcry than there has been over this tax. The Bill would work a distinct hardship in the case of a man who has property mortgaged, for the mortgagee escapes the tax entirely. The Government should learn to say "no" to the many extravagant demands which are made on them by constituencies. Whilst I have never advocated an altogether standstill policy, I think we can carry this fostering business to excess; and it seems to me that instead of—as I understood the Premier to have said when he made his historic speech at Bunbury—launching out in railways of all kinds, expenditure here there and everywhere, we should endeavour to govern our expenditure much on the same lines of caution as we do in private life; for in private life we would never dream of such an extravagant policy with our present small population. The Government should learn to say "no," and when railways and other works are suggested to them, they should simply reply that we must progress slowly. I prefer that to the forced growth that has been evidenced by Governments in this State for some time past, a policy of more careful and more certain growth, and let us

leave something to posterity to do. So far as we are concerned, I think that Western Australia up to the present has done exceedingly well; but the time has arrived when we must go a little slower and must live within our means. The day will come when the pruning knife will have to be used, and when that day does come the hardships thus caused will be much more acute than if we were to systematically economise at the present time. We find that the pruning occurred in Victoria at a much later period in its history, and was accompanied by great hardship and many painful cases. The Government should inaugurate some systematic method of tackling this question of our enormous expenditure. We want a strong man in this State, a man who can say "no," and who will tackle the administration of the country in a proper spirit. I am certain that were we to get a man of that description, there would be no outcry such as there is at present of need for further taxation. I see no necessity at the present time for fresh taxation, and whether it is pleasing or displeasing to another place, we are here to do our duty without fear or favour. When members can see that a Bill of this sort is not necessary in the interests of the country, and that by the practice of economy fresh taxation may be avoided, we must have the moral courage to throw the Bill out. I do not believe in the Bill; it provides for the raising only of a paltry £60,000. It is a crude measure, and will in my opinion be detrimental to the best interests of the State if it passes into law at this early period in our history. I support the amendment moved by Mr. Moss, and in doing so I recognise quite as much as Dr. Hackett does the seriousness of this House dealing with a measure of this sort. After careful consideration, I have arrived at the conclusion that it will be in the best interests of the State if this House rejects the Bill; hence I shall support the amendment.

HON. J. W. LANGSFORD: (Metropolitan-Suburban): I agree with the member who has just spoken, that on this Bill no member should give a silent vote. It is the most important measure that has come before this House for a very long time. The conclusion I have

arrived at in regard to this Bill is somewhat different from that of Mr. Haynes. It seems to me that this is one of those important questions on which we have to decide what is the province of this Chamber and how far we are justified in supporting or rejecting this Bill. I have endeavoured to put the question to myself, "What is the position this Chamber ought to take?" I think we are here, as has often been expressed, to delay and to reject hasty or ill-thought-out legislation. But if we are convinced in our own minds that this measure has received the decided approval of the country, the almost unanimous approval of the country, then that aspect of the matter must be kept in view by members of this House.

HON. W. T. LORON: Not necessarily.

MEMBER: The country has not given its unanimous approval.

HON. J. W. LANGSFORD: The almost unanimous opinion. The country is divided into four or five main general parts—we have the agricultural, pastoral, goldfields, and cities districts; and from whom have we received any objections to this measure? I do not know whether in the pastoral country it is usual to hold public meetings—probably they are too far apart for that. But I have seen no reference to a pastoral settlement anywhere having taken objection to this Bill passing. [Interjection by Hon. F. CONNOR.] I shall be glad if, when the hon. member speaks, he will tell us of any public meetings that have been held on this matter at Wyndham or Derby. On the goldfields there have been no meetings held in objection to the tax; not a word has come from the goldfields objecting to this principle. Take the cities; not a protest from Perth or Fremantle or from goldfields towns has come, excepting one meeting I had almost forgotten. That was held in Perth, and the promoters did a vast amount of advertising; they sent the bellman into the streets to invite people to object to this tax, the object of the meeting being to speak in objection to the tax on behalf of the people of Perth; and there were sixteen persons present, so I am told. The only objection we have had, the only public meetings that have been held protesting against this tax, have been through the farmers; and from them we have had some strong protests. Resolutions have

been passed at those meetings, and it is our duty to give every consideration to the farmers' views. On the other hand we find that the Honorary Minister in this Chamber (Hon. C. A. Piesse) is supporting the land tax.

HON. R. F. SHOLL: Owing to his position.

HON. J. W. LANGSFORD: I am convinced that if Mr. Piesse thought for a moment that the tax would be unduly harsh on the farmers, if he thought that it would retard the settlement of the country, he would at once resign his portfolio. His attitude assures me that the tax will not press severely on our agriculturists. The great bulk of the land tax revenue will come from the towns; and not one town has entered a word of protest against the tax. All the remissions and exemptions which have been and will be granted to the agricultural community mean that those who live in towns will have to pay more. An exemption or an exception in favour of one class of landholder means that more will be demanded from another. Of course it is necessary to be assured that all possible economy will be practised. We are told that the deficit will amount to about a quarter of a million; and the Treasurer says there is no reasonable probability of being able to dispense with the tax; that in addition to the £60,000 anticipated from the tax, he must retrench to the extent of £190,000. He says, "I am asking you to help me in this direction. I am quite willing that we should retrench to the extent of £190,000." [Hon. G. Randell: In one year?] I take it that is the meaning. If farther retrenchment is needed, the Minister for Works tells us it must be in the developing departments—the Mines, the Lands, and the Works. Are we prepared at the present time to check the development of those departments? Mr. Clarke told us there were darker clouds yet ahead; that we had not yet reached the port; that instead of being only on the shoals, he believed we should in a little while be on the rocks.

HON. E. M. CLARKE: If we continue on our present course.

HON. J. W. LANGSFORD: Exactly. Now the Treasurer has indicated how to avoid the rocks, and is asking this House to help him to steer a safe course. If

there is a belief that we are drifting on to the rocks, it is the duty of the House to help those on the bridge to steer the ship. It is also said there has been no mandate from the people to impose this tax. And in ordinary circumstances, if nothing unusual happens, we shall not have for another two years any mandate from the people. I presume that the demand by some members to defer the tax is a bald request to the Government to go to the people to get this mandate.

HON. M. L. MOSS: Nothing of the kind. It is a request to economise.

HON. J. W. LANGSFORD: I imagine that if Mr. Moss's amendment is opposed, the Government will immediately appeal to the country for that mandate which the House requires. It appears to me that if the Government are prepared to take as a motion of no confidence an expression of opinion on a slight alteration in our educational system, then on this larger question they will be equally justified in doing likewise. Can we take this matter out of the hands of the Government? I look upon the question of ways and means as the most important with which Parliament has to deal; and in view of the Government statement that the money is absolutely necessary, and that they intend to retrench and economise, I cannot believe that the House will be wise in saying "You are not practising sufficient economy; we believe you can do more." As the Treasurer promises economy, and says he cannot possibly do without the £60,000, I do not think the House is justified in tying the Hands of the Government; and this will be the effect of passing Mr. Moss's amendment. I support the second reading.

HON. V. HAMERSLEY (East): I understand that it is intended to sit again to-morrow.

HON. W. T. LOTON: The hon. member is evidently in the confidence of the Government.

HON. V. HAMERSLEY: It is my wish to meet the Government in every possible way; therefore I shall not go so fully into the question as I at first intended. We have had a very good debate on the question. Almost every point either for or against the Bill has been ably threshed out; and it is quite

unnecessary for me to traverse the facts and figures already cited. Personally, I give the Government credit for having done everything possible on behalf of the measure. At the same time, I cannot in any particular alter my opinion that the tax is uncalled for. I certainly feel that it has not been proved that the Bill is necessary at the present time. We must admit that since 1902 the net indebtedness per head of population has steadily decreased, until it is now about £61 19s. 11d., whereas in 1902 it was just upon £70 per head. And although we have had two or three deficits after a few years of surpluses, which encouraged extravagance, and therefore brought about the deficits, it is pleasing to see that the net indebtedness per head has been steadily reduced. I indorse the remarks of several members that much of the expenditure on our railways, the opening of new lines and the duplication of old, the relaying of one line after another, has resulted in a great waste of money. If works of that nature were stopped, a great saving could be effected in the Railway Department. The Bill seeks to impose what is largely a class tax. Before any additional taxation is foisted on the country, when the time arrives for such taxation, we should be justified in demanding that the Arbitration Court award be enforced in the Railway Department. We have undoubtedly been generous in not adopting for several years the scale of wages fixed by the court. We have continued to pay throughout the department higher wages than the court awarded. But even the economy obtainable by enforcing the award is not at all necessary, any more than the land tax. I do not agree that municipal and roads board grants should be entirely abolished; but the amount of £60,000 anticipated from the tax would be saved by a fifty per cent. reduction.

HON. W. T. LOTON: There is no need for abolishing them altogether.

HON. V. HAMERSLEY: No; but a fair proportion of the grants should be distributed amongst new road districts and new settlements. The Minister asks, is the proposition of the Government fair and equitable? I give the Government credit for doing their best to bring in a measure with the object of trying to help everybody. But as one or two members

have pointed out, the Government have given it too much consideration, with the result that in many places the Bill is almost a maze. With regard to the proposed exemptions, I feel they will unduly interfere with the person who in the past has acquired land from the Crown. We undoubtedly know that both Mr. Keenan and Mr. Price (Ministers), and even the Minister in charge of the Bill, have laid stress on the fact that this tax was to burst up large estates. The idea of this tax being for revenue purposes was brought forward afterwards. I submit that the exemptions in the Bill have a direct interference with those persons who will probably be driven into trying to burst up large estates, and that was clearly put before the House by Mr. Clarke in his remarks last evening, showing how the Bill may affect persons who buy land from the Midland Company or from private owners, as they would have to pay the tax immediately, while persons purchasing from the Government would be exempt for five years. It has been urged by Dr. Hackett that a great deal has been done, practically by a former Premier (Sir John Forrest) in every direction to put people on the land; and Dr. Hackett appeared surprised that the representatives of those people in this House were the very persons who were making such strenuous objections to this measure. But even with all that Sir John Forrest has done for this State in helping people to settle on the land, or helping others in the State, I can assure the House that he (Sir John Forrest) has always been directly opposed to any taxation of this nature. There is no doubt that when he was Premier he could not reduce the expenditure in the departments under his control any more than he did reduce them at the time; but when necessity did arise for a certain amount of retrenchment, he was able to put his finger on many spots and succeeded in straightening out the finances in a much more admirable way than we have seen for some years past. In a sense, those who are settled on the land have felt that an axe was being held over them in regard to this measure, in its relation to the construction of spur railways. I do not wish to be intimidated in giving an opinion as to which way I shall vote on this measure;

but whether the effect of voting against it will be to knock out some spur railways that have been promised, or whether such vote will not affect them, I feel that this consideration should not be placed before members in such a way as to coerce them into voting in a particular direction. Personally, the question of spur railways has appealed to me probably more than to any other member of this House, for there is no doubt the district in which I reside has had a spur railway under consideration for some years past, and in spite of promise after promise that the matter was being considered, we are still in the same condition that if we won't do everything the Government requires of us we will not be considered. Well, up to the present we in that district have not had that consideration; and I do not see why we should take much notice of this aspect of the question when put before us in regard to voting on this Bill, because if the spur railways are not going to be good propositions to the country, it is well we should stop, and not cause the community to undergo farther taxation for the purpose of constructing spur railways. I do not feel that this tax will tend to the prosperity of the whole State, and therefore I have decided to cast my vote against the measure. I wish to explain my position to the House, that when this question comes to a vote I have promised to pair with an hon. member, Mr. Thomson.

THE PRESIDENT: I must remind the hon. member that this House knows nothing about pairs. There is nothing about pairs in the Standing Orders.

HON. V. HAMERSLEY: I feel it necessary now to explain to the House why I shall not vote on the question when it comes to a division. I understand from the Minister in charge of the Bill that the hon. member to whom I allude would have been present even at very great inconvenience to himself; in fact that he would have been practically brought out of a sick bed to vote on this question. It has been one of the principal points in my religion through life that I should do unto others as I would have others do unto me; so in connection with this Bill I feel that if I were placed in like circumstances, any hon. member of this House would treat me in the same way as I intend to treat the absent member.

Therefore I wish the House to understand that I do not withdraw one iota from the position I originally took up, but in abstaining from voting on the Bill it is to save an hon. member from being placed in a painful position.

HON. R. LAURIE (West): I do not intend to detain the House, for the reason that so much has been said against the amendment; but I would like to touch upon one or two matters that have been mentioned. It has surprised me exceedingly to find that those who would benefit most by the exemptions in the measure are, through their representatives in this House, the strongest opponents of it. It is said by Mr. Maley that it is very creditable to them it should be so. I differ from the hon. member, because where an exemption is made in favour of constituents in a district, the member representing them should take into kindly consideration that exemption. Undoubtedly Perth, Fremantle, and the larger centres of population will have to pay more under this tax than other parts of the country. The exemptions I for one oppose, for I think a fair form of taxation is one in which every person pays a fair share. Why should I have more taxation imposed on me than a man outside. Mr. Piesse has given a very good example of how much a farmer owning 1,000 acres of land would have to pay under the Bill if he had a certain amount of his land cleared, that if he had 250 acres cleared he would have to pay £2 15s. 7d. [**HON. F. CONNOR:** What about the survey fees?] The survey fees are paid to the Government. Those who are opposed to this form of taxation forget that some form of taxation has to be imposed in the circumstances, because nearly a quarter of a million has to be found somehow. It has been asked: what is a paltry £60,000? I ask in return, had the amount been double that amount, what would have been the cry from the same members? Had the tax been made 3d. in the pound instead of 1½d., what would have been said by those opposing the Bill? It would have been objected to as confiscation. Some members have said an income tax would be a fairer form of taxation; but members who make that statement have not lived in a country

where an income tax is imposed with all the inquisitorial regulations surrounding it; for if they had experience of it they would find it an absolutely unfair form of taxation, because under it a man pays on his personal exertions all the time. If a man has ability and makes a fair salary, he is taxed on the results of his exertions; while another man who is a drone and does not exert himself escapes taxation or pays little. If a man in business has more push than another, why should he be taxed on his greater income? It has been said there is too much money spent by the Government on roads boards and municipalities in helping them to do local works, that the grants to those bodies are far too large. It is said we must cut down the grants; but can it be done at once? I ask in all fairness can we take away more than 20 or 30 per cent. in one year straight off? After the £60,000 has been found, the balance to make up the deficit will have to be obtained, and with all the cries for economy and cutting down of expenditure, it has not been shown, with the exception of the municipal subsidies and the roads board grants, where that money is to be made up from. In casting my vote as I intend to do to-night I shall do so from the fact that I look upon an income tax as absolutely the last source of taxation, and I regard a land tax as a fairer and easier form of taxation. Take Perth. There were blocks bought in Perth for a thousand pounds which are to-day worth £20,000, and what has the man who owns them done to make that value?

HON. J. W. WRIGHT: They may have changed hands in that time.

HON. B. LAURIE: They may have. I am unfortunately pretty well in the same position. I have bought land in Fremantle intending to do something with it, but at the present time you cannot build. If you do build you cannot let the property. There are probably 600 houses empty at present in Fremantle, and it would be a hard thing to ask a man to build. At the same time, to my mind a land tax is a fairer tax than an income tax; and for that reason alone, if for no other, I am willing to pay my share of the burden that is to be cast on us. I simply have risen to say a few words to justify my vote. Certainly we have heard most interesting speeches

from all sides and upon every phase of the question, and no Government would be doing its duty if it did not pay attention to what has fallen from members here, particularly from my colleague Mr. Moss, who has made it clear that great sums of money are given to roads boards. I, for one, would certainly not cut the whole of the roads boards grants down. I would not dream of it, for the reason that the farmer out back must have roads to get his produce to market. If you are going to put people on the land, you cannot cut down the roads boards grants all at once, nor can you cut them down altogether. It is impossible. In these two or three reasons I think I have perfectly justified, in the eyes of my constituents and the House, the action I shall take in voting against the amendment proposed by Mr. Moss.

HON. J. T. GLOWREY (South): I, like some other members, do not desire to cast a silent vote on this important amendment so very ably proposed by Mr. Moss. That gentleman made a most eloquent appeal to this House yesterday, and introduced many arguments why this Bill should not be placed on the statute-book. At the same time, I contend he did not in any way refute the statement made by the Treasurer in introducing this Bill. That gentleman stated very clearly indeed that farther taxation was necessary in order to meet our obligations. He showed how our revenue has decreased. Almost every member who has spoken has referred to the necessity for effecting economies. Mr. Kingsmill and Mr. Moss were both very prominent in that respect. Mr. Kingsmill has been a member of the Cabinet for many years past, and I do not know that we ever before heard his voice raised very prominently in that regard. Even if these economies that are suggested are carried out, farther taxation will be necessary in order to make up the deficit as shown by the Treasurer. If we are to build these railways and meet our obligations, notwithstanding the fact that this tax is imposed it will still be necessary to carry out many of the economies suggested during the evening. Members generally admit that a land tax is the fairest form of taxation. That has not been denied. It has become almost the universal form

of taxation throughout the whole of Australasia. In my opinion members will be doing a great injustice if they reject this Bill at the present time. I intend therefore to vote for the second reading. I hope of course we shall be able to make some very necessary amendments in Committee. A great deal has been said about the income tax in New Zealand. A land and income tax is imposed there, but those who have experience of that tax say it works out very unsatisfactorily there. I think that both the present and the preceding Governments have been very good to the agricultural and pastoral industries. They are doing what they can at the present time, I understand, to open up the country in the North-West, by providing water.

SIR E. H. WITTENOOM: And they bring in a Bill which will double the rents.

HON. J. T. GLOWREY: I say the Government have been very kind indeed to the agricultural and pastoral industries during the past few years. They have established agricultural colleges and farms throughout the agricultural districts and we have an Agricultural Bank established, and now we propose to build several spur lines of railway, in order to benefit the agriculturists. It appears to me after all that a very small portion of the burden of this tax will fall on the farmers. The bulk of it will fall, as Mr. Laurie has just stated, on the municipalities. Therefore, I do not think that any valid reason can be shown why this Bill is likely to retard agricultural settlement in any respect. I hope members will take a broad view of this question, and allow the second reading of the Bill to take place. I shall certainly vote against the amendment.

HON. R. F. SHOLL (North): I am going to say only a few words, because I do not wish to prolong the debate. I think it is generally understood that I am opposed to the Bill, and I am going to support the amendment for this reason: I think the tax will result in such a small amount that it is hardly worth putting the country into such a state of dissatisfaction, north, south, east, and west. In my opinion it has been impolitic on the part of the Government to bring down a Land Tax Bill which will produce £60,000, less the cost of

collection. There is another reason why I oppose this Bill. During the elections after the Labour Government went out of power the Rason Government and their supporters were returned in opposition to the Labour Government platform, and two of the extreme planks of that platform have been stolen by the present Government to support the policy which they are now bringing down to this House. One was a reduction of the franchise of the Upper House with a view to its extinction altogether, and the second was a land tax. The consequence was that in another place they got the support of the whole of the Labour party. It appears to me that the present Government are more dangerous and less sincere than the Labour Government which was in power on a previous occasion; that they are determined to stick to their seats and to their position for the whole term of three years by adopting some of the most extreme planks of the Labour party. What is £60,000? A few members of the House with the assistance of some Labour members would be able to finance the Government in regard to this £60,000 which they require so much. Another objection I have to the tax is that it is a class tax of the most vicious and objectionable character. The pastoral leases in the southern parts of the State, and the mining leases, the timber leases, and the Collie leases are all exempt from this tax, yet the pastoral leases of the north and throughout the other parts of the State are to pay their contribution to this tax. When you get to the Kimberleys you have to take up leases in 50,000-acre lots, and necessarily much useless country is taken up. The tax is not fair. It should be a general tax all round, without exemptions at all. If they want a tax, let them have no exemptions whatever, and then no one can have a grievance. But if they want to get at the squatters of the north, let them bring in an income tax, which is far reaching, and will get at everyone. It will get at Foy & Gibsons; it will get at the big hotels. The other day they were advertising one of these, the rental being £30 a week, with an ingoing. I heard that the successful man not only paid a rent of £30 a week, but £10,000 for a 10 years' lease. These are the people an income tax will reach, and

everyone pays his share according to his wealth. It would also get at the breweries which pay no dividend tax of any kind whatever, and if the Government want to realise money for revenue they can get it by an income tax. With regard to the £120,000, I think Dr. Hackett said, how are you going to provide for the difficulty? We may provide for the difficulty in this way. I do not object to Fremantle having a railway station, but I think that if we cannot afford it they might very well do without the luxury of £80,000. We might stop the duplication of the railway being carried on at the present time from Perth to Spencer's Brook, the work being done without Parliamentary authority. I fancy it is out of loan money, but there has been no Parliamentary sanction for that expenditure at all, and it is practically building another railway. I have had some figures provided in regard to the subsidies to municipalities and roads boards, but that has been pretty well thrashed out. We find, however, that an important country town like Katanning received £1,700 from the Government, and the rates collected amount to £260, with £190 in arrears.

THE HONORARY MINISTER: They raised £300 besides that.

HON. R. F. SHOLL: Then why should false reports be laid before Parliament? It has been denied by several members to-night that the figures in this return of the Public Works Department are not correct. The Government should not allow false statements to be put before the House. They are not intentionally false I admit. There is plenty of room to make money in cutting down the subsidies to municipalities. It is better for the municipalities to tax their ratepayers, and to spend the money in their towns. I do not think it is a good thing for municipalities or any body to have a surplus revenue. If they get large revenues they are liable to waste the money. If they are short in their incomes they take very good care. I am opposed to this tax. I am agreeable to a tax if there is a necessity for it, but it has not been shown that with our already enormous income we should provide a farther income, particularly

a paltry sum of £60,000. I support the amendment.

HON. E. McLARTY (on amendment): I shall not detain the House many moments. I have listened, as I intimated I would do on Tuesday last, with great attention to members who have spoken. I said that I was perfectly open as to how I should vote, and that I would vote as I thought right in the best interests of my constituency and in the best interests of the State generally. I do not like the look of this Bill, but I feel we should allow it to go into Committee. If it goes there, as I said before, I am going to oppose the rating clauses and some of the exemption clauses, because if we are to have a land tax it should be a general tax, and should not exempt about half the people living on the land for the sake of getting at the others. I think the importance of the measure demands the passage of the second reading, and for that reason I shall not oppose the second reading, but I am not going to accept the Bill as it is. I shall oppose it at every stage in Committee, so far as the rating and exemption clauses are concerned. I feel sure the Bill is not acceptable to the people of the country generally, and I believe there is a great deal of truth in what has been said by those opposing the second reading that it can be done without; but when a Bill comes up from another Chamber, I always maintain it is our duty to give respectful consideration to it. I am not going to throw out recklessly any Bill that I think at all events is in the interests of the country. Though I have had many letters from my constituents opposing this Bill, I believe my action in voting for the second reading to allow the Bill to go into Committee will be indorsed by all members of the community. I have been told that I was bound to vote against the Bill and that I was pledged to do so. I absolutely deny that. I appeal to members who heard me speaking on Tuesday if I said one word to oppose the second reading. I made it clear that I was keeping my mind open, and that I would vote as I thought right at the proper time. Therefore I do not intend to vote against the second reading.

SIR E. R. WITTENOOM (on amendment): Although I have addressed

myself at some length on this Bill, I feel, after the remarks passed and after the amendment brought before the House, that a few additional words perhaps are necessary from me. I have listened most attentively to the admirable speeches delivered from both points of view from the various members. I have listened, like Mr. McLarty, with open mind, and I have not felt prejudiced one way or another, but I have failed to hear any good reason against this Bill going through the second reading. The Government as the representatives of Parliament. Parliament being representative of the people has better avenues for information than anyone else; its very existence depends on the introduction of good measures, and we have found, after discussing all methods of raising revenue under the circumstances placed before us so well by the Leader of the Opposition, that the best method is by a land tax. Therefore, in the circumstances I think we must use great care before we take steps to throw out the financial arrangements that have been made. I look upon it that, in the absence of any suggestion of a better method of raising this money, on the grounds that there is to be retrenchment to the extent of £200,000—and if they say that the Government will be the most unpopular Government ever known—and that they are going to produce revenue in this way, it is taking a great responsibility upon ourselves to stop this Bill going through the second reading. I am not prepared to take that responsibility myself, and I consider that those who do so should be able to suggest a much better remedy. That remedy has not to my mind been suggested, and I can only say that I look upon the position as serious. We are faced with a deficit of £250,000, chiefly owing, as we know, to joining Federation. The Government say that they can by economy save £200,000, and by a land tax get 60,000. They are taking up a measure which they know is unpopular, and which according to human nature surely must have had their gravest consideration, and they would not have placed it before this House unless they had no other alternative; but having done it, I think we are taking a great responsibility in carrying it out. If I were Premier of this country, and if after considerable

thought I submitted a proposal of this kind to this House, an arrangement for carrying on the country and its finances, and it were thrown out by this House, I should certainly request those who had taken the step to take my place and carry the country on. Under the circumstances I shall vote for the second reading of the Bill.

THE COLONIAL SECRETARY (in reply): I do not think it at all necessary, nor would members think it desirable, that I should at this hour of the night speak at any length in reply. The debate has been so long, and so many members have taken part in it, that any reason I might have had to reply at any length has ceased. Like Sir Edward Wittenoon I asked the House several questions. I asked if the tax was justified, if there was any way the Government could meet their financial obligations without the imposition of fresh taxation, and I submit in all fairness that these questions have not been answered. It has not been shown that the sum required to balance our accounts can be raised in any other way. This Bill has gone through a severer test than perhaps any Bill has had since I have been a member of this Chamber. The criticism in most instances, almost all of it, has been fair; and I may add in justice to members that the Bill has been considered in the fairest possible spirit. Mr. Thomson, who is very ill indeed, and who has very strong ideas on a land tax, wrote to me to-day and said that he would attend the House because he felt so strong on the question, but it would be against his doctor's wishes. Mr. Hamersley was good enough to say he would pair with Mr. Thomson. Mr. Brimage had to go to Kalgoorlie on urgent private business. He too felt that it was his duty to remain here, but Mr. Sommers, who is opposing the Bill, was good enough to pair with him. I do not think it is necessary for me to refute the arguments advanced against the Bill. If I had all the eloquence of the ablest statesman in the world at the present time, it would not make much difference. I think most members have spoken and have declared their intentions for or against. I do not think any good purpose would be served by going over the ground traversed this evening. In

regard to the arguments advanced against the Bill, principally by the leader of the Opposition—if I may so term him in this instance, Mr. Moss—well I will say the mover of the hostile amendment, it would be presumptuous on my part to do so after the able and explicit manner in which his arguments have been answered by Dr. Hackett. Mr. Moss, in a very airy fashion, instanced how the deficit might be met and how saving could be effected by doing away with municipal and roads board subsidies. In the first place he is hardly logical, because he says we cannot bear more taxation. If the hon. member will only think for a moment he will see that the municipal subsidies amount to £50,000, while we expect to derive £36,000 or £38,000 through this tax from municipalities. Therefore if we do away with the subsidies he will find that the rates will be increased to a proportionate amount. So that it comes to this: instead of having a $\frac{1}{2}$ d. or $1\frac{1}{2}$ d. tax we have to double that tax. Mr. Kingsmill also in a very airy fashion told us how, with a few strokes of the pen, he could save the amount required. But I have an idea the hon. member was a member of a Government for four years, and I really never heard that he made any very deliberate attempts to effect economies. Therefore, it is rather unreasonable for the member to ask the Government who have been in power for four months to effect those economies which he failed to effect in four years. It is well known that the present Government are effecting economies in the direction Mr. Moss has indicated. In the municipal subsidies alone we have given notice of a 20 per cent. reduction, which I think is a very fair reduction indeed. I do not intend to detain the House longer; I do not think it necessary, and as it is an exceptionally late night I will content myself with the remarks I have made.

Amendment (six months) put, and a division taken with the following result:—

Ayes	12
Noes	13
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Majority against	1
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AYES.
 Hon. E. M. Clarke
 Hon. F. Connor
 Hon. C. E. Dempster
 Hon. S. J. Haynes
 Hon. W. Kingsmill
 Hon. W. T. Loton
 Hon. M. L. Moss
 Hon. W. Patrick
 Hon. G. Randall
 Hon. R. F. Sholl
 Hon. J. W. Wright
 Hon. W. Maley (Teller).

NOES.
 Hon. G. Bellingham
 Hon. J. D. Connolly
 Hon. J. M. Drew
 Hon. J. T. Glowrey
 Hon. J. W. Hackett
 Hon. Z. Lane
 Hon. R. Laurie
 Hon. R. D. McKenzie
 Hon. E. McLarty
 Hon. W. Oats
 Hon. C. A. Piesse
 Hon. Sir Edward Wittenoom
 Hon. J. W. Langford (Teller).

Amendment thus negatived.

TO ADJOURN.

HON. F. CONNOR (North): I beg to move the adjournment of the debate.

THE PRESIDENT: The question before the House is that the Bill be not read a second time.

HON. F. CONNOR: I have not spoken to that question, and I wish to move the adjournment of the debate.

HON. W. MALEY (South-West): second the motion.

Motion (adjournment) put, and division taken with the following result:—

Ayes	...	...	...	12
Noes	...	...	...	12
<hr/>				

A tie 0

AYES.
 Hon. E. M. Clarke
 Hon. F. Connor
 Hon. C. E. Dempster
 Hon. S. J. Haynes
 Hon. W. Kingsmill
 Hon. Z. Lane
 Hon. W. T. Loton
 Hon. M. L. Moss
 Hon. W. Maley
 Hon. R. F. Sholl
 Hon. J. W. Wright
 Hon. W. Patrick (Teller).

NOES.
 Hon. G. Bellingham
 Hon. J. D. Connolly
 Hon. J. M. Drew
 Hon. J. T. Glowrey
 Hon. J. W. Hackett
 Hon. J. W. Langford
 Hon. R. Laurie
 Hon. E. McLarty
 Hon. W. Oats
 Hon. C. A. Piesse
 Hon. Sir Edward Wittenoom
 Hon. R. D. McKenzie (Teller).

THE PRESIDENT gave his casting vote with the Ayes, so as to afford an opportunity for further considering the Bill.

Motion thus passed; the debate adjourned.

ADJOURNMENT.

The House adjourned at 10.45 o'clock until the next Tuesday.