

## Legislative Council.

Tuesday, 2nd October, 1906.

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THE PRESIDENT took the Chair at 4.30 o'clock p.m.

## PRAYERS.

## PAPER PRESENTED.

By the COLONIAL SECRETARY: Roads Act, 1902—Special By-laws of Port Hedland Roads Board.

## QUESTION—LIQUOR ADULTERATION PROSECUTIONS.

## HONORARY JUSTICES.

HON. M. L. MOSS asked the Colonial Secretary: 1, Were any instructions given to the Resident Magistrate at Fremantle as to the exclusion of honorary Justices or otherwise in connection with the prosecutions for adulteration of liquor which were heard at Fremantle on 13th September, 1906? 2, If so, by whom were instructions given? 3, What were the reasons for such instructions?

THE COLONIAL SECRETARY replied: 1, The Crown Law Department knows of no such instructions. 2, If instructions were given, the Department does not know by whom; or 3, For what reasons.

## MOTION—GOLDFIELDS WATER SUPPLY, POLICY.

HON. J. T. GLOWREY (South) having given notice of a motion for farther utilising the Goldfields Water Supply, he now moved that the motion be made an order for this day week.

HON. W. MALEY (South-East): Whilst not wishing to be factious over this matter, he trusted the House would hesitate before the motion was put off for a week, because it dealt with a question

of great importance to this country, and led up to the subject of taxation. It depended a great deal on how this question was dealt with whether the country would be able to bear the taxation which was sought to be imposed under the Bill now before the House. The House would be studying the interests of the country if we had this question debated and clearly understood, and some decision arrived at before the subject of land taxation was dealt with farther.

HON. M. L. MOSS: The House could not compel the hon. member to move the motion, if he did not think fit.

HON. W. MALEY: That was correct. The hon. member had already given notice and he now sought to have it postponed. Question passed, the order postponed.

## BILL—LAND TAX ASSESSMENT.

## SECOND READING.

Debate resumed from the previous day (after Mr. Moss's negative amendment had been disposed of).

HON. F. CONNOR (North): I intend to oppose the second reading of the Bill and will give reasons which I think will make it plain to members why I do so. I recognise, as I think most members do, that this is one of the most important measures ever brought before either House of Parliament in Western Australia. It is a new departure on a big principle and the question is where we are going to stop after we make this departure. I am afraid I shall have to trespass a little on the attention of members, but I will try to be as brief as possible. In the first place, referring to Sir Edward Wittentoom's objection to the measure, I cannot agree with the hon. member, for what seems to me a very good reason. I think he said in his address that he disagreed to the Bill, but that he had to vote for the second reading. He said he was sorry, and I am sorry from another standpoint. I am sorry that I must disagree to the Bill, although I am not entirely opposed to the principle involved therein. I think Mr. McLarty, when speaking to the Bill, led members to believe that he also was opposed to the principle of the measure, but that he would vote for the second reading and

strangle the infant in Committee. That is not a position for this House to take.

HON. E. McLARTY (in explanation) : I did not say that I would strangle the Bill. I said that if the Bill got into Committee I would propose certain amendments.

THE PRESIDENT: I think the hon. member (Mr. Connor) will withdraw that.

HON. F. CONNOR: Oh, yes. That was simply my translation of the hon. member's remarks. I am of opinion that in questions of this kind we ought to have a mind of our own; that if we disagree to the principle, we should say so. I am in favour of taxation of unimproved land, and of double taxation if necessary of unimproved land owned by absentees; but I am not in favour of a tax such as is brought forward in this measure. Mr. Drew, in supporting the second reading, made use of an argument which I also must disagree to. I think the argument was to the effect that deputations were waiting on the Premier of this State asking for railways to be built, for the purpose of advancing the agricultural settlement of this country; but surely that has nothing to do with the proposal before us. Does the hon. member wish us to understand that railways built for the purpose of helping the settlement of the country are going to be built from revenue? Surely we do not think it is within our most ardent dreams; therefore I must disagree with Mr. Drew in that particular argument advanced by him in favour of the second reading of the Bill. We have to ask ourselves what will be the effect of this measure, if passed, on the settlement of our agricultural lands. What we require most is more population of a particular class—people who will make use of the land, and who will make it productive and show that this country can and will produce not only sufficient for itself, but I hope in the near future for export also. Will this Bill help us towards that object? Is this one of the means by which we will get people to settle on the land? While I am on that subject let me read an extract dealing with this land tax proposal from a most important publication known as the *Pastoralists' Review* :—

Faced by the heavy falling-off in the Customs revenue, the Government is unable to

make both ends meet, and a reduction in expenditure or increase of taxation is unavoidable. The Ministry has therefore decided on a land tax, and proposes to levy an impost of 1½d. in the pound upon each pound sterling of unimproved value, with a rebate of 50 per cent. in the case of improved properties, with a view to compelling the speculative holders of land to develop their country. Very strong antagonism to the proposal is displayed throughout the country, and a letter from a valued correspondent will illustrate the general idea:—"The proposed land tax does not meet with approval. It is thought that the Government has been rather hasty in bringing it forward, as it shows a lack of business capacity on the part of those responsible, and will tend to undo the good immigration schemes which promised to encourage settlement and promote an era of prosperity. Should the Bill pass both Houses it will be difficult to calculate the harm done to our young State, which has arrived at a stage when good management is imperative if we are to lend any assistance to the building up of a new nation." Very decided indorsement will be given to this expression. We are using every effort to induce immigrants to settle on our lands, and we propose to greet them with a land tax by way of encouragement. Apparently no attempt is to be made to reduce the colossal State expenditure, which has for years included a policy of absolutely spoon-feeding municipalities, roads boards, agricultural societies, prospectors, and other hopelessly illegitimate disbursements altogether outside the sphere of business administration. This means that the settlement of land is to be penalised to bolster up the unsound position in these directions, and the encouragement of inert local bodies—devoid of any sense of self-reliance, for ever soliciting Government assistance—perpetuated. However, the wisdom of the nation—Parliament—having taken the matter in hand, it would be presumptuous in us to kick against the pricks, and we shall doubtless get what we expect from the average log-rolling politician.

I do not speak as a theorist, but as a man with practical knowledge of land settlement, and I quote this article to show that the Bill without a doubt will be the immediately direct means of stopping people who wish to settle on the land here, and whom it should be our object to get to settle on the land. When we were advertising in Europe—I am not talking of Britain alone—asking for people to come to settle on the land, we advertised that there was no land tax and that we gave free farms. What will be the result of people who came here under these conditions with barely sufficient to make a start with the improvements they must effect on the land before

they can make it productive? We go farther than that. We have advertised that, in addition to the free farm of 160 acres, they can take up any other area within reasonable distance at 10s. an acre, meaning practically a rental of 6d. per acre for 20 years, after which the land becomes their own; but now when some of these people have arrived we are asking for £1 per acre, which means 1s. per acre for 20 years. I do not think this is the way to encourage land settlement, or to treat people we ask to come here on conditions that are advertised in other countries. There is another imposition in connection with the land business, perhaps I am wrong in saying imposition, but a tax and a very severe tax. It was not only advertised that they should have free farms and the best of the land at a maximum price of 10s. an acre, but it was also understood—and the regulations provided for it, I think—that if a man took up 1,000 acres and had it surveyed into two blocks, the survey was free; but now, if the settler takes up 1,000 acres and gets it surveyed into two blocks, he is asked to pay £11 5s. the first six months he is on the land. These things will not stand the light of day in the face of our being asked to put a tax on the land. I have not told all yet. We are informed on very good authority—I think it was the Minister for Works discussing this question before the roads board conference at Cue, it was not then defined but it was indicated, and it is the trend of what is going on—that no more subsidies would be given to roads boards unless they taxed themselves to the extent of 1½d. in the pound. Now we are asked to put another 1½d. in the pound on the people on the land in the shape of a land tax. Yet that is not all. There is a provision appearing in a Bill that will be before us ere long, providing that a man must spend 10s. in improvements in the first five years where before it was only necessary to spend 5s. in that period. I say that this means practically the stopping of land settlement. I do not wish to ride this thing to death, but I have tried to put the matter concisely before members. These are facts, and I leave it to the Government to refute them. It is proposed in this Bill to have exemptions; but the only exemption I see

of any use towards the object I fight for—the settlement of the right class of people on the land—is the exemption of £250 value. The price of first-class land has been raised to 20s. per acre. Will any member tell me that 250 acres at £1 per acre is any good for a man to bring up a large family on? It is not. Therefore I say the exemption is worthless, and I believe it was intended to be worthless. A rather important phase of this question, and one which will appeal to Mr. McLarty and those interested in the pastoral industry, is that nothing has been indicated in the Bill as to how assessors are to be appointed. I think more information should be given, and we are not carrying out our duty if we pass the second reading without getting more information on this particular point. I have read the Bill through carefully and looked particularly to see how assessors were to be appointed, but the word assessors simply crops up in one clause, which says that “assessors” shall do something. The Bill does not show how they are to be appointed. The publicity already given to this Bill has been the means of unsettling the people of the country. In such an authority as the *West Australian* newspaper it was stated that the pastoral rents would be doubled, that is the rents of existing pastoral leases. That was a mistake, of course, but to show the harm it may have in the country as a result of that mistake, I received the following urgency telegram: “Kindly wire when Bill raising rent pastoral leases likely become law.” I replied that there was no Bill before the House dealing with the subject [HON. J. W. HACKETT: That was in regard to unleased land.] Another point in this measure not cleared up in any way is as to what the improvements on pastoral leases will consist of. It was originally intended, I believe, that the valuation of the pastoral lease would be fixed at 20 times the annual rental; but that is not in the Bill now. I am anxious to get information as to what allowance will be made for improvements, whether stock will constitute an improvement. In our old regulations the law was that the rent should be 10s. per thousand acres, to be reduced to 5s. per thousand acres as soon as the lease was stocked to the satisfaction of the authorities. I do not

think I am hide-bound in most ways, but I am a representative of the pastoral industry, and it is a question I must ask for my constituents as to what will be the allowance for improvements. The suggestion was made that for taxing purposes the value of the lease should be twice the value that has been paid; that would be 20s. per thousand acres; but these are things that are not explained. I do not see how we are to get the information in Committee, because there is nothing shown in the Bill. Let us compare the treatment meted out to the people in the back country in South Australia and Western Australia, I say the liberality of the Western Australian Government compares very badly. In the Northern Territory, which is practically the same country as the Kimberleys, only an imaginary line dividing them, the rental is 1s. per square mile, with a 40-years tenure; and anybody can take up the land under those conditions. Pastoralists in the Kimberley districts, on the other hand, have to pay 10s. per thousand acres, and the tenure at the longest is 16 years. When the assessor under this Bill goes into the back blocks, will he take into consideration the fact that pastoralists in those parts have many hardships to battle against? Will he remember that in many cases the pastoralist has had to include in his run miles and miles of useless land for which he has to pay rent? I now come to a question which anybody discussing this subject must speak to: Are there no other means which may be resorted to in order to raise this small sum of £60,000 in preference to a land tax, which will be such a bad advertisement for the country if imposed, and is so distinctly a class tax? I think I can show there are other means. There is in operation in this State a Boilers Inspection Act, a most extraordinary measure, which provides that there shall be inspectors appointed to examine and classify boilers. I know of one boiler that is used only for boiling down fat. It is capable of a pressure of 70lbs. of steam to the square inch, but is never subjected to more than 10lbs. pressure; yet the inspector, who charges the unfortunate owners three guineas for each visit, makes an inspection of that boiler nearly every week. That is an instance where one man might be em-

ployed to do work for which seven or eight men are now kept.

HON. R. D. MCKENZIE: Do you say the inspector goes there every week?

HON. F. CONNOR: I said every week, yes; but that perhaps is an exaggeration. At any rate he goes frequently, altogether too frequently. I think we might also effect some saving in the Education Department. In speaking in another place, the Treasurer stated that the expenditure of this department has been increasing year by year to an extent averaging £12,000 a year; and next year I understand it is the intention of the Government to introduce secondary schools. While secondary education is a question well worthy the attention of any Government, I think it might well be postponed for a time if such postponement will have the result of hindering the introduction of this bad advertisement for the State. Another direction in which a saving to the State may be effected is in the administration of the Health Department. From a practical standpoint I know that much more money is expended in health inspection than the necessities of the case require. Mr. Moss lucidly put before the House that it would be possible to save a lot of money out of the grants made to municipal bodies and roads boards. I would, however, differentiate between those bodies, because municipalities can do without this assistance better than can roads boards. Municipalities have the power and the means to rate themselves, and thus provide the money required for necessary local works; whereas this is not always possible to roads boards, particularly in far-away places where they have neither the necessary machinery nor the population for rating purposes. Such boards, I think, are entitled to greater consideration than are municipal bodies within the centres of population. When Mr. Moss was speaking on this matter he must have forgotten to draw the attention of members to the fact that in New Zealand, that country which we are often told is going ahead by leaps and bounds, although the subsidy to municipalities was formerly £ for £ it is now reduced to 5s. in the £. That is an example which this country might follow with justice and benefit to the State. I think also that a

curtailment could be effected, without necessity for drastic measures, in the public service generally. It would not require much thought to save out of the expenditure on the public service of this country the £60,000 which this Bill is estimated to bring to the revenue. I would prefer an income tax rather than a land tax because under an income tax until a man has earned money sufficient to be taxed he cannot be taxed on his income. With a tax on land, however, the position is different, for a man going on land may have a little money to start with which he puts into fencing, ringbarking, clearing, and erecting a house. When he has done this much he may find his money is all gone and he cannot carry on; he then goes to a financial institution and mortgages his property; bad seasons occur, and he gets no crop, or his crops fail for many reasons, and in such circumstances where is he to get money to pay a land tax? Under an income tax, when a farm or station has been brought to that standard at which it can be proved to be paying, that the owner is making an income, then he should be taxed. There is another means by which I think it can be shown that quite as large an amount as is estimated to be raised under this Bill can be brought to the revenue, and it will have the added recommendation that it will make existing taxation more uniform. There is a tax in operation here known as the dividend duty, which applies only to the dividends declared and paid by joint-stock companies. There are other commercial concerns in this country which are not joint-stock, but are making more money out of this country than any of the joint-stock companies operating here, and these private companies are not touched by the dividend duty. I will mention one or two—Foy and Gibson, whose net returns are I fancy fairly considerable in the year; also Boan Brothers, and there are scores of others carrying on large businesses. They are not compelled to register and thereby give additional security to the Government, and they escape the duty on profits. The joint-stock concerns have to register their share lists at the Supreme Court once a year, and when they pay a dividend they have to lodge a copy of their balance-sheet, which may be inspected by any person on paying a small

fee. The sum of £137,000 a year is contributed to the revenue in the form of dividend duty by these registered joint-stock companies. If the Government were to drop this land tax and bring in legislation compelling these other commercial concerns to pay the duty also, the Treasurer might easily get another £137,000 a year from these companies not now registered. Going a little deeper into the financial aspect, may I suggest that this cry for the construction of public works out of revenue is merely a bogey—I challenge the Government to disprove that. There are several works charged to revenue which should rightly have been charged to loan. Will the Government assert that the duplication of the Eastern Railway from Fremantle to Spencer's Brook is not a reproductive work, and one that should have been charged to loan? Will not the new railway station at Fremantle be a reproductive work as part of the railway system? We have to remember that our railway system is paying interest and sinking fund on the capital involved, and is therefore reproductive. If Governments had charged to revenue only those works which should have been rightly so charged, and the others to loan funds, there would not have been this deficit now facing us, and consequently there would have been no excuse for this land tax.

HON. R. D. MCKENZIE: Are those two works charged to revenue?

HON. F. CONNOR: Yes. I can suggest to the Government another means whereby they may get over the difficulty in which they find themselves. If there is need for farther money, let the Government sell some of those "secret purchase" lands at Fremantle. They are interest-bearing, they are valuable, and the Government can get the money back; then why not sell them? We might also save a lot of money in our printing bill, and possibly also in our advertising bill. We might not be able to save £60,000 on printing and advertising, but we could save nearly that sum. Suppose this Bill passes, what will happen, or what will not happen, or what has happened already? Absolute stagnation in the property market of Perth and other centres of the State. People cannot sell land, and they cannot borrow on the land. That is the position.

I am fairly in touch with the landed property market, and I think Mr. Sommers will bear me out that there is absolute stagnation in land dealings throughout the State, particularly in suburban lands, and in rural lands also where the people are settled. In the face of this proposed taxation, landholders will not be able to realise on their properties or to borrow on them; consequently the properties will not be developed, and what we need above all is the development of our rural lands, where people will settle and produce wool, wheat, fruit and cattle, which this country can so well produce. Perhaps I am speaking more strongly than I originally intended; but I feel strongly, and though I am personally in favour of a land tax on conditions which I have explained, I am not in favour of a land tax which will in any way tend to stop settlement on our lands. I think I can refer to Dr. Hackett for his opinion on the last matter of which I spoke. I think his opinion would be that the proposed tax has tended to stop transfers and sales of property, particularly in the city of Perth. Mr. McLarty indicated that he would vote for the second reading of the Bill, but said in effect that he favoured mutilating it in Committee. But if the Bill is to be mutilated in Committee—and I think every member who has spoken has that object in view—if we are to reduce the taxation by half—

HON. E. McLARTY: There is no doubt about that.

HON. F. CONNOR: Then what is the use of passing the Bill? What is the use of £30,000? Will that be of much use to the Government? [MEMBER: A bad advertisement.] A bad advertisement indeed to go forth to the world, that for the purpose of raising £30,000 we must disorganise and unsettle the people of this country, as the proposed tax is unsettling them already in their opinions. If we realise only £30,000, which amount Mr. McLarty will support, I will not tie myself to supporting him. I say, if we are to have a Land Tax Bill at all, we need one that will produce some revenue that is worth fighting for. The other day I was at Wagin, and met some settlers who were brought out from the old country. Members may think my state-

ments not absolutely correct; but I have nevertheless to say—Mr. Piesse may not know as much as I on this matter—that those people are organising with the object of suing the Government for bringing them out here by false pretences; and their contention is just, because of the increase in the price of our first-class land, the imposition of survey fees, and several other items I have mentioned to the House, including the increase of the amount required to be spent before the first three years' improvements are accepted. Reverting to the Bill, I come to the exemptions, and am struck by the peculiarity that timber leases and mining properties are exempt. I should like to ask Sir Edward Witte-noon, were he here, would he still be supporting the second reading if timber leases had not been exempted? But I will go so far as to ask any mining representatives in the House whether they would support the second reading if mining properties were not exempted.

HON. T. F. O. BRIMAGE: They are taxed already, by the dividend duty.

HON. F. CONNOR: I say if this Bill is read a second time, my vote will go in favour of fewer exemptions, and particularly against the two I have mentioned—the exemption of mining, and certainly the exemption of timber leases. We are told that we do not bear much taxation. But go to the country that is getting all the settlers, and the very class of people we need to-day, and what do we find? Canada has no land taxation, neither has a Land Bill been introduced in her Legislature; and people are flocking with confidence to Canada. I say that in place of a tax on the people who are going on the land, making it of some use and producing from it, we should borrow, if it were possible, a million pounds, to help them to settle on the land, to give them a subsidy for settlement, to encourage them to settle.

HON. W. KINGSMILL: That was the original idea in the policy speech.

HON. F. CONNOR: I think it was; and I think it is a proper idea, and the policy which we in this country should be carrying out. What is the use of taxing our sparse population? In time, when the land becomes reproductive, as we know it will, the tax may be imposed, if necessary; but to-day this taxation

proposal is one of the worst ever made in the country, and the tax, if imposed, will be one of the worst of our taxes. I wish to refer to a very able leading article which appeared in yesterday's *West Australian*. I think the article was an indication as to what members of this House should do when dividing on this question. Now however able may be an article that appears in any paper—I do not care which—I resent its indicating how we should vote on a measure, even if that measure be only at its second-reading stage before the de-spised Upper House of Western Australia. Surely we know what is necessary in our position here; and although I thank the gentleman who wrote the article, and appreciate his good nature in writing it, I still say that in my opinion we should at all times use our own judgment here, as members of the Legislative Council of the State, in deciding whether or not it is in the public interest that the motion for second reading should or should not be passed. I do not know whether I am in order in referring to another Bill; but on top of all the legislation proposed in this Bill and the Land Tax Bill, there has just been introduced in another place a new Bill to amend the Land Act; and the Bill proposes to abolish the section protecting leaseholders, from a little north of Geraldton to the northern boundary of the State, against having their lands selected for agricultural purposes. I say that Bill, if passed, will tend to lessen the value of the holdings of people who took up their leases under the existing Land Act. This is another indication of what the legislation proposed by the Government is likely to effect. I have no more to say, except that our motto ought to be, "Provide for the settlement of the land; encourage people by subsidy to go on the land and open it up; get on the land a population which perhaps in ten years from now will be numerous enough and wealthy enough to stand the land tax, if necessary." But to my mind, and I speak feelingly, the worst thing that can happen to-day—and I say this as a man in favour of land taxation on certain lines—the worst advertisement that can go forth to the world will be the passing of the motion that this Bill be read a second time

HON. R. F. SHOLL (North): I do not wish to prolong the debate, nor do I intend to discuss the Bill in detail; but I hope the House will again divide on this iniquitous measure, which has created so much excitement throughout the State, especially in the agricultural and pastoral districts, as well as in the towns. The tax is to my mind unnecessary, and can very well be done without; and when a matter of only £60,000 is concerned, it is hardly worth while creating a sense of insecurity in agricultural and other parts of the country. The sum proposed to be raised can be saved by discontinuing the construction of a certain agricultural railway which has been surveyed, and which it is proposed to build contrary to the advice of the professional advisers of the Government. I allude to the Katanning-Kojonup Railway. The route selected by the Government deviates beyond the limits authorised by Parliament. The line is proposed to be taken over four miles from the authorised route, at a cost of £5,000 more than the better route selected by the professional advisers of the Government. The papers laid on the table of the House, if members will take the trouble to go through them, will provide some very interesting reading indeed. There is some mystery about this proposed railway. It ought not to be taken by the route now proposed and accepted by the Government. The land is principally grazing land, and the Engineer-in-Chief says in his report that to carry the produce will cost 4½d. per ton per mile, and that the line is unlikely to pay.

HON. W. MALEY: Who suggested the alteration in the route?

HON. R. F. SHOLL: So far as I can see, the present Treasurer seems to have been mostly concerned about it: I do not know why. But there are the papers on the table; and members who will take the trouble to go through them can see for themselves. There is a map which does not show the routes alluded to by Mr. Muir. Here is the engineering-surveyor's report on the line and I hope members will not object to my reading it, because when railways are authorised it is well before any large portion of the money is expended and before we agree to an increase of taxation, that we should know exactly what is going on behind

the scenes. This report is by Mr. Wilson, the engineering surveyor, who says :—

This survey was commenced on the 1st December, 1905, and completed 2nd May, 1906.—*Location* : As you are aware, this survey was undertaken before any inspection of the country was made by yourself. The instructions given me were simply to get what I considered the best route, and recommend accordingly. After a preliminary examination I commenced a trial line along what is now the adopted route, hereafter referred to as No. 1. Owing to the broken nature of the country this line was pushed much farther south than I expected, and went outside the limits of deviation. Acting under your verbal instructions, I then tried another route (known as No. 2), using 1 in 40 grades and keeping near the main road. This line turned out extremely well, the earthworks were about the same as on No. 1, but it is evident that the line was going to be somewhere about four miles shorter than No. 1. In the early part of January you inspected both routes, and decided on my recommendation to proceed with a permanent survey along route No. 2. About 15 miles was located and 6½ miles permanently marked by the end of January, when I was instructed to abandon it and commence a permanent survey along No. 1. I am strongly of opinion that this was a mistake. From a report made by Mr. Griffiths on the present and prospective settlements near this line, it will be seen that there are grave doubts as to the possibility of this line being a paying proposition either now or for many years to come; consequently the saving of four miles of length is a large consideration. The statement has been made publicly that No. 2 route was away from the bulk of the settlement. Whilst admitting that this is to a certain extent true, I would point out that there is no settlement along the first 12 miles of the adopted route, and after that the two routes, as will be seen by reference to accompanying plan, are so close to one another that it is not a serious consideration. The adopted route, besides going outside the limit of deviation, is 32½ miles long, 4½ miles in excess of the parliamentary Bill, and probably nearly four miles longer than No. 2. Throughout the entire length the country is fairly rough, necessitating a large amount of curvature to get a reasonably cheap line. Even at the last moment, I would recommend either the starting of this line at Muddong and joining existing survey about nine miles, or completing survey along No. 2 route. In either case about £5,000 would probably be saved in the cost of construction.

After dealing with the question of sidings, the report under the heading "General" says :—

As you are aware, this survey has been carried out very hurriedly, and considerable

difficulty was experienced in finishing by the 15th April. A second party was put on, and long hours were worked in the field, also Saturday afternoons, Sundays, and Good Friday. This rushing of a railway survey is not conducive to the best work; there was no time for doing as much trial work as the nature of the country required, and although I think the line is located properly, I feel that it would have been much better to have spent more time on it. The equipping of two parties and the amount of consequent shifting about of camps on such a short length of line adds considerably to the cost of survey.

The Engineer-in-Chief's report is somewhat lengthy. He says :—

I forward herewith a statement showing the fixed charges and estimated cost of running traffic over and maintaining the two following lines, namely Katanning-Kojonup and Wagin-Dumbleyung. The estimated running expenses are put at as low a figure as possible, and it is not probable that any farther saving can be effected. To earn sufficient money to pay working expenses on the present estimated traffic will necessitate a charge of 4½d. per ton per mile. This is a heavy freight charge if imposed, and is bound to lead to complaints and continued demands for reduction. Over and above the traffic expenses there will also be a sum to be made good for interest and sinking fund on each line, estimated at £2,115 per annum. It is therefore apparent that there can be no reasonable probability of these lines becoming a direct payable proposition for some considerable time. If these railways are vested in the Public Works Department, it means practically that so far as the State railways are concerned these lines will be treated as privately-owned concerns. The rolling-stock, including locos., will belong to the special line or system of lines, and the officials will be distinct. A special traffic manager will be imperative, entailing an expense not allowed for in the return hereunder. There will be the complications induced by the running of State trucks over these lines and *vice versa* the running of the agricultural rolling-stock over the State system, necessitating special book-keeping to ascertain the amounts due by the one system to the other owing to the interchange of rolling-stock. Should the remuneration given to the officials differ from the ruling rates obtaining on the State system, political influence and wire-pulling will be used to bring about an assimilation. Public Works officials have had only limited experience of railway traffic running, and that during construction, and as it has been shown that under the conditions it is unlikely that these lines will pay their way for some considerable time, the financial burden thrown on the Works Department to support them will be considerable. If it is considered necessary to divorce these lines from the Working Railways Department, then it appears to me that the Lands Department has a greater claim



(being agricultural railways) to assume the responsibility of working them than the Public Works Department, which from its name is essentially a constructing department and should not be turned into a railway traffic running organisation, of which it has had no great experience. More especially do I hold this opinion when in the State railways we have a department fully equipped to undertake the duties. Were the Commissioner of Railways instructed to cut down expenses to a minimum, afford only the most necessary facilities for the present, relieved of some of his liabilities under the present Railways Act in regard to these special lines, and ably backed by his Minister, I see no reason to doubt his ability to do all that this department is expected to, and do it better. For these principal reasons I take this opportunity of stating, with all respect, that the proposal to vest these lines in and work them by the Public Works Department requires very careful consideration by the Government before adoption.

There is plenty of other interesting reading in this return, but I think I have read sufficient to show that at any rate one of these lines should be discontinued; and that were this done as much money would be saved as is proposed to be raised under this taxation. If the Government wish to farther economise, they might discontinue the addition to that sink of public funds, the Bunbury breakwater. The harbour works at Bunbury were inaugurated by one who is a friend of all of us, Sir John Forrest; but the scheme was never fathered by the late Engineer-in-Chief, Mr. C. Y. O'Connor, who told me that he did not recommend the building of that harbour.

HON. W. MALEY: He even gave a warning.

HON. R. F. SHOLL: Yes; he gave a warning. The late Mr. O'Connor said to me, "I have left a record in the office making it perfectly plain that these Bunbury harbour works are not built on my recommendation." I think Mr. O'Connor recommended the construction of an inner harbour.

HON. J. W. HACKETT: Which it was found would be too expensive.

HON. R. F. SHOLL: I believe it would be better to-day to discontinue throwing money into the sea at Bunbury, and undertake the construction of that inner harbour.

HON. E. McLARTY: The Bunbury Harbour has been a success for years.

HON. R. F. SHOLL: It has never been a success. It is always silting up, and they have to continually dredge it. According to the Treasurer's Financial Statement last evening, it is the intention of the Government to complete the harbour by extending the breakwater. I do not know how they are going to extend it. I am reminded of what a friend of mine said years ago, when the long jetty at the Vasse was being extended farther out, that if they carried it much farther out they would be interfering with the traffic of the Indian Ocean. That remark applies with even greater force to the Bunbury breakwater. Then again the Government are undertaking by day-work the reclamation of the Swan River at Perth, and as far as the information I have received goes they are not getting 20s. worth of value for every pound they are spending, by a long chalk. It does not pay a Government to carry out works by day-work: it is always much better to let such works by contract. Then again we can do very well without purchasing the Perth town hall site at a net cost of some £20,000. When we are going in for fresh taxation of the people we do not require to purchase a town hall site; we can do without that for many years to come. So far as I can gather from skimming through the Treasurer's speech of last evening, I do not see that the Government propose to curtail the public expenditure to any great extent. I do not at this stage intend to deal with the clauses of the Bill, nor to show the inequalities of the proposed taxation as it will affect land in different parts of the State; an opportunity for doing that will occur when the Bill is in Committee, if it reaches that stage, though I hope it will not. For the reasons stated I shall vote against the second reading. I do not think that at the present time fresh taxation is needed, nor do I think we have yet exhausted all our channels for raising revenue. The prospects of the country are decidedly good, the revenue is keeping up, and all that is required is the exercise of economy in order to reduce the deficit which has been built up by successive Governments during the last few years. We have been told more than once that this deficit has resulted from the fact that under the sliding scale

our revenue from Customs duties has diminished during the past five years. But we have known all along that this must happen; and what measures have the different Governments taken to provide against it? They have had five years in which to do so, but they seem to have been too intent on getting their opponents out of office and themselves in office, rather than attending to this matter. I am sure there is sufficient vitality still in this country to wipe off a little deficit, without farther increasing the taxation of the people.

HON. G. RANDELL (Metropolitan): Not having taken part in the debate so far, I should like to give expression to some thoughts that have occurred to me. Like the member who has just spoken, I look upon this tax as very unsatisfactory, especially when we examine its provisions. Notwithstanding what Mr. Langsford has said, I believe there is a very large amount of public opinion strongly against the tax, because of its unjust incidence, because it will not produce a very great deal, and because it is to a certain extent a breach of faith with many people who have come to this country on the understanding that no land tax would be likely to be imposed. While the amount of the tax is not so great as to make any member object to it, if it were levied on just and righteous principles, yet that is not so: there are so many exemptions, and the Act is drawn in such a way as to make the exemptions, as one member said, a maze. At any rate it is a puzzle to know exactly how the measure is going to work. Then I think there is another objection, namely that Perth and its suburbs including Fremantle are going to pay the bulk of this tax, and I think that is a very unfair thing, too, and very unjust to the denizens of the city and suburbs. Things are not so prosperous that we should lay an additional burden of taxation upon them. I do not think even the owners would object to that, if they found there was necessity for the tax, which in my judgment there is not, and I believe the judgment of a large majority of members, if they were free to give their own opinions on the matter. They seem to have voted for the Bill on the second reading with a view to making considerable amendments in Committee.

Whether that would be objected to as strenuously by the Government as the rejection of the Bill, I am not quite aware. As members know, every effort is being made to secure the adoption of the Bill, and I am not at all inclined to blame the Government for using their best endeavours to secure a majority for their actions in this respect. I was reading the other day in reference to Scotland (and Mr. Patrick knows a little about that country, I believe) that the taxation is becoming exceedingly heavy in that country. They are borrowing money and heaping up debt to a very large extent (which is against my creed altogether), and someone said he thought the ultimate result would be that between the Imperial and local taxation everybody would be paying away his income to the Government, and would be receiving back a fraction of it as poor relief. Between the Federal taxation, local taxation, and State taxation I think we have been progressing towards the same kind of thing. It behoves us, as I have said here repeatedly, to consider the position in which we stand. We cannot go on heaping up debt year after year without feeling the burden of taxation occasioned by payment of interest on the money borrowed. It may be said it will be all very well at times, because it makes things move a little, and encourages enterprise in certain directions perhaps; and certainly in another direction it encourages it in a large number of individuals who are always in favour of a loan in order that they may be able to secure a pretty good slice out of it one way or another when it is obtained. I think the time has come when not only Western Australia but the whole of Australia should consider the position, and set its mind firmly and strongly against this incessant borrowing for, as it is said, the advancement of the State and the construction of reproductive works. Reproductive works seem to be of every variety, and the burden of interest is accumulating. We have the magnificent revenue of  $3\frac{1}{2}$  millions, including the earnings of the Railway Department and the Waterworks, and we should be able to meet our own wants without additional taxation, especially in this direction, although I am not going to say that I prefer an

income tax to a land tax, or otherwise, particularly in this State where we want to settle the country and to induce people to come here and live upon our lands, which will be the best way to make for the progress of the State. A settler coming here is a *bona fide* addition to the wealth of the country, and nothing should be done which would look like interference with his prosperous settlement. Of course there lies behind it all the idea that the tax appears to be moderate in this case, and that upon the assessment to be adopted in the first instance it will not press hardly upon many individuals. There are persons upon whom it will press, and we cannot avoid that I think in any taxation, but additional taxation in any country has the effect of deterring people from coming to it. The lighter the taxation in the country is the more shall we be able to increase our population, and increase the number to bear the interest on the money borrowed. I quite agree with Mr. Sholl, who has spoken with regard to the ways and means by which we might avoid the imposition of this land tax. He has instanced the Katanning-Kojonup line, and from the report he has read there seems to be reason to think there has been some political influence or some bungling somewhere or another in the deviation of the route and the construction of that line. I am informed that there is almost a unanimous consensus of opinion in the district below Katanning, in Armadale and its adjacent districts, including Kojonup, that the proper place to have started would have been Broomehill. The route would have been much shorter and less difficulties would have been encountered. We find a circuitous route taken to avoid the broken country, and we also find an additional expense placed upon this line, not only in the construction of the line but in the running. I think that £5,000 was to be saved in construction, and there would have been considerable saving in the working of the line. I know there is considerable wear and tear where a line is curved and the incline is steep. It interferes in every way with the successful running of the line. This House ought to be on its guard against giving too much support to the Government controlling all the expenditure of this

money, when it is so liable apparently—I think we can gather that from the papers we read—to be misled and to adopt the wrong thing. I have no hope that we shall prevent the second reading of this Bill, but notwithstanding what has been said and what has been written in the newspaper to which Mr. Connor has referred, I am going to take the responsibility of action in this matter, and if we cannot object to what we think would be detrimental to the best interests of the country, I do not know what this House exists for. I realise as much as Dr. Hackett the responsibility of the position, and I am willing to take that responsibility. If the Government like to take it as a vote of censure upon their proceedings, let them do so. I know the country is with us, and is expecting this House to throw out the Bill. If the argument used applies to this particular measure, it applies to other measures; therefore the influence and power of the Legislative Council as a court of review would cease to exist. We have a Government which is very strong in its present position; and who has made it strong? Some of us have helped very considerably to make it strong, and we expect it to do what is right between all interests of the State. I do not think it is doing so in this case. It has departed from the strict lines of justice and right in dealing with some portions of the country, and to that extent it is not fulfilling the duty cast upon it and expected of it. We find that in addition to being very powerful in another place it has also the Labour party with it, which is always in favour of taxing the owners of land. Every effort of the Labour party is put forth with that object in view. I think the members of this House and a large number of people of this country are not disposed to be entirely controlled by the principles which are enunciated by the Labour party. In fact I think it is an injury to the State at large, arresting its progress and quenching enterprise and self-resource, and in every way it militates against the best interests of this State. We thought that the Government which we looked upon as being in sympathy with the best interests of the State would not have allowed itself to be directed by the Labour party. I can

only say that if that course is persisted in it will end in considerable trouble, difficulty, and disaster. I believe that the whole situation can be met, I will not say by rearrangement nor will I say by retrenchment, for I should be sorry to see retrenchment such as has been mentioned by the papers as having existed in Victoria some years ago, for there is no necessity for it; but it could be met by careful study of the different branches of the Government of this country, and I am quite certain that a sum of £60,000 in addition to what is proposed to be saved can be saved by the administration of the affairs of the State. It requires a little hard work on the part of Ministers and it very likely involves a little dissatisfaction and little grumbling on the part of a considerable number of people; but Ministers are put into office for the very purpose of administering the finances of this country upon an economical and useful basis. It is startling and discouraging, and makes one doubt what is going to be the future when we find that there is no serious, no real attempt to go into the consideration of the finances of this State with a view to putting them on a proper and right basis. I do not want to indicate—in fact it has been indicated already by several members who have spoken—the way in which savings can be made which will obviate the necessity of inflicting upon the country a Bill which is obnoxious to the good sense of members and the people of the country generally. It has been said that no voice has been raised in the city or town against the tax. I know meetings have taken place in the country and strong opinions have been expressed, and it is expected that the Legislative Council will do its duty in this matter. The reason meetings have not been held in the towns is the general apathy which always prevails upon questions of this sort. The people do not gather together and do not perhaps know what the effect of the taxation will be. They do not perhaps take time to consider; so in my opinion the remarks of Mr. Langsford may be discounted very considerably when he says that no voice has been raised in the city or town against the imposition of this tax. As far as I am concerned I am not opposed to taxation. I am quite willing to have

it, but let us have it on right and proper lines. Let us see that it is necessary and let us be fully assured that the Government are administering the financial affairs of this country in a manner which will secure the interests of the State at large. They have the power to do it now with a large majority, though some may be pulling at their coat-tails and asking them to incur this, that, and the other expense. They are able to act, and with a considerable amount of confidence with regard to their seats they can say "No," and we expect them to do so. A considerable reduction in the general expenditure of this country may be secured; but when we find a state of affairs such as has been revealed in connection with the Katanning-Kojonup line, I have doubt whether Ministers are in earnest on the subject of the reduction of expenditure. We know very well that a new country undeveloped requires careful and judicious effort to encourage its expansion and development. I think that this can all be done on right lines and not wrong ones, and I have no fear what the result will be if the House rejects the measure. I believe we are within our rights, although there may be threats held out to us in certain directions that it would be suicide, as one member interjected just now, I have not the slightest fear of that. I believe that the Government have greater sense—  
[Interjection by HON. J. W. HACKETT.]  
I suppose the hon. member is enamoured of his own speech, and therefore cannot see any good in anybody else's. We have been lectured from outside. If we do not profit by the lecture, it is our own fault, or our own misfortune. At any rate we have judgment of our own, and I think after 30 years' experience, with very little intermission, of parliamentary life, I am quite able to judge for myself whether I am pursuing the right course or not. I am not going to be dictated to by anyone with all the resources of language at his command. I know that Dr. Hackett is always on the side of expenditure. I have never known him to be in favour of economy. He is always on the side of borrowing money. I say that decidedly, in his presence. Let him contradict it if he can. I say it is disastrous for the country. We would be in a better position to-day if we had not

borrowed so much money, and if we had kept out of that infamous compact into which he and others led us.

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

Ayes ...	15
Noes ...	12

Majority for ... 3

AYES.  
 Hon. G. Bellingham  
 Hon. T. F. O. Brimage  
 Hon. J. D. Connolly  
 Hon. J. M. Drew  
 Hon. J. T. Glowrey  
 Hon. J. W. Hackett  
 Hon. Z. Lane  
 Hon. B. Laurie  
 Hon. B. D. McKenzie  
 Hon. E. McLarty  
 Hon. W. Oats  
 Hon. C. A. Piesse  
 Hon. J. A. Thomson  
 Hon. Sir Edward Wittenoom  
 Hon. J. W. Langsford  
 (Teller.)

NOES.  
 Hon. F. Connor  
 Hon. S. J. Haynes  
 Hon. W. Kingamill  
 Hon. W. T. Loton  
 Hon. W. Maley  
 Hon. M. L. Moss  
 Hon. W. Patrick  
 Hon. G. Randell  
 Hon. R. F. Sholl  
 Hon. C. Sommers  
 Hon. J. W. Wright  
 Hon. V. Hamersley  
 (Teller.)

Question thus passed.  
 Bill read a second time.

#### TO FIX COMMITTEE STAGE.

THE COLONIAL SECRETARY: I move "That the Committee stage be fixed for the next sitting of the House."

HON. M. L. MOSS: In view of the desirability of getting amendments on the Notice Paper, I would suggest that the Committee stage be put off till a later date. I am prepared, if the hon. member insists on going on to-morrow, to do so; but the amendments I propose will not be on the Notice Paper, as my annotated Bill is at Fremantle.

THE COLONIAL SECRETARY: It is at the request of a number of members, who wish to go to the shows next week, that I am asking for the Committee stage to be fixed for to-morrow. The Bill has been before the House so long that members might have put their amendments on the Notice Paper.

HON. M. L. MOSS: Before the second reading was passed?

THE COLONIAL SECRETARY: I trust members will go on to-morrow.

HON. M. L. MOSS: I am prepared to do so.

HON. J. M. DREW: I trust the business of the House will be proceeded with on the usual lines. Members for country provinces have great distances to travel. I have to journey 380 miles to come to the House, and very frequently I come

down for only one day's sitting. This Bill has been in the hands of members a fortnight at least, and it is their own fault if they have not studied it and are not ready to submit amendments. I hope the House is not going to adjourn till next week.

Question passed.

#### BILL—LAND TAX.

##### TO IMPOSE A TAX.

##### SECOND READING.

Resumed from the 18th September.

HON. E. McLARTY (South-West): In my remarks on the Land Tax Assessment Bill, I have already expressed my views concerning this measure also. I voted for the second reading of the Assessment Bill after most careful and earnest consideration. No one deplored the necessity for such a Bill more than I did, and it is a measure that will affect me personally—in the country districts at all events—as much as it will perhaps affect most of the members of the House. But I had to ask myself, was it right that it should go abroad that this Legislative Council was composed of members incapable of taking a liberal, patriotic, and broad-minded view of such an important question? I agree with a great deal that has been said with regard to economies that could be made; but I am influenced to some extent by the fact that we have in power a new Government, and that reductions and economies are not brought about in a few weeks. The Bill before the House now, it is proposed, shall be enacted for one year only. In my opinion that will give the Government time to look round and make up certainly far more than the amount to be realised from the land tax. It has been remarked that if the Land Tax Assessment Bill is interfered with it will not be worth having the Land Tax Bill. However, as I indicated in discussing the Land Tax Assessment Bill, I intend to move for a reduction of the tax, because I believe that the amount the Government expect to get will be realised by a decreased tax. Whether this Bill is carried or not remains with hon. members; but those members who opposed the second reading of the other Bill should not oppose a

reduction in the tax. I have heard it remarked outside—I do not know whether it is worthy of my notice—that I have been influenced by members of the Government to vote for the second reading. I absolutely deny anything of the sort. The Government are not going to influence me, because I do not desire anything from the Government, except justice and fair-play for myself and my constituents. I am not one of those members who go about button-holding Ministers and asking favours from the Government. I retain to myself the right of voting either for or against the Government; and I can assure the House that in this matter I voted as I did conscientiously believing that I was doing the best in the interests of the country. Especially under the reduced rate of this tax which I am sure will be brought about by the good sense of the House when the proper time arrives, I do not think it will be an oppressive burden to the people on the land, and the small amount that will have to be contributed by them will be cheerfully paid. I hope that at the end of the financial year it will be found possible to do away with the tax. I voted as I did not because I wanted to curry favour with the Government, for my long experience in this House has taught me that if you want anything from the Government your best course is to go dead against them—members who support the Government never get any of the plums. At the same time, although I do not happen to want anything, I am not afraid to go against them or with them as my conscience dictates. I think the remarks which fell from Mr. Sholl this evening with regard to the Katanning-Kojonup Railway fully justified the action taken by a few members of this House last session when those three Railway Bills were before us. Had members taken the view then that has been expressed to-day and put those Bills off for farther consideration until something definite was arrived at, it would have been better for the country, and probably such a large deficit would not have appeared on the balance-sheet and on the Estimates. I agree with a good deal that members have said with regard to the reductions which might be made—

**THE PRESIDENT :** It would be better if the hon. member were to confine his remarks to this Land Tax Bill. The other question is disposed of.

**HON. E. McLARTY :** The two measures are so much bound up with each other that we cannot touch one without dealing with the other. What I intend to address myself principally to is the rate clause of this Bill, and I shall move when the proper time arrives that the rate be reduced. There are other parts of the Bill I do not agree with, but I am in accord with members who claim that the exemptions are neither fair nor reasonable. If mining and timber leases are to be exempt, I think pastoral leases should also be exempt.

**HON. S. J. HAYNES :** If you strike out everything except the preamble, you will be about right.

**HON. E. McLARTY :** I should be prepared to strike out the clause. Pastoral leases should be also exempt, because I look upon it that the Government have leased those lands on certain conditions for a certain number of years, at a fixed rental, and it is unfair to come down with a Bill to alter those conditions altogether. The rents paid by pastoralists may appear small; but, as Mr. Connor has pointed out, a great deal of the land for which pastoralists have to pay—

**HON. W. PARTICK :** Is the hon. member in order in discussing pastoral leases? I take it this is a taxation Bill.

**THE PRESIDENT :** He has merely used that as an illustration. I rule that he is in order. It is difficult for a member to avoid digressing from the subject.

**HON. E. McLARTY :** I do not think it is fair that the holder of a pastoral lease should be taxed while other leases are exempted. In this direction the Bill should be altered. I am not in favour of so many exemptions, and shall favour a number of alterations in the Bill. I would not, I suppose, be in order in discussing the Bunbury Harbour improvements, but I was surprised to hear the remarks which fell from one member in regard to that work.

**HON. M. L. MOSS :** I think it inexpedient that the House should be asked to vote on this question until after the Assessment Bill has been disposed of.

THE COLONIAL SECRETARY: They are one and the same question.

HON. M. L. MOSS: I move that the debate be adjourned for one week.

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

Ayes	...	...	16
Noes	...	...	9

Majority for ... 7

AYES.  
Hon. T. F. O. Brimage  
Hon. E. M. Clarke  
Hon. F. Connor  
Hon. F. Hamersley  
Hon. S. J. Haynes  
Hon. W. Kingsmill  
Hon. J. W. Langsford  
Hon. W. T. Loton  
Hon. W. Maley  
Hon. E. McLarty  
Hon. M. L. Moss  
Hon. G. Randell  
Hon. R. F. Sholl  
Hon. C. Sommers  
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. R. Laurie  
Hon. C. A. Piesse  
Hon. Sir E. Wittenoom  
Hon. W. Oats (Teller).

Motion thus passed, the debate adjourned.

#### BILL—EVIDENCE.

THE COLONIAL SECRETARY: I must again ask the House to agree to the farther postponement of this order until this day week, because if certain Bills are not passed in another place, there may be necessity to delete or extend the schedule to this Bill.

Motion passed, the order for Committee postponed.

#### ADJOURNMENT.

The House adjourned at 6:27 o'clock, until the next day.

## Legislative Assembly,

Tuesday, 2nd October, 1906.

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Petition: Education Regulations	2022
Privilege: Newspaper Comment on an Inquiry	2022
Bills: Agricultural Bank, 2a. concluded; Com., progress	2023
District Fire Brigades, 2a. moved	2031
Perth Town Hall (new site), 2a. concluded	2036
Land Act Amendment, Com. resumed, progress	2040

THE SPEAKER took the Chair at 4:30 o'clock p.m.

#### PRAYERS.

#### PETITION—EDUCATION REGULATIONS.

MR. LAYMAN presented a petition signed by 24 residents of Greenbushes, in opposition to the amended Education Regulations (school fees).

Petition received and read.

#### PRIVILEGE — NEWSPAPER COMMENTS ON AN INQUIRY.

MR. T. WALKER (Kanowna): I desire to draw the attention of the Government to certain comments that appear in to-day's *Daily News* on a case that is *sub judice*, and which I think concerns the privileges of this House, with a view of asking the Government if they intend to take any steps in the matter. As members well know, the report of the Commission appointed on the authority of the Government to inquire into the allegations made by the member for North Fremantle has not yet reported to this House or to the Government. It is true the evidence has been taken, but the *Daily News* comments in this fashion:—

There can be no question that the Royal Commission, which yesterday concluded its investigations into Mr. Bolton's sensational charges against railway officials, has resulted in a complete and unqualified vindication of the persons accused. The charges made have been proved to be utterly groundless.

That is in one article. It is followed by another, and a whole column is devoted to the question. Amongst other things this is said:—

Now what evidence has Mr. Bolton furnished in support of those grave charges? Absolutely none. Indeed, the utter breakdown of his whole case has been positively ludicrous.