these figures before the House, £470,000 representing the capital cost of the present work, and £150,000 representing the cost of a new main, about £620,000 in all, and with the interest and sinking fund and everything else, I do not think there is the slightest doubt that the Goldfields Water Scheme will stand the strain of Perth being supplied and the outside districts, and I believe a reduction can be made in the cost of the water, not only to Perth and the fields, but to the districts round about.

On motion by the *Hon. J. W. Hackett*, debate adjourned.

BILLS (4)—FIRST READING.

1, Roads and Streets Closure; 2, Agricultural Bank Act Amendment; 3, Brands Act Amendment; 4, Permanent Reserve Rededication; received from the Legislative Assembly

ADJOURNMENT.

The House adjourned at ten minutes to 6 o'clock until the next Tuesday.

Legislative Assembly,

Thursday, 21st November, 1907.

The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

QUESTION—EXPERIMENTAL FARM EXHIBIT.

Mr. STONE asked the Minister for Agriculture: 1, Was any exhibit from the Chapman Experimental Farm shown at the last Royal Agricultural Show? 2, If not, why not?

The HONORARY MINISTER replied: 1, A very small exhibit; 2, The distance of Chapman from Claremont makes it very difficult to exhibit stud stock at the particular time of the year when the show is held.

BILL—ROADS AND STREETS CLOSURE.

Third Reading.

On motion by *the Premier*, Bill read a third time.

The PREMIER moved—

That the Bill do now pass and be entitled an Act.

Mr. H. BROWN (Perth): Had the Perth City Council been consulted regarding these closures?

The PREMIER: The permission of the local authority had been obtained in all instances, and in many cases the closure was being effected at the instance of the local authority.

Mr. H. Brown: The Bill took from the Perth council a highly valuable block of land at the top of Bellevue Terrace.

The PREMIER: The land was portion of a road, which the council suggested should be closed down to the width of one chain. To this the department did not agree, and closed it down to a chain and a-half, so as to make it uniform with Mount Street.

Question put and passed.

Bill transmitted to the Legislative Council.

BILLS (3)—THIRD READING.

1, Agricultural Bank Act Amendment; 2, Brands Amendment; 3, Permanent Reserve Rededication; transmitted to the Legislative Council.

BILL—NAVIGATION ACT AMENDMENT.

Second Reading.

The MINISTER FOR MINES (Hon. H. Gregory): In moving the second reading of this Bill, I have to point out that

it seeks to place under the control of the Fremantle Harbour Trust the boilers as well as the machinery on board ships in that port. It has been found by experience that the work of inspection can be carried out more satisfactorily and with less friction by the Harbour Trust than by the Inspection of Machinery Branch. I feel quite satisfied that when the Act was drafted it was thought that "machinery" would include "boilers." It has since been held that it does not; hence the necessity for giving the Harbour Trust the control which it was originally intended to give them, though the work of inspection has, in consequence of the misunderstanding, been entrusted to the Inspector of Boilers.

Question put and passed.

Bill read a second time.

In Committee.

Clause 1—agreed to.

Clause 2—Amendment of 1904, No. 59, s. 2:

Mr. WALKER: Was it intended to transfer the department now having supervision of the boilers?

The PREMIER: This was to enable the inspectors of marine machinery also to inspect the boilers and thus do away with dual control. By the passage of the Bill the Harbour Trust would in future have the duty of inspecting all the machinery of vessels, including the boilers.

The MINISTER FOR MINES: It was advisable that the work should be controlled by the Harbour Trust and it was never intended that that class of work should be taken away from them.

Mr. BUTCHER: It would be a mistake to remove the control from the present department, for probably it would mean the appointment of another branch with its attendant expensive staff.

Mr. TAYLOR: When the Navigation Act of 1904 was passed it was intended that the word "machinery" should include boilers. The Crown Law Department however advised that it did not do so, and the present measure had to be introduced. There would be no creation of a new department and the sole idea of the Bill was to do away with the dual control.

The PREMIER: Under the present system, the inspector of marine machinery had to inspect the machinery on vessels, but the inspection of the boilers had to be done by the branch under the Mines Department.

Mr. SCADDAN: It had been said that the cause of the necessity for the introduction of this Bill was the question raised by the Crown Law Department. In his opinion the reason was that the machinery branch of the Mines Department had moved previously in the direction of obtaining the inspection of marine boilers, and that they were responsible for taking the work out of the hands of the engineer of the Harbour Trust. No complaint had been received of the work done by the Harbour Trust, and he was very pleased that the Government had decided to bring down the measure and allow the inspection to revert to that source.

Question put and passed.

Bill reported without amendment, the report adopted.

DENMARK RAILWAY AND ESTATE PURCHASE.

Motion to Approve.

Debate resumed from the 12th November, on the Premier's motion "That this House approves of the purchase by the Government of the Denmark railway and estate at the price of £50,000, and subject to the terms and conditions of a draft agreement now submitted to the House."

Mr. E. C. BARNETT (Albany): I have great pleasure in supporting the motion providing for the purchase of the Denmark lands and railway. The completion of this purchase is a matter of vital importance to Albany and the district surrounding it and it will mean a large increase in the population of that district. The result of the announcement made by the Premier in Albany last February during Albany week, that it was the intention of the Government to introduce a measure providing for the purchase of the line and lands, has

been that since then over 100 fresh applications have been received for land in the vicinity of the railway. The majority of those who have selected lands are well satisfied with their prospects. Starting from Torbay Junction along the railway line and within five miles of it there are 195 holdings, averaging 200 acres each. Some have been settled for years and an inspection of many of them would convince members of the great possibilities of these lands and the great future there is in store for the owners. There are a large number of successful farmers in that district, among them being Messrs. Youngs, Knapps, Hamilton, Ward, Rutherford, Burville, Orton, Reilly, North and Farr. The principal point I want to make is that the quantity of land cultivated at the various farms is in many cases small, being from five to ten acres; but all the same the returns show that in some instances as much as £600 has been realised in a year off the blocks. Settlement has extended widely along the line. From Torbay Junction to Wilson's Inlet there are 95 holdings, around Denmark there are 45, and West of Denmark 26. In the Torbay Agricultural Area 29 blocks of land have been taken up and the majority of the settlers are very well satisfied with their properties. The future of these people depends upon the purchase of the railway line by the Government. Although some may think that the area of land held by the 195 settlers to whom I have referred is somewhat small, when it is compared with the area held by farmers in the wheat-growing districts, still the difference is made up by the marvellous fertility of the soil. As a matter of fact those holdings are just as productive as the larger areas in the wheat-growing districts. A portion of the land proposed to be purchased, and particularly the areas around Torbay and near Young's Siding, is principally rich karri hills country, suitable for the growth of root crops and for the dairying industry. Apples grown in the neighbourhood of this line were sent home to an exhibition in London some two or three years ago and tied for first place against a large number of competitors. Afterwards the apples realised a very high price in the London market. A few miles from the Denmark railway I saw a crop of ten acres from which 120 tons of potatoes were dug, realising £14 per ton. Most of the country is well adapted to the growth of root-crops and apples, and is also suitable for dairying; and I venture to predict that within a few years of the settlement of these lands the large sum of money now sent away annually for the purchase of potatoes, bacon, and cheese will be retained in the State, as the importation of those articles will practically cease and the money now sent away for them will be profitably used in the development of our State. Mr. W. H. Angove, who has I believe a better knowledge of this land than any other man, estimates that within a few miles of the line three are, independently of the 25,000 acres proposed to be purchased, some 50,000 acres suitable for close settlement, and in addition about 100,000 acres which will ultimately be taken up as grazing country. Because of the regular and abundant rainfall, land will be taken up and utilised for grazing purposes in this district which, in districts less favoured in this regard, would be valueless. I am certain the proposed purchase of the railway and land will be in the best interests of the State. also that the proposition will be a financial success, besides being of immense benefit to Albany and the district with which it is immediately connected. I trust that members will agree to this motion, recognising the necessity of providing quick and certain means of transit for those already settled along this line of railway. The settlement of the land included within the motion would mean the opening up of a large area of what is perhaps the best agricultural land in the State, upon which if properly subdivided hundreds of prosperous agriculturists could be settled. The peculiar suitability of the Torbay and Denmark lands to the growth of apples, added to the cool climate, gives to the fruit a rich colour and an exceptional flavour; and there is also the additional advantage of their proximity to a port of shipment, enabling the fruit to reach the markets of

the world quicker than fruit grown in localities less favourably situated in regard to a port of shipment. The surrounding country is suited to the growth of softwoods, so that with the advance of settlement the growth of these could be undertaken, with the result that the large sum now sent out of the State for purchasing timber to make fruit cases could be kept here, and another local industry thus established. I would impress on the Premier the necessity for having this land carefully surveyed before selection, and for reserving the best portions under Clause 60. I believe that quite recently several large blocks have been taken up in the vicinity of the Denmark railway, possibly for speculative purposes. With others who advocate the purchase of this railway, I believe the acquisition of the line and lands by the Government will add considerably to the population of that portion of the State, if the area be subdivided into suitable-sized blocks. I am informed that a block of 160 acres in the better parts of this area is sufficient for the support of a family. I may mention, as showing the opinion held of the land by some of those who have settled there within the past few months, that in numerous instances the selectors of homestead blocks of 160 acres have asked for a reduction in area —in one instance from 160 to 40 acres, in another from 160 to 60 acres, and in yet another from 160 to 80 acres. In preferring their requests for these reductions, the selectors stated that the smaller areas were sufficient, in view of the quality of the land, for the support of a family. In addition to the 25,000 acres of land and 29 miles of railway, there is also included in the proposed purchase a nicely laid-out township containing about 100 houses; and in addition there are many miles of roads made and used by the company for milling purposes which would be of great use to the prospective settlers in development of their land. I am certain that if the bold development policy outlined by the Premier when moving this motion is carried out, this proposed purchase will prove of benefit not only to the southern districts but to the whole of the State.

Mr. J. B. HOLMAN (Murchison): Whatever justification there may be for the purchase of this land and railway, I maintain there is no justification for placing members in the position of having to agree in a few days to this expenditure of £50,000. We are placed now in this position, that we have before us a draft agreement, the first clause of which says:—

> "The Minister shall have the option of purchasing the premises as the same are more particularly described in the first schedule hereto, at the price or sum of fifty thousand pounds, payable in cash at any time up to the 30th day of November, 1907, inclusive, by giving notice of his intention so to do in writing to the company at any time before the said 30th day of November, 1907, or within such farther time as may be mutually agreed in writing."

It is only a week since the Premier introduced this motion; and to my mind members should have an opportunity of going thoroughly into the question before being asked to sanction so large an expenditure. It must farther be remembered that the purchase money is by no means the only expenditure that will need to be undertaken in connection with this land and railway. I protest against the House being asked to come to a decision on a matter so important at practically a moment's notice. The proposal to purchase this railway might have been placed before the House months ago, even during the last session, in order to give members an opportunity of going thoroughly into the matter. Instead we are asked towards the end of the session to swallow this proposal and express an opinion on it without having given it that consideration which its importance deserves. There may be, as the member for Albany has stated, good land in that part of the State; and we know from inquiries made years ago that a considerable portion of the land around Denmark is of first-class quality; but there are many other considerations to be taken into account in arriving at a decision on questions of this nature. In my opinion it would scarcely be wise policy to undertake this large expenditure merely in the interests

of the few settlers at present in that part of the State; £50,000 could be better expended than in the purchase of this railway. There are languishing gold-mining centres in the State upon the advancement of which hundreds, I may almost say thousands, are dependent for their livelihood; yet they cannot get sufficient money to provide water and like necessaries. In considering this proposition we must, in the first place, look back some 17 years to the date of the contract for the construction of this railway. The land included in the proposed purchase is not the most important item; the first and only consideration of the vendors is to get rid of the railway. Some seventeen years ago a contract was made under which Millar Brothers secured the right to construct this railway, being granted a large area of land in return for the proposed construction. The Premier when moving the motion dealt fairly fully with the history of this matter, but it is well to go back over it. Under this contract Millar Brothers received two thousand acres of land for every mile of railway constructed.

Mr. Bath: Three thousand acres.

Mr. HOLMAN: Certain conditions were embodied in the contract, which was made in 1889, wherby the Government had the right, after seven years, to purchase the railway at £1,000 per mile; and a farther provision was also made, reading as follows:—

> "In case the Government shall not exercise its rights of purchase as provided in the last preceding clause, then at the end of fourteen years from the date of the completion of the railway, the railway and every part thereof shall revert to and belong to the Government, freed and discharged from any right or claim of the contractors in respect of the construction of the railway."

Under that provision this railway would in the ordinary course have reverted to the Crown in 1904. We find, however, that in 1898 or '99 the Government's claim was waived in exchange for some 20,000 acres of land in and around Torbay. I have been told, and in this matter I am not expressing my own opinion, that the 20,000 acres of land for which the then Premier, Sir John Forrest, gave away the poeple's railway—the railway that was to have reverted to the Crown in 1904—is not of very great value.

The Premier: You know, I suppose, that that agreement was altered by a resolution of Parliament.

Mr. HOLMAN: It may have been so altered; but the whole transaction was carried out by Sir John Forrest before the matter was dealt with by Parliament; and the course now being followed by the present Government in this matter is closely allied to the attitude adopted by Sir John Forrest in those days. We have before us a draft agreement in respect of which we are asked to come to a decision at once, without having given the subject fair and reasonable consideration; but instead of giving members an opportunity for consideration, the Premier knows probably that he can rely on the majority behind him to pull him through. Although it is not very often I can commend the Attorney General, in this matter he did show a business-like attitude when he wrote a minute dealing with the question. Had it not been for the Attorney General the matter would have drifted along, and in all probability we would be committed to the purchase of the railway without the House giving it consideration.

The Premier: What justification have you for saying that?

Mr. HOLMAN: I am merely expressing an opinion I formed on reading the minute of the Attorney General. He pointed out in the first place that the agreement submitted by Messrs. Haynes, Robinson, and Cox was one for the purchase of this railway, and he went on to point out that the form of agreement was objectionable from two points of view. He said:—

> "In the first place we as a Government are not going to approach Parliament with a hard and fast purchase agreement and ask for its concurrence therein. This would mean practically staking our political existence on such concurrence being obtained, and would force on us the necessity to treat the proposal as a party measure."

Although the minute of the Attorney General is a business-like one and one in which he showed a fair amount of consideration, we know from past experience that measures have been brought here and forced on us at the tail end of the session when the business sheet was full of other matters, and when we had not time to go through the files to give them consideration. In this matter again we are not being treated fairly, nor in a less party spirit. We know, as soon as the whip is cracked, no matter what business is before the House, it goes through if the Government decide it is to go through. However, I was dealing with the fact that had it not been for the mistake made by Sir John Forrest in 1889 the railway would have reverted to the Crown free of all costs, while now we are faced with the position that we have to buy this old timber line or tramway that has been in use for 15 years, and for the past few years practically not in use; and we see from the reports that it is not in as good order as one would like. We know in the first place that tramways built to carry timber are not built with the same degree of and regard for safety as other lines.

The Minister for Railways: Have you read Mr. Dartnall's report?

Mr. HOLMAN: Yes; he says it will take about £2,800, speaking from memory, to put the line in running order.

Mr. Foulkes: He says £2,680.

Mr. HOLMAN: I think when we come to do the work—

The Minister for Works: We have managed it for a lot less.

Mr. HOLMAN: I see you have already fixed the matter up, knowing it would go through the House.

The Minister for Works: No, we fixed it up to give that service promised some time ago.

Mr. HOLMAN: Yes, to run a train once a week. If a business-like attitude had been adopted in the first place there would have been no necessity for us to spend £60,000 at a time when we can ill afford it in order to purchase this line and the land, because I maintain that though Millars are anxious to get rid of this worked-out property, although the land is good, and although it is a business-like deal for us to purchase the line, yet it is not reasonable for us to take the matter into consideration now. The matter was first brought prominently before the Government in January, 1904, when an offer was made to Mr. Hopkins, who was then Minister for Lands, by Millars' Karri and Jarrah Forests Ltd. to sell the property to the Government. I think they asked something over £100,000. Since then one or two offers have been made, but the price has come down considerably every time, and now that we know the land tax is coming on, in all probability Millars would be only too glad to get out of holding this property if they had to pay a land tax on it. Of course they would have to pay a heavy tax on this land, because they have placed a certain valuation on it, and they would have to pay a tax accordingly. Another matter we have to look at is this. Buying this practically worked-out property is not one of the best deals that could be made. The Premier said that it would cost £10 an acre to clear the land; I forget the exact amount.

The Premier: I said £4 excluding the stumps.

Mr. HOLMAN: Of course the land is not cleared when the stumps are left in, especially karri stumps. It may be right enough for fruit growing, or for little plots for vegetables, but for wholesale cultivation it is not sufficient; it is impossible to cultivate land when there are karri stumps from one end to another, and karri stumps are the worst stumps you can deal with in the ground. I have taken some little interest in the matter, and since the files came down yesterday I have tried to get a grasp of the subject, but it is almost impossible to go through bundles of files in two or three hours and get a fair grasp of the subject. However, I wish to point out that in all Millars' Karri and Jarrah concerns, mills, railways and everything else, each year a certain amount is set aside for depreciation, and in all probability the depreciation in connection with the Denmark mills and railway has been practically wiped out, and this £50,000 they are getting is practically a dividend the State is giving

them for something they have made full use of and provision for.

Hon. F. H. Piesse: There should be some value in the rails, and a certain value in the land.

Mr. HOLMAN: It is admitted there is some value in the land, because the reports of those who are in a position to judge say that the value of the land is something like £20,000. I admit that myself from the reports, but I would ask the member for Katanning, does he consider it wise to spend £50,000 at the present time in that part of the State where there are not many settlers, when that money could be better spent in opening up other parts of the State? It might be a good proposition for the future to get that line, but at the present time I do not think the occasion opportune. The member for Katanning knows well what the value of the rails will be after being down 15 years.

Hon. F. H. Piesse: They were put down at the same time as those on the Great Southern Railway.

Mr. HOLMAN: We know that the line is in poor order. The member for Albany quoted the number of settlers who would be benefited, but we have a report from the railway officials also, and from those who are in a position to know, showing exactly what has been done with the line for the last two or three years. The report from the railway authorities in 1905 shows the number of settlers that would be assisted; 22 I think it was, 12 who had opened up the land, and others who had merely taken it up. We know that to run a railway for 20 or 30 settlers is not a business-like proposition. The *precis* sent down for the information of the Minister for Railways shows an estimated revenue of £150, against working costs amounting to £1,092.

The Minister for Railways: You authorised a train to run.

Mr. HOLMAN: From the information sent on to us we considered a trial should be given for three months; those were the instructions given. Such representations were made to us that we considered the people out there should receive some consideration. The instructions I issued as Minister were to run a train for three months to see how it would pay. I left before the end of the trial and I do not know how it worked out. The estimate has been given since then. In speaking to this matter I do so without speaking against the settlers in that part of the State. I know a number of them by reputation. There is at Torbay a good class of settler, men who work hard and who have built up homes for themselves, and they should receive every consideration, and I wish it to be understood that I give them every credit, and that if we could give them assistance or consideration we should do; but I maintain that we had a provision in the first contract by which steps could be taken, if running a train is a fair and reasonable thing, to compel the Combine to run it themselves. I was going to do that; I was going to give the matter a trial for three months, and then if it were proved that it was a payable proposition, we would have forced the Combine to carry out their contract.

Mr. Foulkes: Could that have been done?

Mr. HOLMAN: Yes, there was a provision in the first contract.

The Minister for Railways: See what the opinion of the Crown Law Department is on that.

Mr. HOLMAN: No doubt the matter was gone into. In looking through the file I cannot place my finger on the clause at the present time, but there was a provision in the contract whereby they would have to run the railway provided there was sufficient traffic on the line. If they were not satisfied, there was provision for arbitration. I gave instructions to see if we could not get sufficient evidence before going to arbitration, to see whether the Combine could not be compelled to run a train over the line. I have here the report of Mr. Angove, the Inspector of Lands, which was made in 1905. There has not been much increase in settlement in the place since that time, in fact I believe some of the settlers have gone away. He says:—

> "Having given the subject careful consideration I find the number of settlers who will benefit by the number of trains mentioned is 22, who hold

an aggregate of 6,000 acres. Twelve are now in good going order, holding 3,680 acres, whilst the remaining ten, who hold 1,913 acres, are in the initial stage. The value of improvements on the former amount to about £5,000, or £1 7s. 2d. per acre."

That was the report of Mr. Angove in 1905. And when we hear glowing reports we should have a greater opportunity of giving this matter full consideration. This is a big subject, and if the settlers there are to be assisted then we should assist them; but before we spend £50,000 in buying land which is literally covered from end to end with karri stumps, the matter should receive farther consideration. The Premier in speaking about the huts and camps gave us a valuation of them, but the valuation placed on them to my mind is outrageous. When we purchase a mill site—the houses, huts, camps, stores and stables—at a certain valuation, we know the buildings as they stand are practically worthless. It will not pay to take them down to carry away. It is cheaper to take the iron off the buildings and burn the huts. And we must remember that a large number of these camps have been on the concession for a number of years. The valuations as shown to us in the reports are ridiculous. There are 39 four-roomed dwellings at £100 each, and three-roomed dwellings at £70 each. I dare say these dwellings could be put up for considerably under £30, for they are built of waste timber from the mills. According to the valuation in the Arbitration Court it costs about £5 per room, and to put a valuation of £100 on a worn-out house on a timber mill is ridiculous. They are absolutely useless. It is like going on to a deserted mining field, which the people have left, and placing a valuation on the bough-sheds. Although the Government are buying practically a townsite, the buildings are useless. Three-roomed dwellings are valued at £70 ; two-roomed dwellings the same.

The Treasurer: Whose valuation is that?

Mr. HOLMAN ; I think this is sent in by Mr. Paterson.

The Minister for Railways: No, it is not.

Mr. Foulkes : Mr. Chaplin in his report values the buildings at £3,000.

Mr. HOLMAN : There is nothing here to show whose valuation it is, but I believe this is Mr. Paterson's report.

Mr. Bath: How many buildings are there?

Mr. HOLMAN: There are 44 four-roomed houses, ten three-roomed houses, and the total valuation is set down as £13,000. That includes the locomotive shed and all the things which are not in Mr. Chaplin's valuation.

The Minister for Railways: The shed and all the buildings are.

Mr. HOLMAN: This is Mr. Paterson's report to the Minister.

The Minister for Railways: Mr. Chaplin says 44 four-roomed cottages and everything else, £4,500.

Mr. HOLMAN: The buildings are practically valueless for any purpose.

Hon F. H. Piesse: Throw the buildings out; you have plenty of value in the land.

Mr. HOLMAN: In my opinion the only marketable item about the buildings is the iron roofs.

The Treasurer: What about the land?

Mr. HOLMAN: The valuation is put on the land as well; we are paying the full value for the land.

Mr. Bath : This is the valuation of the buildings apart from the land.

Mr. HOLMAN: Mr. Paterson values the land at 20s. per acre, or £24,000. That may be a fair valuation or it may not. Mr. Paterson should be in a better position to judge than we are. He valued the buildings at £4,500. Mr. Paterson also said that clearing for cultivation could be done on an average at £10 per acre. That means that there is not only the expenditure for the purpose of the property, but that thousands of pounds must be spent before the land can be used at all. The idea of sending settlers out to a place of that kind is ridiculous. It is better to hold the matter over and spend the money in other directions. A lot has been said about the amount of traffic we shall get on this line. To my mind, when we consider the amount of traffic we are to get, the best

way is to look back and see what the amount of traffic has been in the past. The Commissioner of Railways in a letter to the Minister this year stated that the amount received during the last two years and nine months the mill worked was, for passengers £1,040, parcels traffic £45, goods traffic £236, fish traffic £861, and timber traffic £2,542, making a total of £4,724. The traffic belonging to the line itself would be comparatively small. That was the traffic at the time the mills were working and the Commissioner said that if the Government were going to get anything like this traffic the proposition would not be a bad one, but the timber traffic was done and so was the fish traffic, and the other traffic would come to very little. For the two years and nine months the passenger traffic amounted to £68, parcels £15, goods £132, or a total for the two years and nine months of £215; or £78 per year. And then we are asked to spend £50,000, when we are to receive from passengers, parcels, and goods only £215. I do not think the Commissioner would mislead the Minister. This report was sent to the Minister this year. The Commissioner said it would be observed that the returns for the fish traffic were from Torbay to the termination of the line, so that the receipts from that traffic would not amount to as much as that stated, and the Commissioner asked that when inquiries had been made he would like an opportunity of personally discussing the matter before any action was taken, and if the Government took over the line the rates would require grave consideration. Why was not some return of the traffic over the line supplied to the House? We want the present-day traffic. All the figures we have to go on are of the traffic which has been carried in the past, and they are not satisfactory. We are asked to decide on this question involving an expenditure of £50,000 without full information, and although a train has been running for several months we are not supplied with any information to show the revenue which is derived from the traffic.

The Minister for Railways: I admit there will be very little traffic.

Mr. HOLMAN: I do not suppose the traffic will pay for the oil for the engines. I recognise that an indirect benefit may accrue, but I do not think considering the present financial position of the State we should involve ourselves in an expenditure of £50,000 to purchase this line. I have here section 30 of the contract with the timber Combine which states:—

> "On the expiration of all notices by the contractors given by them under Clause 17 of this contract and as soon as the railways shall be completed and certified to be fit for traffic as aforesaid, the contractors shall if and when required by the Commissioner forthwith proceed to open and shall thereafter, except when prevented by causes which shall be certified by the Commissioner to be beyond the contractors' control and except as hereinafter provided, work the same for general and public traffic. Provided always that the contractors shall not under this or any other clause herein be required or bound to run trains, whether for goods or passenger traffic, where it would on account of the smallness of the traffic be unreasonable to require the contractors to run or to continue to run such trains "at a loss," and in the event of any dispute between them and the Commissioner on that head the same shall be referred to arbitration as hereinafter mentioned."

My object in giving notice that they should run the train for three months was to see if it would pay, and if it did we were going to force the company to carry out the provisions of their contract. We have had some information given to us by the member for Albany that certain holdings had been taken up and that settlement was taking place in this locality. To my mind there is sufficient land within reasonable distance of railway communication where we could settle people rather than pay £50,000 for this line. It would be better to spend the £50,000 in the development of our other industries. That would conduce to more settlement in the State than the expenditure of £50,000 in the purchase of this railway. We recognise that the

purchase of this railway may be of some indirect advantage to Albany, and there is no doubt that the people of Albany and the settlers around Torbay should receive every consideration. But judging from the files I do not consider this is a reasonable proposition for the House to accept at the present time. We are asked to spend £50,000 to give some advantages to twenty-two settlers, at a time when we have a goldfield at Meekatharra which has turned out hundreds of thousands of pounds' worth of gold, where the mines are in an absolutely dangerous state for want of timber—a goldfield where all the properties are held by prospectors, and where the yields are increasing by a hundred per cent. per annum; where the whole of the back country is involved in the success of Meekatharra; where an expenditure of £20,000 or £30,000 would reduce the cost of cartage by £2 or £3 a ton to the whole of the people in that part of the country: yet they cannot get any consideration at all. And at Torbay, where there are only a few settlers—though I am not speaking against them, for they deserve every consideration—we are asked to expend £50,000 right off, on a worn-out railway, a deserted mill-site, and some few thousand acres of good land. This is not a business-like proposition. I should prefer to see the £50,000 spent on legitimately opening up other parts of the State. In the future it may be wise to purchase the Denmark properties; but now that they are worn out and Millars have deserted them for some years, the longer we wait the more reasonable will be the price at which they can be obtained. If Millars had to tear up the railway line, its value would hardly pay them for the cost of removal. The value of the buildings is unworthy of consideration. I must protest against so important a motion being brought down and forced upon us at a moment's notice, without allowing us a fair and reasonable opportunity of looking through the files. I am sorry to have to take up a hostile attitude, for I should in ordinary circumstances be glad to give every possible assistance to the settlers in that district.

The MINISTER FOR MINES AND RAILWAYS (Hon. H. Gregory): The last speaker has explained some of the conditions of the old agreement, and the alterations that were made many years ago; but I think it is hardly worth while mentioning matters of that sort to-day. If a bad bargain was made in those old days, before this Parliament was in existence, we certainly cannot mend the bargain now; and we have to accept matters as we find them, according to the agreements which happen to be in force. The hon. member remarked on the value of this property to Millar Brothers, saying that each year a certain amount was written off for depreciation. That question is unworthy of our consideration. We have to consider whether the property is of sufficient value for us to purchase, and if so, whether we are justified in making the purchase.

Mr. Bath: There may be a method of opening it up without purchasing.

The MINISTER FOR RAILWAYS: If we had such a suggestion now, I could understand it; but no method of developing the country other than by purchasing the railway was suggested. The hon. member also objected that members were not given sufficient time to consider the agreement, or sufficient information with regard to it. The project was mentioned in the Governor's Speech; the Premier, in his recent speech and in the reports which he tabled, gave the fullest possible information, and I do not think it would be possible to explain the matter more fully unless we took members to the spot and enabled them to inspect the properties. This matter has come under my notice in connection with the running of trains on the railway. It appears that under the old agreement we were supposed to have certain running powers. But when the hon. member (Mr. Holman) was Minister for Railways, he was exceedingly anxious to give railway facilities to the residents in that neighbourhood. I think I am correct in saying he instructed the Commissioner of Railways to run one train per week on the Denmark line. [*Mr. Holman*: For three months.] And it is amusing to read on the files the telegrams from the member for Albany, and

the requests to the Commissioner. The matter was delayed for a considerable period, during which the hon. member was making special efforts to give the Denmark people railway communication. Before the question came under my notice the property, including the railway, was placed under offer to the Government for £123,650. Mr. Chaplin, then Director of Agriculture, reported on the property, and gave a glowing account of the value of the land, which he said was suitable for potatoes, onions, all sorts of English fruits, and even hops. He thought the area should be obtained by the Government, and strongly urged the purchase, his valuation being £74,895. The question of railway communication then came before me, and I made a specially good agreement with the company. I arranged that they should allow us to run our trains on the line, and that we were to have the ground at a peppercorn rental. If we purchased the railway we were to suffer no loss; if we did not purchase, a small amount, less than £100 expended in improving the line of railway, would be lost to the State; and in the interim we should give the benefits of railway communication to settlers in the district. We did not expect the railway to pay; and I do not think from his own minutes that the hon. member (Mr. Holman) when he was Minister, expected that this railway would pay for itself in the early stages. The hon. member must have known there were not sufficient people in the district to warrant a regular train service. The only object was to induce settlement within the area. That at least was my desire, and I am satisfied it was equally the desire of the hon. member. Then, in regard to the purchase of this property, we had a report by the Premier, into which I will not enter fully. Members know that he has been connected all his life with land settlement, and has been a professional surveyor. The value he put upon the property was, I think, £50,000. He brought the matter before Cabinet, stated that he had been through the property, and that there were certain reports on it which he could not endorse. He thought that if we could get the railway, the buildings, and the land for £50,000, the bargain would be worthy of consideration. Mr. Paterson was then sent for. The member for Murchison (Mr. Holman) had no intention of misleading the House; but in quoting the values of the property I think he must have been reading the values submitted by the company; because I notice that Mr. Paterson says in his report, "The buildings on the whole property are insured for £14,488." And farther: "Considering their condition I think £4,500 would be a fair price to give." Mr. Paterson says also there are 44 four-roomed cottages, a most suitable size for beginners; also numerous other dwelling-houses of two rooms and upwards, a school house, post office, agricultural hall, two churches, and several stores. Mr. Paterson's report on this property is exceedingly valuable. He endorses Mr. Chaplin's statement that it is splendid land for onions, potatoes, and English fruits, and points out that it will grow green grass during the whole of the year. He looks on the area as specially suited for dairying purposes, and considers that if it were leased in small blocks so as to attract a large population it could shortly supply sufficient butter for the whole Western Australian market. He points out the value of the estate when properly opened up, what it would mean with a port so close at hand and with facilities of transport, and that time would give us an export trade worth having. Mr. Paterson's report is most enthusiastic; and if we are desirous of building up a strong yeomanry in this country, then if the values of the properties are as stated I think this is a good bargain for the State to make. We had a report from Mr. Dartnall as to the value of the railway; he valued the rails at £500 a mile. All will know that with the increased cost of rails during the last few years we could not obtain a supply necessary to construct a line to Denmark for anything like that figure. The buildings will come in very usefully if we can get what we desire—a large number of settlers in that country. It has been said that if we purchase the property there will have to be a good deal of extra money spent upon it; but

it must be remembered that new settlers will have charged up against them the cost of improvements, and the money will be paid back in 20 years' time together with interest. The proposition is essentially a good one. The member for Murchison seems to have taken umbrage at the Government bringing forward this scheme, because there is not railway communication provided for a portion of the goldfields he represents. The goldfields surely cannot complain of want of consideration by Parliament in the provision of railway communication. Considering the large number of agricultural representatives there is in the House, the goldfields community can be said to have done well, for they have obtained a great extent of railway mileage for the purpose of assisting the mining industry. [*Mr. Troy*: All the goldfields lines were warranted.] Where a special effort is being made to open up new country, if the proposition is a good one the House should endorse it, and it is not a question whether it is an agricultural or a mining district. The question members should ask themselves is whether this is a good business proposition. The Government are not bound in any way, for if it is resolved that it is inadvisable to purchase the line no harm will be done. The company have lent us the railway to give facilities to settlers while the question is under consideration. If members think the proposition is not a good one, then even if the value is very fair, if it would not be a good thing for the State to purchase the line just now, they will be justified in opposing the scheme. There should, however, be good reasons given by those who oppose the proposal, and other than that certain districts should receive better consideration in the way of railway communication than they are now getting. With regard to the district which the member for Murchison referred to, it is only recently that the sum of £12,000 was spent there in a water supply, and it is likely that that district will receive early consideration on account of the developments which have occurred there. The question is now whether the proposition before us is a good one. I do not know the value of the land, for I have not been there, but I have a great deal of confidence in Mr. Paterson's report, and in the report of the Premier. We have also the report of Mr. Dartnall, and I think that, taking it all round, it is shown that we will be getting fair value for our money. The next thing for us to do will be to try and get the class of settlers we require. If this land is opened up it will mean a great deal to the district of Albany. Mr. Chaplin pointed out that we had 100,000 acres of land beyond the railway area, all of which is almost equally as good country as that to be purchased, and which will be served by the opening up of the district. That is a very important argument in connection with this matter, more especially to Albany itself, because if we were to get all this large area opened up and probably some 500 or 1,000 new settlers there, a great export trade would be established. There is also the question of the production of potatoes. At the present time we have to import potatoes, and it is always a matter of complaint that our settlers are unable to provide sufficient products for local requirements. This country is especially suited for butter production, and all the experts who have visited it agree that it is magnificent dairying country, to a great extent owing to the fact that the crops keep green all the year round. In addition, I believe that in the Denmark district we have the finest fishing waters that exist in Western Australia. Prior to the closing down of this railway, the whole of the fish sent up for the supply on the Eastern goldfields was consigned from Denmark. [*Mr. Holman*: About two tons a week.] It is not very much, but it is a good industry, and surely it would be well to encourage it. We want to get a good class of settler on the soil down there, and Mr. Paterson says that the country can well be cut up into 100-acre blocks. It will thus be a very different case from that where a settler has to receive 1,000 or 2,000 acres of land in order to make a payable proposition of it. In the present case with a little extra expenditure we will be able to get a very large population on a comparatively

small area of country. If we are successful in these efforts the buildings on the property, which have been valued from £3,000 to £4,500, but which have been insured at £14,000, will be of considerable value. If settlement can be started in the district, the buildings will be of much greater value than the £4,500 estimated by Mr. Paterson. Taking it all round, I feel sure, and it concerns me not who are the owners of the property, we are quite justified in purchasing the railway. If we do not purchase the railway I do not agree that we could continue to run the line. The Crown Law Department were not at all satisfied that we could insist upon the running rights. The member for Murchison read from the contract, but he did not read the report of the Crown Law Department in connection with the matter. I intended in the first instance to keep the trains running and resolved to go to law in the matter if we could not come to an agreement with the company; but Mr. Burt, the solicitor for the company, said that if we ran the trains on the line without permission, it was the intention of the company to sue us for damages. The matter was referred to the Crown Law Department, and they were very much in doubt whether we would be justified in running the trains. There is no doubt about the opinion of Mr. Burt on the matter. [*Mr. Holman*: I said we could compel the company to run the trains.] That is a question to be submitted to arbitration, and we would have to show that the traffic was sufficient to warrant a train service. As a matter of fact, we could not show on the small amount of traffic now running on the trains that there was sufficient to compel the company to continue the service. It is only by the purchase of the railway that we can give facilities to the people resident in that district. I am quite satisfied that the train does not pay us to run now, and the same remark applies to a good many of the new agricultural railways. We always feel that we are justified in losing a little money in the first instance on these railways, as we are carrying out a policy of opening up new country. [*Mr. Taylor* : There is a good many of them now.] I hope there will be a good many more, for I think we are quite justified in taking the risk of losing a little money on these railways at the start, when the result will be the opening up of a large quantity of valuable country. We want to look into the purchase of this railway and the land, apart altogether from the *personnel* of the owners of the property. There must have been a good deal of enterprise among these people when they constructed railways here in the olden days. We want to satisfy ourselves that the country is good, and that a permanent population will be obtained by the purchase of the railway. If we get that population the price we shall pay for the railway will not be too high. I have every faith in the report which Mr. Paterson has submitted in regard to the land. It is not so glowing perhaps as that of Mr. Chaplin, but none could ask for a more valuable statement than his. Upon his report, and upon that of the Premier, I am satisfied that the purchase of the railway would be a good transaction. It will be a magnificent thing for the town and harbour of Albany if the line is purchased. We want to build up an export trade there. The Southern districts must depend in time to come upon that port to send their export trade from, and if we can help to push on the port and the trade, we will be doing a great deal of good not only to Albany but also to the State as a whole.

On motion by the *Hon. F. H. Piesse*, debate adjourned.

At 6.15, *the Speaker* left the Chair.
At 7.30, Chair resumed.

BILL—LAND AND INCOME TAX ASSESSMENT.

In Committee.

Resumed from the previous day, *Mr. Daglish* in the Chair, the *Treasurer* in charge of the Bill.

Clause 9—Land Tax: (An amendment had been moved by *Mr. Troy* to add to the clause, "or to any person who, being a resident of the Commonwealth of Australia, has obtained a permit from the

Commissioner for a period not exceeding two years.")

Amendment put and passed; the clause as amended agreed to.

Clause 10—Rebate of tax on unimproved land :

Mr. TROY moved an amendment—

That Subclause 1 be struck out.

He was utterly opposed to rebates of any kind just as he was opposed to exemption. If we were to have a land tax, let us have one that would fall equally on all concerned. One of the particular objections that must be held to rebate was that the people here who received the rebates were those who in the past had had an opportunity of improving their lands. In the early days of the State certain persons received grants of land at a reasonable figure, and they obtained in many instances the pick of the land. They had held the land for thirty and even fifty years and had the opportunity of improving the land, and because of those improvements made they were to obtain a rebate; while others who had taken up land recently, who had not had an opportunity of making improvements would be penalised. The old settlers had the advantage of big prices for their produce. They had the advantage of the early goldfields markets, and the value of their land was enhanced by reason of its proximity to the railways. Rebates were utterly opposed to the principle of taxation.

The TREASURER was surprised at the action of the member in seeking to destroy the clause. This had been an accepted principle in the House on both occasions when we had a Land Tax Bill before us, that those who improved their lands should have some consideration. The person who held land unimproved and derived profit by the improvement, energy, and labour of his neighbour should pay an extra tax; that was an accepted principle. This provision did not only apply to country lands but all round, and the argument advanced that the clause referred principally to agricultural land was therefore absolutely unsound. If a person owned a block of land in Perth and allowed it to remain vacant, and his neighbours on either side improved their land, and thereby improved the other block, the owner was getting a return in the shape of increased profits which had not been earned, therefore should have to pay an additional impost to the State. The same thing applied to country lands. The argument that early settlers received an advantage should have little weight. If early settlers did receive advantage in the direction indicated, it showed energy, confidence, and faith in improving their land, and surely were entitled to the same consideration as a man who came recently and bought city land and improved it.

Mr. COLLIER: The Treasurer stated that the person who came here years ago and purchased land was entitled to the same consideration as the late comer. Certainly he was, but under the Bill the late comer was not receiving the same consideration as the settler who came here years before.

The Treasurer: Just the same.

Mr. COLLIER: Not at all. It was possible those who came in later years had not had the time or the opportunity to improve their lands. Take such a town as Sandstone. Those who had purchased land there were desirous of waiting to see how the town developed before improving.

The Treasurer: It was the speculator the member wished to encourage.

Mr. COLLIER: Not at all. The man who purchased land and helped to build up a town should receive encouragement; it was in the initial stage that this encouragement should be given, but the Bill would penalise this man. There might be something in the argument that if a man purchased land and made no improvement, he was not entitled to the same consideration as those who had improved. But there were many people in Perth who owned land and carried on business but were not entitled to a rebate, because the land was not sufficiently improved. He was opposed to the clause because it was apart altogether from the principle. It had been contended even by the Treasurer that this was a just and equitable tax. It was just and equitable

because we took away from people a portion of the values which we called community values, created by the community apart from the individual effort of the person who owned the land. We should not make a distinction between the person who improved land and the person who held it. The resident so far back as Leonora and Lawlers contributed his share to the unimproved value of land in Perth; hence we should not distinguish between one person and another.

The PREMIER: The member for East Fremantle (Mr. Angwin) referred to this clause in a previous session as the redeeming feature of the Bill. [*Mr. Bath*: No; it was Mr. Lynch.] The member for Mount Magnet (Mr. Troy) now said old settlers had better opportunities of improving their land. But what about old settlers who had held their land unimproved? What about the estates exceeding 5,000 acres, a list of which he had recently handed to members? Was it not right that the owners who had reaped the unearned increment given by railways and other public works, should pay a heavier tax than men who had improved their lands? Conditional purchasers who complied with the improvement conditions need not fear, for they would get the rebate. More than one instance was pointed out, especially on the line from Collie to Narrogin, of large estates that had not even been fenced. By this clause the owners would have to pay twice as much as the settler who was now taking up land.

Mr. SCADDAN: An equitable form of land values taxation would make no distinction between land-owners. If this were an equitable tax, it would compel the owner to utilise his land or pass it to someone who would. But this being purely a revenue tax, would not have that effect. The Treasurer said, if he had a block in the city of Perth and had not improved it, it was fair that he should pay a heavier tax than his neighbours who had improved their land. That did not appear. The unimproved block had exactly the same unimproved value as the adjoining blocks of the same area. In a land values tax we were not concerned whether the owner improved his land, provided he was willing to pay his share of the tax towards carrying on public works. The tax itself, imposed year after year, would compel him to utilise the land; but if he liked to pay the tax on land which he would not utilise, the State should accept the payment.

The Treasurer: Would not the extra tax hasten improvements?

Mr. SCADDAN: That was not the object of a land values tax. The clause was unnecessary, and should be struck out.

Mr. BOLTON: The Treasurer's education on the taxation of land values was of mushroom growth. He knew nothing about the subject until he introduced the first Land Tax Assessment Bill. Possibly he had succeeded in converting some of his supporters to the opinion that the owner of any unimproved land, because of the passing of this Bill, would immediately improve it to secure the 50 per cent. rebate.

The Treasurer: That was what the member for Ivanhoe (Mr. Scaddan) had just argued.

Mr. BOLTON: Surely not. The clause was only a farther protection to capital, to those who had thousands of pounds worth of buildings already erected. Such people improved their land not to escape a tax or to gain a rebate, but to make a profit on the outlay. They would pay the rebate rather than lose on the investment. With its rebates and exemptions this was hardly a land tax at all. but merely an income tax. He (Mr. Bolton) was opposed to all rebates, and to any differentiation between owners.

Mr. BATH: It was difficult to argue on the justice of the incidence of this tax, with or without rebates, when the Treasurer practically acknowledged that he was not attempting to introduce equitable taxation, but a mere expedient for raising revenue. From an equitable point of view the clause could not be defended. If we were to tax the owner who secured the unearned increment, we ought not to take a greater percentage from one owner than from another. The Treasurer's scheme was to

formulate a tax which would scrape through both Houses of Parliament by meeting the wishes of his dictators. This clause was hostile to the very purpose of the Bill—the raising of revenue. In the old Land Tax Assessment Bill the Treasurer at one swoop deprived himself by exemptions of £30,000 out of the £60,000 which he then contemplated raising. Now, under this amended proposal hurriedly devised to suit the prejudices of members in another place, he would reduce the amount obtainable to about £18,000 or £20,000. What was the use of creating a Commissioner's office costing £5,000 per annum and involving other expenditure, in order to secure so small a sum? The official estimated total to be collected under the Bill was £40,048, and deducting the proceeds of income tax, £22,028, there was left £18,020 to be secured from land. Was not this a mere subterfuge to keep some apparent degree of faith with Government supporters, by embodying in the income tax measure this pretence of a land tax? If the Treasurer wanted to secure revenue, he ought to delete this and other portions of Clause 10, because by that means he would secure the revenue desired. Where this tax was adopted by roads boards no provision was made for rebates on improvements, or for any other exemptions, the only way to have it without involving a great deal of trouble and the possibility of the evasion of the incidence of the measure. If local governing bodies could raise this taxation in this way, why was it not possible for the State Government to accomplish exactly the same thing? There was no justification for creating elaborate machinery to raise the small modicum of revenue to be derived from the land tax with the mutilations embodied in the measure. In preference to such a subclause as this it would be infinitely better for the House to hand over to the local governing bodies the right to impose taxation on the unimproved value of land and let them secure the revenue. It would be collected infinitely more cheaply, and the incidence would be more just. He opposed the clause. If no arguments as to the injustice of the incidence would persuade the Treasurer, then from his own point of view, that of raising revenue to get rid of the financial difficulties of the State should do so.

Amendment (to strike out Subclause 1) put, and a division taken with the following result:—

Ayes	..	..	14
Noes	..	..	21
Majority against	..		7

Ayes.	Noes.
Mr. Bath	Mr. Barnett
Mr. Bolton	Mr. Brebber
Mr. Collier	Mr. H. Brown
Mr. Heitmann	Mr. Davies
Mr. Holman	Mr. Draper
Mr. Horan	Mr. Foulkes
Mr. Hudson	Mr. Gregory
Mr. Scaddan	Mr. Hayward
Mr. Stuart	Mr. Keenan
Mr. Taylor	Mr. Layman
Mr. Underwood	Mr. McLarty
Mr. Walker	Mr. Male
Mr. Ware	Mr. Mitchell
Mr. Troy (*Teller*).	Mr. Monger
	Mr. S. F. Moore
	Mr. Piesse
	Mr. Price
	Mr. Smith
	Mr. Veryard
	Mr. F. Wilson
	Mr. Gordon (*Teller*).

Amendment thus negatived.

Mr. SCADDAN saw no difference between land within a municipality used for agricultural or horticultural purposes and land outside used for the same purposes. In some municipalities in this State there was a considerable extent of land used for horticultural purposes that was of considerably more value from that standpoint than it would be from a building standpoint, and in the circumstances it was not right for this land to have the extra impost upon it because it was in a municipality. The land in being used for horticultural purposes was fully utilised. To test the feeling of the Committee on this point he moved an amendment—

That in Subclause 2 the words "outside the boundaries of any municipality" be struck out.

The TREASURER: There was ample provision in the clause for land within municipalities. The land within municipal boundaries used for horticultural purposes was more valuable than that outside municipal boundaries.

Mr. Scaddan: Being more valuable the owners had to pay an additional tax.

The TREASURER: It was provided in Subclause 3 that such land should be deemed improved if improvements were effected and continued on it to not less than one-third of the unimproved value of the land.

Mr. H. BROWN supported the amendment. City members should support it. Recently we had the spectacle of the Government devastating the city orchards seeking for the codlin moth, which was never found, and uprooting fruit trees. It was beyond reason to expect people owning these orchards to improve their land to the extent of a third of the value of the land. Much of this land was not suited for building on; and in the circumstances, if it was used for horicultural purposes the owners should be put on the same footing as the owners of country lands; but it appeared that this Bill was one to penalise the city lands.

Mr. DRAPER supported the amendment. In many municipalities there was land too swampy to build on. The people who had gardens on this swampy land were treated by the Agricultural Department in the same way as people owning orchards in the country. In the West Perth electorate, not long since, a great many fruit trees had been destroyed because they were supposed to have insect pests, and a considerable amount of damage had been done to the owners because they happened to be carrying on horticultural pursuits. It was absolutely impossible to build on some of this swamp land, and to treat it in the same way as ordinary municipal land was simply ridiculous.

The ATTORNEY GENERAL: Hon. members should not approach the provisions of this clause from a prejudiced point of view. Would anyone say that swamp land made fit to grow anything had not been improved to the extent of one-third of its value?

Mr. Scaddan: What were considered improvements?

The ATTORNEY GENERAL: Any land would be deemed improved if improvements had been effected to the amount of one-third, the maximum being fixed at £50 per foot of the main frontage. That was fixed to meet the objections raised by the member for Perth. Paragraph (a) of Subclause 2 set out that improvements should be effected equal to £1 per acre, or one-third of the unimproved value, whichever amount should be the lesser. Surely that was a fair tax when the upset price of the country lands was 10s. per acre. With regard to swamp lands, it was well known that their value had been practically nil until they had been properly drained. It was absolutely necessary to provide a fair and equitable scale for the country and for the towns. If members could show that Subclause 3 was unfair let them do so, and he would be prepared to consider their contentions; but it would, to his mind, be a very difficult matter to prove that those conditions were fair and equitable.

Mr. BATH: The Attorney General had not touched on the point whether in regard to land used for certain purposes, there was justification for making a distinction between the lands used for such purposes within the boundaries of a municipality, and those outside of it. It was immaterial whether by the improvement of swamps the owners effected improvements which would bring them under Subclause 3. There were instances where the improvements would probably not bring the owners within the operation of the clause. He supported the amendment thinking that all lands used for such purposes should be placed on the same level so far as the incidence of the tax was concerned.

Mr. BREBBER supported the clause as it stood because there was no greater nuisance than the swamp lands under cultivation within the boundaries of the cities. They were a great menace to the public health, and the sooner they were abolished the better it would be for the municipalities. The clause would mean either that the gardens would be improved, or that the lands, being brought under the tax, would be put to some other and better use. The Government were spending hundreds

and thousands of pounds in draining certain lands in order to make them more sanitary, but the amendment would bring these lands under the very small tax provided for ordinary country lands. That was not fair. The taxation of unimproved land in the city would be one of the greatest advantages possible, because the curse of Perth in the past had been that lands had been kept by owners lying idle in order to gain increased value through someone else's exertions. Had the tax been imposed years ago the result would have been that instead of people being scattered all over the suburbs they would have been collected in the city, and that in Perth there would have been better drainage, better roads, better lighting, and a great deal less expense.

Mr. Collier: Was the hon. member in order in making a second-reading speech?

The CHAIRMAN: The member for North Perth must deal solely with the amendment.

Mr. BREBBER: The swamps in the city should pay a fair proportion of the tax.

Mr. H. BROWN: It would be interesting to witness the reception the member for North Perth would get from his constituents who owned those swamp lands, if he were to make a speech to them similar to the one he had just delivered. The tax meant absolute confiscation. [*Hon. F. H. Piesse*: Nonsense!] It was all very well for the hon. member to say "nonsense," but there had been altogether too much spoon-feeding of some of the towns. Just recently, at a meeting of a select committee which was held——

The CHAIRMAN: Order, order!

Mr. H. BROWN: It was shown clearly that they had got at the country for thousands of pounds, and that Northam had received the sum of £400 without any apparent reason.

The CHAIRMAN: The hon member must keep strictly to the amendment.

Mr. H. BROWN: The owners of some of the land that the member for North Perth referred to would be absolutely ruined, not with the land tax alone; but the rates last year on one particular garden amounted to £70 and £58 was applied for for half the cost of the footpath in front of that land. Why should the owners of town lands be penalised any more than the owners of agricultural lands? The owners of agricultural lands on every occasion received consideration.

Mr. DRAPER: It was almost useless to expect the Government to listen to any reasonable amendment of the Bill, no matter whether from the Opposition side or from the Government side. Any suggestion that was made was not answered by argument but generally by hypotheses or the sublime fatalism of what would be, would be. When a member suggested an amendment in good faith, that amendment should be met with a reasonable answer and not put off with a mere pretence. Speaking of West Perth, it had been said that gardens not very far from this building were not entitled to be treated with the same leniency as country lands were treated because hundreds of thousands of pounds had been spent on a drain. The member for North Perth and the Attorney General had both ignored the fact that long before the Claisebrook drain was constructed the gardens and orchards were in existence. When there were lands of that nature, merely fitted for agricultural or horticultural purposes, they should be treated with the same leniency as country lands when a discrimination was provided in the Bill. If country lands were entitled to be regarded as improved by the payment of £1 per acre, then swamp lands should be treated similarly.

The MINISTER FOR WORKS: Members of the Opposition, he believed, were desirous that land should be put to its proper use, and unless we had a provision of this nature in the Bill there was a possibility of owners holding land for increased values, pure speculation, and they might be tempted to use land for garden purposes when its proper use was for buildings. If the amendment were carried, it would play into the hands of owners of that description. If land was swamp land it was not fit

for buildings and would be treated as swamp land and not as building land, and if improved to one-third of its value would come under the clause. If the amendment were carried it would play into the hands of the land speculator.

The TREASURER: The subclause fixed the maximum for improvements. In agricultural districts the maximum fixed was £1 per acre, and for town lands the maximum was £50 per foot frontage, in both instances one-third of the unimproved value. Did members call land inside a municipality country land? Having accepted the principle that land with improvements should have a rebate of taxation, we must fix what this improvement should be. It was fixed in both instances as one-third of the unimproved value. The Bill went farther, and said that one-third of the unimproved value could not be fixed in all cases where land was of great value. Therefore, a maximum was stated. The member for West Perth (Mr. Draper) said he expected reasonable answers to his arguments and suggestions. Knowing as he (the Treasurer) did that the member had at last announced himself opposed to the measure altogether, he could quite understand that the member could not get any reason out of him (the Treasurer). If the member moved some reasonable amendment he would be answered. Take the arguments as to the orchards in the West Perth electorate. The member said these orchards had been destroyed by the action of the Agricultural Department on account of pests. What was the conclusion one was supposed to draw from that argument? He presumed the member meant that the action of the Agricultural Department had destroyed the improvements. But if those trees were covered with vermin the improvements were destroyed before the Agricultural Department went there, for the department did not destroy clean and healthy trees. Was that any logical argument, to oppose a clause of this description because of some alleged wrongful act by officers of the Agricultural Department? As to swamp lands, they only had the value of swamp lands, and must be improved to the extent of one-third their value. A value of £200 per foot frontage would not be placed on swamp land, and there was the limit of £50 a foot frontage. Swamp land would be of more value in the city than in the Sussex District for instance, and was it not right that these lands should bear a higher value for improvements to bring them under the clause? It appeared the member desired to object to every clause as the Committee came to it, and therefore stop the Bill.

Mr. WALKER: The destruction of orchards in Perth was altogether beside the question. Lands used precisely similarly that might be within 100 yards of each other were treated differently whether they were within or without the boundaries of a municipality. There was no equity in it. If a man had an orchard a hundred yards outside a municipal boundary he obtained certain advantages; but if his orchard was a hundred yards within the boundary he was penalised for that and had to pay a higher tax. If a man liked to have a garden in the city he had to pay for it; but if he went five yards outside the city boundary he could have a garden and not be penalised. What was the principle adopted in making these distinctions? In the goldfields towns there had been a mania recently for gardens; the Agricultural Department had sent up a special officer to report on the gardens in the municipality of Kalgoorlie and other municipalities in that neighbourhood. The officer spoke highly of the results; yet these men were to be penalised for their expenditure. The absurdity of the classification of country lands and town lands would be seen on considering the thousands of pounds recently spent in improving a pathway in the neighbourhood of the residence of the Minister for Works. There were gardens in that neighbourhood; the State had spent an enormous sum to make these lands valuable; yet at the time the money was spent they were country lands, not within a municipality. Why differentiate between lands of the same kind within a few yards of each other? All land used for

horticultural purposes should pay the same tax. According to the Minister for Works this was no longer a taxation Bill, but a Bill to compel people to build in swamps, or to prevent building sites in Hay Street from being used for orchards.

Mr. HOLMAN: Mount Lawley, in the Perth Roads Board District, was divided only by a street from the Perth municipality. What was the difference between Mount Lawley land worth about £1,000 an acre, and land within the municipal boundary? Yet the owner of Mount Lawley could, by spending £1 per acre, practically escape taxation, while the municipal land-owner must spend an enormous sum to achieve the same object.

The TREASURER: As to the difference, it must be obvious that the first man's land was outside the city boundary and the other's was inside. According to an amendment tabled by him (the Treasurer), land used for agricultural, horticultural, pastoral or grazing purposes must be used solely or principally for such purposes in order to come within Subclause 2. Land worth £1,000 per acre would not be used for such purposes. In the city the owner would not get the rebate unless he spent on improvements £50 per foot frontage.

Mr. HOLMAN: The Treasurer had not replied to the objection. The Mount Lawley land was being held idle, and would not be sold for less than £5 per foot. To secure the rebate the owner could use the land for grazing or similar purposes; though if the land were within the city boundary he would not have that privilege. The Perth landowner should be treated like the landowner at Mount Lawley.

The ATTORNEY GENERAL: The hon. member had wholly misconceived the meaning of the subclause. If the Commissioner could produce evidence that the Mount Lawley estate was on tender at a high price per foot, that it was subdivided, that streets were laid out, the decision of the court would be that the land was not used solely or principally for genuine agricultural or any similar purposes, but was waiting for customers for residential purposes; and the improvements necessary on land used for these purposes would be demanded.

Mr. COLLIER: The owner of the Mount Lawley estate might decide to use the land for horticultural purposes.

The Attorney General: Land worth a thousand pounds an acre!

Mr. COLLIER: The land was lying idle at present, and if the owner could not dispose of it for residential purposes he might decide to use it for horticultural purposes. That land was divided by a road from the municipality. Just outside Guildford there was an orchard the owner of which would only be called upon to effect improvements to the extent of £1 per acre, but within the boundary of the municipality, perhaps only across the street, the owner of an orchard would be called upon to effect improvements to the extent of one-third of the unimproved value. That was where the injustice came in.

Mr. FOULKES recollected that last year members of the Opposition, who now claimed that there should be no distinction between lands within a municipality and country lands, opposed his endeavour to abolish the distinction by increasing the exemption on city lands from £50 to £250, the amount of the exemption on country lands.

The CHAIRMAN: The hon. member was wandering from the clause under discussion.

Mr. FOULKES: There should be no distinction drawn between the country lands and town lands. There were some places in municipalities where it would be unremunerative for the landowner to take steps to improve the land by building on it. Many members tried to lay down the principle that it was absolutely necessary that every landowner within a municipality should build upon the land. The landowner was only too glad to improve his land by way of building on it if there was a chance of the investment being fairly remunerative, but at present in Perth there was a large extent of land on which it would be foolish to build, because there were so many vacant houses already in the

city and in Fremantle; so that if any of these landowners for the time being used their land for horticultural or agricultural purposes they should not be penalised. If the Treasurer agreed to the amendment there would be no loss of revenue. If the landowner let land within a municipality and derived rent from it he would still have to pay income tax upon it.

The Treasurer: The land tax would be set off against the income tax on rents derived from the land.

Mr. FOULKES: The Treasurer omitted to say that the tax would be levied on the higher amount. Some swamp lands in Perth produced considerable rents and the owners would have to pay a considerable amount in the shape of income tax.

Mr. SCADDAN: It was surprising to know that Peppermint Grove and Cottesloe were country districts. When moving the amendment he had in view a property just outside a certain municipality, which property the municipality had for years endeavoured to get included within the boundaries of the municipality, because the owner of that property was enjoying, without paying towards them, all the benefits afforded by the municipality. The land was valued at £50 per acre unimproved; and though the owner had probably made more improvements than would be necessary if the land were within the municipality, assuming that no improvements had been effected, all that it would be necessary for the owner to do would be to effect improvements to the extent of £150 on 150 acres, whereas if the land were within the municipality a sum of £2,500 would be necessary to effect the required improvements to the extent of one-third of the value. That was the injustice of the provision. He would not be prepared to say that £1 per acre was sufficient in order to obtain the rebate. It might be sufficient on agricultural lands, but it was not suffiicient on lands used for horticultural purposes adjoining a municipality. He would be satisfied if the Treasurer would agree to strike out the words "one pound per acre" and put those lands on the same basis as the lands within municipalities, namely on the basis of one-third of the unimproved value. With such a provision the agriculturists would not be unfairly treated. If the Treasurer would not do this the amendment must be pressed.

The TREASURER: Did the hon. member want to strike out the £50 per foot frontage?

Mr. SCADDAN: Let all lands be put on the same basis; strike out the £50 a foot frontage and the £1 per acre. All lands should be taxed on the same unimproved value whether inside a municipality or not.

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

Ayes	.. .. ..	19
Noes	.. .. ..	21
Majority against	..	2

AYES.	NOES.
Mr. Angwin	Mr. Barnett
Mr. Bath	Mr. Brebber
Mr. Bolton	Mr. Butcher
Mr. H. Brown	Mr. Davies
Mr. Collier	Mr. Gregory
Mr. Draper	Mr. Hayward
Mr. Hardwick	Mr. Keenan
Mr. Heitmann	Mr. Layman
Mr. Holman	Mr. McLarty
Mr. Horan	Mr. Male
Mr. Hudson	Mr. Mitchell
Mr. Scaddan	Mr. Monger
Mr. Stuart	Mr. N. J. Moore
Mr. Taylor	Mr. S. F. Moore
Mr. Underwood	Mr. Piesse
Mr. Veryard	Mr. Price
Mr. Walker	Mr. Quinlan
Mr. Ware	Mr. Smith
Mr. Troy (*Teller*)	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (*Teller*).

Amendment thus negatived.

The TREASURER moved an amendment—

That the words "solely and principally" be inserted in Subclause 2 after the word "used."

Amendment passed.

Mr. SCADDAN moved an amendment—

That the words "one pound per acre," in paragraph (a) of Subclause 2, be struck out.

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

Ayes	.. ..	16
Noes	.. ..	24
Majority against	..	8

Ayes.	Noes.
Mr. Angwin	Mr. Barnett
Mr. Bath	Mr. Brebber
Mr. Bolton	Mr. Butcher
Mr. H. Brown	Mr. Davies
Mr. Collier	Mr. Draper
Mr. Hardwick	Mr. Foulkes
Mr. Heitmann	Mr. Gordon
Mr. Holman	Mr. Gregory
Mr. Horan	Mr. Hayward
Mr. Hudson	Mr. Keenan
Mr. Scaddan	Mr. McLarty
Mr. Stuart	Mr. Male
Mr. Taylor	Mr. Mitchell
Mr. Underwood	Mr. Monger
Mr. Ware	Mr. N. J. Moore
Mr. Troy (*Teller*).	Mr. S. F. Moore
	Mr. Piesse
	Mr. Price
	Mr. Quinlan
	Mr. Smith
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Layman (*Teller*)

Amendment thus negatived.

Mr. Scaddan drew the attention of the Chairman to the fact that if the Speaker was not included in the division the Noes would only total 23. He asked whether the Speaker had voted.

The CHAIRMAN : Any hon. member on the floor of the Chamber necessarily voted when a division was taken. If the hon. the Speaker was on the floor floor of the Chamber at the time, his vote would be counted in a division.

Mr. BUTCHER moved an amendment—

That the words "ten miles" in Subclause 3 be struck out, and "three chains" be inserted in lieu.

The object of the clause was to prevent people from holding lands in any part of the State for speculative purposes without effecting certain improvements. It appeared from the last portion of the clause that a man could hold three or four farms, or large areas of land, and if they happened to be within 10 miles of one another, the improvements on any one area could be extended, as it were, to any one of the others. There was no reason why a person should improve one piece of land, and because he had another block 10 miles away could leave it in a state of nature. That was land speculation and should not be allowed. If the blocks were only separated by a road or a railway it would be a different matter altogether ; but where there were two distinct estates the improvement conditions should be made to apply to each separately.

The TREASURER : There were farmers and settlers who had their farms in coastal districts, and also had a paddock out back. Those acquainted with pastoral pursuits knew that it was desirable to have a change of pasture for stock. The paddock might be situated 10 miles from the homestead, but all the improvements would be carried out on the homestead.

Mr. BATH : If a farmer intended to use the out-station, he would first of all fence it to keep his stock within the boundaries, and he would have to effect improvements in the way of ringbarking, so it would not be necessary to bring the paddock within the clause. The object sought to be attained by the member for Gascoyne was to prevent a farmer utilising his improvements on one block in order to hold another block unimproved. The distance specified in the amendment was fair, therefore he would support it.

Mr. HAYWARD : People living along the Darling Range required at certain times to send their stock to the coast and must have runs there. It was difficult to improve these runs in coastal districts to any extent. Rather than see 10 miles in the Bill he would prefer that it were 20 or 30 miles.

Hon. F. H. PIESSE : The present Land Act provided that improvements could be carried out within 20 miles of the land on which the owner was residing. That should apply in this case. The amendment would not do justice to people resident on the land who had other land to which they could take stock a distance of 10 miles away.

Mr. SCADDAN : A person could own a considerable estate, which might be within 10 miles of his homestead, but only a hundred acres of that estate might be improved. Take the owner of one thousand acres in one part of the district and another thousand acres in another part within a radius of one mile, that owner could effect all his improvements on 100 acres and thus obtain the rebate. While the person only improved 100 acres he obtained a rebate on 900

acres, which remained unimproved. This was one of the subclauses that defeated the principle of the Bill. There were instances, very rare, where settlers required to send their stock five or ten miles away to depasture them. The provision would allow owners in the agricultural districts who had picked out the eyes of the country in small parcels, to make their improvements on one small portion and leave other blocks unimproved. Some settlers had picked out small blocks of land here and there in a district, and therefore were enabled to utilise all the intermediate land, because there was not sufficient for anyone else to take up.

Mr. BUTCHER : This clause might lead to land speculation which he wished to avoid. A distance of 10 miles to remove stock for the purpose of a change of feed was absolutely useless. If this provision was to enable an owner to remove stock for a change of pasturage the distance should be made 20 or 30 miles, for 10 miles was neither here nor there out-back. The provision would enable persons to hold two or three blocks of land at a short distance, and only improve one portion.

Mr. STUART : If the desire of the framers of the Bill was to deal out even-handed justice, or make the tax fall equally on all, this was an extraordinary method for arriving at that conclusion. It was absurd to say that to take stock 10 miles away would prevent their becoming "coasty." A person holding stock at distances of 10 miles apart obtained the permissive right or the customary right to all the country surrounding those blocks, for no one would take up the intermediate land ; there would not be sufficient good land there. He supported the position taken up by the member for Gascoyne.

Mr. A. J. WILSON : Any Bill introduced must cause hardship to some people and be generous to others. It was impossible to get any Bill that would deal out even-handed justice all round. There were settlers in the vicinity of Waroona and Yarloop who had to graze their stock in the hills at limited periods of the year; if not, the stock would get rickets. Many persons had been induced to take up land on the advertisement of the Lands Department of free farms, and after struggling on for a year or two they found they were unable to make a success of it, because there was not enough land for them. They looked around for a little piece of ground to run a few sheep or stock on, or to extend their holdings, but they found that all the land immediately surrounding the homestead was taken up, perhaps for a distance of ten miles. It was manifestly unfair that while the homestead block was the most highly improved portion of the farm, and the outlying block happened to be removed more than three chains from the homestead block, the owner should be penalised to the full extent. Why penalise such a man for the sake of reaching a man who paid a little more to the revenue ?

Mr. UNDERWOOD : As the Government insisted on the rebates, let them make the rebates general. The last speaker drew a pathetic picture of a poor man who took up a homestead block and found he had not enough land. Of what use to him was an additional block, if he did not improve it ? Stock could not be run on unimproved land. The land must be fenced, and would carry many more stock if it were ringbarked and a water supply provided. Such improvements would entitle the owner to the rebate.

Mr. HAYWARD: On much of the coastal country in the South-Western District was very little timber, and ringbarking was not needed. He contradicted the statement that a ten-miles journey was not a sufficient change for stock. A change to coastal country seven or eight miles distant would often suffice.

Mr. Scaddan : Was that poor country ?

Mr. HAYWARD : Yes ; it was sandy and scrubby, with little grass ; but it afforded a change to stock and kept them in condition at certain times of the year. Some of this land was advertised at £1 per acre.

Mr. STUART : Members were evidently crying "stale fish" too loudly, and giving our lands a bad advertisement.

We had already discussed flooded land for agricultural purposes, and now we were advertising our poor grazing land on the coast. It was absurd to say that cattle could be benefited by transference to a locality ten miles distant. The outback northern country was quite good enough for stock raising ; and if people were running stock on unsuitable country in the South-West, or trying to grow vegetables on cold soil, they were misdirecting their energies, and we should not mutilate our legislation on their account. This proposal was as iniquitous as the amalgamation of far-apart gold-mining leases.

Mr. COLLIER: The member for Wellington (Mr. Hayward) had proved that the subclause was unnecessary ; for he said that the land around the hills and on the sea-coast, which the subclause would exempt, was of little value except for a few months in the year, as grazing land. The improvements to gain exemption need only be one-third of the unimproved value ; and to use the land at all it must be improved to a far greater extent than that. The Treasurer objected to enforcing improvements to the extent of £1 per acre ; whereas the member for Wellington said the land was not worth more than £1 per acre. If so, the improvements need not exceed in value 6s. 8d. per acre. If we were to exempt homestead farmers with outlying blocks, most of these were farther away than ten miles from the homestead. Either pass the amendment or extend the limit to thirty or forty miles. A man with a block so distant had much greater need for giving his stock an annual change.

Amendment put and negatived.

Mr. H. BROWN: Some members had been twitted with knowing nothing about unimproved land values. When valuing land, frontage was not considered. To show the knowledge the Government had of unimproved land values, only last week, since drafting this Bill, they had adopted a definition consonant with the Roads Act. The words in the latter part of Subclause 3 relating to corner blocks were unnecessary. He therefore moved an amendment—

That all the words after "main frontage thereof," in Subclause 3, be struck out.

The PREMIER : Corner blocks in the city had usually a frontage of 66 feet and a depth of 165 feet. If the amendment were carried, the owner of such a block to secure the rebate would have to improve his block to the extent of £50 per foot for each frontage.

Mr. H. Brown : There were corner blocks that had a small frontage to both streets, but spread out and gave a considerable depth.

The PREMIER : In the case of triangular blocks one-third of the unimproved value would be taken, or not more than £50 per foot. The Court of Review would decide which was to be considered the main frontage.

Amendment put, and negatived.

Mr. SCADDAN : Subclause 4 provided that every parcel of land within a common boundary fence would be deemed improved if improvements had been effected on any part thereof. If that applied to town lots as well as country lots, there should be some limit as to what constituted a boundary fence, because in the city there were huge blocks of land with streets on each boundary, and all that would be necessary to improve the block within the meaning of the clause would be to build on one corner and get the rebate.

The Premier : Providing the improvements were equal to one-third of the whole value.

Mr. SCADDAN : That might easily happen in Hay street. A man could erect a hotel on one corner that would be sufficient to hold a huge block, say from William street to Barrack street. More particularly that might be in West Perth.

The TREASURER : There was no necessity for any limitation. The remedy was that no person could afford to hold a huge block in the city and improve only one corner. If a man held many acres in Perth the improvements

would have to be considerable. The hon. member was afraid of something that would not occur.

The PREMIER: For a block with a five-chain frontage to Milligan Street at a capital value of £100 per foot, to secure the rebate the owner would have to erect improvements of not less than £11,000 on the one corner. In the case of hotels, it was advisable to have decent grounds attached.

Clause as amended put and passed.

Clause 11—Exemption:

Mr. SCADDAN: There had been discussion in the newspapers regarding churches evading taxation. In paragragh (*c*) among the exemptions were all lands and property belonging to any religious body, and occupied only for the purpose of such body. There were lands around the city vested in certain individuals connected with churches. These lands were utilised for the purpose of gain and should not be exempt more than land held by any other persons. There was no reason why a church should be able to hold land waiting for the unearned increment without taxation.

The TREASURER: It was provided in paragraph (*c*) that the exemption should not apply to any such land which was a source of profit or gain to the users or owners thereof.

Mr. Scaddan: Collections were taken up in the churches.

[*Mr. Hudson took the Chair.*]

Mr. H. BROWN: No doubt about Perth especially there were thousands of acres absolutely blocking settlement. A year or so ago the Government made a road right through one church estate, and immediately that was done the land was cut up for sale. Those lands were not rated, nor would they be taxed under this Bill. These lands should be taxed the same as all other land.

Mr. TAYLOR: All land held by religious organisations, with the exception of that utilised for places of worship, should be taxable. For instance, the residence of the clergyman should be placed on the same footing as the residence of any other person. Churches owned halls, lands, residential quarters, etcetera, which had really nothing to do with the religious organisations, and should be taxed.

Mr. SCADDAN: The Treasurer had not explained how the provision would apply. If land was held for speculative purposes the tax would not be levied, and although it was set out in the proviso that the tax should only apply to lands utilised for profit, it could not be said that huge tracts of land held as they were by religious organisations without any improvements being placed upon them were returning profit. At the same time, however, they were largely improving in value owing to the unearned increment, and great profits would be made when they were sold. It would be too late then, however, to obtain revenue from it in the way of taxation. All land owned by religious organisations (except that used for the place of worship) should be taxed. The residence of the minister should not be exempt. In all parts of Australia religious organisations had made large sums of money through holding quantities of land and gaining the unearned increment upon it. Religious bodies, irrespective of creed, should pay the tax if their land was not put to proper use.

Mr. ANGWIN: Any gain made on land owned by the churches was utilised for charitable purposes, and therefore should not be taxed. On land held by many of the religious organisations there were establishments for the care of orphan boys and girls who were brought up and trained by the churches. Surely it was not contended that this land should be taxed. Land used purely for charitable and religious purposes should not be liable to taxation.

The TREASURER: The member for Mt. Margaret (Mr. Taylor) had asked whether the minister's residence was exempt, but if he had read the clause he would see that it was. The member for Ivanhoe (Mr. Scaddan) overlooked the fact that churches were supported by the voluntary contributions of the public. If the bodies were allowed to reap the advantage of the unearned increment it only meant a system of endowment and

a relief for the public to that extent. Everyone was only too glad to see the churches become self-supporting. The money they made was being utilised for good purposes. Only lands which were a source of profit would be taxed. This was the case of land upon which buildings, shops, offices, halls, etcetera, were erected.

Mr. TROY: It must be remembered that the land held by religious organisations was not the property of any representative of the church or of the clergyman, but belonged to the adherents of some particular religious organisation. Some members seemed to imagine that individual clergymen owned the land. These lands were being used for the purposes of religious organisations, which were often responsible for big industrial schools and orphanages, and any profit derived from these lands did not go into the pockets of the clergy. In and around Perth there were large areas of land held by churches, and if the land was not put to some use and did not sustain orphanages or was not doing some good, Parliament should make them utilise the land. But in the majority of cases the land belonging to churches was utilised for the up-keep of industrial schools, orphanages, and educational establishments. It would be difficult to frame an amendment to meet the member's ideas. He (Mr. Troy) did not want to see anything done that would injure these denominations who were doing good to the community generally.

Mr. TAYLOR moved an amendment—

That in line 6 of paragraph (c.) of Subclause 1, after "worship," the words "or the site of a residence of the minister of religion ministering at some places of public worship" be struck out.

That would bring the residence of the minister of religion within the scope of the Bill. Places of worship would be exempt. Ministers of religion should not have any advantage over other persons who gained their living in other walks of life. He was not prejudiced against any religion whatever, but we should not exempt the residence of a clergyman or any buildings used for profit by any denomination.

The ATTORNEY GENERAL: The member was labouring under the mistaken idea that a clergyman had any rights to property in the residence he occupied; he only occupied the residence so long as he was the minister of the religious body.

Mr. Taylor wished to tax the owner of the land, not the minister.

The ATTORNEY GENERAL: The argument whether church lands should be exempt was quite a different matter altogether. It had been the universal rule in all countries to exempt church property. Even as late as 1906 we passed a Municipal Act, and in the definition of rateable property land belonging to religious bodies, used for public worship, Sunday schools, places of residence of the minister of religion, and so forth were exempt.

Mr. STUART did not see his way to vote for the amendment although he was not satisfied with the subclause as it stood. If any injustice was done to church people they only were to blame. We could not tax churches, and the residence of the minister was generally erected close to the church. In Kalgoorlie a church was situated on a block of land at the corner of two streets, the school facing one street, the church another street, and there were mining offices erected at the angle of the block on the corner of the street. The offices should be taxed under the Bill, although the church and the residence of the minister should be allowed to go free. Churches should not be encouraged to erect offices and run a business as private citizens did. Churches should be satisfied with carrying on the functions of religion. He would exempt schools belonging to churches, gymnasiums, guilds, and so forth.

Amendment put and negatived.

Mr. SCADDAN moved an amendment—

That the following be added to the proviso of paragraph (c.) of Subclause 1, "or is not improved to the value as provided in Clause 10."

Land not utilised for church purposes should be improved to the value provided by Clause 10, to enable owners to obtain the rebate.

The TREASURER: What would be done in the case of university endowment lands, land belonging to benevolent institutions, and charitable institutions? Surely that was not intended. The benefit of such improvements would go to institutions carried on for the good of the public at large.

Amendment by leave withdrawn.

Mr. ANGWIN: If a municipal corporation derived revenue from a piece of land and used the revenue to keep the land in order, would such land be exempt? Again, if an orphanage made a profit from a portion of its land and used the profit for the upkeep of the orphanage, how would the proviso apply?

The TREASURER: The land of the municipality would be taxable. The Government did not control the expenditure and could not take cognizance of how the profit was expended. If the orphanage used its land for orphanage purposes and made money out of it, the land would be exempt; but if the land were let and thus became a source of profit, it would be taxable.

Mr. SCADDAN: The Guildford municipality had on the Helena River a well-grassed meadow of 27 acres worth about £100 an acre, on which people were allowed to depasture stock for a nominal fee of about 1s. 6d. a week. If the land were taxed because it was a source of profit, depasturing would be prevented, and some people must sell their horses and cattle.

The ATTORNEY GENERAL: Some hardship was unavoidable in an exemption clause. The phraseology was identical with similar clauses in the Acts of New South Wales and South Australia. If we drafted a proviso to exempt land such as that mentioned by the last speaker, we should exempt it if let for the full rental value. In the Municipalities Act we provided that land should be exempt from rating when used for public purposes only, but should be rateable if used for any private purpose. It would be difficult to frame an exemption that would not cover far more cases than we intended.

Mr. Scaddan: The point was well worthy of consideration. Would the Treasurer recommit the clause?

The Treasurer would note the point.

Mr. DRAPER moved an amendment—

That paragraph (d.) of Subclause 1 be struck out.

This paragraph exempted mining tenements within the meaning of the Mining Act of 1904. He had already spoken on the subject.

Amendment put and negatived.

Mr. DRAPER moved an amendment—

That the word "solely" be inserted after "used," in line 1, paragraph (e.) of Subclause 1.

The TREASURER opposed the amendment. Most of these grounds were not used solely for zoological, agricultural, pastoral, or horticultural show purposes. The Zoological Gardens, for instance, were used for tennis, which was a source of profit.

Mr. BATH: Tennis would be covered by "other public or scientific purposes." Such grounds might be put to a commercial use.

The TREASURER: The Royal Agricultural Show Grounds were sometimes let for football matches.

[*Mr. Daglish resumed the Chair.*]

Mr. DRAPER: Such grounds, which had largely benefited by Government expenditure, should not be exempted if they competed with private sports grounds.

Mr. H. BROWN supported the amendment. Grounds vested for certain purposes should be used solely for those purposes. Private sports grounds improved at a high cost had to compete with public grounds.

Mr. FOULKES opposed the amendment. Many agricultural show grounds were used for picnics; and the amendment would prevent their use for any such purpose, however innocent.

Mr. ANGWIN : The amendment was necessary. Some agricultural society grounds received a State subsidy, and competed with recreation grounds supported by local contributions. Show grounds in many instances were let to private clubs, and were not open to the public without payment. If they were thrown open to the public without payment there would be very little recreation on them. It was by reason of the charge made that sports could be held on them to the detriment of other grounds.

Mr. COLLIER: It seemed ridiculous to give the show grounds subsidies and then endeavour to get back some of it by way of taxation. Hon. members should seek their remedy when we were dealing with subsidies. These bodies must be in need of money, otherwise we would not subsidise them, and if they were in need of money we should not seek to tax them.

Amendment withdrawn.

Mr. SCADDAN: What was the exact interpretation of the words "or other public or scientific purposes." Would those words include the Association Cricket Ground, Perth ?

The TREASURER : No. The public had no right to the ground. It was vested in trustees for the benefit of the members of the association.

Mr. SCADDAN : It was used for public purposes, just as much as the Claremont Show Ground.

The TREASURER: Agricultural show purposes were specified. We did not specify "cricket purposes."

Mr. SCADDAN : The words seemed to apply to the cricket ground. The ground was used for public purposes just like a racecourse was. There was reason for exempting Kalgoorlie and Boulder racecourses, because they were really public parks and were utilised just as much by the public as King's Park was in Perth. We were adding taxation on these racecourses in the shape of the totalisator tax and charges for water, and now this tax ; and none gained personal benefit from them. The result would be that the racecourses would go to rack and ruin and cease to be public parks. They should be exempt equally with the Association Cricket Ground, and under this clause there was a possibility that the latter would be exempt.

The ATTORNEY GENERAL : The general words at the termination of a clause such as this conveyed no specific exemption except identical to or specifically the same as the purposes defined, such as zoological, agricultural, pastoral or horticultural show purposes. Those words would not cover a racecourse.

Mr. ANGWIN : Would not the Association Cricket Ground be exempt under paragraph (*b.*) which mentioned public reserves for recreation or enjoyment ?

The Treasurer : The cricket ground was not a public reserve.

Mr. SCADDAN : There was no distinction between the Association Cricket Ground where no person received any benefit and the Claremont Show Ground. The former was used for a public purpose ; the latter was used for sports as much as the former. [*The Attorney General* : Playing cricket was not a public purpose.] As the Treasurer had objected to insert the word "solely," the Show Ground was now exempt, but it was just as much a sports ground as was the Association Cricket Ground. In fact, last year the Claremont Show Ground had successfully competed with the Association Cricket Ground and had taken away the football matches from Perth.

Mr. GORDON : The Claremont Show Ground was used each year for educational purposes ; cricket grounds and racecourses held no show each year for educational purposes.

Mr. UNDERWOOD: We should amend the paragraph by adding words providing for the exemption of cricket grounds and racecourses which did not pay dividends to proprietors. A cricket ground in Perth was as desirable a thing as a show ground. It was necessary to have places for recreation as well as places to show cows. The show ground was not free to the public, neither were the Zoological Gardens, because the people who played tennis at the Zoological Gardens had to pay for it. One could under-

stand a distinction being made between grounds that were free and those that were not. There was no reason why the Claremont Show Ground should be exempt and allowed to hold sports, while the Association Cricket Ground was not exempt. The grounds should be on equal footing. Athletics were useful and the grounds where they were held were essential, and the Government should do their utmost to assist them. He moved an amendment—

That the words "athletic sports or horse-racing" be added to paragraph (e).

The TREASURER : No matter how deserving the Cricket Association might be, the ground could not be considered as one used for public benefit or public enjoyment such as a public park or the Zoological Gardens, because the members of the association in whom the ground was vested had certain privileges beyond those enjoyed by the general public. That applied also to racecourses, where members got free admission to the reserved portion of the ground. The clause was exactly the same as that in the New South Wales Act, where it was laid down that racecourses should not be exempt.

Mr. STUART : In what relationship did recreation grounds stand to the Bill? He referred to the Boulder recreation reserve, which was vested in the Boulder Municipal Council. The Kalgoorlie reserve was vested in an incorporated body. If racecourses were to be exempt those places should be as well, for they supplied a want. There should not be preferential treatment given to the Claremont ground.

The ATTORNEY GENERAL : The recreation grounds on the fields were exempt.

Mr. TROY : On the fields, racecourses had been laid out in a manner to provide recreation for the people. In such circumstances no tax should be imposed upon them. In regard to proprietary clubs it was a different matter for they should pay the same tax as any other person. Comparison had been made between show-grounds and racecourses. To his mind there was no comparison ; for he would rather have a thousand show-grounds than one racecourse. If there was less racing and more shows it would be better for the country. He had no sympathy with racecourses; but there were places in the State where the trustees had beautified the racecourse to a great extent and had enabled the public to go there for the purposes of enjoyment and fresh air.

Mr. FOULKES moved an amendment on the amendment—

That the words "or horse-racing" be struck out of the amendment.

Farther amendment passed.

Mr. SCADDAN : As the amendment now stood, it was proposed that all athletic sports grounds should be exempt. That would be rather a dangerous provision, for it would cover half the running grounds at Boulder, many of which were but adjuncts to the hotels, and were managed not at a profit but for the purpose of bringing customers to the hotels. At these places whippet racing and things of that sort were carried on, and they were far worse than any racecourse.

Mr. UNDERWOOD : The amendment referred only to grounds vested in trustees.

Amendment (that the words "athletic sports" be added to the clause) put and negatived.

Mr. DRAPER moved an amendment to Subclause 2—

That the words "fifty pounds" be struck out, and "two hundred and fifty pounds" be inserted in lieu.

Mr. Foulkes : Progress should be reported on this clause. A big principle was involved.

The CHAIRMAN : The member for Claremont must not interfere with another member when speaking. It was highly disorderly.

Mr. DRAPER : The Treasurer must admit that the amendment was a reasonable one, its sole object being to impose a tax equally upon all people who owned land over the value of £250. In no other State had an attempt been made to discriminate beween the taxation of property situated in one portion of the coun-

try, as against property situated in another portion. To discriminate between town and country lands made the Bill a measure of class legislation of the narrowest kind. The principle in New Zealand was to exempt all lands up to £500, and in New South Wales up to £240. He noticed in *Hansard* that when the Land Tax was first brought into this House, the exemption was apparently fixed at £240. It was so mentioned in the Premier's policy speech; but subsequently, so far as town lands were concerned, that exemption was reduced to £50. What was the reason for granting exemptions of lands at all? Surely it was that the land sought to be exempted was owned by a person who was not wealthy and could ill afford to pay a tax. The same applied in connection with income tax, for an exemption was granted to the man who was in receipt of a small income and could not afford to pay the tax. If that were the principle, a logical one and included in an income tax measure, it was equally logical and fair that there should be one common exemption in connection with the land tax. This was only another example of the various discriminations there were in the Bill between different classes and persons in the State. The exemption for town lands should be £250, to make it the same as the exemption for agricultural lands. Last session when the Land Tax Bill was discussed, there was a debate on this question and several members opposed any difference in the exemption between country lands and town lands, on the same ground that he was opposing it now. If we granted exemption at all, we should grant the same exemption on town lands as on country lands.

Mr. FOULKES: As this was a highly contentious matter, he moved—

That progress be reported and leave asked to sit again.

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

Ayes	..	..	14
Noes	..	..	19
Majority against	..		5

Ayes.	Noes.
Mr. H. Brown	Mr. Barnett
Mr. Collier	Mr. Bath
Mr. Cowcher	Mr. Brebber
Mr. Draper	Mr. Gregory
Mr. Foulkes	Mr. Hayward
Mr. Hardwick	Mr. Keenan
Mr. Holman	Mr. Layman
Mr. Horan	Mr. Male
Mr. Hudson	Mr. Mitchell
Mr. Scaddan	Mr. Monger
Mr. Stuart	Mr. N. J. Moore
Mr. Underwood	Mr. Piesse
Mr. Ware	Mr. Price
Mr. Heitmann (*Teller*).	Mr. Smith
	Mr. Troy
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr Gordon (*Teller*).

Motion thus negatived.

Amendment (Mr. Draper's) put, and a division taken with the following result:—

Ayes	..	..	3
Noes	..	..	30
Majority against	..		27

Ayes.	Noes.
Mr. H. Brown	Mr. Barnett
Mr. Draper	Mr. Bath
Mr. Foulkes (*Teller*).	Mr. Brebber
	Mr. Collier
	Mr. Cowcher
	Mr. Gordon
	Mr. Gregory
	Mr. Hardwick
	Mr. Hayward
	Mr. Heitmann
	Mr. Holman
	Mr. Horan
	Mr. Hudson
	Mr. Keenan
	Mr. Male
	Mr. Mitchell
	Mr. Monger
	Mr. N. J. Moore
	Mr. Piesse
	Mr. Price
	Mr. Scaddan
	Mr. Smith
	Mr. Stuart
	Mr. Troy
	Mr. Underwood
	Mr. Veryard
	Mr. Ware
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Layman (*Teller*).

Amendment thus negatived.

Mr. TROY moved an amendment—

That Subclause 2 be struck out.

Being opposed to exemptions of any character, this provision should not remain in the Bill. If we imposed a land tax of one penny in the pound with an exemption on £50, we should compel the owner of a block that was unimproved and valued at £50 to pay the enormous sum of 4s. 2d. per annum, and if the owner was entitled to a rebate he would

pay only 2s. 1d. per annum. No member would say that 2s. 1d. per annum was a hardship on any individual. This was a revenue Bill to enable the Government to secure sufficient money with which to carry on the country, therefore it was fair that every person in the State should assist in that direction. Let no one receive preferential treatment.

The Premier : Would the hon. member apply the same argument to the income tax ?

Mr. TROY : There was no comparison. The income tax was a general tax on individual exertion, but the land tax was on the unearned increment ; and every landowner should be taxed, for he benefited by the efforts of the whole community. The Opposition were against class legislation of any sort.

Mr. BATH supported the amendment. On Subclause 2 he would test the question of exemption, and if the subclause were nevertheless passed, he would move an amendment on Subclause 3 to make the exemption exactly similar for country lands and town lands. The reasons for opposing exemptions were given on the question of rebates. It savoured of comic opera for the Treasuer to say he was reaching out for revenue, and then deliberately to throw away so much revenue as to make the tax not worth the cost of collection.

The Treasurer : That was not being done.

Mr. BATH : The fact was borne out by the Treasurer's figures. The revenue obtainable was being reduced by successive stages from £60,000 to £18,000.

The Treasurer : It was proposed to raise £40,000 from the land tax.

Mr. BATH : And to give back £22,000.

The Treasurer : No ; to raise £40,000.

Mr. BATH : It was absurd to spend time in passing such a measure.

Mr. SCADDAN supported the amendment, and would go farther by saying that the income tax taxed the individual while the land tax taxed the land, not considering the individual but the unimproved value. [*Mr. Bath* : It taxed the community.] There was no comparison, therefore, between a land tax exemption and an exemption under the income tax. The income tax should commence at a point where a man had a certain surplus after providing for himself and his wife and family. The income tax was only for revenue purposes. If not, its object must be confiscation, and Ministers were much more socialistic than the Opposition. But a land tax was not solely for revenue, and the exemptions would, by permitting dummying and other evasions, enable land-owners to avoid paying their fair share. Better strike out these exemptions now, and thus avoid the necessity for deleting them when the Bill came back from another place.

Mr. STUART supported the amendment. The Premier had said the amount that would be levied on land with an unimproved value of £50 would not pay for collection. But the cost of collecting in respect of the next £50 would be the same. That was a luminous argument.

The Premier: Read the Bill.

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

Ayes	..	..	12
Noes	..	..	17
Majority against		..	5

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. Collier	Mr. Brebber
Mr. Heitmann	Mr. Cowcher
Mr. Holman	Mr. Gregory
Mr. Horan	Mr. Hayward
Mr. Hudson	Mr. Keenan
Mr. Male	Mr. Layman
Mr. Scaddan	Mr. Mitchell.
Mr. Stuart	Mr. Monger
Mr. Underwood	Mr. N. J. Moore
Mr. Ware	Mr. Piesse
Mr. Troy (*Teller*).	Mr. Price
	Mr. Smith
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (*Teller*).

Amendment thus negatived.

Mr. BATH moved an amendment—

That the words "two hundred and," in lines 5 and 6 of Subclause 3, be struck out.

As the Committee were determined to have exemptions, it was hard to understand why we should have a higher exemption for country lands than for town lands. The greater unimproved value in towns would compel urban owners to pay a much larger proportion

of the tax. The amendment would make the exemption equitable.

The TREASURER: The land exempted to £50 was that on which a man put his home. It was not used as a means of subsistence, the man having other means of earning a living, but the land proposed to be exempt to the extent of £250 was land used solely or principally for agricultural, horticultural, pastoral or grazing purposes, and the man made a living on it. The object of the exemption was to give a small man the means of subsistence before taxing him. An area worth £250 would be practically 500 acres.

Mr. Scaddan: It would not be a small man with 500 acres used for horticultural purposes.

The TREASURER: Five hundred acres used for grazing purposes would not be sufficient to keep a family. The comparison was not between £50 and £250, but was a fair comparison with the exemption proposed by the Leader of the Opposition of £300 in the income tax. The hon. member contended that £300 was sufficient to enable a man to live. It was contended that land worth £250 was sufficient to enable the agriculturalist to live.

Mr. H. BROWN supported the amendment. This Bill was practically for the country. We could easily save the money to be raised under this Bill. We heard that as a result of the select committee's investigations £30,000 could be obtained from the various municipalities of the State through overpayment of subsidy, more particularly municipalities represented by Ministers, such as Fremantle and Northam.

The CHAIRMAN: The hon. member must discuss the amendment.

Mr. H. BROWN: After all these overpayments, last June £400 was given to Northam.

The CHAIRMAN: This was the second time during the evening the hon. member had flouted the Chair. He (the Chairman) intended to have due respect paid to the Committee, because the Chair represented the Committee. He would not allow any hon. member to persist in the conduct adopted by the hon. member.

Mr. SCADDAN: There was a difference between horticultural land and grazing land. Horticultural land worth £250 would be sufficient to live on, and the horticulturalist would have total exemption; but the grazier would not have exemption, because £250 would mean over a thousand acres of grazing land, and a thousand acres would not be exempt.

The Premier: A thousand acres of conditional purchase land.

Mr. SCADDAN: Inside a municipality the horticulturalist would be exempt to £50, outside the municipality to £250. The distinction was unfair, especially as outside the municipality the orchardist would be practically free of the tax, because £250 worth of horticultural land meant about 500 acres according to the Treasurer.

The Treasurer: If the land were valued at 10s. an acre.

Amendment (to strike out "two hundred and") put, and a division taken with the following result:—

Ayes	..	..	14
Noes	..	..	17
Majority against	..		3

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. H. Brown	Mr. Brebber
Mr. Collier	Mr. Cowcher
Mr. Draper	Mr. Gregory
Mr. Heitmann	Mr. Hayward
Mr. Holman	Mr. Keenan
Mr. Horan	Mr. Layman
Mr. Hudson	Mr. Mitchell
Mr. Male	Mr. Monger
Mr. Scaddan	Mr. N. J. Moore
Mr. Stuart	Mr. Piesse
Mr. Underwood	Mr. Price
Mr. Ware	Mr. Smith
Mr. Troy (*Teller*).	Mr. Veryard
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (*Teller*).

Amendment thus negatived.

The TREASURER: The subclause provided exemption for country lands at £240. He moved an amendment—

That "forty" be struck out and "fifty" inserted in lieu.

This would bring it to the original decision last year. The amount had been inadvertently altered.

Amendment passed.

Mr. DRAPER suggested the insertion of a new clause to the following effect:—

"All lands shall be assessed after deducting the amount of any mortgage to which such lands are subject. For the purpose of this subsection the word 'mortgage' means and includes any charge whatsoever upon land for the securing of money and whether created by deed or other instrument or in any other manner whatsoever." A mortgagee was regarded at law as owner of the land, and all the man who gave the mortgage possessed was the equity of redemption, the difference between the amount of the mortgage and the real value of the land. Directly a man gave a mortgage his interest in the land was very much depreciated. The tax made no allowance for that, and it assumed the owner had the entire interest, and that no other person had any interest whatever in the property. The result was the owner was taxed on the unimproved value which he did not possess. There would be no loss in taxation by making a provision of the kind suggested, because if a block of land was worth £1,000 and a mortgage of £500 was given on it, the owner's interest in that land was still £500, and upon that he would pay the tax. A mortgagee whose interest in the land was worth £500 would receive interest on the money he had advanced, and upon the interest he would pay an income tax. There was no loss to the revenue and both parties were taxed in a fair and equitable proportion on their interests. In many cases where a substantial amount of improvements had been effected the owner would probably pay a greater amount in income than in land tax. If a man owned a block worth £1,000 and spent £2,000 in improvements upon it, the whole property would be worth £3,000. On that he might receive an income of £300 a year. On that sum he would pay a substantial income tax but no land tax, for the property being mortgaged for £2,000, out of which the improvements had been effected, the amount of the mortgage covered the amount of the unimproved value. By borowing to make improvements he had increased his income, and would therefore pay income tax.

Mr. BATH: It would be better for the hon. member to bring his proposal in by way of a new clause, to be moved at the end of the Bill.

Mr. DRAPER: If it would be better to move it at the end, he was willing to adopt the suggestion.

Mr. SCADDAN: Subclause 4 provided that all lands held under contract for conditional purchase were exempted from assessment for taxation under the Act for the term of five years from the date of the contract. It must be realised, however, that there were many other people attempting to make a livelihood out of the land who bought their property from others than the Government, and who had just as much right to consideration as those holding land under the conditional purchase clauses of the Land Act. In fact they had a greater right, for men holding the land under conditional purchase were really receiving the land as a gift, for the money was being returned to them by means of railway facilities, roads, bridges, etcetera. Not only that, but they were given 20 years in which to pay the purchase price. The ordinary purchaser if he bought land which was unimproved had to pay cash, and did not receive the same consideration from private persons as from the Government. If he was able to obtain terms he had in addition to the purchase money to pay interest. He was therefore worse off than the man who bought from the Government. [*The Attorney General*: Why did he not become a customer of the Crown?] Everyone could not obtain land from the Crown, for it was impossible at times for a man to obtain suitable land under C.P. conditions.

Mr. TROY: What was the position of those persons who purchased land from the Midland Railway Company? Hundreds of settlers recently purchased land there and they had not the favourable conditions of conditional purchase holders. How would they get on?

The Treasurer: They would have to pay.

Mr. TROY: They were practically in the same position as conditional purchase holders. Why should they have to pay?

The PREMIER: None could deny that there was some force in the remarks made by hon. members, but the difficulty

was how to deal with the position. The only way to make an equitable adjustment was to give all holders of land exemption. This was done by granting an exemption up to £250. The Bill provided that those people who had taken up conditional purchase blocks should receive preference with regard to payment of the tax whereby for five years from the date of entering into the contract they should be exempt from payment of the land tax. With regard to those settlers who had obtained land from private owners they were granted the exemption of £250.

Mr. HOLMAN: There was no reason why the Government should not differentiate between the purchaser of Crown lands and the purchaser of lands held privately. It was an inducement to persons to take up Crown lands that for the first five years after obtaining their conditional purchases they should be exempt from taxation. When a person bought from a private individual he knew that he would not gain the advantage of exemption from the land tax for five years, while the man who purchased from the State realised that there would be certain benefits accruing to him in consequence. Therefore the position was altogether different. He would not support an amendment that gave a private person a greater lever. This would be held out as an inducement for people who sold private land in the future.

Mr. TROY: We were not looking to the people who would buy in the future. No matter whether they purchased from the Crown or a private individual they would have to pay the land tax. During the last two years a great deal of land had been purchased by people from the Midland Company, and these people were working under the same conditions and suffering the same disabilities as those who purchased land from the Government Why differentiate between the two classes of persons? The only possible way in which the difficulty could be overcome was by striking out the subclause.

Mr. SCADDAN recognised the impracticability of framing an amendment to meet the case. At the outset he was not thinking of the Midland settlers, but under the clause we were giving special consideration to conditional purchase selectors, who already received special consideration from the Government. Perhaps the case could be met by striking out the subclause. In view of the fact that the Committee had decided we were going to have exemptions, this was the best form of exemption. [*Mr. Stuart*: The best of a bad lot.] The conditional purchaser was well treated when he was given 21 years in which to pay for the land and received other benefits. We were losing on the transaction when disposing of our land and yet we would exempt the conditional purchase holder.

Mr. TROY: The more he looked into the matter the more he was convinced that the clause was inequitable; it gave preferential treatment to a body of persons who were not the most deserving. All were citizens of the country, it did not matter whether they lived on the Midland areas or anywhere else. He moved—

That Subclause 1 be struck out.

Mr. STUART supported the amendment. In reply to the question asked by the Attorney General as to why people could not become customers of the Crown, very often it was the fault of the Crown, because facilities for land grabbing were so great in the State that people were compelled to deal with absentee syndicates. On the goldfields the methods adopted for dummying led to an undesirable state of affairs. People had dummied land, and it was said had used influence with the Government at the time to prevent the gazetting of residential areas, and in this way a fictitious value was given to the land, with the result that people who could not get land from the Government were compelled to squat on mining leases where there was no sanitation and an undesirable state of affairs existed. The question why people did not deal with the Crown was because the methods for dummying or locking up the land had been so great. By the time this measure was finally dealt with it would be like a sieve, mostly holes. He re-

gretted that the principle of land tax, which had been advocated by Labour people for many years, was being treated in the way it was in the House. The Bill was treated as a revenue measure, while for years the Labour people had advocated it from a knowledge of the evils of land ownership and with a desire to do justice to the people who were suffering by reason of the unequal ownership of land. Here we had the principle prostituted to suit the purpose of the Government.

Amendment put and negatived.

Mr. TROY: On the recommittal of the Bill, he would bring forward a subclause dealing with this question.

Clause as amended agreed to.

Clause 12—agreed to.

Progress reported on Clause 13, Liability of co-owners, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 12.41 o'clock midnight, until Friday afternoon.

Legislative Assembly,

Friday, 22nd November, 1907.

The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

PAPERS — HOSPITAL DEATH, PERTH.

On motion by *Mr. Brebber*, ordered: "That the whole of the papers bearing on the inquiry on the death of Mignonette Coheny, who entered the Perth Hospital on the 15th August, 1905, and died on the 31st of the same month, be laid on the table; the papers to include a copy of the evidence given before Mr. Roe, and all papers showing the treatment by the nurses and medical attendants, and the magistrate's notes on the police court trial."

BILL—NAVIGATION AMENDMENT.

Third Reading.

Bill read a third time, and *passed.*

BILL—NEDLANDS PARK TRAMWAYS.

In Committee.

Mr. Hudson in the Chair, the *Attorney General* in charge of the Bill.

Clause 1—Short Title:

Mr. Scaddan: Had not the Premier promised the member for Guildford that the Bill would not be dealt with to-day, seeing that the hon. member who was absent had certain amendments on the Notice Paper?

The Premier: No promise was made with reference to this Bill. The promise was given with regard to the Narrogin-Wickepin Railway Bill.

The Attorney General: As a matter of fact, with one exception the amendments on the Notice Paper in the name of the member for Guildford were acceptable.

Clause passed.

Clause 2—Confirmation of Provisional Order:

Mr. WALKER: Had the necessary papers been laid on the table with reference to the agreement between the promoter and the local governing bodies? During the debate on the second reading, we were told that we could see the papers at the Subiaco Municipal Chambers; but the papers should be here for the inspection of members.

The ATTORNEY GENERAL: Owing to the absence of the Minister for Works, who had moved the second reading, the file of papers had been placed in his (the Attorney General's) possession, and he