

Legislative Assembly,

Tuesday, 1st August, 1899.

Papers presented—Mail Steamers (P. and O.), Fremantle Harbour: Correspondence presented—Question: Government Auctioneer at Fremantle—Public Education Bill, first reading—Papers ordered: Sanitary Site, Perth—Dividend Duty Bill, in committee, Clauses 1 and 2, Divisions (2), progress—Rural Lands Improvement Bill, in committee, Clauses 1 to 3, Divisions, progress—Adjournment.

THE DEPUTY SPEAKER took the Chair at 4.30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the PREMIER: 1, Correspondence between the Premier and Agent General, re proposal of Eastern Extension Telegraph Company to provide cable communication between the Cape of Good Hope and Fremantle and Glenelg; 2, By-laws (compulsory fencing) made by Municipal Council of Claremont.

By the DIRECTOR OF PUBLIC WORKS: Report on water supply between Niagara and Leonora.

Ordered to lie on the table.

MAIL STEAMERS (P. & O.), FREMANTLE HARBOUR.

Paper presented by the PREMIER: Correspondence between Captain Angus and the Premier re P. and O. mail steamers calling at Fremantle.

Ordered to lie on the table.

QUESTION—GOVERNMENT AUCTIONEER AT FREMANTLE.

MR. HUBBLE (for MR. HIGHAM) asked the Premier: 1, When, and on what terms the present Government Auctioneer was appointed; 2, Whether the office is to be held in perpetual succession.

THE PREMIER (Right Hon. Sir J. Forrest) replied: 1, In 1835 the late Mr. Lionel Samson was appointed Government Auctioneer. I have not as yet ascertained if there were any terms. 2, Not that I am aware of.

PUBLIC EDUCATION BILL.

Introduced by the MINISTER OF MINES, and read a first time.

PAPERS—SANITARY SITE, PERTH.

Ordered, on motion by MR. KENNY for Mr. Oldham, that there be laid on the table all the correspondence between the Perth City Council and the Government, relating to the sanitary site.

DIVIDEND DUTY BILL.

IN COMMITTEE.

Clause 1—agreed to.

Clause 2—Interpretation:

THE PREMIER: It would be necessary to move that in the definition of "company," after the word "on" in line 9, the word "the" be inserted.

MR. ILLINGWORTH asked whether it was the intention of the Government to distinguish limited companies, such as the Bon Marché, from unlimited companies like that of E. C. Shenton and Company or Moore and Gobbett? In the debate on the second reading, a general feeling was shown that trading companies, whether limited or unlimited, should come under the provisions of the Bill. If it was the intention of the Government to draw the distinction as provided in the Bill between such companies, taxing only those incorporated, there might be a desire to amend the first line in the definition of "company."

THE PREMIER: The intention of the Government was to carry the Bill as drafted. As he said on the second reading, it was not his desire to fight the Bill clause by clause, and if any hon. member wished to take the sense of the House on any particular provision, an amendment could be moved; but no amendments appeared now on the Notice Paper. It was somewhat hard to ask the Government to amend its own Bill; but, at the same time, there was a desire to meet hon. members as far as possible. He expressed himself pretty clearly on the second reading, in regard to the various companies which he thought might fairly pay a dividend tax; and he was of opinion, and always had been, that a tax on one industry only would not be altogether fair.

MR. VOSPER: If trading companies were exempt, where did the Government propose to draw the line?

THE PREMIER: Persons who felt strongly on the matter could indicate what they desired by moving amend-

ments; but, as he said, no amendments appeared on the Notice Paper.

MR. KENNY: Instead of endeavouring to lacerate or cut the Bill down, hon. members ought to try to improve it by adding a little. He was strongly in favour of the Bill, and he could not disregard the general desire that all companies, registered and unregistered, limited and unlimited, should be treated alike: what was sauce for a limited company was sauce for an unlimited company—what was sauce for a public firm was sauce for a private firm. The words “as a registered firm or private individual doing a business of over £5,000 a year” might be inserted in line 9, and that provision would reach everybody.

MR. ILLINGWORTH moved that after the word “incorporated,” in line 4, “other than a trading” be inserted.

THE PREMIER: The hon. member would have to say what a trading company was.

MR. VOSPER: If the amendment were carried, the Bill would be waste paper, because every company, even a mining company, was a trading company more or less. Mining companies obtained or tried to obtain from the earth a certain marketable product, which was afterwards sold: but before being sold, the gold had to go through a process of manufacture. Trading companies did exactly the same thing, as instance the case of the manufacture of cloth from wool; therefore to exempt trading companies would practically exempt all companies, though he understood the intention of the amendment was to exempt only limited companies which stood on practically the same footing as private firms. To exempt all companies must be far from the intention of the mover, and certainly was not in accordance with the wishes of the Government.

MR. A. FORREST: There was a great difference between a limited company and a private firm. Some persons, on finding their business growing, thought it better to form themselves into a limited liability company; whilst others were of opinion that a private firm, the members of which were all liable for the business debts, were much stronger. In an ordinary private firm of three or four partners, each member had a private estate which was liable for the debts of the whole;

but if a business were formed into a limited liability company, the private estates of the shareholders could not be touched. The conditions were different in companies where there were thousands of shareholders; and in the case of a company consisting of a dozen shareholders, it would not be unfair to exempt them from the operations of the Bill. If the amendment were carried, every firm of solicitors would have to pay the dividend duty; in fact, everybody would have to pay it; and there was a better way of taxing all profits than by this Bill. Members of limited companies in the city had property in the other colonies, and that property was not liable for debts here; but, as he had pointed out, a man or a number of men trading under their own names were liable to the full extent of their possessions. It was better for people to trade under their own names, because it was then known to whom to look for the settlement of claims, whereas when limited companies got into trouble, there were very seldom any assets at all left.

MR. LEAKE: The object the member for Central Murchison (Mr. Illingworth) had in view, could be better met by a withdrawal of this amendment, and the substitution of another to strike out the word “incorporated.” That would do away with the dividing line which seemed to be objectionable.

MR. JAMES: In order to carry out the amendment, it would be well to move that after the word “otherwise,” line 8, there be inserted “and also every firm registered for the time being under the Registration of Firms Act, or any member thereof.”

A MEMBER: Solicitors would then be included.

MR. JAMES: Why should solicitors not be included? It was invidious that a firm incorporated should pay taxation, whilst a firm not incorporated should not do so. Even if the amendment suggested were carried out, there would be instances showing the Bill was not as it should be. The Registration of Firms Act applied to cases where there was a partnership, or where an individual was carrying on a business in a name other than his own. A person might have a big business, and the amendment would not meet that case, but it would, in his opinion, prevent a

great deal of injustice which would be occasioned if the Bill were not amended. He recognised to a certain extent what the member for West Kimberley (Mr. A. Forrest) said, namely that an individual or a number of individuals who carried on business in their own names, and were not incorporated, were committing the whole of their assets to the credit of the firm, and on that account they deserved some consideration. He took it the effect of the Bill as amended would be that to a large extent we should have an income tax. We should have an income tax upon companies, and also upon firms, and if we were going to apply the income tax to a particular trade, it ought to apply to all equally; and he thought that should be done. If we were going to have a taxation of this sort, it ought to be applied all round. He disagreed with the member for North-East Coolgardie (Mr. Vosper), for he would like to have seen the Bill brought in for the purpose of imposing taxation on the dividends of mining companies.

MR. VOSPER: Why should an invidious distinction be made?

MR. JAMES: Such a distinction ought to be made on the ground suggested by, he thought, the member for Pilbarra (Mr. Kingsmill), in his speech on the second reading. It should be borne in mind that the Bill itself drew the distinction, and not he, for he on the contrary was narrowing the distinction the Bill drew; and he thought the member for North-East Coolgardie would agree that there was no particular reason why a firm which called itself Smith & Company should be exempt, whilst a firm which called itself Smith & Company, Limited, should be taxed. The great majority of mining companies existed outside the colony.

THE PREMIER: And the limited companies too.

MR. JAMES: Not altogether. For instance, there were companies existing here that would come within the scope of the Bill.

THE PREMIER: Not very many.

MR. JAMES was prepared to support legislation for the purpose of imposing taxation upon mining companies which were not local companies; and he thought the member for North-East Coolgardie (Mr. Vosper) would agree that this was a justifiable principle. If we had that

system of taxation, it would remove the injustice which, he was sure, the Premier must see in connection with this Bill. If there was a desire to go further, let them support the member for North Murchison (Mr. Kenny) and place taxation upon all firms carrying on business beyond a certain amount.

MR. LEAKE: The remarks of the hon. member (Mr. James) were directed rather against the drafting than the principle. We wanted to determine the principle whether the Bill should be confined in its operation to limited liability companies, or be applied generally to firms carrying on business.

MR. JAMES: An ordinary firm would not be a company.

MR. LEAKE: We did not wish to make flesh of one and fowl of another.

MR. JAMES: That was bound to be done under this Bill.

THE PREMIER: The Bill referred to incorporated companies.

MR. ILLINGWORTH: The question had been raised by him in order that we might have discussion. We must either make the Bill apply to what were technically called money dividends (dividends from mines and associations dealing with money, such as banks and institutions of that kind), or we must extend it to all trading. On the present occasion we should be going quite far enough if we were to limit the scope of the Bill to mining dividends and money companies. We hardly expected to impose a tax on a trading company, but it rested with the committee. With the consent of the committee he would withdraw his amendment in order to allow the leader of the Opposition to move one.

MR. LEAKE: There was no desire on his part to move an amendment. If the Government intended to press for the Bill as a whole, they should try it, and they would see how unworkable it was.

MR. KENNY: Nobody could come to any other conclusion than that the Bill bore an invidious appearance, for it seemed to single out certain companies for taxation and allow others to escape. The amendment he suggested would, he thought, reach everybody. He had known single individuals engaged in trade doing a turnover of £40,000 or £50,000 a year on land, in relation to which a splendid profit was made; and why should they

not pay a dividend tax the same as a small limited company not doing half the business, and probably not making one-third of the profit? If we were going to have taxation, it ought to be made as equitable as possible. It would be well to insert after the words "Western Australia" the words "and doing business as an unlimited company, registered or unregistered firm, or private individual doing a business turnover of not less than £5,000 a year."

MR. VOSPER: How could the turnover be ascertained?

MR. KENNY: The turnover of a storekeeper could be as easily ascertained as that of a mining company.

MR. A. FORREST: What salary would be put down for a person and his partner? They would take all the profit.

MR. KENNY: The same argument would apply to all firms, whether they were limited or unlimited.

MR. WOOD: The Bill ought to stand as at present. If we went in for all these fancy matters that had been brought forward, we would make a mess of the whole thing. No doubt it was first of all thought that the tax would be limited to gold dividends; but when members came to reason the subject out they saw that it would be quite unfair to so limit it. The fairest compromise would be to tax all incorporated companies. The Bon Marché Company, or Boan Brothers, or Shenton and Company, had good reasons, he supposed, for converting their firms into limited liability companies. If he were going away he would like very much to be able to form his firm into a limited liability company, and would be glad to pay a tax on dividends. Why? Because his liability would be limited to his particular interest in that company, and all his personal estate would be free. Such firms would surely be willing to pay the tax. If the other proposed amendment were adopted, then hotels, groceries, restaurants, etcetera, would have to be included.

MR. KENNY: The suggested amendment, that the Bill should apply only to concerns with a turnover of £5,000 per annum or more, would prevent such a result.

MR. WOOD: Either pass the Bill as it stood, or impose an income tax at once.

MR. EWING agreed that incorporated companies should be taxed, because they were frequently formed for starting speculative businesses and protecting the persons interested. As a legal practitioner, he had known many cases where persons, afraid to engage individually in a speculation, would float it into a company, take up a certain number of shares, and, if they could not meet calls, transfer the scrip to other people; and thus the creditors got nothing. If the Bill would discourage the formation of such companies, it would do good. Moreover, there was a Government department established for the purpose of enabling limited companies to work, and the country had to pay the Master of the Supreme Court and a staff of officials to keep registers, specially for the protection of such concerns. Registered companies should therefore be called on to contribute to some extent to the payment of these officers. The proposed amendment by the member for Central Murchison (Mr. Illingworth) would utterly spoil the Bill, for if trading companies were exempt, mining companies could with justice be classed under that designation, as they traded as much as other concerns. What difference was there between a person who traded in gold or in copper, and one who traded in woollen goods or groceries? The proposal would be absolutely unworkable, because it would nullify the effect of the Bill. The clause as drawn was fairer and more equitable than any of the proposed amendments; though he (Mr. Ewing) realised the absolute impossibility of bringing in a Bill of this kind without involving one or two cases of hardship throughout the community; but such cases would be few and insignificant, as compared with the general benefit to be derived from the Bill.

MR. JAMES: As the last speaker had described this clause as proper and desirable, he (Mr. James) would like to express his opinion that it was class legislation of the most invidious kind, and grossly unjust. What was the underlying principle of the Bill?

MR. MORAN: A tax of 5 per cent. on profits.

MR. JAMES: Capital was employed otherwise than in registered companies: it was invested in ordinary partnerships

and by individuals in business. If the intention of the Bill were to tax one or more persons engaged in mining or other business, then we must eliminate the restriction by which this tax was to be imposed on registered companies only, and make it apply to every partnership or other company. The principle of the Bill was hard to comprehend. He could understand an income tax, a land tax, or a customs tariff; but this Bill embodied a novel form of taxation which did not cease to be novel because one other Australian colony had adopted it. Statements had been made about the desirableness of checking the formation of companies; but it was peculiar that, in every part of the world where this question had been dealt with, the formation of such concerns was encouraged; and the best authority of the day on the law of partnership, Pollock, was a strong advocate for an amendment of the partnership law, by which persons entering into partnership should have the right to limit the amount of their liabilities under the partnership. To say there were individual instances of limited companies which did wrong, was simply to emphasise the truism that every legislative enactment must have some ill effect; that every Act for the encouragement of industry and commerce must leave openings for dishonest men to carry out dishonest purposes. It was a novel doctrine to hear it said by one hon. member (Mr. Ewing), that because some companies were carried on fraudulently, therefore we should tax all companies. Such arguments were appalling. Again, it was argued that companies should be taxed because the country employed a registrar. A registrar was also employed for the purpose of carrying on courts of law; and would it therefore be a good idea to impose a tax on all persons going to law? Similarly there was a registrar of titles and of land; therefore impose a duty on every man who owned land because he availed himself of the services of that officer!

THE PREMIER: The department in question was more than self-supporting.

MR. JAMES: Then take, as an illustration, a department not self-supporting. Every man who got married had to register his marriage certificate, and there

was a registrar of marriages; therefore, according to the argument used, there should be a heavy tax on every man who got married. Every man was born, and had to die at some time; therefore, to be logical, we should impose a tax in addition to the existing probate duties, because a man who died thereby put some additional work on the registrar of deaths.

MR. EWING: But the difference was that every man was born and had to die, whereas every trading company or institution was not incorporated.

MR. JAMES: The brilliant argument of the hon. member might be replied to in another way. True, every man was born and had to die, but the same might be said of every company.

MR. WOOD: A company might exist for ever.

MR. JAMES: Where was there an instance of a company which had existed from the beginning of the world? Apply the principle further. Every man who registered a bill of sale was served by the registrar; therefore tax all people who registered such deeds.

MR. A. FORREST: They paid a tax already, the stamp tax.

MR. JAMES: But, to be logical, every man who gave a bill of sale should be taxed on the whole of the profits of his business, because once in a while he registered such a deed, seeing that it was proposed to tax a company because such concerns had to register their memoranda and articles of association at their inception, and to make annual returns of their shareholders to the department. Let it be remembered also that companies were not registered for their own protection, but for the protection of their creditors. If no better arguments than those cited could be found in favour of the invidious legislation contained in the Bill, better make the scope of the measure as wide as possible, so as to include not only registered companies, but other firms and individuals. Extend the principle to the utmost, and impose an absentee tax, and that would be a step for which precedents could readily be found.

MR. EWING: Some distinction must be drawn.

MR. JAMES: And that sought to be drawn was a distinction and a difference. Taxation of absentee landlords was a

well-recognised principle in other parts of the world.

MR. EWING: So was the principle of the Bill.

MR. JAMES: Nowhere except in another Australian colony, where he understood they had also an income tax; and if they had such a tax, their Act corresponding to this Bill was merely a simple method of collecting that tax. But there was no income tax here, and therefore no such reason for the Bill. An absentee tax might well be adopted in this colony.

MR. MORAN: As stated in his speech on the second reading, he was inclined to favour an income tax; but this Bill was the first instalment in that direction, and ought to pass untouched.

MR. VOSPER: It was useless to try to embroider it.

MR. MORAN: That we could not tax John Jones was no reason why we should not tax Robert Smith.

MR. JAMES: Why not tax private firms?

MR. MORAN: It was not obvious how that could be done.

MR. KENNY: Why not?

MR. MORAN: What was a firm?

MR. MONGER: A set of people registered under the Registration of Firms Act.

MR. MORAN: A firm might consist of one man.

MR. KENNY: One or more persons carrying on business.

MR. MORAN: Suppose Parliament enacted that a firm should mean more than one person carrying on business, why should two persons who each embarked £250 in a concern be taxed, while another man who invested £500 in a business, without partners, escaped? Why should the former be taxed because they were two people, and the latter go free because he was one man? It was hard to draw a line, and hon. members reading the debate in the Queensland Parliament when a similar law was passed, would find that a much more lengthy discussion took place there than here, and that every point raised here had been raised there; nevertheless Queensland passed the Bill. All hon. members believed in a dividend duty, and many in an income tax.

MR. JAMES: But had they not both in Queensland?

THE PREMIER: No.

MR. MORAN: Because he could not get the whole shilling, in the interests of the colony he would be content with the sixpence. He believed firmly in an income tax for every country, and he knew the establishment of a dividend duty would help on an income tax: when this Bill was passed the agitation for an income tax would become greater than at present. Whatever the future politics of Western Australia might be, the time would come when we should have a general income tax in this country; whether that income tax should be on incomes above a certain sum or on every income, no matter of what amount, was for future consideration. He was going to vote for the Dividend Bill as it stood, and not to exclude insurance companies. It was the proper thing to have both an income tax and a dividend tax.

MR. KENNY: Because he believed in the principle of the Bill he had suggested an amendment. He wished to exclude firms having a turnover of £500 a year from the operation of the tax, for if we taxed small firms we would destroy their businesses. He only wished to tax those who were doing a substantial business.

MR. MORAN: The amount of the turnover had nothing to do with the principle of the Bill. A man might have a turnover of £500 and make a profit of £150, while another man might turn over £6,000 and make no profit at all. Unless we adopted the principle of the income tax we must stop somewhere, and it had been decided to stop at incorporated companies. If the hon. member (Mr. Kenny) moved his amendment a great many difficulties would arise.

MR. A. FORREST: It would be impracticable to work out the suggestion made by the member for North Murchison (Mr. Kenny). Two or three persons might combine to carry on a business, and if those persons made a profit they would pay themselves handsome salaries so as to show no profit; in fact they would eat up the profit in salaries so that no dividend would be received. If it went forth that everyone in this country who was trading and had a turnover of £5,000 a year was going to be taxed, there would soon be no trader in the country. It would be worse than people having no vote. If we agreed to the suggestion

of the £5,000 limit, people would say that the country was not worth living in and would clear out. The Bill was bad enough in its present form, but it would be a thousand times worse if the suggestion of the hon. member was carried out.

MR. KENNY said he would not move the amendment he had suggested.

MR. ILLINGWORTH asked leave to withdraw his amendment.

Amendment by leave withdrawn.

MR. ILLINGWORTH moved that after "1894," at the end of line 12, the words "or a life insurance company" be added to the definition of "company."

MR. MONGER objected to the exemption of life insurance companies. He was surprised that the Government, after bringing forward such a Bill, should ask the member for Central Murchison (Mr. Illingworth) to move such an amendment.

THE PREMIER: He was not asked.

MR. MONGER understood the Premier to say that he would support any amendment similar to that which was brought forward by the member for Central Murchison.

THE PREMIER: The Government intended to move an amendment in this direction themselves.

MR. MONGER: After the Government had brought forward this Bill, and after the expressions of hon. members that they would support the Bill, which in the first instance included fire, life, marine and all other insurance companies, he was surprised that the Government now accepted an amendment to exempt life insurance companies. The leader of the Opposition was a member of the board of a certain life insurance company, the Premier occupied a similar position, the Commissioner of Railways had a position of a similar kind, the Government whip also held some position in connection with a life insurance company; and when we talked about fire and other insurance companies, hon. members knew that nearly every member who occupied a seat in the Assembly held a position of director or was connected in some way or other with a fire, life, marine or some other insurance company. It seemed strange, after bringing forward this Bill in which provision was made for insurance companies, that at the last moment the Government should say they were not

going to press the provisions in respect to life insurance companies. He hoped the Government would press them. Life insurance companies which were able to pay large commissions and bonuses should certainly contribute towards a tax of this nature. He hoped the Government would adhere to their original idea and include life insurance companies. The only thing that perhaps might make the Government feel inclined to deal leniently with the insurance companies was the fact that to a certain extent the Government were indebted to these companies. One of the insurance companies only a short time ago took up Government bonds to the amount of £500,000, and it appeared strange to a person not familiar with the inner workings of the Government, that after a measure like this had been introduced, the Government should, on the slightest objection raised by the leader of the Opposition, who had a seat on the board of a life insurance company, say they were prepared to exempt those institutions from the operation of the tax.

MR. MITCHELL: Was the member for York (Mr. Monger) in order in imputing motives to hon. members?

MR. LEAKE: The member for York was not imputing motives, but was making his comments very nicely.

THE CHAIRMAN: The member for York was in order.

MR. MONGER: To attempt to exempt life insurance companies from the operation of the Bill would, under the circumstances, cast a reflection on the Government. These companies gave the bulk of the first year's premium, if not the whole, to any person who introduced a fit subject for insurance; and if they were unable to pay one per cent. on their gross income, the colony would be better without such institutions. All such companies should, along with other incorporated bodies, come within the operation of the Bill—tax everybody. He hoped the amendment would be negative.

MR. A. FORREST: The thanks of the House were due to the member for York (Mr. Monger) for the clear way in which he had placed the matter before hon. members, some of whom he took to task because they were connected with life insurance companies. It was not right that such institutions should be

exempt, because they did not pay a shilling into the coffers of the State, and every one of them had their headquarters in other countries; and though he was a director of a life insurance company, yet that fact did not affect his opinion of the clause. These companies paid no stamp duties whatever, or, at any rate, only put a penny stamp on a policy for £10,000. They paid an annual charge of £30 to the State for the right of doing business in the colony, and deposited an amount not exceeding £20,000, but on this latter they received ordinary bank interest, having the option of Government bonds at three and a half per cent. On the other hand, fire assurance companies paid an immense sum in stamp duties; and to make these companies pay one per cent. on the gross amount of their revenue would be an iniquitous proceeding, when it was well known that not a single institution had in the last five years made a sixpence profit. Fire assurance companies would prefer to be taxed at a higher rate on the net amount they earned in the country rather than be taxed on their gross revenue.

MR. RASON: Fire and life assurance companies' contributions to the State equalled a half per cent. of their revenue.

MR. A. FORREST: At any rate, it was a large amount they paid. He would vote against the proposal to exempt life insurance companies, and, if the amendment were carried, he would move that fire assurance companies also be exempt. The Government had the support of a majority of the members on this Bill, which nobody particularly liked, but there should be no attempt to exempt one class of insurance companies from the tax. It would be much better to exempt banks, which did far more good to the country than insurance companies.

MR. MONGER: Some of the banks did.

MR. FORREST: It was not the bank of the member for York (Mr. Monger) which was referred to, but his (Mr. Forrest's) own bank. If the Bill were amended so as exempt life insurance companies, amendments would doubtless be moved to also exempt marine and fire assurance companies and other financial institutions, and the Bill would be narrowed down to gold-mining companies, which was a result nobody desired.

MR. MITCHELL: There was no reason why life insurance companies should be exempt from the operation of the Bill, except, perhaps, that they affected poor people, and if the tax were imposed on such institutions, the working classes would have to pay higher premiums and would feel the tax more than any other section of the community.

MR. MORAN: In the second reading debate he said he would not support any amendment to exempt insurance companies, and the objection raised by the member for Central Murchison (Mr. Illingworth) was not worthy of such a financial authority. That hon. member said fire assurance companies should be taxed, because they made annual contracts, but that life insurance companies should be exempt, because they had fixed contracts for long periods. But the price of gold was always fixed, and yet the tax on the gold-mining industry varied every year, first perhaps by an increase in the rental or in the price of miners' rights, or the railway freights were increased or decreased, and then new minting duties were put on. The Bill simply taxed the profits or dividends of companies, and if large dividends were being paid it followed that the receivers of those dividends or bonuses would get a little less. The profits of insurance companies were large enough to pay the proposed tax and a good deal more. Nobody begrudged these companies their profits, out of which the tax would come.

MR. ILLINGWORTH: No, the tax would not come out of the profits.

MR. MORAN: Bonuses and profits were the only source from which the tax could come, and he, as one who was insured, was surprised at the returns on a little money invested in insurance companies.

MR. WOOD: The returns were contributions to the State.

MR. MORAN: It was a far-fetched argument to say that bonuses which went to individuals and were spent in the country were contributions to the national revenue. If it were a sound argument, then all the gold-mining dividends received by Mr. Brookman, who lived in Perth, must be credited to the income of the colony.

THE PREMIER: The surrender value of a policy was not very big.

MR. MORAN: Some insurance companies were making handsome profits, simply because they were given great facilities by the Governments of the colonies. Such institutions owed a great debt of gratitude to the Government of this colony, who did as much as or more than any other Government in Australia in looking after the health of the people all over the country, and thus working in the interests of life insurance companies. All that was asked was that of the large bonuses or profits, some portion should go to the State. One was always pleased to hear the member for York (Mr. Monger), and the member for West Kimberley (Mr. A. Forrest), who were financial authorities, speak on these questions. It was particularly gratifying to hear the chairman of one of the largest and best insurance companies in the world speaking in the straightforward way he had done. He referred to the member for West Kimberley, who had entirely removed any suspicion which perhaps might have existed that members connected with insurance companies would allow such connection to interfere with the discharge of their duties in the House. There need be no feeling that anyone on the Government side of the House wished to cast any reflection on the leader of the Opposition. A man was justified in taking information from an insurance company to which he belonged, the same as those on the goldfields took information from companies in which they were interested. He did not like the silent agreement of the Government to allow this clause to be dropped out. Why had the Government decided to leave out insurance companies, if the principle had worked well in Queensland? What were the material differences between insurance companies here and those in that colony? If he could hear any good reasons why the Government should depart from the Queensland standpoint, he would be prepared to support them, but he was at present disposed to stick to the Bill, as the principle worked well in the colony to which he had referred.

MR. SOLOMON: The views expressed by the last three speakers did not meet with his approval. It would be well to exclude insurance companies, because they were mutual benefit societies. Life in-

surance societies were on a different footing altogether from others, and the bonuses, as they were called, were reversionary. If a man wishes to withdraw his bonus within a certain period, he had to forfeit nearly the whole of it. Most, or a great deal, of the freight of shipping companies was paid in London, other portions being paid here; and it appeared to him that it would be difficult to arrive at the profit made by that class of company.

THE PREMIER: Not the profits, but assets.

MR. SOLOMON: The difficulty would be to ascertain the assets.

MR. ILLINGWORTH: Before the amendment went to a vote, he would like to clearly express his ideas on the question. A life insurance company was a benefit to any colony, for it practically encouraged thrift on the one hand, and took responsibility off the State on the other. If a man could be induced to insure his life for £100 or £200, he became a State benefactor, because he was making definite provision for his family in the event of anything happening. As an illustration, let them take the case of a company proposing to pay £100 at death, or at the end of 50 years. A person entered at the age of 25, and paid £1 10s. per year, and this Bill proposed to tax that £1 10s. until he was 50 years of age. The company could not call upon that man to pay the tax, for they could not increase his payments. With regard to future premiums, it would be within their power to increase the payment so as to provide for the tax. The figures were worked upon an actuarial basis, and were fully recognised, and even in Great Britain the law did not tax life premiums, although there was an income tax. There was a difference between a life insurance company and a marine insurance company, inasmuch as the latter made its contract only for a year, and, therefore, in case of necessity, the charges could be raised at the close of a year. If it were intended to tax the profit on life insurance companies, the question would assume an entirely different aspect, and the amount would come out of the bonuses, as had been suggested; but, as at present proposed, the sum would come out of the premiums, whether there were any bonuses or not: consequently the tax

would be an unjust one, for it would be a tax upon thrift, and would fall upon the widow and the orphan. It would tend towards deterring people from making that provision which, as a State, we should always encourage, and would interfere with the scientifically arranged basis of calculation. Such a system would be altogether against the opinions of the best authorities, and he hoped the Committee would see their way clear to exempt life insurance companies for the reasons he had stated.

MR. HIGHAM: The amendment to exclude life insurance companies from the operation of the Bill would meet with his support. The agitation which led to the introduction of the Bill was for a tax on dividends of gold-mining companies, and he very much regretted the Bill had not been confined to those dividends. As to life insurance companies, it must be recognised the contracts they had entered into were very far-reaching, and it would not be fair at this stage to subject them to special taxation. He hoped the Bill would be restricted to gold-mining companies, and that the anomalies existing in the measure concerning trade corporations would be abolished.

MR. RASON: The amendment met with his approval, for reasons which he had stated when speaking on the introduction of the Bill. Members who had spoken on the present occasion argued as though life insurance associations would themselves have to pay the tax; but, if it had to be borne by anyone, it would be by the individuals, and not by the companies, and it was the only case throughout the Bill in which a tax was imposed on individuals only. It was proposed to tax incorporated companies, but not individuals engaged in trade. So far from including life insurance companies, he would be very glad if the Government could see their way to strike out also the fidelity guarantee and marine insurance companies; for taxation upon an insurance company of any kind was not calculated to be of benefit to the State. Fire insurance companies already had to bear a certain amount of taxation; their contributions to the fire brigade were heavy, and the stamp duties on their policies amounted to one-half per cent.; and if the proposal in the Bill were

carried into law, it would simply mean that insurers would have to pay an extra one per cent. He would like to point out that the tax would apply although these companies might be carrying on their work at a loss. He believed we had some fire companies and marine companies operating here which had not by any means made a profit, in some cases the transactions representing a distinct loss, yet they would be taxed upon the whole of their premiums. That was hardly a desirable state of things. He could understand a corporation which was making a large profit perhaps being liable to a tax of this kind; but to impose such a tax on an association working at a loss would be inflicting additional hardship.

MR. QUINLAN supported the amendment, and considered that fire and life insurance companies should be included therein. Life insurance companies were the means of helping those who were thrifty, and well disposed towards their wives and families. Moreover, insurance moneys, on the death of the person insured, were taxed by the probate duties; and it was unfair to tax them again, considering that probate duties were in this colony extremely high. Insurance companies had done much good in helping to develop the colony, and had invested locally probably more money than the total premiums received here. The A.M.P. Society in particular invested freely in the colony, and treated borrowers liberally; and if the tax were imposed, this and other companies would probably withdraw much capital, thus seriously affecting the country's prosperity. The fire companies should also be included in the amendment, because they were already taxed heavily by stamp duties.

MR. WOOD: The people paid those.

MR. QUINLAN: No. The customers used to pay the duties, but the companies paid them now.

MR. HIGHAM: But the rates had been raised accordingly.

MR. QUINLAN: True; but as an additional expense, the insurance companies were now paying four-ninths of the upkeep of the fire brigade—a costly item which had largely increased in amount. Recently the fire companies had made very little profit, if any. On the goldfields they had lost heavily. So

far from taxing such companies so as to drive them out of the country, they ought to be encouraged.

MR. MITCHELL: So far nothing had been said about breweries.

THE PREMIER: They were exempt.

MR. MITCHELL said he knew that; and it would therefore appear that there were many beer-drinkers in the House. True, there was an excise duty on beer, but was it paid by the brewery or the consumer?

MR. DOHERTY: By the brewery.

MR. MITCHELL: If the profits of insurance companies were taxed, those of breweries should be taxed as well.

MR. DOHERTY: That would be difficult, for few of them paid dividends.

MR. CONNOR opposed the amendment of the member for Central Murchison. Originally it had been intended to bring in this Bill with one specific object—the taxation of dividend-paying mining companies. In place of that, the Government had extended the operation of the Bill until it became class legislation of an objectionable character. Though the statement might be thought paradoxical, he would say that when the Government went beyond the original object of the Bill, they did not go far enough; for, instead of extending it to include other incorporated companies merely, they should have made the tax universal—an income tax. Either let that be done, or do away with the additional clauses taxing other incorporated companies. He did not wish to be understood as being in favour of the original intention of the framers of the Bill; but it should either tax gold-mining companies specifically or should be an income tax. To tax the breweries, as suggested by the last-speaker, would be to tax non-existent dividends.

MR. VOSPER: Why not impose a poll tax?

MR. CONNOR: A clause might well be added for the taxation of bachelors, which would make it incumbent on such people to take their share of the responsibility of carrying the burdens of the country. If there were any companies whose dividends should be taxed by the Bill, surely the insurance companies should be taxed. They drew fat dividends out of the colony, and did little for the country

except by erecting one or two large buildings in Perth. Why should they be exempt while other concerns doing more good for the colony would have to pay? Insurance companies took the money before incurring any risk: they did not speculate.

MR. MITCHELL: What about the £500,000 which one of them lent the Government?

MR. CONNOR: If the money had been lent without interest, he would certainly compliment that company. Originally it had been intended to tax gold produced or gold exported. He did not believe in that; but companies which were winning gold from the ground in such large quantities that one of them would have paid nearly one million pounds this year in dividends, and whose expenses bore but a small proportion to their profits, were the people who should pay under the Bill. If we went beyond that, it was not obvious why insurance companies, which made profits as large as those of other financial institutions, should be exempt.

At 6:30 the DEPUTY SPEAKER left the Chair.

At 7:30, Chair resumed.

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

Ayes	...	...	...	12
Noes	...	...	...	9
Majority for				3

AYES.		NOES.	
Sir John Forrest		Mr. Connor	
Mr. Russell		Mr. Doherty	
Mr. Higham		Mr. Ewing	
Mr. Illingworth		Mr. A. Forrest	
Mr. Mitchell		Mr. Holmes	
Mr. Pennefather		Mr. Hubble	
Mr. Phillips		Mr. Robson	
Mr. Fiesse		Mr. Veun	
Mr. Hason		Mr. Mornu (Teller).	
Mr. Sholl			
Mr. Wood			
Mr. Vosper (Teller).			

Amendment thus passed.

MR. A. FORREST moved that after "life insurance companies" the words "fire or marine assurance companies" be inserted. At the present time fire and marine assurance companies paid a heavy tax in the shape of stamp duties, whereas life insurance companies

paid no stamp duty. Now we had commenced slaughtering the Bill, we should go as far as possible and carry out the original intention of the Government. Subsequently he intended to move that banks be exempted from the operation of the tax. The Government had brought down a Bill relying on their supporters to help to pass it, but the Government supporters were forced to vote against the provisions of the Bill. Such a thing had never been heard of in any Parliament in the world.

THE PREMIER: Members had heard the views he had expressed.

MR. A. FORREST said he had never heard them or he would not have agreed to them. If life insurance companies were to be exempt, then fire and marine assurance companies which paid a heavy tax and were a tax on the people themselves, should be exempt. With life insurance companies the benefit came after a person died, whereas with fire and marine assurance companies the benefit was during a person's lifetime.

MR. MORAN, in supporting the amendment, said that on the goldfields the cost of fire assurance was a tremendous drag on the people, the amount of the premiums being a considerable item. Seeing that the Government had thrown the Bill down for members to pull about, and if we were going to be consistent, then in exempting life insurance companies, which ought not to be exempted, we should exempt fire and marine assurance companies from the operation of the tax. Life insurance companies paid handsome bonuses, and received benefits from the Government in the shape of hospitals and so forth. After all, the argument that a man invested in life insurance for the benefit of his wife and family was mere sentiment, because a man could invest his money in a hundred other ways. He was willing to accept the word of the member for West Kimberley (Mr. A. Forrest) that fire and marine assurance companies were heavily taxed in the way of stamp duties, and he knew that the latter institutions suffered heavy losses on the goldfields, where fires were all-too frequent. He understood that fire assurance companies were not paying dividends, and that to tax them would only increase the burdens of people who insured.

THE PREMIER: In speaking on the second reading of the Bill, he had said he did not desire to fight the measure clause by clause. He also stated then, or subsequently, that the Government did not intend to press the proposed tax in connection with life insurance companies; and he was very sorry if, in his attempt to be consistent, he had given offence to anyone. He was not prepared to say there were not some arguments in favour of life insurance companies being taxed; at the same time, except in Queensland, New Zealand, and the mother country, these institutions were exempt. No doubt dividends were paid by insurance companies, because insurers had the option of either adding the bonus or profit to the amount insured each year, or of taking the surrender value, which was a much smaller sum. It was possible to draw cash annually in many companies, so that dividends were paid in the shape of bonuses or profits, and it was quite arguable that to the extent of the surrender value these insurance companies might be taxed. As a rule, these bonuses were not taken by the insurers, but were added to the insured amount; and no doubt insurance deserved great encouragement, because it saved the State a good deal in providing for persons who might otherwise be left destitute.

MR. VOSPER: The tendency now was towards State insurance.

MR. ILLINGWORTH: New Zealand had State insurance.

THE PREMIER: Speaking by the way, he did not think insurance was altogether on a satisfactory footing in this colony. A great deal of good had no doubt been done by most of the insurance companies who lent money at a rate of interest moderate for the country, and all the money they received was invested here. But that was not universal amongst insurance companies, and in cases where they did not invest their money in the colony, greater precautions should be taken by the State than were taken at present. All the security the country had for thousands or hundreds of thousands of pounds deposited with insurance companies was, in some cases, taken away and invested in other parts of the world.

MR. MORAN: Legislation was required.

THE PREMIER: No doubt legislation was required.

MR. MORAN: The companies ought to be called on to make a cash deposit.

THE PREMIER: Insurance companies did make a cash deposit, but the deposit was not enough. Fire assurance companies were taxed to a considerable extent through the stamp duties, and also through their contribution to the fire brigades; but the tax proposed by the Bill was only one per cent., and would mean no more than £100 per annum on a turnover of £10,000.

MR. A. FORREST: But the same argument would apply to life insurance companies.

THE PREMIER: Would the amount not be more in the case of life insurance companies?

MR. A. FORREST: No; not so much.

THE PREMIER: However that might be, he did not see why fire assurance companies should be exempt. He was not going to make the clause a *casus belli* with his friends, but if there was a general opinion that fire and marine assurance companies should be exempt, he would not divide the Committee. At the same time he did not see why such institutions should not pay some tax.

MR. RASON: Would the member for West Kimberley (Mr. A. Forrest) include fidelity and guarantee companies in his amendment?

MR. A. FORREST: There was no objection to that.

MR. RASON: There was every reason why fidelity and guarantee companies should be exempt from the operation of the Bill, inasmuch as the burden, if any, would fall on the individual who insured. In the case of fire assurance, the tax would fall on persons who had very properly insured against loss on property which already bore its fair share of taxation.

MR. ROBSON (Geraldton): There was no reason why fire assurance companies should be exempt from taxation, because they were commercial and trading institutions, with shareholders receiving dividends, which it was desired to tax. No one could say a fire assurance company was a mutual benefit society, or could be compared in any way with a life insurance company. It was only fair that the fire assurance companies should

contribute to the support of fire brigades, which lessened their liability to loss. Fire risks ran from 4s. up to £3, according to the class of property, and in rating the property, the degree of liability to fire, and also the amount to be contributed to fire brigades, were taken into consideration. It was not true that fire assurance companies were already taxed through stamp duties, because a condition of a policy was that sixpence in the £100 must be paid by the insurer for stamp duty.

MR. WILSON: That condition had been abolished.

MR. ROBSON: If so, the condition had only been abolished within the last few days; and, in any case, he saw no reason why fire assurance companies or any other companies should be exempt from the tax.

MR. KENNY: The member for Geraldton (Mr. Robson) and the Premier were deserving of every encouragement for this legislation in the right direction. The one exception possible had been made in the matter of life insurance companies, and so far the Premier had dealt in a very fair spirit with the Bill. It would be a pity if fire assurance companies were exempt from the tax, and the Premier, if necessary, ought to divide the Committee rather than give way.

MR. MORAN: It was evident the House would want rearranging directly, because the "whip" of the Government was laying the lash on the quarters of the leader of the Government, while the "whip" of the Opposition was rubbing in the ointment as a solatium to the wounds. There was not the slightest distinction between fire assurance and life insurance companies, except that one consisted of more members than the other. Both classes of companies issued scrip just as gold-mining companies did.

MR. KENNY: A fire insurance company was not a mutual benefit society.

MR. MORAN: Every company was a mutual benefit society, and shareholders worked for their company in order to improve the position of themselves. In life insurance companies there was scrip which was transferable, and in scores of cases it was transferred. In many instances, insurance money did not go to the families of the deceased insurer, because the scrip or policies had

been pawned; and, after all, it was not fashionable to insure for death, the *tontine* principle being mostly resorted to, and even on *tontine* policies money was raised during the lifetime of the insured persons.

MR. KENNY: But if a man lived to be a hundred, he got no money from a fire insurance office.

MR. MORAN: It was a much more frequent occurrence to get money from a fire insurance company than from a life insurance company, because a man would rather burn his shanty than cut his throat. What was the object of taxing fire insurance companies, if they made no profits? As a fact, the companies paid on their premiums, and it did not matter whether they made a loss or a profit. In other words, a company would be taxed which was making a loss, and there was no common sense in such legislation. Parliament had objected to a duty on gold, for the simple reason that every man who got an ounce of gold did not make a profit. Practically, it was proposed to tax insurance companies on their losses. Some of those companies might not make a loss, but the majority of them did, and yet it was proposed to tax them on the amount of their premiums. It would be taxing people who showed enterprise in coming to Western Australia and kept a big business going; and now an exception had been made, we should be illogical if we taxed the companies to which he referred. There was an idea that investment in these companies was different from investment in anything else, but he did not see there was any difference between investing in a life insurance company and buying land.

MR. A. FORREST: Fire insurance and marine insurance companies now paid one shilling upon every £100. If a man insured for £20,000, it meant a tax of £10 for stamp duty. Surely that was a sufficient tax without an additional one per cent.

THE PREMIER: The insurer paid it.

MR. A. FORREST: If the insurer had to pay it, he did not want to pay under this Bill. If ever there was an unreasonable tax proposed by the Government, this was one. Supposing the largest company in Perth were doing

£20,000 a year gross premiums, one per cent. would amount to £200, and out of the £20,000 premiums they might make a loss of £17,000, or they might even lose the whole, yet they would have to pay a tax on £20,000.

THE PREMIER: Would the hon. member rather have a tax of five per cent. on dividends?

MR. A. FORREST: It would be better to have a tax of five per cent. on profits than a tax of one per cent. on the gross premiums.

MR. CONNOR: Members heard of the philanthropy of life insurance companies, and were told they were not for the same object as fire and marine insurance companies; but he would like to ask how they were instituted, and what was done with their profit? They did not come here to be of benefit to the country, but for their own profit, absolutely. He would vote against the Bill because of some other provisions in it; but if any companies were to be taxed, insurance companies making a profit should be. These companies were formed of persons not living in Western Australia, but principally in America, and they sent people here to take all the money they could.

MR. LYALL HALL: Unlike the member for East Coolgardie (Mr. Moran), he saw a great difference between life insurance companies and fire insurance companies, and for that reason he should vote against the tax. The difference lay in this, that a life insurance society made its rates and insured lives according to those rates, and for a number of years the rates could not be altered.

MR. A. FORREST: The companies kept altering them, any way.

MR. LYALL HALL: They could not be altered; but in the case of fire insurance companies there was no doubt that, if the tax were imposed, those companies would increase the rates, and therefore the community would have to pay the tax, and not the insurance companies. By imposing the tax proposed, we should be taxing ourselves; and he thought we were taxed quite heavily enough already. He would vote for a proposal to impose an increased tax, say five per cent., on the dividends, but to tax a company on the gross revenue would be monstrous.

MR. WILSON: To be consistent with the remarks he made on the second reading of the Bill, he would vote for the amendment to exclude these companies, and indeed he would vote for any amendment to exclude any other companies any member liked to propose. There was no getting away from the position that by taxing the fire insurance companies on their gross revenue or premiums, we should be increasing the charges to the people who insured. Unless there was very strong reason why we should endeavour to increase the revenue of the country at the present time by this method, he would not support the terms of the Bill. The idea of the Bill was to get at the mining companies, who derived enormous wealth from the country; and if he were right in that contention, the sooner we amended the Bill to exclude marine, fire, and guarantee companies, and also commercial companies, from its provisions, the better. If commercial companies were to be taxed because they were corporate bodies, private companies must, in equity, also be taxed. In the House there were representatives of limited companies which would be taxed under the Bill, and also representatives of large private companies which would get off scot-free, and they were competing against one another.

MR. MORAN: An income tax was required as well.

MR. WILSON: If an income tax were necessary, let us have it; but let the Premier first prove the necessity for it. He hoped the House would see the force of the argument, and the necessity for excluding companies from the provisions of the Bill, because, if they were not excluded, we should surely have to amend the Bill next session, for people would say it was unjust.

THE PREMIER: As he had before stated, the Bill was a transcript of the law which had existed in Queensland for the last 10 years, and as it had worked so long, and had not been amended, it was thought to be a good one.

MR. MORAN: Why did not the Premier stick to it?

THE PREMIER: The only departure he had made from it was in relation to life insurance societies, which in Queensland were treated as other companies and would pay five per cent. on their divi-

dends if they got any, and nothing if they did not get dividends.

MR. WILSON: How would the Government have been able to get at it? A company might only have a branch office here.

THE PREMIER: Just the same as we should get at any bank or incorporated company. Members would see when we got to Clause 4, Sub-clause b, that was the way in which it was done in Queensland; and it was the only way he saw of doing it, unless we made them pay on profits here, and that would be unfair, because a company might make a profit here and lose elsewhere, and really have very little to distribute.

MR. VOSPER: That would be no fault of ours.

THE PREMIER: But if people had money invested in two or three places, and made money in one and lost in another, would it not be thought very hard if they were called upon to pay, when, on the whole, they had made a loss or gained very little?

MR. VOSPER: We wanted to get something out of the wealth made in our own colony.

THE PREMIER: That could be done; and the subject could be dealt with when Sub-clause b of Clause 4 was reached. If members who talked about fire insurance companies and marine insurance companies preferred to have a tax imposed upon the dividends, he would have no objection to that.

MR. MORAN: Let the life insurance companies be included.

THE PREMIER: There were no dividends in life insurance companies, and he did not propose to adopt the suggestion.

MR. MORAN: Profits.

THE PREMIER: The profits were given to private persons.

MR. MORAN: There were bonuses.

THE PREMIER: If the suggestion to impose a tax on the dividends met with the views of members, the clause under discussion could be left as at present, and when we reached Clause 8 that clause could be struck out altogether, and the whole thing would then be plain sailing without any reference whatever to any particular companies. Let them be treated all alike.

MR. MORAN: It was a pity this decision about life insurance companies had not been arrived at before.

THE PREMIER: There were no dividends in life insurance companies.

MR. MORAN: No; but there were profits; and it was proposed to tax the profits made in Western Australia, in order that the colony might get a small share of the money made within its borders. If a foreign company opened a branch in Western Australia and made profits here, while its offices in other colonies lost heavily—

MR. VOSPER: All the more reason why we should tax that company.

MR. MORAN: Precisely. All the more reason why they should pay their full quota of 5 per cent. on the money made in Western Australia. Compare the case of a company domiciled in Western Australia only, with another which had offices in Victoria and New South Wales also. The first would pay a tax on the whole of its profits, while the second might only have to pay on one-tenth of its profits. If a company had £900,000 invested elsewhere, and £100,000 invested here, how much did they pay?

THE PREMIER: The companies would not like that proposal. They would have to pay a good deal more on the profits.

MR. MORAN: It was not what they would like, but what was just and fair, that the Committee should consider. It was a pity that had not been done with life insurance companies.

THE PREMIER: They had already been dealt with.

MR. MORAN: The status of each class of company was exactly identical.

MR. WOOD: Fire insurance companies could be dealt with like ordinary corporations—charge them five per cent. on their profits. Fire insurance and life insurance companies were totally different. The former came here to make an absolute profit, while there was some little sentiment about the latter.

MR. HIGHAM: The original amendment had his support for the reason that, the more novelties that were introduced into the Bill, the more likely were hon. members to revert to the original intention with which the Bill had been drafted.

MR. MORAN: An income tax.

MR. HIGHAM: No; the original desire was to impose a small tax on the vast profits won from the earth by gold-mining companies; and to that one object the Bill should be confined. If it were desired to tax other companies, bring in another Bill. He would support the introduction of as many novelties as possible, so that the Bill might either be recommitted, or so amended in another place that it would carry out its original object.

THE PREMIER: The determination expressed in the amendment to exempt a particular class of companies made it somewhat difficult to tax other companies. Why should a fire or marine insurance company be exempt more than any other trading company?

MR. A. FORREST: Because it paid a heavy stamp duty.

MR. HIGHAM: The others could afterwards be exempted.

MR. ILLINGWORTH: One thing at a time.

THE PREMIER: If hon. members intended to make this Bill apply to one class of company only, much trouble would have been saved had some one moved in that direction. An amendment that the Bill apply only to gold-mining companies could easily have been moved; therefore he must oppose the amendment now under consideration. He had made a proposition that these companies should be put in the same position as all other companies, by paying a tax of 5 per cent., the tax being based either on the profits or on the assets. No doubt the proviso in the Queensland Act for a tax of 1 per cent. on the premiums was inserted to make matters easier for such companies; because it would have been much simpler to have included them with other concerns. Though opposed to the amendment, he would suggest to the mover that it had better be altered to read, "fire, fidelity, guarantee, or marine assurance company."

MR. A. FORREST accepted the suggestion to alter his amendment.

Amendment (Mr. A. Forrest's) put, in amended form, and a division taken with the following result:

Ayes	...	...	...	15
Noes	...	...	...	14

Majority for ... 1

AYES.

Mr. Connor
Mr. A. Forrest
Mr. Hall
Mr. Higham
Mr. Hubble
Mr. Kingmill
Mr. Mitchell
Mr. Monger
Mr. Moran
Mr. Phillips
Mr. Rason
Mr. Sholl
Mr. Solomon
Mr. Wilson
Mr. Doherty (Teller).

NOES.

Sir John Forrest
Mr. Hassell
Mr. Holmes
Mr. Illingworth
Mr. Lefroy
Mr. Pennefather
Mr. Piesse
Mr. Robson
Mr. Throssell
Mr. Venn
Mr. Vosper
Mr. Wallace
Mr. Wood
Mr. Kenny (Teller).

Amendment thus passed.

MR. DOHERTY moved that after "or marine assurance company" the words "or limited liability companies, other than gold-mining companies, carrying on business exclusively in Western Australia," be added to the definition. When we found such large companies as the A.M.P., the Mutual Life Insurance Company, and the South British and Commercial Fire Assurance Companies trading in this country and making large sums of money out of this country, exempted from the operation of the Bill, then it was only fair to exempt all companies of that description. The wish of the Committee seemed to be that all mining companies receiving large dividends should be taxed, but according to the Bill all companies with small capital, and whose whole interest was in the colony, because they were limited liability companies, were to be taxed, while a private individual was to be allowed free. There was a safeguard in regard to a limited liability company, inasmuch as anyone could go to the Supreme Court and for payment of a small fee see exactly the position of that company. A statement of the affairs of a limited liability company had to be filed in the Supreme Court every 12 months, and that statement must be signed by two well-known auditors. What safeguard was there to a person trading with a private individual? A private person might come to this country with £5, £10, or £20, or whatever sum that person might have, and trade as John Jones, or Brown, or Robinson: what safeguard had a person who traded with that private individual? The argument had been used that a private individual was responsible for all the liabilities taken by himself and his partners; but who could tell what assets there were behind the private trader? The general public were

protected in regard to a limited liability company. In regard to a private firm a person might go to a trade protective society and ask whether John Jones was good enough for £10 or £20, and be told "yes," when in a month or so John Jones might "levant" to another country. He believed it was the original intention of the Government that a tax should be imposed on gold-mining companies only, but afterwards the Government thought that the people in London would be up in arms against our legislation. We had not to consider the people in London, but the people of Western Australia; first of all we should consider the people of this colony, and what small proportion of consideration there was left we should be prepared to give to the people in London. If the Committee desired that only gold-mining companies should be taxed, then members would support his amendment. The Government did not care to take the responsibility of taxing only gold-mining companies, but in effect said the Committee could take the responsibility. He was quite prepared to support an income tax, but it was not right to select a small portion of the community, who had probably put every penny they had into business, and tax them.

THE PREMIER: There were not many cases of that sort.

MR. DOHERTY: The fewer there were the better for his argument, because the Government could then easily afford to dispense with taxing such companies as he had described. There was no equity or justice in singling out companies which had all their money legitimately invested in this country. If the entire commercial community were taxed on their incomes, then the tax would be equitable and just. He hoped to see such a tax introduced at an early date.

THE PREMIER: The Committee were getting into rather a confused state, by all the amendments. If it had been intended to deal with gold-mining companies only in the way the hon. member proposed, that could have been done at the beginning of the clause by inserting a few words, and there would have been no confusion. He did not think the proposal submitted by the hon. member for North Fremantle (Mr. Doherty) would commend itself to anyone, because the amendment said that only firms doing

business in this colony and elsewhere should be taxed, but that any company doing business exclusively in this colony should go scot-free. That was a class of legislation that no one would be found agreeing to. He could understand the Bill being made only to apply to a certain class of companies, but to say the measure should not apply to people doing business in this colony, but should apply to those doing business in this colony as well as elsewhere, he could not understand.

MR. ILLINGWORTH: The amendment would mean taxing all the banks excepting the Western Australian Bank.

THE PREMIER: That was it: tax all the banks except the Western Australian Bank which would go scot-free, and every little company was to go scot-free, but every company which had a branch in another colony or at home would be taxed. He was opposed to such a proposal.

MR. HIGHAM: Although desiring to support the amendment proposed by the member for North Fremantle (Mr. Doherty), hon. members appeared to be getting somewhat involved by the various amendments that had been proposed; therefore he moved that progress be reported. Members would then have opportunity of considering what amendments they desired. The original intention of the Bill was no doubt to tax the gold-mining industry, which was paying a very small consideration to the colony and making immense profits for people who lived outside the colony. Many members desired to see the Bill pretty well confined to the taxation of such companies, but we wanted time to consider the Bill as it now stood.

Motion put and passed.

Progress reported, and leave given to sit again.

RURAL LANDS IMPROVEMENT BILL.

IN COMMITTEE.

Clause 1—agreed to.

Clause 2—Interpretation:

THE PREMIER moved that at the end of the sub-clause, defining "rural lands," there be added, "and not being held for religious or charitable purposes."

MR. VOSPER: The amendment required careful consideration, because he failed to see what charitable or religious

object could be served by unimproved land. No useful purpose could be served if the land were held with the object of reaping the unearned increment for some future charity. Parliament had no right to provide charity for posterity, which might not require charity. Besides, he understood there was a possibility of certain lands being given to the Salvation Army for an over-sea colony, and if that were the case surely such land would not be exempt from taxation.

THE PREMIER: The Salvation Army had land under the regulations and subject to the improvement conditions, but this clause applied to orphanages and institutions of that kind.

MR. VOSPER: But according to the amendment, land so granted could be left idle, and if a State gave land for charitable or religious purposes, it was only reasonable that those to whom the land was granted should be asked to use it for those purposes. He saw no advantage in the amendment at all.

MR. A. FORREST: The Crown could exempt from improvement a grant of, say, 20 acres given to a church.

THE PREMIER: This clause did not apply to land under 100 acres.

MR. A. FORREST: Not having read the Bill, he was under the impression that the clause applied to small plots of land, but if, as he was now informed, it only affected grants of 100 acres and over, he did not see why such land should not be cultivated, because the people to whom it was granted held it to make money out of it, in the same way as did other people who occupied land.

THE PREMIER: The amendment was moved because there were a few cases in the colony in which the Crown had granted large areas for church and charitable purposes, and it would be impossible for churches or charitable institutions to carry out improvement conditions. Institutions of this kind were not in the same position as private individuals, inasmuch as the former did not work for their own advantage, but for the good of the community. Several thousand acres on the Swan, and on towards the ranges, had been granted for charitable and religious purposes, and much of this land was no good for any other class of settlement. Then there were 7,000 acres on the Helena River granted to the Roman Catholic church, which

body had not been able to utilise it in the way they desired; and there were other cases in which land had been given to churches by private individuals, though most of it had been granted by the Crown. It would be a great hardship to enforce improvement conditions under the circumstances; and in any case, the burden would fall upon the community, upon whom churches and charitable institutions depended for support. Such land might be left out of the operation of the Bill, for the present at any rate.

MR. VOSPER: The mere fact that there was land on the Helena River and near the ranges lying idle, simply because it had been granted for religious and charitable purposes, showed that the land was not being used for the purpose for which it had been granted. In what way could religious or charitable objects be served better than by improving the land? The Premier often talked about making two blades of grass grow where one grew before, and he ought to see that churches and charitable institutions did something in this direction. Locking up the land was a sure way to intensify the necessity for charitable institutions. The Premier had confessed that in regard to the land he had mentioned, nothing had been done; and no doubt the land was being held to serve the uncharitable purpose of sale at an increased price.

THE PREMIER: The land could not be sold.

MR. VOSPER: Then what could be done with the land?

THE PREMIER: It could be improved. The land was given for a special purpose.

MR. VOSPER: The effect of the Bill would be to compel the improvement of the land or the letting of it to people who would improve it. He was in favour of the Bill because it aimed at promoting settlement; but if the amendment were carried, the Bill might be abandoned because thousands of acres were held under similar grants.

THE PREMIER: There was not much land held by charitable and religious institutions.

MR. VOSPER: If the feeling of the Committee was so strongly in favour of allowing land for religious and charitable purposes to be used for irreligious and uncharitable purposes, it was no use his speaking further. Idle land served no

good purpose, and that fact could not be disguised under the specious pretence of either religion or charity.

MR. MORAN: It was not customary to tax religious bodies in any part of the world, and in a country like this, where there were six hundred and odd millions of acres, it was rather too much to talk of taxing the small quantity which would be affected by the amendment. The churches were doing a great work in Western Australia. He did not know a single church in the colony that was not earning the good feeling and good wishes of every man, woman, and child, and exhibiting a praiseworthy activity in looking after the moral welfare of the people. In the back-blocks and on the goldfields every religious body was struggling forward and building churches and trying to spread the light of moral instruction wherever a few men were gathered. Religion was a great solace to those who believed in it, and everybody tried to help the churches. If the endeavours of Parliament were centred on settling people in the vast areas of land in the colony, and doing some little to encourage those who now held land to utilise it, hon. members would be doing their duty. It was to be hoped the House would not see eye to eye with that able prophet of agnosticism, the member for North-East Coolgardie (Mr. Vosper), whose religious ideas were progress and democracy. That hon. member did not want to have anything to do with any particular brand of gospel, but he aided all as they came, and believed in what he liked. The traditions of a Christian House of Parliament ought to be kept up, and the churches left untaxed.

MR. MITCHELL: Land given to a religious body ought not to be taxed.

MR. DOHERTY: The amendment would meet with his support, because he found that one of the worthy members of the House, the member for East Coolgardie (Mr. Moran), had discovered the light. It was very pleasing to know that the light he found had improved him to such a large extent that his sympathies went out to these religious bodies.

MR. KINGSMILL: It occurred to him that Western Australia had any amount of land, but not too much religion; and possibly we could well afford to follow precedent, and permit religious bodies to

allow their land to lie fallow until their own interests impelled them to improve it, as doubtless they would, in the long run.

MR. LYALL HALL: The remarks of the member for North-East Coolgardie (Mr. Vosper) partially met with his approval, for he really did not see why these large blocks of land should remain unimproved for all time.

THE PREMIER: How many of them?

MR. LYALL HALL: The Premier told us there were some thousands of acres, and they were remaining unimproved simply because they belonged to religious bodies. If the House would exempt them for a certain time—say 10 years—he would not object, but they ought not to be exempted for all time.

THE PREMIER: It was not for all time.

MR. LYALL HALL: It would practically be for all time.

A MEMBER: No.

MR. LYALL HALL: If there were thousands of acres, it would be far better for the Government to buy the land back.

THE PREMIER: It was not wanted.

MR. LYALL HALL: If it was good land, it was wanted. It would be far better to buy the land back and sell it to the people on the usual terms.

MR. KENNY: By the present law, church property was exempt from taxation at all times; and, land having been given to churches, it would appear like breaking faith to turn round now and tax them. It would be very much like giving a man sixpence, and calling him back and telling him not to make a beast of himself.

MR. VOSPER: We had heard about these charitable bodies, and there was an evident desire by members of the Committee to meet certain contingencies which might, or might not, happen in 1900.

THE PREMIER: What he did was a mere act of justice on his part, and no-one ever spoke to him about it.

MR. VOSPER: There was no suggestion on his part that anyone had spoken to the Premier. He was not very good at quoting verses of Scripture, but he was inclined to quote one now: "The wicked flee where no man pursueth." He never accused the Premier of anything at all. What he was about to say was that, if these bodies were religious and charitable, they carried on their business

in a most praiseworthy commercial manner. A certain denomination which was an offshoot of the Church of England had been split up into different sections, and during the last few years we had seen a movement to unify all these alien sections; a kind of federation. All these bodies had obtained grants of land at various times in their history, both here and in the Eastern colonies; and when the movement for union was ripe, they made an attempt to obtain still further grants of land. One church would ask for land, and another would do the same, and these sects were going to be amalgamated, so that the result would be that all these pieces of land would be in the hands of one sect, and the land would not be required.

MR. EWING: There was not much danger, he thought.

MR. VOSPER: Not in this colony, he was glad to say; but in the other colonies that had been done which, if carried out by any other than religious bodies, would be regarded as a swindle. There was another thing. The Salvation Army had grants of land in different parts of this colony for the erection of barracks and buildings of that kind. In England, France and every colony except the Australian colonies, where the Salvation Army was established, the land belonged to Mr. William Booth, the "General" of that organisation, who had no responsibility to the Salvation Army or anyone else; and some little time ago an application was made by the trustees here to transfer to William Booth, free of all trust, all the lands held by those trustees in Western Australia, but the application was refused by the Commissioner of Titles. There had been an attempt to obtain land which would never be used for church purposes. Great favour had been done to religious bodies in granting them land in the first place, and we ought not to exempt them from the provisions applicable to other landowners. The tendency in other parts of the world was to diminish church estates, and not increase them; and in giving large grants away to religious bodies, people were raising up trouble for themselves in the future, because it almost meant making a State church, and this colony would be compelled to reverse the policy that had been adopted.

Amendment (the Premier's) put and passed.

MR. VOSPER: Was there any intention to define what were charitable and religious bodies? A religious body might mean almost anything—the Church of England, the Church of Rome, Mormons, Mahometans, Hindoos, Brahmans; anything and everything. Should we have some definition of what a religious body meant?

THE PREMIER: Only the recognised church bodies had land.

MR. VOSPER: Was there a church body recognised by the State?

THE PREMIER: The statute.

MR. VOSPER: Did the statute recognise a State church?

THE PREMIER: There were private Acts recognising most of the churches here.

MR. VOSPER: So we were better off than they were in England, for we had a dozen established churches, and they had one.

THE PREMIER: Those churches had private Acts.

Clause as amended agreed to.

Clause 3—Certain lands excepted from the operation of this Act:

MR. MORAN: Having arrived at the kernel of the Bill, this colony had a duty to perform to itself and to its people; for we had treated the Midland Railway Company with every liberality, having met them fairly and squarely on every clause of the concession, and the colony had done more than that, for it came to the assistance of the other party to the contract. The company were supposed to carry out their portion of the contract, but they had failed in every particular. They had not brought any settlement to Western Australia, nor had they improved the land in any way; indeed they were absolutely setting themselves out with a deliberate intention of prohibiting settlement, so that their dice-box might not be interfered with. They wanted to have the whole of this land to do another gamble with. The original holders had long since left it. We were going to put taxation on people who had been here for the last 30 or 40 years—settlers who had done their best for the colony; and it would be a shame to exclude people who had never seen Western Australia and had never done anything for

it, but had used the best lands as a gambling table for their own designs. He moved that the clause be struck out.

MR. EWING seconded the amendment. The intention of the Bill evidently was to compel landowners either to utilise their land themselves, to allow other people to do so, or to sell it—to strike at the holding of unoccupied lands by private companies or by individuals. What distinction was there between the Midland Railway Company or the Hampton Plains Company and any other company or individual? On the second reading he had been informed by the Premier that the grants made to those companies did not provide that their lands should be exempt from taxation; therefore the colony was not legally, equitably or morally bound to exempt them. Had there been any such proviso, then Parliament must have stood by it; but no such obligation existed. Moreover, the land tax proposed by the Bill was of an extremely lenient nature. If the Midland Company or the Hampton Plains Company were not able to pay such a small tax, their lands could be of little value, and the sooner their owners abandoned them the better. The tax imposed would amount to a maximum of about one penny on every four acres and to a minimum of about one penny on every fifteen acres. A large proportion of the lands in question would be dealt with as second or third-class land. If the tax would have the effect of confiscating land, the Committee might hesitate; but as it was only a moderate impost to induce landholders to use their land for the benefit of the community, there could be no reasonable objection to the amendment. As there was no apparent distinction between these companies and other companies, he would strongly urge that the clause be not amended, but be absolutely struck out.

MR. A. FORREST: In fairness, the case for the Midland Railway Company should be put as clearly as possible. About the year 1887 the company acquired certain lands on condition that they built a railway. After building that railway for a certain distance they got into financial difficulties, and Parliament guaranteed a loan on which the company had paid the interest, so that no loss had been sustained by the country; and the

company were now negotiating to repay the half-million borrowed. The company's shareholders were resident in England, and when the land was granted them it was valued by people in this colony, supposed to be competent judges, at an average rate of £3 per acre, and none of it at less than 15s. per acre. Was that valuation fair at the time; and if fair, what had happened since? The Crown had since passed a law giving purchasers of land 20 years to pay for it at the rate of 6d. per acre per annum free of interest. In those circumstances, what chance had the Midland Company of selling their land? It paid the purchaser better to buy land from the Crown. There was no such thing as giving away Crown lands for nothing at the time the concession was made to the company. Land was then worth 10s. per acre, and could not be bought for less. Even under the old Special Occupation license, the terms were 1s. per acre per annum for 10 or 12½ years, and certain improvements had to be made. The Government had broken faith with the company by altering the land laws so as to make the company's lands valueless to their owners; yet now it was asked that those investors who were out of pocket to the extent of about one million sterling should pay a land tax. The company had a railway which did little more than pay working expenses, and which, if Crown property, would pay no better. No interest had been paid on this million of money since 1897, and the account was now in debit about £1,600,000. Was it fair to tax their lands after the Government had broken faith with the company by liberalising the land laws?

MR. MORAN: Did the Government undertake not to do so?

MR. A. FORREST: No; but had the proposal been mooted when the concession was first proposed in the House, it was hardly likely that the company would have undertaken the enterprise of building the railway; and the colony could not at that time have attempted to construct a line through 300 miles of unoccupied country. Would this proposal do the colony any good in London?

MR. MORAN: What harm would it do?

MR. A. FORREST: When in London two and a half years ago, no matter

where he went he had always been asked: "What about the Midland Railway?" The grievances of that company had done the colony more harm than anything else, and this proposed taxation would be the last straw—the taxing of land which the company were unable to sell at even a small profit. These were the facts of the case, as he had known them from the first introduction of the concession to the present time, and he asked the Committee to pause before sending it forth to the world that Parliament intended to tax those unsalable lands.

MR. MORAN: Would the last speaker attempt to point out in what way £1,600,000 had been spent on that railway?

MR. A. FORREST: That was not what he had stated. Between £900,000 and £1,000,000 had been subscribed, and the interest and principal amounted to £1,600,000.

MR. MORAN: Would the hon. member state how £1,000,000 could possibly have been spent on that railway?

MR. ILLINGWORTH: Or £600,000?

MR. MORAN: Where could the money have gone to? The company was promoted with a capital of £900,000. The railway could have been built for £500,000.

MR. A. FORREST: Impossible.

MR. MORAN: How long was the railway?

THE PREMIER: 275 miles.

MR. MORAN: Wages were not so high then as now. Suppose the railway had cost £600,000.

MR. A. FORREST: It cost more than that.

MR. MORAN: Then it had evidently cost too much.

MR. A. FORREST: The Government lent £500,000 to help to build it.

MR. MORAN: If so, the Government had lent 100 per cent. on the value of the railway.

THE COMMISSIONER OF RAILWAYS: The line had been well built.

MR. MORAN: So far from finding fault with the Government for having lent the money, he was glad they had done so, for that fact closed the mouth of any man attempting to say that Western Australia had treated the company badly. On the contrary, the colony had gone out of its way most generously

to help a company who were unworthy of assistance.

MR. A. FORREST: The company's shareholders put their money into the venture.

MR. MORAN: The company was promoted for a million of money, of which a sum of £500,000 never left the shores of England. It was the same with mining companies which, it was stated, had invested 70 millions in Western Australia, whereas there had not been 10 millions invested. Parliament would, no doubt, be prepared to give the company £600,000 for the railway, thus allowing them a profit of £100,000, or might even go to the extent of £700,000; but the great duty of the Government was to settle an agricultural population on every available piece of land throughout the country; and it was impossible longer to tolerate the existence of a company whose fortunes had never been bound up with the fortunes of this colony, and who had always made this colony a secondary consideration, and their nefarious practices on the stock exchange the first consideration. Such a company could no longer be allowed to block up the fairest agricultural portion of the colony, that part between Perth and Geraldton, at the base of the triangle which had its apex between the colony's two great goldfields. They could no longer be allowed to remain there, a menace to the prosperity of Western Australia. This company should be brought to their senses. We were simply going to give the screw one turn, and if that would not do we should have to give it another turn, and keep on turning it until we turned the land back into the hands of the Government.

MR. QUINLAN: The statement made that the Midland Railway Company were willing to sell their land was not correct, for the company had absolutely refused to sell the land at a big price.

MR. A. FORREST: The manager of the company was his authority for the remark he made.

MR. QUINLAN: The people who had offered money for the land told him that the company would not sell.

MR. A. FORREST: The people who wanted the land would not pay the money; they wanted terms.

MR. QUINLAN: The company had refused excellent prices for the land. There was no comparison between the Hampton Plains Land Company and the Midland Railway Company. The land belonging to the Midland Railway Company was good agricultural country. True, there were good and bad patches in it, but generally speaking the Midland Railway Company had "picked the eyes out of the country" along the line, and now refused to sell the land at good rates, but had asked fabulous prices, thereby retarding the progress of the colony and the agricultural districts in particular. The company did not deserve any consideration whatever. The cost which the promoters of the Midland Railway Company had been put to was not the question before the committee. True, the company had endeavoured to float a company with an enormous capital, but we knew from the day of the big banquet at Midland Junction to the day when the railway was completed that the company had done nothing to their credit. The amendment of which he had given notice was for the purpose of dealing solely with the Midland Railway Company. Although the Hampton Plains Company had obtained a large concession of land from the Government together with the mineral right, and had given half-a-crown per acre for the land, he understood that the company had given back the mineral right to the Government. The land belonging to the Hampton Plains Company was not suitable for agricultural purposes: there was not the rainfall in that part of the country to make the land suitable for agricultural purposes.

MR. A. FORREST: The company had fenced the land.

MR. QUINLAN: The hon. member was about the right mark to take a flock of sheep on to that land, although it was fenced. The hon. member for West Kimberley, who had seen this land, said that at one time the land appeared to be some of the best country in Australia, but on another visit to the company's property the hon. member changed his opinion.

MR. A. FORREST said he never visited the property a second time, but there was good land there.

MR. QUINLAN: The amendment of which he had given notice should be

dealt with first, and then the proposal made by the member for East Coolgardie (Mr. Moran) could be dealt with subsequently. He hoped the Committee would not *hokus bolus* strike the clause out.

MR. CONNOR: The original intention of the Bill, he understood, was to make the large holders of land break up their estates so as to allow people to settle on the land. That was the first idea in regard to the Bill.

THE PREMIER: The Bill had not been altered since it was placed on the table.

MR. CONNOR: This Bill, and the one previously discussed (Dividend Duty Bill), seemed very much like class legislation; and if we went on in this way, it would be impossible to say what we would be asked to pass. We had heard a great deal about wanting to settle people on the land, and if the Bill before the Committee passed in its present form, two of the biggest and most important estates in the colony would be shut up as much as they were at present. An excuse was made on behalf of the Midland Railway Company and the Hampton Plains Company that the Government were giving land away; but he did not think he would be wrong in saying that the Midland Railway Company would refuse to sell land, if it were wanted, at £100 an acre. The company had been offered £20 an acre, to his knowledge, and had refused it. That amount was offered by people who wanted to come here from Queensland and who wanted to settle in this colony.

THE PREMIER: These people only wanted a small quantity, he should think.

MR. CONNOR: The area was not hundreds of acres, but it was a large farm that the people wanted. To his knowledge people wanted to come from Queensland, and they were prepared to give £20 an acre for some of the Midland Railway Company's land, that was before the great boom. These Queensland people could not get the land because of the "dog in the manger" policy of the company. Were we going to allow the company to continue that policy? Were we going to allow the people who lived in London to go scot-free? Another argument which had been used by the member for West Kimberley was, that the people in London would say, if we passed this Bill, if we perpetrated this dreadful crime and made

the company pay the tax which the people in this colony would have to pay if the Bill passed, that a great deal of harm would be done to the colony. If we carried the Bill in its present form, the people in London would think nothing better of this country. It would be thought rather strange if we refused to levy a tax on the land belonging to this company, but taxed other people. The clause should be struck out, and he believed that was the opinion of a majority of members. As long as we were trying to settle people on the land, we should not be afraid of what the people in London would say. We should show that if we wanted to raise revenue from the land, it would be raised, no matter who owned the land.

THE PREMIER: This Bill was not intended as a revenue producer except in an indirect manner. The proceeds of the fines, if any fines were imposed, would go to the roads boards for the improvement of the roads, and probably in an indirect way that would save the revenue; still this was not a land tax for the purpose of revenue, but was intended as a fine on those who were not improving their lands, but who were leaving them unutilised and unimproved. Hon. members would notice that Clause 3 did not go so far as to exempt all the rural lands granted to these companies, only to the extent of those lands that remained the properties of the companies. The Midland Railway Company had sold a good deal of their land.

MR. CONNOR: That was all the worse.

THE PREMIER could not see that, because the Bill would apply to the land that had been sold. If the company had disposed of a certain quantity of land, that quantity would be subject to the operations of the Bill; therefore how could that be so much the worse? There could be no cause of complaint from anyone in regard to the lands that had been alienated by the company, because such lands would be amenable to the Bill. The measure would not apply to the lands which had not been sold by the company but still remained their property.

MR. A. FORREST: The poor settlers who leased the land would have to pay.

THE PREMIER: It was no use going back 15 years and talking about the

condition of affairs when we made the contract, which was carried without any division at all, or without any diversity of opinion, in the House.

MR. VOSPER: In the Council?

THE PREMIER: In this Chamber. He could assure hon. members that everyone at that time looked on the contract as a great advantage that the railway should be built. No doubt we did not anticipate that if the contract were carried out the land would remain unutilised so long, but these lands would have been nearly as unutilised to-day unless the State had built the railway, because the land could not be utilised to advantage without a railway; the land was too far from a market, therefore the Government would have had to build the railway.

MR. MORAN: The Government could have built the line for one quarter of the money the company said it cost them.

THE PREMIER: He did not believe the railway could have been built and put in the position it was in to-day under £800,000.

MR. MORAN: The land would all belong to the Government, whereas the land does not belong to the country now.

THE PREMIER: It would not matter whether the land belonged to the Government or not, so long as it was utilised. We should be fair in these matters, and because a bargain had turned out disadvantageous to us, we should not be unfair on that account. People often entered into undertakings which turned out disadvantageous and brought ruin upon them, but they had no right to get out of an undertaking for that reason. If we could have seen in 1884 or 1885—he forgot the exact date—when we made the contract, the position we would be in to-day, if we could have looked ahead, no doubt we should not have made the bargain we did, because it would have been better for the colony if we had never seen the Midland Railway Company, provided we could have seen ahead.

MR. MITCHELL: It was easy to be wise after the event.

THE PREMIER: As the hon. member said, it was very easy to be wise after the event. We had no fault to find with the Midland Railway Company, except on the ground that the company were making no use of the land. The railway had been well built; it had been running ever

since its construction between Perth and Geraldton, and for a long time the railway had been running at a loss. It did not pay even the interest on the money for years, in fact it had never paid the interest until a year ago on the half-million of debentures raised under the guarantee of the Government. The company had resorted to raising new debentures, selling preference shares, and to all sorts of plans in order to get enough money to pay interest; and the Government were aware of these facts, because they were the guarantors. If the company had not paid interest, the Government would have had to pay up to a certain amount, when the Government could have foreclosed on the company. The company never paid interest until the last two or three half-years, when they had managed to send home £10,000 at the end of each term. Before that time, scarcely any money was sent home; and it must be remembered that this interest was only in regard to the £500,000 debentures for which the Government were responsible. In regard to the original debenture-holders, who found the money in the first instance—on which observations had been made, and probably justly made—all the £700,000 or £750,000 did not find its way into the railway work, and that might be proved if the matter were investigated. In regard to the £500,000, however, raised under the guarantee of the Government, every penny was spent under the supervision of the Government, who knew the money was used to pay the debts of the company—£60,000 to the Government, and considerable amounts to the National Bank and to the Joint Stock Bank in London, while £309,000 was devoted to the railway under the supervision of the Engineer-in-Chief. The original debenture-holders of the £750,000—he was speaking from memory—received interest for a few years, it having been provided on the original flotation that so much money should be put aside for this purpose.

MR. ILLINGWORTH: Out of capital?

THE PREMIER: Out of capital; and it was a common thing, on the flotation of a company, to provide for the payment of interest for a few years until the works were erected.

MR. ILLINGWORTH: But the company's works were not erected out of the money.

THE PREMIER: Provision for the payment of interest in this way was made on flotations, all over the world. The debenture-holders of the £750,000 received interest for two or three years, but for the last, say, 10 years they had not received a farthing, and, so far as he could see, there was very little likelihood of their getting any interest for some time to come. The company got the lands, but found difficulty in turning them to account. There might be isolated cases in which they could sell, but he was quite positive that no large area could be sold out of the concession at more than the Government price of 10s. per acre. And even at that price, people wanted terms spread over 20 years, as was the case in connection with Government land. Who was going on to the Victoria Plains, where, although the land was good, the rainfall was not more than 20 inches?

A MEMBER: Sixteen inches.

THE PREMIER: The Plains were not one of the best-watered districts in the colony; and who was going to give a large price for land there, when Government land could be got in other places at 10s. an acre on terms spread over 20 years? Further, a man could get 160 acres for nothing from the Government, with an advance from the Agricultural Bank, a convenience which was not possible when dealing with the company, although, in the latter case, he might be allowed 20 years in which to pay the money. The difficulties of tenants under the Great Southern Land Company were well known. These tenants had to pay double the price at which Government land was selling, and the purchasers had none of the advantages of the Agricultural Bank, and the company only sold 80,000 acres. But there was another source of difficulty under which people laboured who purchased from the Midland Company. He did not want to frighten anyone, but there seemed to be a good deal of risk in dealing with the company, because purchasers could not get their title until they had paid all the money due; and as there were 20 years to pay in, the title during that time remained with the company, so that should the company become embar-

rassed, there might be, and probably would be, considerable difficulty in obtaining the title. The only way in which this company could deal honestly, as they desired to do, with the land was to sell it right out and get the money; but people were not prepared to give the money at once, especially when they could go to the Government and get land on long deferred payments. He knew this country as well, perhaps, as few members knew it, and he was quite certain there was great difficulty in selling large quantities of land for cash; indeed, he did not know whether customers could be got for large quantities. The member for the district (Mr. Phillips) knew more about this subject than he did; but he (the Premier) knew there was difficulty in selling land even under favourable conditions. At present there was good land within two miles of the town of York, land on which £1 per acre had been spent in improvements; and yet that land could not now be sold at £1 per acre. What was the good of talking of rural land being easily disposed of, when it was well known that it could not be readily sold in large quantities?

A MEMBER: Let the company bring out population to put on the land.

THE PREMIER: But that required money, and money could not be got unless it was reproductive quickly. This company had had its difficulties, and had got a bad name through non-payment of interest, and, therefore, it was not likely to easily raise money. Parliament would be doing wrong to hamper this company, and it was not fair to enter into a bargain with people living in the colony, or out of it, and then to treat them in the way now suggested. Under this bargain, the company agreed to build a railway, and did spend a lot of money in doing so, the railway costing £900,000 if it cost a penny; and in return the company got land but no money. Hon. members might be sure that nothing would give the company so much pleasure as to sell this land at reasonable prices, if they could sell the lot. He had no doubt that if the company were offered 10s. per acre, or perhaps much less, for their 2,000,000 acres they would jump at the offer.

A MEMBER: They would sell at 4s. an acre.

THE PREMIER: And be glad to sell at the price. The Government had made a bargain with the company, and allowed them to spend their money on the railway and to run this railway ever since; and it would not be fair to now turn round and tell the company that they must be taxed because they were not doing so much as they ought to do. It was almost impossible for the company under the circumstances to utilise the land; yet it was proposed that the Government should turn round, knowing that the £700,000 of debentures had brought no interest for 10 years, and that it was almost more than the company were able to do to pay interest on the £500,000 guaranteed debentures, and say, "We will tax you and make your burden harder to carry than it is at the present time." That was not the sort of proceeding to commend itself to people who looked on the matter impartially, and without feeling.

MR. ILLINGWORTH: It might make the burden lighter.

THE PREMIER: It was difficult to see how that could be; and to tax this company would not redound to the credit of the colony. A contract had been made by the Government, giving the company land for their expenditure of money. Certainly, the Government did not say this land would not be taxed, but, at the same time, the company had a right to expect the land would not be taxed until they had obtained some return from their estate. Before the Government, with any good conscience, could fine the company for not improving their land, the Government must be satisfied the company had neglected their opportunities, and were now neglecting their opportunities of utilising the land. From his knowledge of the country, and condition of affairs there, he had no hesitation in saying the company had had no such opportunities, and were not in a position at the present time to dispose of any large area of their land. Unless people in England could be induced to adopt some colonisation scheme under which this land could be sold to another company, and a large amount of money made available for improvement and settlement, he did not see how the company were to set about utilising their property. Of course, the company might try to utilise the land by selling it in small quantities, but unless

they sold it at a very cheap rate, they could not compete with the Government. In regard to the Hampton Plains Company, he saw no use in forcing them to improve their land under the Bill. The rainfall there was uncertain, and but a few inches, and a good deal of the land was only suitable for mining. The company had thrown the lands open to the prospector, alluvial miner, and leaseholder; and he saw no use in imposing conditions, because he was convinced the company were putting the land to the best use at the present time. He saw there was a strong feeling in the House against the views he had expressed, but he felt it his duty to lay them before hon. members in the hope that the clause would be allowed to stand.

MR. DOHERTY: At the first glance, there seemed a hardship in applying the fine to the Midland Railway Company's lands, but if their affairs were gone closely into, and the figures worked out, it would be found that the company were in a strong enough position to pay the small tax contemplated under the Bill. The company at present possessed a grant of 2,400,000 acres, of which half might be taken as worth £1 per acre.

THE PREMIER: The company would sell at 4s. an acre.

MR. DOHERTY: Surely the company would not take 4s. an acre? Taking the property at 10s. an acre all round made the value of the land one million sterling, and that with the railway, which the Premier said was worth a million, amounted to two millions. The company were really working against themselves in not putting people on the land, and so providing traffic for their railway. If the company had no intention of settling the country, the Government should do so, and the only thing wrong with the proposal made was that it was not sufficiently severe. We should have confiscated the railway on an equitable basis, returning the company a sum of money, for the railway should be in the hands of the Government. There was an immense estate, some persons saying the land was good and others that it was not, and as long as the railway remained in the hands of the company, we should never have that land settled, for these people would not create a traffic. The object of other great companies was to

settle people on the land, and give land away, if necessary, as long as it brought traffic to the railway. The penalty imposed on this railway would be £2,500 per annum if the land were regarded as second-class; and surely the company could afford to pay that sum, considering the cheap rate at which they obtained the money, and that the Government supplied them with half a million.

MR. VOSPER: And they had three years without paying any interest.

MR. DOHERTY: Yes. The House should certainly make the Midland Railway Company come under the Bill.

MR. OLDHAM: If the Premier had stated the case fairly, and the company were not able to pay the amount of the tax, the imposition of the tax upon them would virtually mean confiscation, not only of their land, but also of their railway. That would be wrong indeed, but he hardly thought such would be the result of the application of the tax to them. In his opinion the Bill would compel them to follow out, if not the letter, the spirit of the agreement which they made when they were granted this land in return for the construction of the railway. Surely it was never intended the colony should hand over to any particular company, or body of persons, a vast area of land to hold as long as it suited their convenience; and he hardly thought there could be anything substantial in the argument that they could not sell this land on account of the Government selling other lands. If that were so, how long were we to wait until the company could settle their lands? If there was anything at all in the argument, it meant that, before we inflicted any of these conditions in the Bill upon this particular company, we should have to wait until the Government had disposed of all the rural lands in the colony, and then the company would have no competition, and would be enabled to get whatever fancy prices they liked to ask. The Bill was a very good one. If the Midland Railway Company were exempted from the operations of the Bill, would it not also be fair to exempt those who bought land from the Government, or to whom land was given in return for bringing money, goods, and chattels, and coming themselves from the old country, and going through all the hardships atten-

dant on early settlement in this colony? It would be no hardship on any section of the community if we compelled people, not to sell in the first place, but to utilise land, to produce something in the shape of food which the colony required. That was the sole object of the Bill. There was another argument in favour of taxing the lands of these people. The Premier had properly pointed out that any purchaser from the Midland Railway Company, unless a purchaser for cash, ran a considerable amount of risk with regard to the title, and surely it was not advisable that any land in this colony should be placed in that position. It was not advisable that any person from England, Ireland, Scotland, Wales, or Europe, who was induced to come here by agents of this company, should find, after spending the best years of their life, probably, that they had no title to the land. As to the argument that we should frighten the investor away if we followed the course suggested, he was inclined to think that the British capitalist was not to be frightened by such measures. He hoped the House would strike out the clause, so far as it applied to the Midland Railway Company.

MR. ROBSON: The original object of the grant to the company was the settlement of the land, and not the building of the railway, and if the railway had not been built, Geraldton would have been better off than at present.

THE PREMIER: The people did not think so.

MR. ROBSON: Had the Midland Railway never been built, Geraldton would have been very much more important than at present, for it would have been the terminus of the Northern line, instead of being merely a passenger place on the way to Perth. When that land was granted to the Midland Railway Company the conditions were that there should be alternate blocks.

THE PREMIER: No, no.

MR. ROBSON: The Government were to have land in between, the object being that both the company and the Government should assist in settlement; and it was thought the land would increase in value. Owing to the absolute failure of the company to in any way settle the land, or dispose of it, the land remaining in the hands of the Government along that line

was not utilised to any extent at all, and the Government were unable to utilise it.

THE PREMIER: Why could not the Government make use of it?

MR. ROBSON: Because it was scattered, and far away from civilisation.

THE PREMIER: It was alongside the railway.

MR. ROBSON: It seemed to him the Premier had accepted the fact that the Midland Railway Company had locked up their land, and were going to keep it locked up for generations to come; and, as a member for the northern district, he took great exception to such a state of affairs. It was merely another instance of centralisation in the south, of which people in the north disapproved. He should imagine that, with the through traffic the company had now, they were in a very much sounder position than they occupied years ago. The Premier had also alluded to the poverty of the rainfall in that district, and he (Mr. Robson) would much like to take exception to the disparaging remarks on that subject. The Minister of Mines said that it was 17 inches. They had already had that.

THE MINISTER OF MINES: The average rainfall of Geraldton was no more than 16 inches.

MR. ROBSON: The average for several years was 17 inches, and it was a wheat-growing rainfall, provided they had the land. They possessed good wheat-growing country, and it could be proved by the Government statistics, the wheat on the Irwin giving the highest average of bushels for any place in the colony. Moreover, there were minerals still locked up. Members had been told the Hampton Plains Company had allowed their mineral rights to revert to the Crown, but we did not find that such was the case with the Midland Railway Company.

THE PREMIER: Twelve hundred acres were open.

MR. ROBSON: To develop the coal now locked up, there must be a railway to it. It was useless to give permission to work coal on the 1,200 acres when the coal would have to be carried 20 or 30 miles. That was a further argument, not for deriving revenue from the company, but for imposing some tax

upon them which would compel them to open up both their agricultural and their mineral lands. If, as stated by the Premier, the revenue derived from the tax was to be devoted to the improvement of the roads through the roads boards, then, as the bulk of the land between Perth and Geraldton was held either by the Midland Company or by the Government, in an unimproved condition, with a few scattered settlers here and there, how would that district fare in the matter of roads? No funds would there be available for roads boards, which would be absolutely unfair. He would support the amendment.

THE COMMISSIONER OF CROWN LANDS (Hon. G. Throssell): The more closely this Bill was looked at, the more obvious became the difficulties surrounding it. On the one hand hon. members were naturally undesirous of treating the Midland Company harshly; and on the other, to treat the company too liberally would be doing great harm to the colony. The clause proposed to except the Midland lands from the incidence of the tax; yet the moment a man purchased from the Company 40,000 or 50,000 acres of land, the Government would immediately pounce upon that man with compulsory conditions of improvement. That fact showed the evil of syndicate railways, which he had always publicly opposed, for they put a muzzle upon the country's land policy, and also created a rival railway policy to that of the Government. The only solution of the whole question would be for the Government to acquire those lands and the railway, and to throw open the country for settlement. [SEVERAL MEMBERS: Hear, hear.] This must be done if the property could be acquired on fair terms. There was, however, a crumb of comfort in the Bill as it stood; for while hon. members talked of the Midland Railway Company and their lands, it must be recollected that large areas of such lands were no longer the property of the company. If he was rightly informed, different bodies of good standing in England had acquired considerable areas here and there along the Midland line—one of 20,000 and another of 30,000 acres; and it went without saying that the men who had acquired such land had not taken the worst pieces. Now this Bill, while ex-

empting the Midland Company, would not exempt those who had purchased from the company; and hon. members whose constituents were interested in this tract of country, should take comfort from that consideration. Although Parliament might exempt the company for a time from taxation, he was looking forward with great pleasure to the date when, under this Bill, he would be able to do something with the areas which had been acquired from the company by other interested parties. These areas, as stated, were of considerable extent. A short time ago the owners of one of them pressed the Government to exchange it for some very rich timber land. But at the final interview between the agent for the proprietors and him (the Commissioner), the question was asked whether the owners would be in a worse position if they exchanged this land than they were previously; and when he (the Commissioner) asked for an explanation it was given thus:—"At present we are not compelled to do anything with our land. Shall we be in a worse position if we come to terms and exchange with you?" He answered:—"Sir, whether you be prince or peasant, if you acquire land from the Government it can only be under compulsory conditions of improvement." Nothing had since been heard about the transaction, nor was it likely that more would come of it. He could not see his way to follow hon. members in their desire to compel the improvement of this huge area of the Midland Company. Much as he would wish to do so, the compulsory fencing of probably two million acres of land would involve the expenditure by the company of so much money per acre that he could not consent to the proposal, because it would simply mean confiscation. He was not prepared to go so far as that; still, he sympathised with those hon. members who deplored the fact of this land being shut up so long; and what he would impress upon the committee was that there should be finality. When it was said that this company should be exempt from the proposed taxation, surely it was not meant to exempt them from compulsory conditions for ever. If it were provided that the private individual need not improve his land till a period of two years had elapsed after the passing of the

Bill, should it be provided that the Midland Company were to be for ever and ever exempt from compulsory improvement? The great difficulty was that, if the land were now put on the market, all purchasers would immediately be penalised by the Bill about to be passed, and which he hoped would pass. The only solution of the difficulty was for the Government to acquire the whole of the company's land. Hon. members knew what trouble there was over the Great Southern line. He held that the railways should ever remain in the hands of the State. Once let a private syndicate get hold of such national assets, and there would be a rival land policy and a rival railway policy. The Midland Company had no chance of selling their lands at 10s. an acre. At the same time, no mistake should be made about the position. The land was not a paradise, and a very large portion of it was not worth fencing, and certainly not worth compulsory improvements of so much per acre. For those reasons he would support the Bill as it stood, granting the company exemption from the land tax. But for how long were they to be exempt? That was the question.

MR. PHILLIPS: After listening to the Premier and other hon. members, he could only say what he had long maintained, that the only way out of this difficulty was to negotiate for the purchase of the company's land at a reasonable price. It would be practically impossible to improve the land compulsorily or in any other way, for the company had made a bargain with the colony, to the terms of which the Government must adhere. There was no one more opposed than he to the way in which the company had operated. Since they opened the railway they had, in his district, parted with no less than 220,000 acres of land—perhaps 240,000 acres. That land had been sold to some unknown purchaser, who ought to be taxed for the benefit of the colony. He would support the amendment. The company should be approached with a view to the purchase of their lands by the Government; and, if the terms asked were exorbitant, then let Parliament "go for" the company unsparingly.

MR. VOSPER: Much time had been occupied in attempting to work up sym-

pathy for this company; but all the evidence tended* to show that such arguments were so much unreasoning sentiment. The Bill specially aimed at the throwing open of idle lands with a view to promoting settlement; and it would be absurd and farcical to omit from the operation of the Bill so large an area as 2,300,000 acres of land situated between two such important towns as Perth and Geraldton, and traversed by the Midland railway. Yet hon. members were told that, because this company had got into financial embarrassments, very largely caused, so far as he could ascertain, by their own dishonesty, Parliament was now to refrain from taxing that land simply because it belonged to such a company, while other people were to be taxed who had very much more claim to consideration. All the large areas in the South-Western portion of the colony had doubtless been taken up under conditions very similar to those attaching to the land of this company. The settlers came to the colony and took up large tracts of country simply in consideration of their coming to the country as permanent residents. He would go further than that. The Commissioner of Crown Lands in speaking on this point had said he had reason to be thankful that a large proportion of this company's lands had already been alienated, and would therefore be liable to the proposed tax; but the Minister never seemed to consider the gross injustice of that state of things. Here was a company which, because it was a company, was not liable to taxation so long as it held those lands. As soon as it sold that land to anybody else, the purchaser became liable to taxation immediately. What was there holy or sacred about this company? Look at their past history. What had they done for this colony that they should be singled out to be exempt from taxation? The company had been a curse to the colony ever since it came here, and the only true policy was to get rid of a curse of that kind as early as possible. This tender consideration for people who had broken every contract they had entered into was incomprehensible. It was very well to talk about confiscation, but the amendment simply asked the company to take the same risks as every other landowner; and in the

name of common sense and common justice, why should the tax be described as confiscation when applied to this company and not when applied to anyone else? The member for Wellington (Hon. H. W. Venn) had said this Bill might be described as a Bill for the confiscation of certain rural lands. If it amounted to confiscation when applied to this company, then what that hon. member had said was fully justified, because it would be confiscation as applied to everyone. He (Mr. Vosper) had before him a copy of the original contract between the Government and the company. Clause 45 of the contract provided that:

The contractor will procure the introduction into the colony from Europe, within seven years from the date of this contract, of 5,000 adults of European extraction. Children of 12 years of age to count as an adult, under that age as half an adult. The immigrants to be selected and approved in such a manner as may be mutually agreed upon by the Government and the contractor, but the number of immigrants to be introduced in any one year to be specially arranged between the Government and the contractor.

THE MINISTER OF MINES: That clause had been struck out.

MR. VOSPER: Still, that was the original contract—the form in which the contract was first of all passed by this House or by the predecessor of this House, the old Legislative Council of the colony.

THE PREMIER: There was nothing in the clause to make the company settle the immigrants on the land. If the company now brought such people to the colony, the Government would not know what to do with them when landed.

MR. VOSPER: When the Legislative Council of that period made the contract, it was on the understanding that 5,000 immigrants were to be introduced. That had never been done. That portion of the contract had either been abrogated or broken. If broken, then the company had no claim to the consideration of the House. If abrogated, the fact only showed the tender consideration with which the Government had always treated the company. When was that policy to cease? Every point in the contract in favour of the colony had been abrogated, broken, or neglected to be enforced; and now every suggestion made as to utilising the lands of the company,

and doing anything in the direction of national improvement, was still met by this tender consideration for the company. The Government were taxing everybody, and it had been said they were going to confiscate land, yet the Midland Company were to be exempted because they had simply succeeded in making the name of Western Australia a by-word and a reproach throughout England. As long as the company existed they had a tendency to make things worse rather than better. The Commissioner of Crown Lands had said that we might concede something to the company now, but for how long? The Bill provided that its provisions should not come into operation until 1902. That would give the company three years in which to consider their position. If the Government wished to give the company a concession, the Bill might have said that this tax should not come into operation for five years in regard to the Midland Railway Company, but to exempt the company from the provisions of the Bill for ever and ever was a most preposterous idea. If, at some future time, it was proposed to impose a tax on this company, the same sympathy would be evoked, and we should require a special Bill to be brought forward to deal with the company, and the same agitation would then be got up as was got up now. We ought to grasp the position at once firmly. Members were howling about the taxing of the people, and to let the company go untaxed was not a proper proceeding. Owing to a blunder on the part of the Legislature in what may be termed the "dark ages" of this colony, the land belonging to this company had been locked up, and the committee would now be failing in their duty if we allowed the Bill to pass as it stood. We should accept the amendment moved by the member for East Coolgardie (Mr. Moran).

THE MINISTER OF MINES (Hon. H. B. Lefroy) : The striking out of the clause would not get the Committee out of the difficulty that was troubling them in regard to the locking up of the large area of land belonging to the Midland Railway Company. The fine was so small that he was quite sure it would not force the Midland Railway Company to sell their land. The fine was only a penny in the pound, and he could assure

hon. members that very little of the land between here and Geraldton was worth more than ten shillings an acre, and a penny in the pound would not come to much. The Committee he did not think quite understood the position of the colony in regard to this land. The member for North-East Coolgardie (Mr. Vosper) had said that if the clause were struck out the company would have three years in which to arrange matters? How would they arrange matters? They would have just time enough to look around them, and to make their tenants pay the fine. This land which was held by the Midland Railway Company was not wholly unoccupied, the land was acquired by the company for building the railway, and the company occupied, with regard to their land, very much the same position as the State occupied in regard to unoccupied Crown lands. The company rented their land to pastoral tenants to a large extent, and hon. members should not imagine, if this fine was imposed on the company, that the company would pay it; the pastoral tenants of the company between here and Geraldton would have to pay the fine, whereas the pastoral tenants in every other part of the colony would not have to pay the fine. Was that justice? If hon. members struck out the clause, they forced the pastoral tenants of the poor lands—land that would not pay to fence—to pay a fine. He might mention that the clause would not affect the better class of land, the land the company would not sell, because the better land held by pastoral tenants was fenced, therefore no fine could be imposed. If the Committee wished to force the Midland Railway Company to dispose of their land, or come to some terms with the Government for the sale of it, then the best thing to do was to bring in a Bill to directly tax the land, then we would know the exact position of affairs. If the company were fined under the Bill, the company would not pay the fine, but the people who had leased land from them would pay the fine, and the pastoral tenants of this company should not have to pay a fine any more than the pastoral tenants in any other part of the colony. He did not think the clause would affect himself, because the land he occupied was fenced, therefore would not

come under the operations of the Bill, but there were plenty of small settlers of moderate means who rented land from the company at £1 a thousand acres, and this land was not fenced, because it would not pay to fence it; if a fine were imposed on the company, naturally the company would look to the pastoral tenants to pay it; the company would either force the tenants to pay the fine, or they would rent the land to somebody else who would pay it; that was the position which would be brought about if the clause were struck out. It was expected when the company took up the land that it would have been settled by the company, and there was a great deal in what the Premier said, that it was a difficult thing for the company to compete with the Government in the sale of land. There was some of the best land along the railway line, between Mogumber and Moora, under cultivation which had been acquired at £1 or 10s. an acre on deferred payments of 6d. per acre per annum for twenty years. The company did not feel inclined to dispose of their land at the same rate, it would not pay them to do so.

MR. ROBSON: It would create traffic on the line.

THE MINISTER OF MINES: The company thought not. The company were not in the same position as other people were who occupied land. The company must have had a most exaggerated idea of the value of the land, or, otherwise, it was possible the railway would not have been constructed; and to talk about the land being worth £1 an acre, or even 10s. an acre, was simply ridiculous. The whole of the land from Perth to Geraldton was not worth anything like £1 an acre, or, at any rate, there was not more than 100,000 acres worth that price. It was only first-class land that was worth £1 an acre in this colony, particularly at present when the Government were not only disposing of Crown lands at 6d. an acre per annum, and payment spread over twenty years, but were actually lending purchasers money with which to carry out improvements. There was no better climate for cereal crops than that which prevailed between Perth and Geraldton and around the latter town; indeed, it was a great deal better climate for the growth of such

crops than any south of Perth. If the good land were properly utilised, it doubtless could be turned to good account; but he was not inclined to use the Bill as a means of forcing the Midland Company to improve their property, because he did not think the legislation would be successful. The only effect of striking out the clause would be to force the tenants, who could ill afford the expenditure, to carry out improvements required under the Bill. The Hampton Plains Company ought not to be included in the Bill at all, seeing that the object of the measure was the improvement of rural lands, which meant, in the common acceptation of the term, lands suitable for agricultural purposes. The Hampton Plains Company's lands could not possibly be used for such purposes, and no one would think of asking that company to subdivide such country as lay south-east of Coolgardie. Would it be reasonable to ask the Hampton Plains Company to clear, cultivate, or grub their land, or to carry out draining, ringbarking or improvements of that kind? The only improvement the Hampton Plains Company could reasonably be asked to carry out, would be to lay down tanks, dams, and wells, and that the company were already doing. The Hampton Plains Company, unlike the Midland Company, did not refuse to let the public on to their lands except at exorbitant prices, but invited all persons to go there with their miners' rights on the same terms as people were permitted to occupy Crown lands. In the case of the Midland Company, the fine would fall on the poorer classes of pastoral tenants, and in the case of the Hampton Plains Company, the fine would fall on the company themselves, who last year entered into a contract to dispose of their areas on conditions similar to those on which the Government disposed of Crown lands.

HON. H. W. VENN moved that progress be reported.

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

Ayes	15
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Noes	10
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Majority for	...	5
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AYES.	NOES.
Sir John Forrest	Mr. Connor
Mr. A. Forrest	Mr. Doherty
Mr. Hubble	Mr. Hall
Mr. Kenny	Mr. Hassell
Mr. Lefroy	Mr. Illingworth
Mr. Monger	Mr. Moran
Mr. Pennefather	Mr. Robson
Mr. Phillips	Mr. Vosper
Mr. Piesse	Mr. Wallace
Mr. Rason	Mr. Oldham (Teller).
Mr. Solomon	
Mr. Throssell	
Mr. Venn	
Mr. Wilson	
Mr. Quinlan (Teller).	

Motion thus passed.

Progress reported accordingly, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10:50 p.m. until the next day.

Legislative Assembly.

Wednesday, 2nd August, 1899.

Question: Deputy Electoral Registrars on Goldfields—
Question: Government Supplies, Tendering—
Question: Mundaring Dam, Engineers' Qualifications—
Question: Citrus Fruits, Importation and Evasion—
Municipal Institutions Bill, first reading—Customs
Consolidation Bill, first reading—Motion: Extra
Sitting Day (withdrawn)—Motion: Commonwealth
Bill and Joint Committee; to admit Press to
Meetings—Papers ordered: Wreck of "City of
York," Depositions—Midland Railway, to Inquire:
Council's Resolution—Contagious Diseases (Bees)
Bill, second reading; in Committee, reported—
Dividend Duty Bill, in Committee, clause 2,
Division, progress—Message: Assent to Bills (2)—
Sale of Liquors Amendment Bill, second reading—
Adjournment.

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

PRAYERS.

QUESTION—DEPUTY ELECTORAL REGISTRARS ON GOLDFIELDS.

MR. ILLINGWORTH (for Mr. Vosper) asked the Premier: 1, What were the circumstances attending the recent enforced resignations of certain deputy electoral registrars on the goldfields. 2,

Whether any registered voter will be disfranchised in connection therewith. 3, What steps will be taken to afford equal facilities for the registration of voters pending the framing of the new Electoral Bill.

THE PREMIER (Right Hon. Sir J. Forrest) replied:—1, The Government were advised that the appointments were illegal; 2, No; 3, Under the existing law there is no power to give greater facilities than are given by section 14 of the present Electoral Act.

QUESTION—GOVERNMENT SUPPLIES, TENDERING.

MR. WILSON asked the Premier, with regard to the deputation of the Chambers of Commerce which waited upon him on the 27th April last: 1, What action, if any, has been taken to give local merchants the opportunity of tendering for Government supplies; 2, Whether it is the intention of the Government to extend the list of goods upon which customs drawback may be granted.

THE PREMIER (Right Hon. Sir J. Forrest) replied:—1, Instructions were issued to the Government Storekeeper that tenders for supplies were to be invited locally in every case in which it was practicable to do so; 2, The question of extending the list of goods upon which customs drawback may be granted is receiving consideration, but has not yet been settled.

QUESTION—MUNDARING DAM, ENGINEERS' QUALIFICATIONS.

MR. ILLINGWORTH (for Mr. Vosper) asked the Director of Public Works, Whether it is true that the resident engineer and his assistant at the Mundaring waterworks possess no qualifications or certificates as civil engineers.

THE DIRECTOR OF PUBLIC WORKS (Hon. F. H. Piesse) replied:—The Resident Engineer, Mr. Leslie, is a member of the Institution of Engineers and Shipbuilders in Scotland. His assistant, Mr. Gleeson, is a Bachelor of Civil Engineering of the University of Melbourne; and his assistant, Mr. Fenton, duly served four years' apprenticeship with Mr. A. Kerr, C.E. Mr. Fenton is also a certificated authorised and licensed surveyor of Victoria, and