

dress delivered by the unfortunate cardinal to Cromwell:—

Let all the ends thou aims't at be
thy country's,
Thy God's, and truth's.

In conclusion, I desire to re-echo the wish expressed by His Excellency the Governor, that our deliberations may be marked by earnest consideration for the needs and general welfare of Western Australia, and I trust we shall be able to bring many important issues to a happy conclusion. I beg to second the motion.

On motion by *Mr. Troy*, debate adjourned.

ADJOURNMENT.

The PREMIER moved that the House at its rising do adjourn until the next day, at 4.30 o'clock p.m.

Question passed.

The House adjourned accordingly at three minutes past four o'clock, until the next afternoon.

Legislative Council,

Wednesday, 9th October, 1907.

| | PAGE |
|----------------------------------------------------|------|
| Questions: Railway Crossing, Claremont Show-ground | 15 |
| Questions, as to longer notice | 15 |
| Sewerage Contractor's Liability | 15 |
| Sitting Days and Hours | 16 |
| Committees of the Session | 16 |
| Bill: Public Health (consolidation), 1st. | 16 |
| Debate: Address-in-Reply, second day | 16 |

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

Prayers.

QUESTION—RAILWAY CROSSING, CLAREMONT SHOWGROUND.

Hon. J. W. LANGSFORD (without notice) asked the Colonial Secretary:

Will the Minister bring under the notice of the Commissioner of Railways the necessity for providing ample protection at the railway crossing near the Agricultural Showground, Claremont, during the State Schools Demonstration on Friday next?

The COLONIAL SECRETARY replied: Yes.

QUESTIONS, LONGER NOTICE.

The COLONIAL SECRETARY, in asking that a question be postponed, requested that, when possible, hon. members should give two days' notice of questions, unless the matter was one of urgency.

QUESTION—SEWERAGE CONTRACTOR'S LIABILITY.

Hon. J. W. WRIGHT asked the Colonial Secretary: 1, Is there a clause in the conditions of contract which made the contractors liable for damage done to buildings etc. during the construction of the George Street Sewer? 2, If so, were the contractors made liable for such damage, and what was the amount paid by the contractors? 3, Who repaired the damage caused by the contractors (excavating for sewers) to residence on Perth Town Lot 56, and at whose instigation was the money expended? 4, Did the Government contribute to the cost of repairs to said residence, or did they bear the whole cost, and what is the total amount paid by the Government in connection with this or any other property damaged? 5, Have the Government provided any portion of money for repairing such damage, and what was the justification for Government expending such money? 6, What is the total amount paid to the contractors over and above contract amount?

The COLONIAL SECRETARY replied: 1, Yes. Clause 37 reads as follows:—"All buildings, walls, fences, and works of any description met with on the site of the works, that it is found necessary to remove, or that may be disturbed, shall be replaced or repaired at the sole cost of the contractor and left at the completion of the works in their original

order and condition." 2, It was held in arbitration that this clause did not place full responsibility on the contractors. 3, The repairs were executed under an agreement between the Minister for Works, the contractors, and the owners. 4, Yes, in part. The total amount paid in respect of repairs to this building, other buildings, and roads, etc., has been £550. 5, Under award of arbitration. 6, The total additions to contract were £1,988 15s. 1d.

SITTING DAYS AND HOURS.

On motion by the *Colonial Secretary*, ordered:—That unless otherwise ordered, this House do sit on Tuesdays, Wednesdays, and Thursdays, from 4.30 p.m. to 6.15 p.m. and from 7.30 p.m. onwards.

COMMITTEES FOR THE SESSION.

On motions by the *Colonial Secretary*, Sessional Committees were appointed as follow :—

Standing Orders Committee—The President, The Chairman of Committees, Hon. M. L. Moss, Hon. G. Randell, and the mover.

House Committee—The President, Hon. R. F. Sholl, Hon. R. D. McKenzie, Hon. C. Sommers, and the mover.

Printing Committee—The President, Hon. G. Randell, and the mover.

Library Committee—The President, Hon. W. Kingsmill, and Hon. J. W. Hackett.

Hon. J. W. HACKETT : How often did the Library Committee meet last session ?

The PRESIDENT : Several times during the hon. member's absence from the State.

BILL—PUBLIC HEALTH (Consolidation).

Introduced by the *Colonial Secretary*, and read a first time.

DEBATE—ADDRESS-IN-REPLY.

Second Day.

Resumed from the previous day.

Hon. W. T. LOTON (East) : I learned a few minutes ago that Mr. Randell, who secured the adjournment of the debate, would not be here owing to the sudden death of a near friend. I was one of those members who last session opposed the policy of the Government in regard to taxation, and now that the Government have had the courage to bring forward a similar measure again, it is perhaps desirable that I should briefly express a few words upon the subjects mentioned in His Excellency's Speech. The hon. gentleman who moved the adoption of the Address-in-Reply has pledged himself a strong and out-and-out supporter of the Government policy, particularly in regard to this question of taxation; but if I understood the hon. gentleman anything like correctly, the speech he made was one of the strongest appeals that possibly could be made to members of this House against the necessity for extra taxation. In the first place the hon. member pointed out that the revenue of the State was very good, and better per head of population than that of any other State; and he pointed out that there was not a very large deficit on previous years. He went on to show that during the last 12 months the trade of the State was a record trade and had only been beaten twice. He said that a trade of 16 millions during the year was a record for Western Australia. Then he went on to say that we had a splendid season throughout from north to south, and that there was an abundant harvest. It has not matured yet, but I hope the hon. member's prophecy will prove correct. And viewing the matter from every direction, according to the hon. member there was no need for extra taxation. The Government are opening up the country, people are settling on it and doing remarkably well. I was astonished to recognise how the hon. member managed to conciliate his different opinions. Possibly on occasions of this kind a speech like that of the hon. member's has to be considerably discounted. I think that is

the only conclusion we can come to. With regard to the Speech itself, I am prepared to give the whole of the measures indicated in it, and any others which come forward, full and fair consideration. But dealing with one measure which was the cause of the somewhat sudden termination of the third session of this Parliament—the taxation measure—I would like to say this: assuming for the sake of argument that extra taxation is required, I suppose when the measure is brought forward the Government will fully justify it from their point of view, and will be able to convince members in the popular Chamber that extra taxation is needed; and that being so, it seems to me the form of taxation about to be proposed will be much more fair and likely to meet with the approval of Parliament, than the measure introduced in the previous session. It will be more fair for this reason. The tax will reach a far greater number of people than the Land Tax Bill would have done; people who will be able to pay the tax. Those who do not get a certain amount of income will not have to pay the tax: people will pay in accordance with the incomes they receive. The dual tax must be lighter in both instances so that the direct taxation will not be so oppressive as it was proposed when one particular class of the community were selected for paying a tax as in the Bill brought forward last session. So that my view is—I have expressed it before, I expressed it the first time when a taxation measure was introduced—that if there is to be direct taxation it should have a wider range. It is wide enough now, as wide as we can go. I am much more in favour of an income tax than a land tax. The question is whether an income tax would not be sufficient, because it will reach a considerable number of people. There is a considerable agitation, and strong opinions have been expressed, that the owners of land should pay a tax. The difficulty to my mind is fixing a fair and just tax on the unimproved value of all lands. That is a difficult question. If the matter could be fairly and honourably dealt with it would settle the difficulty. We can have no direct tax but what will cause a certain

amount of injustice to some people. What will be fair to one may not be fair to another. But we have to put up with that. I do not like the principle of taxing the unimproved value of land; but if we are to have a land tax, I do not know how we are to get away from that principle. If we tax the unimproved land only we would not bring in the revenue required, because the revenue derived from unimproved land would not be worth the collection, therefore, if we have a land tax the whole of the land must be taxed in some way. The question is how are we to tax it? It is a difficult question to arrive at the reasonable value of land, and that being so, we shall have to put a tax on the unimproved values. If at any future time, or even now, we have a Government in power with a sufficient majority behind it to impose a tax that would be unjust and unfair or excessive, if we have such a Government in the popular place where these measures are initiated, then I hope this House, the Legislative Council, will have within its walls a sufficient number of far-seeing, determined and honourable men who will see that any particular party and class in the State are not excessively taxed. And if it is requisite, I hope members will have—if they have not the power to amend a Bill of this kind—the same courage that the Council had some three or four weeks ago to send the measure out. I hope members will have the courage to place on the records of the House that they have the full constitutional right and power to veto a Bill of this nature if they do not approve of it and when they feel that in the interests of the country it should not be approved of. I do not desire to detain members. When this measure comes before us, I shall be prepared to give it full and fair consideration, and I am prepared to say favourable consideration. I am not like the hon. member who moved the Address, willing to pledge myself to the measure before I know what it is. So far I am prepared to go. With regard to the other measures I shall be prepared to give them fair consideration. I am sorry the Government have not seen their way to do without extra taxation, for if the finances had

been fairly and properly tackled during the past two years there ought not to be any necessity for extra taxation. I should like the Leader of the House when he goes into the question of additional taxation to show us most emphatically and decidedly why the necessity exists for this extra revenue. South Australia, with a revenue less than our own for the last year by about £200,000, and an interest bill in excess of our own by a quarter of a million, having £500,000 less to deal with, was carried on last year and had a surplus of £300,000. South Australia carried on business last year with a revenue less than we had, yet we have to go in for extra taxation. [*Hon. E. McCarty*: A quarter of a million more than ours.] Less. I meant to say a revenue £200,000 less than ours and an interest bill one quarter of a million more. South Australia I know is not going in for the same amount of development work as we require; that country has already done such work, and I know also that certain public works in our State should be prosecuted and not allowed to stand still, therefore, more money is wanted. Still there is a wide difference between South Australia and this country, for South Australia pays away half a million of money more than we do and comes out with a surplus of £300,000. There has been something wrong somewhere, and we should endeavour to find out where.

Hon. J. A. THOMSON (Central): Speeches on the Address-in-Reply are apt to be tedious and monotonous, but if all members spoke to the point and were as brief as the hon. member who has just spoken, the speeches need not be tedious or monotonous. The hon. member who has just spoken no doubt expressed his views on this question, and no doubt he honestly believes from his way of thinking that the country would be better without any taxation on land values. I differ from the hon. member. Although my stake in this country may not be as big as that of the hon. member, still every shilling I have in the world is invested in Western Australia and cannot be carried away, and although properly speaking I am a poor man compared with the

hon. member, still my views ought to carry just as much weight as his remarks. Perhaps they ought to carry more, because they represent a larger number of residents of the State than the hon. member who has just spoken can possibly represent; because the wealthy men of the State are very few indeed. There are some who are very wealthy and a few who are moderately wealthy, but the great majority of the people have just about enough to make both ends meet. I speak or will endeavour to speak in the interests of the great majority of the people who are just about able to make both ends meet. I shall endeavour to be as brief as possible, I think I usually am. With regard to the depression or supposed depression that is ruling in the State of Western Australia at the present time, I do know, as every business man must know, that things are not as good as they were say two or three years ago, but certainly they are not very bad, and I am in a position as it were to feel the pulse of the whole of the State, the business I am concerned in here having branches in every part of the State where there is any population worth speaking of; and I can say without any hesitation that although things are not any better than they were last year, and are not so good as they were the year before, and not quite as good as they were the year before that, still they are not much worse. In travelling through the State, the country parts I refer to mostly, I find a feeling of the utmost buoyancy. Most of the farmers are likely to be blessed with a very bountiful harvest, and they are likely to get better prices for their produce than they got last year. That being so, I am sure it must redound to the benefit of everyone in the State if the people in the country are likely to be doing well, and we all hope they will do well. There can be no disguising the fact that owing to the imposition of the higher federal duties, this State for a year or two will suffer thereby. To my mind the imposition of the Federal Tariff will be the means of stimulating local industries and making things much better throughout Australia; and that in time will have a good influence

here in the West. The sole reason why the manufacturers of Perth are not able to compete against those in the Eastern States—and we have very few manufacturers outside Perth—is that here wages are higher than in the East. But if business continues to improve in the East as it is improving, wages in the East will increase and the existing handicap to our local manufacturers will disappear; therefore in a short time Western Australia will recover from the setback which we are bound to experience for a time by reason of the new tariff. The Governor's Speech contains no reference to the immigration policy referred to in the previous Speech. I am a little doubtful about the wisdom of paying away the taxpayers' money to bring people to this State without our being fully seized of the means by which we shall find employment for those people. I speak with a full knowledge of the facts, because I have investigated the matter and have taken particular care to find out the class of men arriving here at the expense of the taxpayer; and the large majority who arrive do not intend to go on the land, and if they did they are altogether unsuitable. Members will have noticed that though we have brought out some 800 or 900 assisted British immigrants during the last 12 months, 900, or about 40 or 50 more, departed from Western Australia to Great Britain. That is what I saw in the newspapers, though I have not had time to refer to other statistics. This strikes me as something requiring the particular attention of the department responsible for it; and I should like the Colonial Secretary, who is I believe the Minister most deeply interested in the immigration policy, to tell me whether his officers are satisfied with the number of immigrants who are really settling on the land, or whether they are not troubling to find out what becomes of the people who cost us £6 and £7 a head to bring here. To my own certain knowledge, as I have said before, many of those immigrants endeavour to get employment in Perth and Fremantle; and if in a few weeks they do not succeed, they are off to the Eastern States or New Zealand. I should like to know

if a record of immigrants is kept, or whether they remain here at all. That can perhaps be answered later on. I may remind members that if we are to make ends meet, we must not only economise but must have fresh taxation. When the last Address-in-Reply was debated I believe I had the assurance of the Colonial Secretary that the dairy cows imported to this State were intended wholly and solely for farmers or other people who would use them for breeding. But I noticed in the *West Australian* that the Honorary Minister (Hon. J. Mitchell) went recently to Belmont to speak of those dairy cows; and I noticed that a prominent dairyman in that neighbourhood, who sends his milk to Perth, rose up and "smoodged" a little to the Minister, telling him that the "moo coos" were not too bad a lot; that in fact they were very good. This does not seem as if the cows were to be used for breeding purposes by settlers. And I see in the papers that another well-known dairyman mentioned that he had bought several of these cows at auction, and that they were really good ones. Well, even if the Government make a profit on such sales, it is not fair to bring the cows over here simply to sell them to dairymen. Many people are engaged in bringing stock to this State, and in fact make a living by so doing. Before the State competes with private enterprise we should be assured, not only of making a good profit on the undertaking, but also that we shall not injure those established in the industry. With regard to the retrenchment effected in the Railway Department, I am afraid the action taken began entirely at the wrong end. Only last week, travelling on the South-Western Railway, I found myself in a very rough compartment; I moved into another, and found it equally rough; and on making inquiries I learnt that half the permanent way men have been dispensed with, the result being the sleepers are bumping up and down, and the carriages make one feel as if he were going over a rough road instead of a smooth railway. But taking it on the whole, I think our Railway Department has been well and

economically managed, considering the great distances travelled.

Hon. M. L. Moss : The Government do not think so. They say they can still effect a large saving.

Hon. J. A. THOMSON : But even if that were not so, I should not be at all in sympathy with the people—I do not know who they are—who write long letters to the Press, criticising the department and those responsible for its management. It is not at all likely that the State will get better management in the railway or any other department if the employees or the managers are subjected to unfair criticism. I always consider criticism is unfair unless it comes from people well able to judge, people who have had extensive experience of the matter in hand, which in this case is railway management. Any clever journalist or anyone supplied with information by railway people, may write letters which apparently succeed in pulling to pieces the railway authorities; and it stands to reason that anyone responsible for managing the railways must be harassed and worried when he reads that unfair or at least adverse criticism. I cannot help saying it is not right and proper that this person who writes to the papers can be found day after day, when this House is sitting, interviewing members in the lobby, lobbying them and telling them I suppose what they ought to say of the railway management. I do not think it is fair, and I protest against it. With regard to the financial position, every member and every other person who takes an interest in the affairs of the State will know that we cannot long continue as in the past, with our expenditure exceeding our revenue. There can be only two ways of making ends meet : first, by severe retrenchment; secondly, by raising some additional revenue. Will members advocate the cessation of public works paid for out of revenue, or a very serious reduction of the civil service similar to that made in the Railway Department? Will members advocate that, and honestly believe it to be in the best interest of this or of any State? There can be no doubt that the right and proper course is to make our revenue meet the expendi-

ture, but to do that, if we are to have the State progress in future as it has progressed in the past, we must look for some fresh avenues of taxation. To my mind the proposed land tax is fair and equitable. I am not afraid of its doing any injury to the State. If it does, I shall suffer a severe injury; for I have not a shilling's worth of interest outside the State, and have every pound of my savings invested here. I should be a fool or a rogue if I advocated anything that I thought detrimental to the best interests of the State into which I have thrown my lot and in which I have lived for the last sixteen years. I think members will acquit me of being either a fool or a rogue, and I honestly believe that this tax on unimproved land values will be in the best interests of everybody in Western Australia. Certainly it will touch a few pretty severely, but we cannot have regard to a few. Members, even though they are returned on a limited franchise, must consider the majority of the people whom they represent; and who will tell me that the majority of the electors in the Metropolitan Province or in a country province are not in favour of this land tax? [*Member :* I will.] I answer the hon. member that I honestly believe the majority of the electors of the Metropolitan Province would favour this land tax if a referendum were taken; and in about two minutes I will show the hon. member how I have arrived at that opinion. The unimproved value of the land of the average freeholder in the Metropolitan Province is not greater than £100—a little bit of land on which he has built his house; and if the value averaged more than £100 he would be either a person speculating in land or fairly well-to-do. The majority of the people, even the electors of the Council, are not really well-to-do; they are only fairly well-to-do, and many of them are poor. That being so, the freehold of the land on which the average Council elector's house is built is not worth more than £100. I am led to believe that is a very high estimate. He will have a house worth, say £200; and he will be entitled to the exemption of £50. The exemption in respect of improvements will en-

title him to be rated at a reduction of 50 per cent., and his share of the tax will therefore be at $\frac{1}{2}$ d. on £50, 4s. 2d. per annum, or 1d. a week; and the total will be less than that for many of them. The average payment will not be more than 1d. per week. If we add to this the income tax on the salary of a person receiving say £300 per annum, we find he will be entitled to a reduction of £100, and will be charged income tax at 4d. in the pound on £200, about $7\frac{1}{2}$ d. per week, or $8\frac{1}{2}$ d. including the land tax. If the old tax as introduced last session had been carried out I would have been more in favour of the course adopted by the Government, and in that event the average elector of the Metropolitan Province would not have been called upon to pay more than about $1\frac{1}{4}$ d. per week. [*Hon. J. W. Wright*: Providing the land is worth only £100.] If the land is worth more than that then the owner is above the average, and is either a wealthy man or a house and land speculator, and we cannot consider them. As to the effect of the tax on the country elector who resides in a municipality, there the average value of property upon which the man has built his house is not more than £60; the owner would be entitled to a £50 exemption, and this would leave £10 upon which he would have to pay the tax. The sum he would have to pay would only amount to an average of about 5d. per year. With regard to the farmer, we will take the case of the owner of a thousand acres in the country, the land being valued at an average of 20s. per acre; that is, you will admit, a value which is above the average. The owner of a thousand acres, valued at £1 per acre, would probably have improvements on that land to the value of about £1,500, making the property worth in all about £2,500. No one would call the owner of such property a poor "cockey," for he would be an owner above the average. In his case there would be an exemption of £250 and he would have to pay on £750, with the result that his contribution to the revenue in the way of taxation would be £1 11s. 3d. per annum, or $7\frac{1}{4}$ d. per acre. Will any member representing a country constituency say that the average farmer

would object to pay that much to the State? The average "cockey" would not have to pay anything at all. [*Hon. J. W. Wright*: We have not got the Bill yet.] These figures are taken on the basis of the proposed tax. Let the people cry as loud as they like and push the little man in front in order to save themselves, but no matter what members may think or what they may profess to think, if they object to these proposals then it must be either because they are personally influenced, or because they allow themselves to be influenced by those who are wealthy like themselves. That must be patent to everybody. As to the attitude of this Council with regard to a tax on the unimproved land values, I have pretty well explained my reasons why I believe that not only metropolitan but also country electors of the Council, if it were possible to take a referendum in this matter, would not vote against the land taxation proposals. Personally I would not fear to nominate myself against any member of this Chamber next year for the Metropolitan Province, provided that the issue was for or against the land tax, that there were only two of us standing, and that my opponent would be against the land tax. I am sure that if I fought the seat on such an issue I would not be very far behind when the numbers went up. Anyhow I am game to come out on those terms. Many of the property owners who have had a chat with me about the tax point out that it is all very well for the man who has only a bit of land on which he has built his house to accept the tax, for it would not touch him; but it would affect the man who, like themselves, owned five or six or 10 houses. They say, "Look at the land I will be taxed on, while at the same time I may be getting very little income from it; I am also in the position that there is a mortgage on the land." I say to that man that it is his lookout if he has a mortgage on his land, for by adopting the attitude he had done he was making a business of house owning; either that or he was a speculator, land agent, or land jobber by profession, and he was therefore subject to ups and downs the same as any other business man. I told them that they

could cry out, and that if they did Parliament should not listen to them. Members must admit that we cannot think of the land jobber and speculator when considering this incidence of taxation. To my way of thinking we must consider the individual who is using the land for his own purposes, either for farming or grazing or for dwelling purposes. Apart from those persons we should have no consideration for owners at all. [*Hon. J. W. Wright*: Is not farming a sort of speculation?] It is so if the owner has more than one farm, but not if he has one farm which he is living on and working himself. With regard to the income tax, I may say that I am not going to attempt to have this Bill rejected by my vote if it also contains provision for an income tax, as I am satisfied it is necessary to obtain additional revenue in order to make both ends meet. I believe, however, that the Land Tax Bill introduced last session, even if with an increased imposition, should have been placed before this Parliament for consideration, and that a Bill for the tax on incomes might have been held in reserve. I do not say, nor do I hold for one minute, that it is an unfair tax. To my way of thinking it is fair, right and proper to have an income tax as well as a land tax, but we could easily have imposed the latter, quite irrespective of the land tax, if we had found it necessary to do so. I suppose it will not be any use for me to attempt to speak farther on this question, or to endeavour by speaking to convert any hon. members who have made up their minds to vote against the taxation proposals; but I think that if hon. members of this House who are not in favour of a reduction of the franchise, and who believe in the existence of a second chamber, study their own interests, they will be very wise in giving consideration to this measure when it is brought down here—if it ever does reach this House.

Hon. J. W. LANGSFORD (Metropolitan-Suburban): I am prepared to give the majority of the measures mentioned in this Speech my most favourable consideration when they reach this House. The main features of the Speech are the

new taxation proposals of the Government. Anything I have to say in criticism of these features is said subject to a fuller explanation by the Treasurer and by the Colonial Secretary when the Bills are introduced to Parliament; but I cannot help feeling a measure of profound disappointment that the Government have seen fit to change their ground and to change the whole circumstances of the taxation proposals. I was hoping they would have manifested a steadfast adherence to their former proposals.

Hon. W. Maley: They are getting very greedy now.

Hon. J. W. LANGSFORD: We have not been told what is the motive for the very great change and alteration of circumstances in these new proposals.

Hon. R. F. Sholl: They did not want to commit political suicide.

Hon. J. W. LANGSFORD: The world is better sometimes—

Hon. G. Randell: Oh, no; do not say that.

Hon. J. W. LANGSFORD: Perhaps I had better not say what was in my mind; but I would have been better pleased if the Government had maintained a steadfast adherence to their first proposals. It has been said that the motive of the change is to gild the pill for some hon. members in this Chamber. I do not know whether that is true, but if that is so and this pill is not to their liking how many times more will the Government gild it until it is to their satisfaction? [*Hon. R. F. Sholl*: You would like it gilded every time.] If members of this House are to govern the country in this respect let them take the full responsibility of doing so; but at present we have men in power, in office, who are really without power. The reason why I am bitterly disappointed is that the whole scheme of finance seems to have been very ill-considered. We were told in the first instance that the land tax would return £60,000 and that that sum would be quite sufficient to set the finances of the State in proper order. As far as I can gather no mention was made by any member of the Government of an income tax, and it is only within the last 24 hours that we have heard something

about one. A land tax had been before the country for months and years, and we were getting quite used to it, and I agree almost with the words of the hon. member, Mr. Throssell, who said that if the measure had been introduced again to this House in its former state the members would have passed it. In the first instance we were told that the £60,000 obtained from the land tax would be sufficient. The Bill was rejected by this Chamber 12 months ago, and the Premier said they would have another session in the following February; that session lapsed for some reason or other and the Government put forward the same tax proposals again, but once more they were rejected by this House. The attitude taken up by the Government seemed to indicate that there was a contest going on between the Legislative Council and the Legislative Assembly; but a way of avoiding that seems to have been achieved in the gilded pill which members of this House are now asked to take. Few thought that the land tax, with its rebates and exemptions, would be a very severe imposition and the severity of the tax was not commented on to any great extent. But now we are to have both a land tax and an income tax, the former to bring in £40,000 and the latter £20,000, to make up the £60,000 the Government require to put the finances in order. The whole of my disappointment arises from the ill-considered nature of the Government's financial proposals. If we wait for another week, or if the new Bill be rejected by this Chamber, some farther proposal will probably be made by the Government. They seem to be fertile in proposals for taxation, but do not adhere to them, and are uncertain apparently in their own minds whether they have got the proper system after all. If we are to have a Bill of this obnoxious character, combining both a land tax and an income tax, let us have something worth collecting. We have to wait and see whether this is to be a double-barrelled tax. I do not at present know whether the man who pays a tax on land will also have to pay income tax. [*Member* : Surely not.] I notice that the Premier has stated that those who pay dividend

duty will not be asked to pay on that source of income again. [*Hon. R. F. Sholl* : Only incorporated companies pay dividend duty.] But the members of a company should not also be called on individually to pay a tax on income derived from those companies. It would have been as well had the Premier, in his interview, told the public whether this was to be a double-barrelled tax, whether those who paid a tax on their lands would have to pay income tax as well. It would be far preferable if the Government were to remodel the whole system of taxation. The Federal tariff is at present under consideration, and no one knows the effect it will have on Western Australia. In three or four months, in six months at the outside, we will know what that tariff is to be and what effect it will have on Western Australia. If then we have this income tax as well as a land tax, we shall have absorbed all our sources of taxation, unless we put a tax on bachelors and old maids. There are not many other sources of taxation that one can think of, and it is always well to have something in reserve for dark days which may come. I was delighted to hear the optimistic speech of Mr. Throssell, because it has been said the land tax will hit the farmer; yet my hon. friend said the income tax would hit him more severely. Hence we may expect during a week or two a great outcry from the farming districts. Mr. Throssell said:—

“In regard to the proposed land and income tax, at the proper time he would have something farther to say. He was certain that to the farmer an income tax would be less satisfactory than a straight-out land tax. He believed too that had the Government again brought in their first proposal, which he considered reasonable, the members of this House would have given their support to the Bill at the eleventh hour, and the Bill would be carried.”

If the taxation previously proposed hit those residing in the towns, the present proposals will hit those living in the cities to a greater degree than those living in the country, because the majority of residents in the country will be exempt

from income tax, and the greater proportion of those who will pay income tax will be those resident in the towns. Something extraordinary must have happened during the deliberations of the Government in the finances of the State to warrant the putting on of an income tax to bring in £20,000. [*The Colonial Secretary*: On what are you calculating?] I calculate on your admitted necessity in this case. If the reduced land tax will bring in £40,000, you only require £20,000 additional according to your own showing to straighten the finances. Sixty thousand pounds is the only sum mentioned in this connection during the last twelve or eighteen months. [*Hon. W. T. Loton*: There is a £200,000 deficit now.] Surely the Government are not going to ask for a greater sum. If they are, that only proves the correctness of my contention that their financial arrangements were ill-considered when brought before this House and the country. These remarks are uttered with reservations, as I stated at the commencement of my address. We must wait until the Treasurer or the Minister in this House has explained the exigencies which have demanded the putting on of a double impost.

Hon. E. McLARTY (South-West) : I do not intend to take up much time, in view of the short Speech delivered by His Excellency. The main feature of that Speech is the clause relating to new taxation. I cannot agree with the last speaker that the Government should have re-introduced the tax in the form in which it was rejected by this House a few weeks ago ; nor do I agree with the mover of the Address-in-Reply that had that Bill been persisted in and brought before this House again, it would have been passed at the eleventh hour. I venture to say that were that taxation Bill re-introduced in the same form, it would be again rejected and by a greater majority than previously. I believe the feeling against a land tax pure and simple is growing, not only amongst members of this House, but throughout the country. It has been said that the city and the country are both in favour of land taxation. I join issue on the point. I do

not know of one district, or one portion of the State, that is in favour of the tax. For my own part, since the Bill was rejected here a couple of weeks ago, from many of the principal settlers in my province, a fairly large one, I have received telegrams and letters thanking me for the action I took and expressing satisfaction with the result. I cannot agree the Government were ill-advised in not re-introducing that Bill. I hold it was the duty of the Government, knowing the feeling of this House towards that taxation Bill, to endeavour to make some reasonable compromise which members here could accept, knowing as I believe Ministers did that there is no feeling antagonistic to the Government in this House, and that the feeling was directed only against the class taxation, on the score that the people on the land were asked to carry the whole of the burden. I strongly object to any tax of that description. Taxation should be made as far-reaching as possible and should embrace that section of the community which is best able to bear it. In this State a section of the community has been saddled for years with a dividend duty, while others are exempted. I desire to see brought in a Bill that will get at these people who are not incorporated as a limited liability company. In my opinion, an income tax is the only way of getting at these people, and I believe it to be a fair and equitable form of taxation. I hope that when this subject of taxation does come up the Bill will be so framed that the taxation will not be a burden on either the landowner or those who pay income tax. The Government have asked for £60,000 ; but I have not the least doubt that the land tax proposals, if moderated considerably, and a moderate income tax will yield a revenue of something like double the amount asked for. I believe that considerably over £100,000 could be obtained without unduly pressing on those who would have to pay a land tax or have to pay income tax. I will not at this stage pledge myself to support this Bill, because we have not yet even seen it, and do not know what form this taxation is going to take ; but I will go so far as to say

that the action of the Government certainly meets with my approval. I am glad that they are extending the operation of the tax to embrace the whole of the people able to pay taxation, and that those to be exempted are labouring men who do not own land and who have no income to get at. If the tax is made a low one I do not think those living on the land will raise an objection to it, and that applies equally to those in receipt of incomes. It has been urged over and over again that the deficiency in the State funds should be made up by retrenchment. I believe that the Government are quite alive to the necessity for curtailing expenses, and are trying to do so. Still it is possible to go too far in that direction. I rather anticipate that the time will come when the effect of the recent heavy retrenchment in the Railway Department will be found in the state of disrepair of permanent way and rolling-stock. Whatever may be said about the extravagance of the railways administration under the late Commissioner, I have no hesitation in saying that he must be given credit for the fact that when he gave up the reins of office he left the permanent way and the rolling-stock of the railways of the State in a condition of repair such as they had never been in previously. When he took over the control of the railways, everything was in a state of disrepair, the permanent way being in a particularly bad state. During his term he not only carried out necessary repairs, but in many instances lines were re-built or re-laid and placed in a better state than when first constructed ; and these remarks apply to a large extent to the rolling-stock also. I will not detain the House long. We shall have these Bills brought before us at a later stage, when we can deal with them on their merits. But personally, I strongly object to the land tax, as strongly as I objected before ; and I have no regret and no remorse for my action in voting against it, which action I believe the country generally has endorsed. I shall be only too pleased if I can see my way to assist the Government, as I think it is the duty of every member to do.

Apart from the land-tax question I have no fault to find with the Government policy ; so I think that when these Bills come up they will receive the favourable consideration of members, and that we shall be in no way retracting from our position if, should the Bills when introduced not meet with the approval of members, we deal with them in Committee so as to make them acceptable. Thus the Government will receive the support of this Chamber, and can carry out their public works policy. For my part I should deeply regret a dissolution, or any stoppage of public works at the present time. Most of the works are, I think, essential, but I hope the Government will use extreme caution in the construction of some of the contemplated railways. I have heard rumours of one railway which I need not name, rumours that there is nothing to justify its construction, and that it will prove a great burden on the State. When that Bill comes before us, unless I have much more convincing proof than I have now of the necessity for the railway, I shall certainly be found voting against it. [*Hon. R. F. Sholl* : The Ravensthorpe Railway Bill is passed.] I am not speaking of the Ravensthorpe line but of a contemplated line. I can only say, the Government should be extremely careful in building these long lines that will cost so much in mineral country, unless perfectly assured that there will be a sufficient development to justify the construction. It is another thing building short spur lines. I do not think these agricultural spur railways will pay directly ; still, there is good reason for constructing them. Settlement will follow such railways, and if we do not get a return directly we shall get it indirectly. But that is not so in mineral districts ; and I am afraid we may go too far in that direction. As to the land-tax question, I was speaking a few days ago on the Terrace to a gentleman of considerable experience who expressed the opinion that the Upper House were to be congratulated on the action they had taken in rejecting the Land Tax Assessment Bill of last session. When he spoke the intentions of the Government for this session were not known ; but he said, if

the Government brought in an income tax, though he anticipated he would have to pay twice as much or more than under a land tax, he would pay cheerfully because he considered the income tax was an equitable impost. That is my own opinion. The two measures, the land tax and the income tax should go side by side; and then there will be no necessity to make the income tax so heavy that it will press unduly on the people, and the land tax should be made as light as possible. I have pleasure in supporting the motion for adopting the Address.

Hon. T. F. O. BRIMAGE (North-East) : I view with great pleasure the intimation of the taxation measures mentioned in the Speech, and I desire to make a few remarks as to the loss of the Land Tax Assessment Bill of last session. Most members was aware that I was unkindly blamed by the Colonial Secretary (Hon. J. D. Connolly) for being absent that evening, and blamed considerably for the loss of the measure ; but I am particularly pleased that the goldfields Press at any rate characterised the charge of the Colonial Secretary as being due to vindictiveness at the loss of the Bill, and I think that is a fair explanation of his action. I feel sure, had he asked for an adjournment that evening, the House would have given it to him. Anyhow, as to my own actions, I travelled five hundred miles on purpose to vote for the Bill, in response to a telegram from a member of the Ministry. I came here with the view of voting for it ; and I regret having since received a letter from a member of this Chamber for whom I have the highest respect, practically accusing me of an intention to vote against the Bill. However, that has now passed and gone, and the measure is to be re-introduced with what I consider a very fair addendum. I am a great believer in an income tax; but the greatest gem in the Bill that is to come is the absentee tax. As a land agent I know the tremendous sums that are sent from Western Australia, derived from Western Australian property ; and if the owners are to enjoy the huge incomes

drawn from the country, they should pay some tax to the country in return for those incomes. The drain of money is more particularly noticeable in prosperous goldfields towns where in the early days the land was purchased at a very low price from the Government; and to-day the owners are reaping large revenues. I am fully in favour of the absentee tax. As to the other measures mentioned in the Speech I shall give them full consideration when introduced; and so far as I know, having some notion of their contents, I shall vote for them. One measure will I think meet with general approval; the Bill for the protection of infant life. The disclosures of the past year have necessitated such a measure; the State must do something to stop the awful destruction of infant life in the past; and I admire the policy of the Bill which we are promised.

On motion by the *Hon. R. W. Pennefather*, debate adjourned.

ADJOURNMENT.

The House adjourned at 5.55 o'clock, until the next day.

Legislative Assembly,

Wednesday, 9th October, 1907.

| | PAGE |
|------------------------------------------------------------------------------------------|------|
| Question : Hospital Fees | 26 |
| Sitting Days and Hours | 27 |
| Government Business, Precedence | 27 |
| Committees for the Session | 27 |
| Bills (3), first reading | 28 |
| Debate : Address-in-Reply resumed, Mr. Bath's Amendment of no-confidence moved | 28 |
| Adjournment of House (no-confidence Amend- ment) | 37 |

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

Prayers.

QUESTION—HOSPITAL FEES.

Mr. HEITMANN asked the Premier :
1. What percentage of patients' mainten-