

Legislative Assembly,

Tuesday, 27th October, 1931.

	PAGE
Auditor General's Report	4809
Question : State Gardens Board, Point Walter road	4809
Bills : Land Tax and Income Tax (No. 2), 2R., Com.	
Report	4809
Stamp Act Amendment (No. 4), 2R., Com. Report	4832
Dividend Duties Act Amendment, 2R., Com.	
Report	4835

The SPEAKER took the Chair at 4.30 p.m., and read prayers.

AUDITOR GENERAL'S REPORT.

MR. SPEAKER: I have received from the Auditor General, in pursuance of Section 53 of the Audit Act, 1904, the 41st Report, for the financial year ended the 30th June, 1931, which I now lay on the Table of the House.

QUESTION—STATE GARDENS BOARD.

Point Walter Road.

MR. PANTON (for Mr. Sleeman) asked the Premier: In view of his being too busy to make a visit to Point Walter, will he arrange for one of his colleagues to represent him there, so that the Premier may be satisfied as to whether the information supplied to him regarding the removal and replacing of road material at Point Walter reserve is correct or not?

The PREMIER replied: No. Ministers are very busy.

BILL—LAND TAX AND INCOME TAX (No. 2).

Second Reading.

Debate resumed from the 20th October.

HON. P. COLLIER (Boulder) [4.33]: This Bill differs from the taxation measures of recent years in two rather important respects. It proposes to exempt from tax for the current year all improved lands used for agricultural, horticultural, grazing, or pastoral purposes, and likewise pastoral leases. According to the Premier's figures, the amount involved in this exemption is about £37,000. The Bill also proposes to increase income tax by 13½ per cent., or rather the

reduction made during the past three or four years, amounting to 33½ per cent., is now to be lessened by 20 per cent. It is estimated that an amount of £31,000 is involved. The difference between the two rates of reduction the Premier proposes to make up by increased duties under the Stamp Act. I do not support this Bill. In my opinion there is no justification for a wholesale exemption from land tax in all the directions set forth in the Bill. Everyone knows that numerous land owners, particularly in the agricultural areas, have in the past year been affected by reduced prices and other difficulties, so that they are not now in a position to pay a land tax. But to make a general exemption quite irrespective of capacity to pay is, in my opinion, not equitable at all. Bad as is the position with regard to some landholders, that position does not by any means apply to all of them. I should say a considerable number of landholders in old-established areas are financially well able to pay. Surely it will not be contended that those in the older settled parts of the agricultural districts, owning considerable acreages of first-class land, having carried on mixed farming for many years, some of them for 30 or 40 years, being well established, having enjoyed a succession of good seasons practically ever since 1914 and exceptional prices until last year, are unable to pay a land tax by reason of having struck just one year of low prices. I admit that numerous farmers in the wheat belt are not in a position to pay tax, but their cases could be met by wiping the land tax off, as is frequently done. It is not an uncommon thing for the Executive Council, on the recommendation of the Deputy Commissioner of Taxation, to write off amounts owing for land tax in cases where the individual is not in a position to pay; but that is done only after the Commissioner has investigated all the circumstances and satisfied himself that the person is, in fact, not in a position, and not likely to be in a position, to pay the taxation. There is nothing wrong in the amounts being written off by the Governor-in-Council in such cases. That could be done in all deserving cases during the present year. However, it is an entirely different matter to give this relief to those who are not in need of it, whose cases certainly do not call for the same measure of relief as those of persons actually in sore need of it. Surely

landholders who have carried on, as I have remarked, in good areas with a safe rainfall, with never a failure, right through the Avon Valley and other places I have in mind—

The Minister for Lands: Of course one could not exclude areas, because some of the settlers there may have bought at high prices.

Hon. P. COLLIER: I do not for a moment suggest that exemption should be given by naming areas in the Bill; but the position could be met in the manner I have just indicated, by exempting those who are not in a position to pay, such as the wheat-belt farmers. That, I repeat, could easily be done by the Governor-in-Council. It has often been done in individual cases, each case being dealt with on its merits. A landholder who has not been affected much by low prices or bad seasons and therefore is in a position to pay should be made to pay, while others not so well situated should be exempt. There is no call for exemption in the old-settled areas, right across the Avon Valley, where farming operations have been carried on for a great number of years—covering perhaps two or three generations of families—where good seasons and good prices have been consistently enjoyed. They have had a long succession of good prices, and at lower costs than those incurred in the outer areas; because they are in a cheaper railway carriage zone and enjoy other facilities as well. As a matter of fact they have been able to farm with horses and have not had to incur expenditure on tractors, such as many of the wheat farmers have had to do because there has been no water supply available to them. While we talk about farmers purchasing tractors instead of using horses, we must not overlook the fact that in many areas the farmers have been compelled to that course through there being no provision for water supply, and through the rainfall being so light that they could not catch enough to fill their dams. I do not consider that a wholesale exemption from land taxation, quite irrespective of the position of the individual landholders, should be made. And this is to cover fruitgrowing. Are the fruitgrowers so badly off? Have low prices hit them to the same extent as they have hit the wheat-growers?

The Minister for Lands: During the last year or so they have suffered, if only through lack of money amongst would-be

consumers. Then Mt. Barker had virtually no crop at all last year.

Hon. W. D. JOHNSON: While Bridgetown had a good crop. How are you going to regulate it there?

Hon. P. COLLIER: In a general exemption such as is proposed, men who can pay are included with men who cannot pay.

Hon. W. D. JOHNSON: Mt. Barker and Bridgetown will both be included, although there was a poor crop in the one district and a good crop in the other.

Hon. P. COLLIER: If the settlers at Mt. Barker cannot pay the land tax, why should the settlers at Bridgetown be allowed to go free?

Mr. Angelo: You will catch them with the income tax.

Hon. P. COLLIER: I do not know about that. Not only are we to exempt many who cannot afford to pay the tax, but we are to exempt many others who can well afford to pay it. Again, have the market gardeners struck a bad time with their prices?

The Minister for Lands: Yes, they have.

Hon. P. COLLIER: Then it offers a bad lookout for the boys who are to embark on market gardening.

The Minister for Lands: The market gardeners at Herdsman's Lake have not done very well.

Hon. P. COLLIER: But the people at Herdsman's Lake have never yet got a proper start. They are by no means established. They had just begun operations when the bad season arrived, and I suppose there has been a falling-off in the consumption of vegetables, in common with everything else. Under this Bill we are going to exempt a considerable number who are not entitled to exemption—unless we say the land tax shall be abolished altogether—and we are going to increase taxation considerably on a large number of taxpayers not in a position to pay any increased income tax. This proposal will allow many landowners who could well afford to pay, to go free of land tax, while it will increase income taxation on many who cannot afford to pay even the present income tax. For many taxpayers, apart from those whose incomes are derived from land, are feeling the bad times very severely. And unfortunately they are called upon to pay income tax—it happened last year, when many incomes had almost disappeared—not on the income of that year, but on an income that was quite good in the

year before. That was their trouble: they had to pay income tax on the income of one or two years earlier, when perhaps it was very good, although in the year in which they were paying their tax their income had disappeared altogether. As I say, we are going to increase income taxation on a number of people who cannot afford to pay the present rate. No one knows better than the Premier that there is nothing so conducive to the creating of unemployment than is heavy taxation; for the money we take from people by taxation would otherwise go towards extending or increasing business and so providing employment, whereas money taken by way of taxation leaves so much less for employment. If we are going to take £31,000 extra from the payers of income tax, it will mean increasing unemployment, for many will have to decrease the number of their employees in order to pay the tax. Increased taxation, wherever it is possible to avoid it, ought not to be undertaken. If we could wipe out the heavy burden of taxation, State and Federal, we would soon get over at least three-fourths of our unemployment troubles. I am sure the Premier will agree with that.

The Premier: I do.

Hon. P. COLLIER: Of course, that cannot be done because we have to carry on the services of the State; but if it could be done it would, as I say, help us over our unemployment difficulties. One is apt to forget the number of taxes, Federal and State, piled upon the unfortunate taxpayer; and in addition an enormous flow of taxation is going into the treasuries of the local authorities, while hundreds of thousands of men are walking about unemployed in consequence of it. That is the effect of piling up taxation. I am aware that taxation must be had to carry on the public services, but I do not approve of this proposal, for it will not assist the Treasurer. It means merely the exemption of one section and the increasing of the burden on another, and so the Treasury will not benefit by it. For the reasons I have briefly indicated, I do not approve of the proposals contained in the Bill.

HON. J. C. WILLCOCK (Geraldton) [4.52]: The Leader of the Opposition has covered very well the objections that can be taken to this measure. Unfortunately it is necessary that we should have taxation. If there is one tax more equitable than another,

it is the tax on the value of land. That tax has been adopted probably all over the world. It is strictly fitting to collect taxation from people who have property and are able to contribute to the country's welfare by paying some taxation through this eminently equitable method of collecting taxation. It has been said that land taxation is taxation on the capital of the farmer. That may be.

Hon. W. D. JOHNSON: He does not create that capital.

Hon. J. C. WILLCOCK: He creates it to the extent that he improves it.

The Minister for Lands: Of course he does, by the money he expends on it.

Hon. J. C. WILLCOCK: But the community contributes a great deal of the value to it by the construction of railways and roads and all those things that go towards making up the capital value of the land. But if the principle is good, there is no reason why a certain section of the community who own certain classes of land should have different treatment meted out to them. If there is one thing that creates discontent in the community it is that individuals having the same class of property or doing certain things in the same way should have preferential treatment at the hands of the Government. That sort of thing creates more trouble than anything else can do. It is all in the value of comparison. If all are treated alike no trouble can arise, but if one section is singled out for special treatment in comparison with others, it must necessarily lead to discontent. I strongly believe in the principle of land taxation, regarding it as the best method of getting contributions towards keeping the country going. It is necessary that we should have taxation, and if there is an obviously equitable way of raising it, the Government would be well advised to follow that method. Everybody will admit that income taxation is a tax on the enterprise and energy of people prepared to work, to apply themselves to industry. It is a distinctly retrograde step from the standpoint of the country's progress to tax the enterprise of the individual any more than is necessary.

The Premier: The Government would not impose more than is necessary.

Hon. J. C. WILLCOCK: But the Government have deliberately set out to alter the incidence of land taxation and to put

extra taxation on the energy and enterprise of the people. If the Government could afford to relieve a certain section of the community from some taxation it might be all right, but to remit taxation to a certain section and balance the result by increasing taxation on another section, is entirely wrong. As the Leader of the Opposition pointed out, if there is one way more efficacious than another in creating unemployment, it is the imposition of excessive taxation.

The Premier: But that applies to all taxation.

Hon. J. C. WILLCOCK: If there was one thing more than another that contributed to the progress of the country during the past six or seven years it was the action of the Collier Government in decreasing taxation on personal exertion, thus leaving the people more financial energy with which to go out and do things. Anybody who makes work in the country directly conduces to the wealth of the country. It is a retrograde step to increase taxation, particularly on the personal exertion of individuals. I am not so heartily against taxation on income from property. If the Government desired to increase direct taxation they could follow the settled policy of the country in the Federal sphere—neither a Labour policy nor a National policy, but the settled policy of taxation on income from property and various sources other than personal exertion. That would be all right. It is not good to increase taxation, but if it must be increased, let the increase fall on people who really do not earn their incomes by personal exertion. This amelioration of land taxation is the price the Premier is paying for the coalition Government. I am sure that the Premier himself would not agree to it.

The Premier: I suggested it, so I suppose I agree to it.

Hon. J. C. WILLCOCK: The Premier may have suggested it, but before doing so there was an insistent demand from members of the Country Party inside and outside Cabinet that he should give effect to the proposal.

The Premier: What do you know about inside Cabinet matters?

Hon. J. C. WILLCOCK: My recollection of what happened is that the Minister for Lands was so anxious to show his influence in Cabinet that he rushed to a newspaper reporter and gave the information

before the Premier made the announcement.

The Minister for Lands: I did not do anything of the sort.

Hon. J. C. WILLCOCK: I think a perusal of the newspaper files would bear out my statement.

The Minister for Lands: Nothing of the sort!

Hon. J. C. WILLCOCK: The Country Party put pressure on the Nationalist section of the Government, and the Minister for Lands, without waiting for the Premier to deliver his Budget policy or make an announcement, but to show what he had done for the Country Party, straightway made the statement to the Press.

The Premier: You are quite wrong.

The Minister for Lands: The Premier stated it in his policy speech and you know it.

Hon. J. C. WILLCOCK: The Premier has introduced about six different taxation measures, but he stated in his policy speech that he did not intend to increase taxation. I wish he would carry out his promise.

Mr. Corboy: And also his promise of work for all.

Hon. J. C. WILLCOCK: Yes. The Premier made an announcement in his policy speech that has not been carried into effect. I do not remember seeing anything in his policy speech about this proposal. I know that 18 months elapsed before the Premier did anything. I believe that the most equitable form of taxation is land taxation. Progress will be retarded by increasing income taxation by 20 per cent.

The Premier: Not 20 per cent.

Hon. J. C. WILLCOCK: If the Premier works it out, he will find that the taxable income of the people of this State will be increased by one-fifth. That is a considerable impost to place on the industry of the people at a time when they can ill-afford it. If ever there was a time in the history of the State when the burdens should be decreased so that industry could be established, it is the present. There will not be any loan money available to keep men employed on Government works, and private industry must provide employment to a great extent in the future, but there is no possibility of private enterprise being able to engage in industry if the returns in the shape of income are subjected to a heavier

toll by the Government. It is useless for the Government to call upon private enterprise to establish industry if, at the same time, they take one-fifth more by way of taxation. That is no way of encouraging industry. Capital is only the accumulated savings of the people, and if less money is left with the people to be invested in industry, fewer men will be employed. I do not feel inclined to vote for either of the proposals contained in the Bill. The Premier would be wise to adhere to the system of taxation that has operated during the last five or six years. I do not say that more taxation is not necessary. We cannot contemplate the possibility of ending the financial year with a deficit of $1\frac{1}{4}$ millions or $1\frac{1}{2}$ millions without taking steps to balance the Budget. To that end the Premier has done something last year and this year, and the most equitable course would be to insist upon the land paying its measure of taxation. Country members particularly are pledged to decreased taxation, but how can other members justify singling out one industry for special treatment? I do not know that the agricultural industry is worse off than are other forms of industry. All industries are in a bad way. If it were possible to remove all the burdens from industry, I would be prepared to do so, but the Government must have money, and it must be raised by taxation. The system of taxation that has prevailed during the last five or six years is much more equitable and much more in the interests of progress than are the Premier's proposals.

HON. W. D. JOHNSON (Guildford-Midland) [5.7]: This Bill, as has already been emphasised, is decidedly a party measure insofar as it discriminates between the people of the State. It proposes to relieve one section by imposing a burden upon another section. The holder of land is to be relieved of taxation, and the man who by personal exertion provides for his needs is to contribute more to the requirements of the State. I do not know of any instance in which an income tax has been used to relieve land tax. Since the Bill was introduced I have devoted some time to attempting to find one illustration of income tax being imposed to relieve land tax, and, so far as I have been able to discover, there is no case on record. I have found a number

of illustrations of income tax having been imposed to supplement land tax. As was pointed out by the member for Geraldton, land tax is recognised by every authority throughout the world as being the most equitable form of taxation. It fluctuates in amount; it may be pence or it may be shillings.

Hon. J. C. Willecock: It may be tithes.

Hon. W. D. JOHNSON: But that was an objectionable form of taxation. Land values taxation was introduced in England to get away from the system of tithes, and for centuries the land tax has been recognised as equitable. The taxation of income is comparatively modern.

The Minister for Lands: You admit it is too high?

Hon. W. D. JOHNSON: I am not dealing with that phase of the matter.

The Minister for Lands: But I am asking you.

Hon. W. D. JOHNSON: Land taxation is an old system, and is recognised as sound purely because land values are created by the community, not by the individual. The value of land is in proportion to the number of people available to utilise the land. Competition for land creates land values. The greater the number of people, the greater the values. Consequently it is recognised the world over that that which the people directly create is taxable and equitably so.

Mr. Patrick interjected.

Hon. W. D. JOHNSON: I am not dealing with marketing. Land values are created by the number of people. It is a question, not of production, but of people. Production will cause a fluctuation of prices, but there is a way of dealing with that, and it should not be dealt with in this clumsy way. This is a clumsy and inequitable way.

The Minister for Lands: Your speech on the subject last year makes very interesting reading.

Hon. W. D. JOHNSON: The Minister can apply it to the circumstances prevailing to-day. One cannot change his opinion on a subject of this kind. Anyone who studies the question of taxation can easily justify the imposition of land taxation on the score of equity, but income taxation can be justified only on the ground of the State's needs. Income taxation is needed to provide for the necessities of Government, but a land tax merely takes from the community

the increased value that the community have created. The introduction of income taxation in Britain was designed to supersede in the first place the poll tax, which was obviously unjust, because under it people had to pay irrespective of their capacity to pay. That system was altered mainly by Sir Robert Peel when he introduced income taxation as a definite means of raising revenue. It was based on a graduated scale, but it was intended also to compensate the needs of revenue consequent upon the introduction of free trade. The indirect way of collecting revenue by means of a tax on imports was so obviously unfair that Britain repealed it. One can appreciate the relative fairness of an income tax as compared with a poll tax or a duty upon the food supplies of the people. To say to our people, "We will abolish certain tariff imposts and will recoup revenue by increasing income taxation" would be reasonable, but there is no justice in imposing or increasing the income tax to relieve the land tax. I challenge contradiction when I say that it has never been done, and that this is quite an innovation introduced in a clumsy way by amateur statesmen and politicians. It is nothing but an amateurish way of meeting a difficulty. When the Country Party went to the elections they did not analyse the position, but declared they would reduce the land tax. They did not say they were going to reduce the land tax and then increase the income tax. They conveyed the suggestion that they were going to relieve the burden upon the people by a definite reduction of the land tax.

The Minister for Lands: What do the Federal Government say?

Hon. W. D. JOHNSON: I do not care what they say. I am repeating what the Minister said. He definitely declared for a reduction of the land tax.

The Minister for Lands: Where?

Hon. W. D. JOHNSON: At Naremburn, Bruce Rock, etc.

The Minister for Lands: I did not speak there.

Hon. W. D. JOHNSON: And at York.

The Minister for Lands: I did not speak there.

Hon. W. D. JOHNSON: It is just as well the Minister did not, because he would only have multiplied the places at which he did speak. The Minister declared this emphatically wherever he did speak. I know

the people at Bruce Rock would not have tolerated it. He declared himself in favour of a reduction of the land tax, and he has been most aggressive ever since concerning the neglect of the Government to comply with his declared policy, as Leader of the Country Party. I venture to say that when he coupled up with the Nationalists, part and parcel of the coupling up, of the formation of the coalition, was an understanding that the land tax would be reduced. They did not declare it during the elections, and have never declared, up to the time of the arrival of this Bill, that they were not only going to reduce the land tax, thus complying with the policy advocated by the Deputy Leader of the Government and his followers of the Country Party, but increase the income tax. The position, as pointed out by the Leader of the Opposition, is distinctly unfair. There are portions of the State where the land tax is not a great burden, and where there is no demand for a reduction of that tax, but one could give many illustrations of the unfairness there of an increase in the income tax.

The Minister for Lands: You supported a reduction last year when you supported an amendment to the Road Districts Act.

Hon. W. D. JOHNSON: I should be quite in accord with the Minister if he carried out that which he promised at the elections, and reduced the land tax without going any further. I object to the Minister getting his way, and trying to camouflage the position by conveying to farmers that he is complying with the policy of the Country Party and reducing the land tax, when he does not tell them he is going to take the money out of the other pocket. He is taking the money by the most unfair method he can devise. As the Leader of the Opposition said, there are people who are paying the land tax without any difficulty, for there is land which produces big crops to-day compared with what other land is doing. There are also various values in land. The Government do not propose to vary the tax. Some land may be rightfully exempted or relieved of some of the burden of land tax, while other land should not be relieved, but the Bill proposes to give relief whether it is just or not. The Government are putting an impost upon the income tax. There are men who have land of equal value and of the same quality. One

person is making a small income from his land, and the other is making a comparatively large one. One is a worker and the other is not so active. One man studies farming. He devotes all his time and energy to production from his land. The man who does all his work in the most scientific way, applies himself to it morning, noon and night, is going to be taxed, but he who does not work so hard, who is not so industrious or scientific, and who does not use his land to its maximum capacity, will receive relief. From the income tax point of view it is entirely wrong to say to the man who has land that everyone shall be exempt from the land tax, but that the most proficient of the farmers shall carry the extra burden necessary from the revenue point of view to make up for the least proficient with respect to the utilisation of improved land. The whole thing is wrong, and I cannot understand members of the Country Party supporting it. I could understand their agreeing to a reduction in the land tax, if it remained there. If they could convince Parliament that the time is opportune to give that relief, I would not object to it, but for them to say they will get their way by relieving some and placing an extra burden on others, is so unfair to the efficient farmer that I am beginning to think that members of the Country Party represent the least efficient farmers, those who are not getting the maximum results and are not the valuable asset to the State they might be. They are going to support the man who is of least value, and place a burden on the man who is of the maximum value. I ask members of the Country Party to review the position, and realise exactly what they are going to get at the next election. They were not elected to do this. Not one of them said he was going to relieve the land tax and increase the income tax. I want to tell them that they will be flogged with this, and that I will make my contribution to the flogging. I would not tolerate an injustice of that kind. On many previous occasions I have worked with those members in the interests of the farmers.

The Minister for Lands: That is very doubtful.

Hon. W. D. JOHNSON: But I am not going to allow them to penalise the efficient man, and relieve the inefficient man.

The Minister for Lands: You advocated that they should put in no crop this year. If they had followed your advice, what would they have done about their rates, etc.?

Hon. W. D. JOHNSON: I may have been 12 months out. Rather than that they should not deliver what they had produced, I advocated that they should cease production. I could not see the economic value of producing crops and then refusing to market them. I said, "If you want to penalise the community you have to do it by means of non-production, not by refusing to market that which you produce." That is quite sound.

The Minister for Lands: Then you changed your mind at Dangin a little while ago?

Hon. W. D. JOHNSON: I do not change my mind until I am convinced. I am simply 12 months out. We shall have an opportunity later on to discuss this matter on the Agricultural Estimates. I feel, however, that unless something is done non-production will create a very serious position.

Mr. SPEAKER: That is not contained in the Bill. The hon. member has been led off the track.

Hon. W. D. JOHNSON: Yes. Members will interject, and if one does not reply these interjections may lead to misunderstandings. The question of the socialisation of land rents is becoming a very important one, particularly in the metropolitan area. I refer to the movement for a reform in the land tax. There are many people who do not go deeply into this matter, but it is being supported by an increasing number of persons throughout the metropolitan area. They realise that if we desire to get down to the actual source of wealth we have to come down to the land. I do not agree with these people, nor do I think their principles would work out in practice. I do not think their figures would stand analysis. The reason why they are getting support, however, and why more people than ever are listening to their arguments, is because the Liberation League are devoting their attention, their thought and their speeches to the theme that the source of all wealth is the land, and that it is necessary to get right down to land taxation in some form, or land socialisation or land rent socialisation, if there is going to be an equitable form of distribution of the wealth of the country and taxation is to be imposed on an equitable basis. An income tax can-

not be applied generally, because that would not be just. The fact that it is necessary to provide exemptions, to have graduations, and adjustments, proves that income tax is not a just tax. It is only justified by the needs of Government and of revenue. Land tax has never been assailed as inequitable. The amount may be subject to argument, but the incidence of the tax is recognised as just. Income tax is on a different basis. What we are going to do is to relieve the just form of tax, the one that applies equitably, and place the burden on the shoulders of others in a most inequitable manner. Land owners are complaining to-day and are groaning under the burdens of taxation. It is not, however, the tax they feel, but the valuations. These valuations have dropped because the competition for land has relaxed. It is impossible to sell a farm at anything like the value it was a year or two ago. The fact that land cannot be sold at its value of a year or two ago proves that the valuations ought to be more elastic. The method of arriving at valuations should be reviewed. The means of giving relief is by revaluation, not by repeal of taxation. If the Government desire to give relief, let them do something towards the revaluation of land. That is quite a simple way of reducing land tax. Something of the kind, in fact, has been done by the Government already. If they really wish the impost to fluctuate correspondingly with values, they can do it by revaluation. But to go to the extent of saying that the tax on some land shall be reduced and the burden placed on the shoulders of those who are energetic, who create wealth by their unaided exertions, is wrong. I do hope that particularly the Country Party will realise that this is a boomerang measure.

The Minister for Lands: Is it the policy of the Labour Party you are advocating?

Hon. W. D. JOHNSON: It is my policy. I am not a wobbler like the hon. gentleman; I stick to my political principles; I do not change and twist.

The Minister for Lands: I shall tell you something presently.

Hon. W. D. JOHNSON: I shall be interested if the Minister can show me where I have twisted in my political career. The hon. gentleman has been guilty of gross misrepresentation to the general community. He was elected through false promises. He stated that he would reduce the land tax, but

he did not say that he was going to get a recoup through an extra impost by way of income tax. Such a procedure is decidedly wrong. The man who goes to the country and gets elected on a policy of reducing land tax has no right to obtain that support by increasing the income tax. One has responsibilities to one's electors. One is supposed to carry out one's promises. It is wrong to say one thing at an election and then support a Bill of this nature.

The Minister for Lands: You have supported the principle you are condemning in this Bill.

Hon. W. D. JOHNSON: I have not supported the principle I am condemning.

The Minister for Lands: Of course you have.

Hon. W. D. JOHNSON: I have had nearly 30 years of Parliamentary life, and I challenge the hon. gentleman to cite one instance where I have rejoiced at anything in the way of income tax or expressed sadness at anything in the way of land tax. Ever since I have been able to read and think I have recognised the justice of a land tax. I have on many occasions supported an income tax, but only because the Government required a special impost on income to meet the needs of the State, to provide revenue for education, social services, hospitals and so forth. I have never been guilty of supporting a proposal of the nature that is contained in this Bill, and I trust the House will not support it.

THE MINISTER FOR LANDS (Hon. C. G. Latham—York) [5.34]: I listened attentively to the previous speaker. I call to mind when the hon. member was sitting on this side of the Chamber and a Bill to increase land tax and reduce income tax was introduced, and the hon. member supported that Bill.

Hon. W. D. Johnson: Of course I did.

The MINISTER FOR LANDS: A reference to "Hansard" shows that last year the hon. member supported a proposal of the member for South Fremantle (Hon. A. McCallum) to reduce land tax, and challenged the Country Party because they did not support it.

Hon. W. D. Johnson: Yes.

Hon. P. Collier: As a matter of fact, if you to-day brought in a Bill to reduce the land tax, I would support it.

The MINISTER FOR LANDS: Yes; the hon. gentleman would be equitable.

Hon. W. D. Johnson: In what way was I inconsistent?

The MINISTER FOR LANDS: I want to remind the hon. gentleman of what he did. He says he is not inconsistent. Had it not been for that, I would not have risen. Last year the hon. member had an opportunity, which he did not miss, of supporting a reduction.

Hon. W. D. Johnson: Hear, hear!

The MINISTER FOR LANDS: This year we find the position that the farmer cannot pay any tax.

Mr. Marshall: Rats!

The MINISTER FOR LANDS: The farmer has not the money to pay it. Therefore the action of the Government is justified. In January of this year the member for Guildford-Midland (Hon. W. D. Johnson) at a meeting held in Perth advocated that the farmers should not put in any crop at all. Had that proposal been carried out, there would be no crop at all to harvest, and there would be no revenue. In September last the hon. member attended a meeting at Dangin and advocated the holding-up of the harvest.

Hon. W. D. Johnson: In Australia.

The MINISTER FOR LANDS: No; in this State. The hon. member was speaking at Dangin, and he advocated the holding-up of the harvest.

Hon. W. D. Johnson: Of Australia.

The MINISTER FOR LANDS: I do not like the hon. member to challenge me, and I shall not let his statements go without a correction.

Hon. W. D. Johnson: Speak the truth!

The MINISTER FOR LANDS: I do speak the truth. Let us be consistent. Last year I said we were very sorry that we could not reduce the tax.

Hon. P. Collier: You are less able financially this year. In fact, you are now worse off.

The MINISTER FOR LANDS: When we introduced the corresponding Bill last year, we had no idea that the proceeds of the harvest would be so small. The bottom had not fallen out of the wheat market at that time.

Hon. M. F. Troy: Last season did not start with bottom prices.

The MINISTER FOR LANDS: No; but when we introduced last year's measure, the price of wheat was considerably higher.

Hon. M. F. Troy: No.

The MINISTER FOR LANDS: Yes; this time last year it was. At that time, if there was any reserve at all, the farmer had it. This year every penny-piece of the reserve has been spent in carrying on the industry; and therefore the farmer is in such a beastly bad position that he cannot pay. What is the use of charging against the land a liability which will only handicap the rehabilitation of the farmer? I hope the member for Guildford-Midland will bear in mind that members on this side of the Chamber have just as good memories as his. When he was on this side, he supported an increased land tax and a reduced income tax. Last year he supported a reduced land tax. As the Leader of the Opposition has said, if one takes away taxation from one quarter, it is necessary to impose additional taxation elsewhere in order to carry on the services of the State. Latterly those services have been carried on at much less cost to the people that was the case two or three years ago.

Mr. Panton: And the people are getting far less service.

The MINISTER FOR LANDS: They are not. In point of fact, the present Government have done considerably more with the money they have had available than was done previously. The Government obtain their revenue from such measures as this.

Hon. J. C. Willcock: And when the price of wheat goes up you will re-impose this tax?

The MINISTER FOR LANDS: I am not going to allow the hon. member to make my speech for me.

Mr. Marshall: You had better let someone do it. You are making a terribly bad job of it.

The MINISTER FOR LANDS: If I could not make a better speech than the hon. member who interjected, I would sit down.

Mr. Marshall: Well, sit down at once!

The MINISTER FOR LANDS: I will not. The Government are justified in making this proposal. I challenge the member for Guildford-Midland to say that prior to the last election I ever made a speech in my electorate promising anything.

Hon. W. D. Johnson: You promised it elsewhere.

The MINISTER FOR LANDS: Now the hon. member is pushing his allegation somewhere else.

Hon. J. C. Willcock: It is part of your party's platform, irrespective of the price of wheat; so why are you talking about the price of wheat?

The MINISTER FOR LANDS: The Government's proposal is justified, inasmuch as a tax on land is a tax on capital and tools of trade, the sources from which a man derives his income. If he is to be taxed on his income, it is unfair to tax him the other way as well. No one except the landholder is taxed twice.

Hon. J. C. Willcock: The man owning a factory has to pay taxation on his capital.

The MINISTER FOR LANDS: He does not pay taxation on his building.

Hon. J. C. Willcock: Neither does the farmer pay on improvements.

The MINISTER FOR LANDS: No; but here we have millions of acres of Crown lands, and is it possible to obtain any taxation from them? Of course it is not. It is the capital applied to land that creates land values. I want to put the member for Guildford-Midland right.

Hon. W. D. Johnson: Oh!

The MINISTER FOR LANDS: I am certainly sorry the farmer is in so unfortunate a position that he cannot pay. It is just as well for the House to understand that he cannot. He has exhausted his reserves, so far as I know, in putting in a crop this year, after making a heavy loss last year.

Hon. J. C. Willcock: The same thing applies to those who pay income tax.

HON. M. F. TROY (Mt. Magnet) [5.42]: I would heartily support a reduction in land taxation if the Government brought down such a proposal, and I would heartily support any other proposal to reduce taxation. In the Commonwealth Parliament we have a huge taxing machine; and now we have the same activity on the part of the State Government, taking more money out of our pockets. I do not know how the people are going to pay the tributes levied upon them by all the Governments. If this were a proposal fairly and squarely to reduce land tax, I would support it. But what is the excuse for treating one section of the

people differently from other sections? Are not those other sections also affected by the depressed conditions now existing? What about the people in the country towns, the country storekeepers for instance? They say they are bankrupt because they supported the farmers. Most of them pay taxation even though they are bankrupt. However, they have only half a dozen votes as compared with the others.

The Minister for Lands: That is not right.

Hon. M. F. TROY: What is right, then?

The Minister for Lands: They can always add taxation to the goods they sell.

Hon. M. F. TROY: They cannot add taxation to the prices of goods for which they are not paid. How can they recover their taxation if they are not paid for their goods? Country storekeepers and business men are in a very bad way indeed because they have given extended credits. But there is no consideration for them. Again, there is the country worker who gets only a few days' work in the week. There is no consideration for him.

The Minister for Lands: He pays about half-a-crown.

Hon. M. F. TROY: He pays more. Most of the taxation comes from the cities and towns, and not from the other land.

The Minister for Lands: Very little comes from country towns.

Hon. M. F. TROY: One would think that any Government would have an element of fairness in their legislation, but the present Government have no fairness whatever. The present Government ought to be ostracised. If the Commonwealth Government give them a grant to relieve distress, it is all distributed among the coastal community. Fairness of taxation consists in making all pay the same. Let us have a reduction all round. Let us show consideration for every man in a difficult position to-day. Take the people in the cities. There are men with little homes who are earning about two days' pay per week, or three days' pay a week at the most. They have to pay land tax. They are compelled to pay it. Why should they be compelled? Are not they in the same position as the distressed farmers?

The Minister for Lands: Your Government introduced the principle.

Hon. M. F. TROY: The present Government propose to give relief to people for whom they say it is necessary. The present one-sided Government, no matter what they

get, spend it all among their own supporters. The present Government do not deserve the name of a Government at all. It is not a Government that we have on the other side of the House! They are merely a number of purely party hacks, who have a certain interest in vote-catching and nothing else. Look at the Bill we have before us! There should be no distinction as between taxpayers. On the hustings, Ministers of to-day promised the world to the people, and here before us is the resultant legislation. When on the Opposition side of the House, the Premier constantly talked about the necessity for reducing taxation, and yet here we find him proposing to increase the income tax, which it is equally hard for many people to pay, as it is for the farmers to pay the land tax. Is not the position of the country store-keeper or that of the man with business interests at Merredin, Kellerberrin or Northam extremely difficult, too? Are not the people in that category entitled to consideration just as much as the farmer? The Minister for Lands has told us that the farmers cannot pay the land tax. Is that true? Is he not a land owner, and is he not able to pay the land tax himself? Other hon. members are land owners, and do they say they cannot afford to pay the land tax? Of course they can pay it. Yet those hon. members will, by voting for the Bill, grant themselves a special exemption, and at the same time will vote to impose additional taxation on other sections of the community. I would support heartily a reduction of taxation all round. That was the policy advocated by the Premier. What about the policy on which the Government were elected? Are they ever going to stand up to their promises and their policy? Do they ever intend to keep one promise they made to the electors? If they would do even that, it would be welcome. When I remind them of their pre-election promises, members of the Government shrug their shoulders and indicate their satisfaction with the existing state of affairs. While I would favour heartily a reduction of the land tax, no one section of the community, no matter what their position may be, should be privileged while others in a similarly unfortunate position are ignored. To legislate along those lines would be wrong. There are primary producers, market gardeners and horticulturists

whose position is just as satisfactory now as it was in earlier times, yet those people will be exempt from taxation under the provisions of the Bill, while others will not be so fortunately placed. Let us extend consideration to all sections of the community, not to one alone. What about the position of men in the mining industry? A prospector, for instance, may lose his all in an endeavour to locate gold, yet his position will not be relieved in the slightest by the Bill. The Government will not provide him with sustenance, and he will not get a shilling. Still that man will have to pay taxation, irrespective of whether he has worked for two or three years during which he secured no returns whatever. Instead of doing what the Bill proposes, we should reduce the land tax all round and, if the Government think it necessary to do so, they should write off taxation in the event of an individual being unable to meet his obligations under that heading. It would be better to deal with the position in that way than to grant exemption to one section and deny relief to others. It would be much fairer to reduce taxation all round and treat alike every man throughout the State. Why should the Government set a bad example, and legislate to assist one section and increase the burden on others? When I look at the precious Government and members opposite, and notice their placid indifference, their shrugging of the shoulders and laughter when reminded of their unfulfilled promises, I know that, given the opportunity, they will make similar promises to the people again. The Premier, Sir James Mitchell, goes around the country in an amiable way, smiling and patronising everyone and saying, "If I could but go to London, I would get all the money I wanted by the issue of Treasury bills, and then everything would be all right."

The Premier: I am more likely to send you home.

Hon. M. F. TROY: The Premier is not likely to send me anywhere.

The Minister for Lands: Don't be too rash.

Hon. M. F. TROY: For my part, I do not think the reign of the Government will be for much longer. The whole country is utterly disgusted and tired of them and their legislation. I am prepared to vote

for a reduction in taxation all round, knowing that there are thousands who ought to receive consideration but will not get it under the Bill before us.

MR. BROWN (Pingelly) [5.55]: I support the Bill.

Hon. W. D. Johnson: I thought you did not stand for class legislation.

MR. BROWN: In introducing the Bill, the Government are keeping their promise to relieve the farmers from the land tax.

Hon. W. D. Johnson: And to increase the income tax?

MR. BROWN: I support the reduction of the land tax, and if I had my way I would not take anything off the 33 1/3rd per cent. from the income tax. Those engaged in the agricultural and pastoral industries have to pay State and Federal land taxes, road board rates, two vermin rates and then income tax as well. It is impossible for them to pay all that taxation. The member for Mt. Magnet (**Hon. M. F. Troy**) proposed that we should write down the liabilities of the men on the land to help them through their difficulties. Those people are in a most trying position, and the only way we can help them is to grant the relief outlined in the Bill. I do not think there is one member on the Government side of the House who did not say during the election campaign that if there were a change of Government, the land tax should be decreased or abolished.

Hon. W. D. Johnson: Not that the income tax should be increased.

MR. BROWN: How many farmers pay income tax?

Hon. W. D. Johnson: The successful farmers pay it.

MR. BROWN: And those successful farmers are few and far between. The Government are merely fulfilling their promise in introducing the Bill.

Mr. Sleeman: The first promise they have fulfilled so far.

MR. BROWN: They are honest and honourable in carrying out their promise, and it is my intention to support the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Grant of land tax and income tax for the year ending 30th June, 1932:

Hon. P. COLLIER: I move an amendment—

That the following proviso to Subclause 1 be struck out:—"Provided further, that the land tax and the tax payable in respect of a lease imposed by Subsection 1 of this section shall not apply to improved land within the meaning of Section 9 of the Land and Income Tax Assessment Act, 1907-1924, held at noon on the 30th day of June, 1931, and used solely or principally for agricultural, horticultural, pastoral or grazing purposes."

The proviso is the one to which I referred as embodying the principle of exemption from payment of land tax. The member for Pingelly referred to promises to reduce the land tax, but the proviso will grant total exemption to a section of the taxpayers, which is entirely different from a reduction of the tax. It means that a number who can well afford to pay the tax will be exempt, and that a large number who cannot afford to pay taxation, will be compelled to pay it.

Mr. Brown: In what way?

Hon. P. COLLIER: Does not the hon. member know that business people and others having interests in country towns are just as financially embarrassed as the farmers? Many of them have become bankrupt, but they do not have any assistance from the Government to enable them to carry on. They have to make their own arrangements.

Mr. Brown: Most of the country storekeepers have an interest in the land.

Hon. P. COLLIER: Many of them may be so interested, but I know numbers of them who are not. I know one man who three years ago refused £10,000 for his business on a walk-in walk-out basis, and last season he was bankrupt, and had to walk out without a shilling. In the city there are thousands who bought property a few years ago when high prices ruled, and the assessments on their properties are still high.

The Premier: There is provision to deal with that.

Hon. P. COLLIER: But the assessments are still high, and the whole of their business has disappeared. Many of them have had to call meetings of their creditors, but they will still have to pay land tax on the basis of high values. It must be remembered that in the city, a block with a 20ft. frontage to

any of the principal streets is of more value than a 1,000-acre farm in the country. The holders of that city property are to-day just as financially embarrassed as the farmers. I would willingly vote for an all-round reduction in this tax, to apply to everybody, but it is most unfair to single out one section that has been hit by the existing condition of affairs, and leave alone another section that has been hit equally hard.

The Minister for Lands: When the farmer recovers, all others will recover.

Hon. P. COLLIER: But in the meantime they have to pay the tax. I know sections of agricultural settlers that could well afford to pay this tax. Take those engaged in butter production in the South-West. They are exporting butter for the first time. The Agricultural Department rightfully boasts of the tremendous strides butter production in the South-West has made, and that with good profitable prices. Many of those engaged in dairying in the South-West are doing better to-day than ever before.

The Minister for Works: The price of butter fat has been reduced.

Hon. P. COLLIER: But still the settlers are doing remarkably well. In what way are they entitled to exemption from land taxation, when large numbers of land owners in the city and the country towns will have to pay, irrespective of their financial position? Taxation such as is here proposed does not exist anywhere else in Australia, nor perhaps in the world. A sound principle of taxation is that, if it be increased or reduced, the change must apply to all. I repeat that those actually unable to pay taxation need not be forced to pay.

Mr. Patriek: Some have not yet paid last year's tax.

Hon. P. COLLIER: But no action has been taken against them, and no action need be taken this year if they are unable to pay. Each case should be decided on its merits. In the metropolitan area large numbers of land owners are in just as desperate a financial position as are some of the farmers, and metropolitan land values are still high. This year the taxpayers will be paying on a value that existed two or three years ago, but has now entirely disappeared. This land tax is a tax on the unimproved value, the community value, which has not been created by the landholder at all.

The Premier: A community of 400,000 could not create much value in any land. It is the export that creates the value.

Hon. P. COLLIER: No, it is the people, the community, who create the value. It must not be forgotten that those who cater for the man on the land, those who provide all his requirements, help to produce the wealth. Without them the farmer could do nothing with his land. If we must have a reduction of the tax because of the times—which are very opportune for such a reduction—let it be an equitable reduction applying to all alike. Let us not legislate for any one section, for that is against all principle of legislation.

The PREMIER: I hope the Committee will not agree to the amendment. All members know that it is not possible just now for the farmer to pay land tax. With the existing selling prices of wheat and wool, the farmer and the pastoralist cannot meet the cost of production. I agree that the storekeepers gave tremendous credit to the farmers, gave too much credit, with the result that to-day they are in difficulties.

Hon. P. Collier: They had to give the credit.

The PREMIER: They are not giving it now. The trader who puts goods on his shelves sells them at a profit, but the man who is producing wheat or wool is selling it at a price much below what it cost him to produce. The land tax constitutes but a small amount of the farmer's total taxation. No one else has been hit as hard as has the farmer. Of course this taxation could be piled up against him, and some day it would have to be paid. It is said that each case ought to be dealt with on its merits, but of course it would not be possible to consider 10,000 cases and write off taxation piecemeal.

Mr. Marshall: Why not?

The PREMIER: To-day the farmer is worse off than ever before, and his land is worth very little indeed. It is only right that we should meet him so far as we can by the suspension of his land tax for the year. I hope the Committee will not agree to the amendment.

Mr. MARSHALL: I will support the amendment. I disagree entirely with the Premier, and I think his proposal grossly unfair. Moreover, it appears to me classed in character. I would support exemption to

the extent that some farmers deserve the relief, but I cannot support the proposal for a general exemption to one section only. Quite a number of our primary producers have none but themselves to blame for their present financial position.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: Fairly large areas of pastoral land in my district have been held for a considerable number of years. Some of them have not been improved; others have been only slightly improved. The idea was to hold the land for selling when a favourable opportunity offered. Such holders would be exempt from land taxation.

The Premier: Such land would be forfeitable.

Mr. MARSHALL: But it is not forfeited. There are probably 1,000,000 acres in my electorate not developed at all. Much of the land has been taken up by soldier settlers, rent free for five years, and when one soldier's term has expired, another soldier has taken it up. The Premier proposes to reward opportunists and penalise worthy citizens. A Federal member has a large area for wheat growing, his idea being to settle his sons on it. He will receive relief. Many people have taken up more pastoral land than they could develop if they lived for 200 years. They have been playing a dog-in-the-manger policy, but now that their produce is not profitable, they are looking for relief. Why do not they release some of the land they hold and let other people use it? The proviso is class legislation. It is the outcome of a pledge given by Country Party members to their electors. Abolition of the land tax is a plank of their platform and the Premier has had to concede it. If the Premier is in a position to reduce taxation, all should enjoy the reduction. There are wheat growers who cannot afford to pay their land tax; their financial position is hopeless, but I refuse to believe that every wheat farmer is unable to pay. Men who have been on the land for 10 or 15 years and have enjoyed good seasons and good prices are not in difficulties simply because of one year of poor prices. The proposal is inequitable and unjust, will encourage the land jobber, and will give a concession to people who do not need it. I support the amendment.

Mr. MILLINGTON: In supporting the amendment, I appreciate the difficulties confronting the Government and would not needlessly add to their difficulties. Still, the proviso introduces a most pernicious and indefensible principle. There should be real co-operation between city and country interests, but the proviso will tend to antagonise those interests and create a deplorable position. Why should consideration be given to only a section of the community, whilst city dwellers receive no consideration? Many of the city people who will be penalised are standing to the primary producers. They have foregone their money for 10 or 12 months to assist the farmers to carry on.

The Minister for Works: How will they be penalised?

Mr. MILLINGTON: Because city property is still subject to land taxation.

The Minister for Works: This proviso does not alter that.

Mr. MILLINGTON: But it will relieve one section of the community.

The Minister for Works: We are not hitting the city people harder than they have been hit.

Mr. MILLINGTON: They will still have to pay land tax, but the deduction they have been receiving in income tax will be reduced.

This will tend to antagonise one section of the community against another. If there is one thing we want to continue more than anything else it is that splendid co-operation between town and country that has been evidenced in the past. When the Labour Government were in office general satisfaction was expressed because the burden of taxation was rendered uniform. This was appreciated on all hands. The Bill, however, will go a long way towards spoiling that good feeling which exists between town and country. I do not suppose there is a place in the world where so much recognition has been given to primary producers as is the case in this State. This in a large measure is due to the advanced agricultural policy laid down by the Labour Government. The Bill affords the first instance in which there has been differentiation between town and country. Members opposite are sure to be asked why they have supported such a thing. In these times, whatever sacrifice is made should be uniform. No defence can be put up for such a principle as is contained in this clause. Whenever the

agricultural industry has been in difficulties the whole State and all the people have stood behind it. I regret that legislation should now be introduced that will upset the amicable relationship between the two communities. The indications are that the clouds overshadowing Western Australia are beginning to lift. No Government should legislate permanently for a temporary difficulty. Once a tax is lifted it becomes most difficult for any Government to re-impose it, and the relief thus becomes permanent. Land values to-day are quite artificial. Instead of values being reduced by the City Council, only the rates have been reduced. The value set upon landed property now is far in excess of what the land would bring in the market. The same thing applies to agricultural land.

The Minister for Agriculture: Our agricultural values are the lowest in Australia.

Mr. MILLINGTON: The valuations were put on when times were prosperous and they cannot be maintained at the present price of our commodities. Even our water rates are based upon excessive land values. Everyone is suffering because the valuations of properties are too high. The principle contained in this clause is wrong. It will lead to difficulties for the Government and set up endless dissension amongst the people. The Government will have to find some more equitable way of adjusting the load. The people will want to know why one section of the community is exempt merely because their case has been loudly and persistently voiced by the Country Party. There will also be a demand for exemption on the part of other sections of the community. The business people have had to bear their share of the burden, and they are entitled to consideration. I should like to know how members representing city interests can justify the imposition of a tax on landholders in the metropolitan area, and an exemption for landholders in the country. Let me take the property holder. I know of many who seem quite comfortably provided for. But there has been recently the 22½ per cent. decrease in rentals, and these people are subject to Federal taxation besides the additional 7½ per cent. on earnings not derived from personal exertion. I know of one city property holder who by reason of those things has had his income reduced by half. The setback in such a case, unlike the farmer's case, is permanent.

Moreover the Commonwealth shows a disposition to put further imposts on incomes from property. The land on which a factory is built is valued at a high rate, and is heavily taxed. When the true inwardness of this proposed legislation is realised, there will be a great outcry against differentiation, just as in the case of the primary producer. The principle of differentiation is pernicious.

The ATTORNEY GENERAL: Looking to the origin of land values taxation in Australia, I have difficulty in understanding the criticism of the previous speaker. The hon. member's attack really amounts to saying that the proviso is illogical. The origin of land taxation is to be found, I understand, in the doctrine preached by Henry George about half a century ago. His chief work, "Progress and Poverty," convinced many people; but before long Parliaments went clean away from his doctrine. Certainly it is a wide departure to impose taxation on Crown leases. Henry George's view was that land was the property of the whole people and that the private holders of it must be taxed out of it. Therefore the basis of this land taxation is wholly illogical. In Sydney municipal taxation on Henry George's principle applies to the first six storeys of a building and a new lot of taxation is imposed on additional storeys. The proviso re-introduces into this legislation some measure of logic.

Hon. J. C. Willecock: Would you except freehold lands from the operation of the proviso?

The ATTORNEY GENERAL: Certainly not. The member for Mt. Hawthorn speaks of this as permanent legislation.

Mr. Millington: Defend the equity of exempting one section.

The ATTORNEY GENERAL: The hon. member fears that the result of this legislation may be to create jealousy between town people and country people. I am not a bit afraid of that. Personally I do not fear that property holders in my electorate will charge me with having sold them for the benefit of the farmers. The city property holder realises that the sole means of getting his previous prosperity re-established, is to re-establish the prosperity of the country property holder. The city property holder realises that every possible burden should be removed from the shoulders of the primary producer.

Hon. W. D. Johnson: And transferred to someone else?

The ATTORNEY GENERAL: If necessary, yes.

Hon. W. D. Johnson: That is what the Bill does.

The ATTORNEY GENERAL: The intelligent city man realises that it is far better for him to carry a bigger burden if that means a smaller burden for the primary producer. In the end, no doubt, the burden on the city man becomes a burden on the primary producer, since in the last resort the whole of our wealth in Western Australia comes from the man on the land. A bonus on wire netting or galvanised iron, for instance, eventually falls on the man in the country.

Mr. Millington: You will let the merchant instead of the Government collect the land tax. That is what you advocate.

The ATTORNEY GENERAL: Nothing of the kind. The proviso imports into our tax legislation an element of sense which has been lacking for years. The principle of Henry George has been given mere lip service.

Mr. Patrick: Henry George advocates the abolition of all tariffs.

The ATTORNEY GENERAL: Yes. Henry George was certainly an individualist. He had no time for socialistic doctrines.

Hon. P. COLLIER: I had the great pleasure of listening to Henry George in Melbourne.

The Attorney General: Was he not a better writer than a speaker?

Hon. P. COLLIER: I heard him speak in Melbourne on freetrade and protection. I have read all I could read of Henry George's writings, and I am inclined to agree with the Attorney General that he was a better writer than he was a speaker, because I remember that in Melbourne the verdict went against him in the debates in which he participated. The hon. member said that Henry George was an individualist, which was quite correct, and I think he also said that Henry George was entirely opposed to all forms of socialism. In my opinion, Henry George advocated one of the greatest principles that socialism stands for, in that he desired to socialise all land values.

The Attorney General: Yes, I should have said, except one.

Hon. P. COLLIER: In addition, he was in favour of taking the increments in respect of land values as well. All other forms of socialism, such as the socialisation of this or that activity, are like putting so many shingles on the roof. On the other hand, Henry George was intent upon constructing the real concrete foundations of socialism itself, by taking to the community itself the whole of the unimproved land values within the State. The Attorney General remarked that this proviso represented an indication of returning to the logical. I am afraid he was not in the House during the early part of the debate. He also said that Henry George would have taken the unimproved values of leaseholds, but not of Crown lands. Does he not realise that a large proportion of the land that will be exempt is not really leasehold in the proper sense of the word, but freehold, seeing that conditional purchase leases are merely in respect of areas that are in process of being converted into freehold.

The Attorney General: Is there logical justification for imposing unimproved land values taxation on pastoral leases?

Hon. J. C. Willcock: You could do it the other way, by increasing the rent.

Hon. P. COLLIER: What the Minister suggests is not what the Bill proposes. It seeks to exempt agricultural, horticultural and grazing areas, as well as pastoral leases. Conditional purchase leases merely apply to maturing freehold; they are, practically speaking, freehold. If it is logical, it is certainly not equitable, because it proposes to exempt from the payment of any land tax this year, men who are wealthy owners of freehold property, and others who have not been affected by the depression or by the decreased prices. I refer to men engaged in the dairying industry in the South-West. In some instances the property has been held by the one family for three generations, and all the developmental work was carried out when the cost of labour and material was not half what it is at present. Are we to admit that the owners of those old and well-established farms, which have been developed over a long series of years when good yields were obtained, and, since 1914, abnormal prices have ruled for their commodities, are not able to pay their land tax merely

because they have experienced one bad season? If that is the position, there is no future for farming in this State. Apart from the exceptional times we are passing through now, everyone knows that in all the States of Australia, and probably in every other part of the world where farming operations are carried on, there are periods of bad seasons and harvest failures—but farming is carried on there just the same. I have not urged wholesale exemption from taxation, but I am prepared to agree to any proposal that will enable the taxation payable by a farmer who is not in a position to meet the liability, to stand over and no action be taken in respect of that debt. On the other hand, that is no justification for exempting wealthy landowners who can afford to pay the tax. What can be done is what was done last year. Farmers who were unable to pay the tax were not forced to pay it. No action was taken against them in consequence. This year, farmers in a similar position could be dealt with in that way. Why should producers in the South-West, whose income has been increased tremendously because of the augmented production of butter and butter fats, be exempted from the payment of land tax, and why should occupiers of land in the Avon Valley, who have enjoyed good seasons and good prices for so many years, be exempt from payment of taxation this year merely because of one bad season? The Attorney General spoke about the people of the State depending upon the prosperity of the farming community. That is admitted, and anything we can do to relieve the farmer of an undue burden is justified. To relieve him from the payment of land tax is like a drop in the ocean of his trouble.

Hon. J. C. Willcock: It amounts to about £2 10s. a year.

Hon. P. COLLIER: Yes, that is so. If it is necessary to relieve him, there are many other ways in which his financial burden could be lightened. For instance, the men in the country are those who, practically speaking, produce the railway revenue; the city man does not do that. A considerable proportion of the farmer's burden is represented by the freight he pays on the goods he requires. So, if we are to help the farmers, a reduction in the freight charges would be of infinitely greater value to him than the

mere release from the necessity to pay a land tax of £2 or £3 a year.

Mr. Griffiths: That tax is more likely to be £5 or more on a 1,000-acre block.

Hon. P. COLLIER: It depends on the valuation. We must take the average. Some would be higher than others. It is all according to the value at which the block is assessed.

The Attorney General: A block valued at £1,000 would mean £4 3s. 6d.

The Minister for Works: The valuation of sand plain to-day would be as much as £1 per acre.

Hon. P. COLLIER: I do not think so, notwithstanding that the valuations have been increased in recent years.

The Minister for Works: I know a lot of sand plain valued at that price.

Hon. P. COLLIER: Then it is time the valuations were revised. A revaluation should be made of all town and country property, for the values went up when things were prosperous, and to-day some of the valuations are ridiculous. There is nothing equitable in this proposal to remit the land tax to the farmers. Thousands of holders of city property have lost their incomes and are not in any better position to pay land tax than are the distressed farmers. I know one man, the owner of ten small cottages. He has been living on the rent from those cottages, but since last Christmas he has drawn rent from only two of them, and that constitutes his sole income. Out of that he has to pay rates and taxes on all ten of the cottages, and in addition he will have to pay this land tax. That man is down to the position of the married man, with one or two children, living on sustenance. And there are in the city hundreds of others in similar circumstances. If the Government wish to relieve from the payment of taxes those who are not in a position to pay, we cannot do it by singling out all those who follow a given occupation. The only way to handle the matter equitably would be to deal with each case on its merits. Payment of land tax was not enforced on farmers last year, and need not be enforced this year. Every man unable to pay should be entitled to relief, no matter what occupation he follows. If a man cannot pay the tax, it can be written off. Frequently has the Governor-in-Council written off taxation which indi-

vidual people could not pay. The inequality in the Government's proposal is that men who can well afford to pay the tax will be relieved of payment, while on the other hand large numbers who cannot pay will be compelled to pay. I would support any other proposal to reduce the tax on land, but I will not support this proposal.

Mr. SAMPSON: It is often said that land taxation means that two taxes, land and income, are paid by the farmer. The use of the land is essential to the farmer, whereas there are other avocations requiring little if any land. Right down the ages the farmer has been the victim of taxation whose incidence is unfair. Every consideration should be given to the farmers, for they cannot do good for themselves without providing benefits to others. I congratulate the Government on this decision to consider the farmers, and I hope this principle will be always maintained. It is in the best interests of the State that those on the land producing new wealth should be encouraged to the full.

Mr. Panton: But it is proposed to take off the land tax and put it on the income tax.

Mr. SAMPSON: Imagine a primary producer having income tax to pay these days!

Hon. M. F. TROY: What do you know about what he pays?

Mr. SAMPSON: The hon. member may have something to pay, but then although a farmer he has other avenues of income.

Hon. M. F. TROY: You have not, have you?

Mr. SAMPSON: Yes, like the hon. member, I have, and so we two will pay income tax.

Hon. M. F. TROY: You are one of the parasitic class.

Mr. SAMPSON: It may be, but it is a class very helpful to the Government. To some extent I am with the member for Mount Magnet, for I have produced wheat. I understand he has made money out of wheat. Good luck to him, for he cannot do that without improving things for the rest of the State. I hope he will continue to farm the land, as I also will do. The member for Leederville fears the farmer will have to pay income tax. When the Deputy Commissioner of Taxation can get a farmer to pay him income tax, I should like a copy of that man's photograph.

Hon. M. F. TROY: If the Government consider the values on which the farmer has to pay land tax are too high, the Premier can instruct that a revaluation be made. It was the Premier himself who gave instructions to have all the land re-valued on the last occasion. So if the present values of agricultural land are excessive, it is due to the Premier, and he can have the areas re-valued. This proposal to abolish the land tax in respect of the farmers appears to me to be merely political. What easement will it give the farmers? How will it affect their position? Will it make them solvent men again? It ought to be borne in mind that when the Collier Government imposed the land tax it provided that the whole of the amount raised by taxation should be used for a reduction in railway freights. By a Bill of this character the Government get a good advertisement, that they are out to help the farmer by reducing taxation. But they have increased railway freights. On farmers' commodities such as wire netting and fencing wire—commodities of which the Government complain of the Commonwealth taxing through the Customs—railway freights have been increased 15 per cent.

The Minister for Lands: On wheat and wool, too?

Hon. M. F. TROY: I am not speaking of wheat and wool.

The Minister for Lands: We reduced the freights on those commodities.

Hon. M. F. TROY: I am speaking of necessary requirements of farmers. The Government will not allow, under the Traffic Act, a man to carry a bag of sugar on his motor lorry in certain circumstances without rendering himself liable to a severe penalty. And they are the farmers' Government! They will relieve him from the payment of land tax and charge him £20, £30 or £50 extra in the shape of railway freights. Members on the Government side do not say anything about the increase of railway freights.

Mr. Patrick: We are making no capital expenditure on wire nowadays.

Hon. M. F. TROY: Many people have had to pay the increased freight on wire and wire netting.

Hon. P. Collier: If the farmers are not using wire and wire netting why were the freights increased?

Hon. M. F. TROY: If relief is to be granted, let it be granted to all people who

are in difficult circumstances. There are men in the city who are getting perhaps only two or three days' work a week and who have to pay land tax on their homes.

Mr. Sampson: You were a party to striking out the exemption for the homestead block of the city dweller.

Hon. M. F. TROY: I am prepared to give the worker the merchant and the store-keeper the same deal as the farmer; nothing more and nothing less. It is shameful how the Government seek to tickle the ears of the people with class legislation. They are always appealing to one section of the community. Courts are granting protection orders to tenants, who are permitted to remain in their homes without paying rent. Reports have been published of some very hard cases; yet the landlords have to pay land tax. No relief is to be granted to them. If the Government wish to grant relief to the farmers, let them reduce the railway freight. That would give them something definite. We have been told that the present Government consider only the best interests of the country. In order to buy a few votes—

Mr. J. I. Mann: Oh, bosh!

Hon. M. F. TROY: If the hon. member is not careful, I shall have something to say to him. Miners who have not obtained a crushing for two or three years are not squealing for relief. They have to pay land tax on their little homes. Why do not the Government introduce a measure to abolish the vermin rate imposed by local authorities, who render no service at all for the money?

Mr. Patrick: The local people can do that themselves. It is in their hands.

Hon. M. F. TROY: No, it is in the hands of Parliament. The most arbitrary taxation is income tax. Abolition of the land tax would give very little relief to anybody. I wish the Government would reduce taxation all round. If they proposed to reduce land tax to one-third of the present rate I would support them, but I object to legislation to relieve one section of the community. As regards legislation to help the farmers, the Government are helpless. By this measure they hope to obtain a little support. In other respects they are utterly bankrupt.

Hon. W. D. JOHNSON: It appears that the Government have been influenced to introduce this measure in order to remove some of the disabilities suffered by farmers. The relief that could be given in this way

would be slender and would not be satisfactory to the farmers. It is useless for the Government to attempt by such a measure to placate the farmers in their demand for a proper review of the disabilities they are suffering.

The Minister for Agriculture: Every little helps, you know.

The Premier: Do you oppose this?

Hon. W. D. JOHNSON: I oppose the manner in which it is being done. If the Premier will abolish the land tax without imposing other taxation to make up the difference, I will support him, but he is trying to relieve one section of the community by imposing the burden on another section. I venture the opinion that the farmers would not approve of it. It has never been part of their policy to obtain relief from land tax at the expense of payers of income tax. How could the Minister for Lands justify relief being granted to a farmer just outside the municipal boundary of York and denying it to a man just within the boundary?

The Minister for Lands: One man earns his living on the land, and the other does not.

Hon. W. D. JOHNSON: The other man is utilising the land to maintain his living, just as is the agriculturist. The Government are making an unfair discrimination. For the man inside the municipal boundaries, land taxation will be maintained and income taxation will be increased. How could the member for Toodyay justify a reduction to one section while additional taxation is imposed on the business people of Toodyay? The business people will resent such taxation and the farmers, too, will resent it. The Government appointed a Royal Commission to consider farmers' disabilities.

The Premier: What has that to do with the Bill?

Hon. W. D. JOHNSON: The commission mentioned land tax.

The Minister for Lands: What did they say?

Hon. W. D. JOHNSON: The Minister can read it for himself. It was only a casual reference, and yet it is the first measure of relief sought to be given by the Government. I venture to predict it will be the only one.

The Minister for Lands: You do not know much about the report.

The CHAIRMAN: I cannot allow a general discussion on the report.

Hon. W. D. JOHNSON: No, that will come in good time. Farmers' disabilities will not be relieved by the proposal in this Bill. The amount of relief given is very small compared with the impost that will be placed on the great number in a shape of increased income tax. The Bill is unfair to the agricultural community. It is a discrimination between the country and the town. It says to one section of the community, "You shall not be burdened," and to another, "Your income tax burdens will be increased to relieve the others." It is taxation of the worst kind, and gives relief where it is not wanted. I appeal for support to members of the Country Party.

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

Ayes	..	..	..	..	18
Noes	..	..	..	..	20
Majority against					2

AYES.

Mr. Collier	Mr. McCallum
Mr. Corboy	Mr. Millington
Mr. Coverley	Mr. Munsie
Mr. Cunningham	Mr. Raphael
Mr. Hegney	Mr. Sleeman
Miss Holman	Mr. Troy
Mr. Johnson	Mr. Willcock
Mr. Kenneally	Mr. Withers
Mr. Marshall	Mr. Pantou

(Teller.)

NOES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Scaddan
Mr. Latham	Mr. J. H. Smith
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Lamond	Mr. Doney
Mr. Lutey	Mr. Keenan
Mr. Walker	Mr. Plesse
Mr. Wilson	Mr. J. M. Smith
Mr. Wansbrough	Mr. Teesdale

Amendment thus negatived.

[Mr. Angelo took the Chair.]

Hon. J. C. WILLCOCK: I move an amendment—

That after the word "purposes" in the last line of the proviso the following words be added:—"or commercial, manufacturing, or domestic purposes."

The Premier: What about mining? You have left that out.

Hon. J. C. WILLCOCK: Those who own land and are using it for commercial, manufacturing, or domestic purposes are in a particularly bad way just now, and are entitled to every consideration. The arguments that can be adduced in favour of the agriculturist, the horticulturist and the pastoralist can be applied with equal force to those who are connected with industrial enterprises. The amendment should commend itself to those sitting opposite.

The PREMIER: I hope the amendment will not be agreed to. It would practically exempt from land tax every person in the community. We want to relieve those who are more deserving than others, because they must lose on all they do. Commercial houses are not losing to-day.

Hon. J. C. Willcock: They are, if the number of bankruptcies is any indication.

The PREMIER: The stocks these houses have on their shelves are being sold at an increased price. Commercial men are not in the same position as those who are on the land.

Hon. J. C. Willcock: The houses are well stocked up in a period of falling prices.

The PREMIER: If they bought before the tariff went up they must be making money. The same arguments for relief cannot be used in the cases cited by the hon. member as can be used in the case of the man on the land. The two propositions are quite different. If a man owning a factory cannot make it pay he closes it down.

Hon. J. C. Willcock: If all the factories closed down we should be in a bad way.

The PREMIER: The farmer has never been specially protected, whereas every factory owner enjoys some form of protection.

Hon. M. F. TROY: I now see the reason for this legislation. I am sure the Premier does not anticipate that the farmers will pay any tax at all, land or income tax, this year. By relieving the farmer, therefore, the Government are losing nothing. They are merely relieving him of something they would not in any case get from him.

The Minister for Lands: It will remain a charge upon the land.

Hon. M. F. TROY: But the Government are going to squeeze out of the man who can pay all that they could not get out of the farmer. They pretend to be giving the farmer something, whereas they are giving him nothing. The Government are not even

collecting income tax from the farmer on last year's assessment.

Mr. Parker: Does it not remain a charge against the land?

Hon. M. F. TROY: The Mitchell Government before wrote off hundreds of thousands of pounds from the liabilities of the settlers.

The Minister for Lands: Not taxation.

Hon. M. F. TROY: As Minister for Lands I wrote off thousands.

The Minister for Lands: Not from taxation.

Hon. M. F. TROY: The Commissioner of Taxation puts the matter up for writing-off. Even Agricultural Bank liabilities have been written off. With the exception of farmers, members of the community who are hard hit are to be called upon to pay.

Amendment put and negatived.

Clause put and passed.

Clause 3—Rate of income tax:

Hon. P. COLLIER: I move an amendment—

That Subclause 3 be struck out.

This subclause provides for increase of the income tax. The present is no time to increase income taxation. People are not in a position to pay increased taxation of any kind. Enormous arrears of income tax are already owing. The proposed increase of 20 per cent. is very heavy indeed. In view of the exemption from land tax, this increase will make no difference to the Treasurer. Like the other Australian States, Western Australia has reached the stage where further increases in taxation serve merely to intensify depression and unemployment. New South Wales and South Australia are now perhaps more heavily taxed than Western Australia, but prior to the 33-1/3 per cent. reduction in income tax made some four years ago, this was the most heavily taxed of Australian States.

The Premier: That is not the case today.

Hon. P. COLLIER: No: it was four years ago. Since then other States have had to increase their taxation greatly. South Australia now is probably the most heavily taxed State of the Commonwealth. Victoria is not up to our stage yet.

The Premier: Yes: Victoria is now.

Hon. P. COLLIER: We are below the average of all the States.

The Premier: The actuaries went into the matter and said we had to come up £1 in taxation in order to be up to the average.

The Attorney General: It was said to us that we could afford to put a little more on so as to come up to the next highest.

Hon. P. COLLIER: I should be greatly surprised to learn that we are the lowest taxed State of the Commonwealth. I still have a feeling that Victoria, notwithstanding its recent increases in general taxation and its unemployment tax, is lower than Western Australia. With all the taxes imposed and proposed, I fear we shall be badly off at the end of the financial year. It must always be borne in mind that in taxation one reaches a point where further increases rather reduce the total revenue received than increase it, by reason of hampering of trade and creation of additional unemployment. There is also the heavy taxation imposed by the Commonwealth and local governing bodies.

Hon. J. C. WILLCOCK: Employment of our people in the country was formerly provided by loan money, which has now ceased. Employment must be found by some means or other, and the necessary capital for that purpose will have to be raised within Western Australia by saving. If we continue to increase taxation, no one will be able to save any money; and as the Government will be unable to raise loans, Western Australia will come to a standstill. Excessive taxation can absolutely stifle enterprise, work and energy. Much of the prosperity of Western Australia during the past seven or eight years was due to substantial reductions made in taxation by the previous Government upon receipt of the Federal grant. Investors then knew that secondary industries could be advantageously established here. Our best course would be even to have deficits for some time; these deficits could be paid off later. I think the Premier once said that from 30 to 35 per cent. of the total income of the people was being taken from them by local rates, State taxation and Federal taxation.

The Premier: About 40 per cent.; but we get mighty little of it.

Hon. J. C. WILLCOCK: The figure is staggering. Unfortunately the tendency is to say, "We must get revenue from somewhere." In having deficits we shall be much

better off as regards the establishment of industries.

The Attorney General: Do you believe in a borrowing policy? One cannot have deficits without borrowing.

Hon. J. C. WILLCOCK: I agree. We are not now in a position to make savings and pay interest and pay off debts. Let us get some temporary accommodation so that our unemployed may be placed in employment again. That is better than to live right up to our obligations, paying everything in the year in which it falls due.

The PREMIER: I should welcome the amendment, because it will increase the taxation.

Hon. J. C. Willcock: We propose to insert other words.

The PREMIER: The effect of the amendment will be to restore the full amount of taxation to the Government. I do not think that is what the Leader of the Opposition intended.

Hon. P. Collier: That is so.

The PREMIER: I hope the Committee will not accept the amendment. It will be remembered that during the discussions at the Loan Council, it was contended that Western Australian should impose £400,000 additional taxation in order to bring us into line with the remaining States. I do not propose to do anything of the sort.

Hon. P. COLLIER: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. P. COLLIER: I move an amendment—

That in line 4 of Subclause 3 the word "twenty" be struck out.

Hon. M. F. TROY: I presume the object of the Leader of the Opposition is to restore the 33 1/3rd per cent. provision. I am perfectly sincere when I say I prefer the land tax to the income tax. The man who is doing nothing in this country but takes things easily and renders no service to the State, is not called upon to pay income tax, but the man of enterprise, of ability and initiative is the individual who has to pay that tax. We accept the income tax because the services of the country must be carried on, but that is the only reason we submit to it. The land tax is a just one, because the land would be of no use whatever if it were not for the services

rendered by the community. Generally speaking, I regard the taxation imposed as altogether too high. I do not say that it can be reduced to-day because we have to pay our way.

Hon. J. C. Willcock: Or try to pay our way.

Hon. M. F. TROY: The Premier was very insistent upon this phase when speaking in Northam prior to the election. He condemned the then Premier (Hon. P. Collier) for having raised £400,000 by way of taxation. He said, "High taxation is the real cause of Australia's troubles."

The Premier: So it is.

Hon. M. F. TROY: Look at the culprit! What is he doing now? The Premier is increasing taxation! He was not far wrong in his statement about the effect of high taxation in Australia.

Mr. Kenneally: This is not the Premier's only effort at increasing taxation.

Hon. M. F. TROY: No; there are more taxation Bills referred to on the Notice Paper. Although the State taxation is high enough, it is nothing like the burden of Federal taxation which takes seven or eight times as much from the people as does the State impost. Since the present Government have assumed control of the Treasury bench, we have progressed, and soon the Federal Government will have no advantage over us from the standpoint of taxation. I appeal to the Premier to agree that the present burden of taxation is high enough.

Hon. W. D. JOHNSON: The Minister for Lands referred to the report of the Royal Commission that dealt with the agricultural industry, and the recommendation that relief should be accorded the farmer from the burden of land taxation. There is nothing in the report of the Royal Commission to suggest that the income tax should be increased.

Mr. Parker: Will any farmer pay income tax?

The Minister for Lands: He does not know.

Hon. W. D. JOHNSON: Thousands of farmers will have to pay income tax on last year's operations. I admit that their returns will be considerably reduced, but still they will have to pay the tax.

Mr. Patrick: Not on their farming operations.

Hon. W. D. JOHNSON: The hon. member knows he is talking rubbish. They will have to pay income tax on last year's operations.

Mr. Patrick: They will not have to do so.

Hon. S. W. Munsie: When we get the Taxation Commissioner's report, you will see that they will.

Hon. W. D. JOHNSON: The farmers desire relief from taxation, but the Government are not affording them that relief. Some farmers will secure advantage through the abolition of the land tax, but the successful farmers will have to shoulder an added burden.

The Minister for Lands: Do you think the farmers made any income out of their operations last year?

Hon. W. D. JOHNSON: Any number of them.

Mr. Patrick: Not one per cent.

Hon. W. D. JOHNSON: From my own figures, I know exactly what the position of a number of farmers must have been. A reduction was made in their farming costs last year to such an extent that, automatically, there was an increase in their income. I admit that the reduced costs have not adjusted the position, but they went so far as to maintain returns on a taxable basis. Under the subclause as it stands, those people will have to pay 20 per cent. additional taxation. If any relief is to be granted from taxation, it should be general, and, in any event, we should not grant relief in one form and increase the burden in another direction. I warn the Government that it will be 12 months only before the farmers will start calculating, and then they will want to know from those who have supported the Government how it was that, although they were promised relief, their burden of taxation was actually increased. I say emphatically that an injustice is being done to the agriculturist, and that we are trying to protect him against the Government that are increasing taxation whereas they promised to reduce it. They are not responding to the agitation for reduced taxation. The member for York was compelled to do something in the way of relief, for he was heckled at his meetings, and so he has introduced a reduction of the land tax, at the same time increasing the income tax.

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

Ayes	18
Noes	20

Majority against	..	2
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AYES.

Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munale
Mr. Coverley	Mr. Raphael
Mr. Cunningham	Mr. Sleeman
Mr. Hegney	Mr. Troy
Mr. Johnson	Mr. Wansbrough
Mr. Kenneally	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Panton

(Teller.)

NOES.

Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Ferguson	Mr. Richardson
Mr. Griffiths	Mr. Sampson
Mr. Latham	Mr. Scaddan
Mr. Lindsay	Mr. J. H. Smith
Mr. H. W. Mann	Mr. Thorn
Mr. J. I. Mann	Mr. Wells
Mr. McLarty	Mr. North

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Walker	Mr. Piessie
Mr. Lutey	Mr. Teesdale
Miss Holtman	Mr. Doney
Mr. Wilson	Mr. J. M. Smith
Mr. Lamond	Mr. Keenan

Amendment thus negatived.

Clause put and passed.

Clauses 4 and 5—agreed to.

Clause 6—Section 55 of 1907-30 No. 15 not to apply:

Hon. P. COLLIER: I am going to move that this clause be struck out. Section 55 of the principal Act, which is not to apply, provides that the taxpayer shall pay his tax in two half-yearly instalments. It is true this provision was included in all the Bills I introduced when I was in office.

The Attorney General: We fought you on it, but you would not listen.

Hon. P. COLLIER: True, but there is no comparison between the taxpayer's ability to pay his tax now, and his ability to pay in the days gone by.

The Minister for Lands: It is a smaller sum now.

Hon. P. COLLIER: Yes, but it is very much more difficult to pay.

The Attorney General: We are thinking of something much better than two half-yearly instalments; of paying it in monthly instalments.

Hon. P. COLLIER: That would be very much better, and I would have nothing further to say. Even to pay it in two instalments is very difficult now, and the Treasurer, by accepting the tax in monthly instalments, would collect very much more by the end of the year. If that is the intention, I will have nothing more to say.

The Attorney General: There is a Bill ready, a Bill to amend the assessment Act. You will remember that we have taken exception to this being in the taxing Act at all.

Hon. P. COLLIER: I do not think it should be here, for this is only a Bill to amend the tax. I have always felt that, strictly, it was not in order in this Bill, but it has got through.

Clause put and passed.

Preamble, Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—STAMP ACT AMENDMENT (No. 4).

Second Reading.

Debate resumed from the 20th October.

HON. P. COLLIER (Boulder) [9.56]: This is another taxation Bill.

Mr. Panton: Another little tax won't do us any harm.

Hon. P. COLLIER: Certainly it will not go very far in the raising of revenue and the effect it may have on the taxpayer, but nevertheless it is a taxation Bill. It is, in fact, the eighth taxing Bill introduced and passed—if it becomes law—during the past 12 months, which is not a bad record in the way of taxation. There have been the Entertainments Tax Bill, the Hospital Fund Bill, the Salaries Tax Bill, the two Stamp Act amending Bills of last year, the Totalisator Duties Tax Bill, an amendment of the Traffic Act, which imposes considerably increased taxation, to say nothing of the Reduction of Salaries Bill, which in effect was a taxing measure, so this is the eighth.

Mr. Sleeman: And the Winning Bets Tax Bill.

Hon. P. COLLIER: But that is not law. I am talking only of those that have become law, and I have not included in the list the

increases in the income tax, which we have just passed. So this is really the ninth.

The Attorney General: You are forgetting the reduction of the land tax.

Hon. P. COLLIER: I am talking of increases, which apply to everybody, whereas the decreased taxation applies only to a section. So we are going pretty well. I do not know whether I will oppose this Bill very much. It proposes an increased duty on cheques, and an increase on demand drafts and hire-purchase agreements. I agree with the provision in the Bill which seeks to check the possibilities of fraud. I was surprised to learn from the Premier's speech that it had been going on to such an extent, that is, the use of duty stamps a second time. I think the provision in the Bill should check anything in that direction. One would hardly believe that such a demand would be made for a sale of stamps amounting to £17 and coming from Europe, stamps which already had been used and cancelled in the usual way. But by some process the cancellation ink had been removed, and the stamps were disposed of as new ones. It is right to tighten that up so that those people who are under an obligation to pay may be compelled to do so. The increase of stamp duty on cheques from 1d. to 2d. is considerable. An ordinary man doing business on a small book of 30 cheques will have to pay a tax of 5s. instead of 2s. 6d. People in a small way of business use cheques fairly frequently, while those in a big way of business probably draw cheques for larger amounts. I dare say many business men will meet the position by combining amounts in a single cheque rather than by drawing several cheques for smaller amounts. An increase of 100 per cent. in the stamp duty is heavy. Our friends on the cross benches used to remind me, when I increased the land tax from $\frac{1}{2}$ d. to 1d., that it was an increase of 100 per cent. Of course that sounded shocking, and the farmers used to sit up when it was mentioned to them. On the occasion of my visits to farming districts, the first thing I had fired at me was, "You increased the land tax by 100 per cent.," and I was kept busy explaining that it meant only $\frac{1}{2}$ d. in the pound. That did not sound nearly so formidable as 100 per cent. Anyhow, I shall be able to say that the present Government increased the stamp duty on cheques, not by 1d., but by 100 per cent.

Mr. Raphael: The Government will lose rather than gain by the increase.

Hon. P. COLLIER: I doubt whether they will receive as much revenue as they expect. Certainly they will not receive double the amount collected at present. Means for avoiding the tax will be found by many people. I know that 2d. stamp duty is charged on cheques in some of the Eastern States.

The Minister for Lands: In all of them, I think.

Hon. P. COLLIER: Not in all, I think. I suppose the necessity for obtaining additional revenue has compelled the Government to double the tax. All these taxes are imposts that will not fall upon the farmer. He is to be exempt from the payment of land tax; the increase of income tax will not affect him because we are assured that he has no income.

Mr. Parker: Members on your side said it would affect him.

Hon. P. COLLIER: This tax will not affect him because he will not have a cheque book. It is mostly the city man using a cheque book who will have to pay the increased duty. So this is another tax, upon which all sections of the community other than the farming section will have to pay.

Mr. Parker: Including the poor, wretched merchant.

Hon. P. COLLIER: Yes. I agree with the proposal that land under contract of sale should pay the stamp duty on each transaction connected with a particular block. There has been a good deal of evasion in the past, and I think it continues at present. It is right that the contract should be stamped at the time of sale. That has not been done in the past. Walk-in-walk-out sales mostly affect farming properties, and it is only fair to ensure that full duty is paid. Where a high valuation has been placed upon the movable articles and a low or insufficient valuation on the land, which of course carries the duty, there has been evasion. The provision in the Bill is quite fair that the vendor shall present a sworn valuation by a valuator as to the value of the land, and if the Commissioner of Stamps is not satisfied, he may appoint an independent valuator. If they are not able to agree, a third valuator may be appointed whose decision shall be final. That should meet the position. It would not be fair to leave the final decision to a Gov-

ernment officer. An independent man should determine the actual value of the land. Finally, the Bill deals with hire-purchase agreements which at present pay a flat rate of 2s. 6d., regardless of the amount involved. Under the amendment duty will be charged on a sliding scale. It is proposed to charge 1s. 3d. for every £50 up to £300, and 2s. 6d. for every £100 thereafter.

The Attorney General: As on a mortgage or bill of sale.

Hon. P. COLLIER: Yes. This will apply to machinery which, probably more than any other article, is purchased under hire-purchase agreements.

Hon. W. D. Johnson: Another impost on the farmer.

Hon. P. COLLIER: Does the farmer or the machinery merchant pay it?

Member: The farmer.

Hon. P. COLLIER: Whatever the merchant has to pay is doubtless passed on to the farmer. This, however, is something that members of the Country Party will have to watch. It is an increase of duty. We are told the farmer has no money, and will not be able to buy machinery for some time, and so he will not be affected. Otherwise, I suppose the provision would not have been included in the Bill. I repeat that the increase of stamp duty on cheques is severe, and only financial necessity would warrant Parliament's agreeing to such an impost. However, I do not intend to oppose the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Richardson in the Chair; the Attorney General in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Amendment of Section 53:

Hon. J. C. WILLCOCK: The increase in the charge upon cheques from 1d. to 2d. will press very severely upon people who are running a small business, or are doing a comparatively small trade through a banking account. They do not keep a big set of books, but use their bank passbooks in order to put all their transactions through that channel. This 100 per cent. increase will probably mean an additional impost of at least 30s. a year in many cases. If the Gov-

ernment go on placing imposts upon industry, we shall soon arrive at the breaking point. I should like to see the 2d. reduced to 1½d. I do not think the Government would lose much revenue if they agreed to that. The effect of the change will probably be to drive people to the Savings Bank, and to settle their accounts with cash. An extra halfpenny might not induce people to abandon their present method of doing business, but I fear that an increase to 2d. will mean a considerable decrease in the return received by the Treasury. I move an amendment—

That the word "two" be struck out and "one and a half" inserted in lieu.

The ATTORNEY GENERAL: I do not know that a case could be made out for 2d. in lieu of 1½d., and if not, it is equally impossible to make out a case for 1½d. instead of 2d. The Treasurer has asked the House to agree to the increase to 2d., and as I am deputising for him, I could not recommend the Committee to accept the amendment. There is something in what the hon. member says, that we shall not get twice as much revenue from the 2d. as we are getting from the 1d., but we will undoubtedly get more from the 2d. than we would from the 1d.

Mr. Raphael: Plenty of business people will pay everything in cash.

The ATTORNEY GENERAL: A sensible business man will in future probably draw one cheque where he previously drew two. If the increase from 1d. to 2d. will prevent the people referred to by the member for Geraldton from conducting their business on the lines he indicated, then this Bill will serve a purpose additional to the one it was intended for. The man who keeps no books at all is in a dangerous position.

Mr. Sampson: He is in the more dangerous position if he abandons the cheque book altogether.

The ATTORNEY GENERAL: That is not the way for a man to run his business. A small shopkeeper will never be anything else but a small shopkeeper if he relies upon his passbook to cover his bookkeeping methods. That is not the way to run a business. No sensible man relies either on his memory for his book-keeping, or on some other person to keep his books. I cannot listen seriously to that objection, nor do I think hon. members really believe this to be a bad way of raising a little additional

revenue. The Government do not expect anything like double the present return.

Mr. ANGELO: Hearing some time ago that this increased taxation was in the air, I took the opportunity while in the East to obtain the opinion of a leading banker. He told me that for some months in similar circumstances the drawing of cheques fell considerably below 50 per cent. of what it had been when the penny was charged, but that later on people began to realise the value of drawing cheques instead of paying cash, and that in a year's time the number of cheques drawn was about equal to what it had been when the tax was only a penny. Thus our Treasurer may not get much extra taxation for a while, but at the end of 12 months he should get double the present return from that source.

Mr. SAMPSON: I hope the Government will give this matter further consideration. I believe in payment by cheque and in encouraging the use of the cheque book, no matter whether a man conducts a business or not. Safety lies in the use of the cheque book. The Government's reputation may suffer from the imposition of an irritating tax. This source of revenue will probably dry up for a year or more if the extra penny is imposed. It is good that the cost of using cheques should not be increased. History records many men who have succeeded in business without keeping any books whatever. The contemplated increase is somewhat pettifogging. It will have a bad effect on our small producers, who are securing miserably low returns and should not be compelled to run the risk of having to bear the cost of agents' cheques, as is likely if the tax is increased.

Hon. M. F. TROY: I hope the Minister will accept the amendment. Apparently he is not strongly opposed to it. The Government require the additional money, but no attempt has been made to justify the added impost. The increase represents 100 per cent. in added taxation, and the Government will not benefit to any great extent, because people will pay a number of small amounts with one cheque.

Mr. Parker: This is class legislation that will not affect your supporters.

Mr. Panton: Ours have had it ever since your Government have been in power.

Hon. M. F. TROY: All these extra costs are passed on to the community in the end.

The Attorney General does not seem to appreciate the position of the small man who regards his banking account as a record of his transactions. Amongst the farmers and the small men of the community, 95 per cent. carry on their businesses with a journal and a cheque book.

Hon. J. C. Willcock: No ledger or day-book.

The Attorney General: They keep a cash-book.

Hon. M. F. TROY: The journal is their cash-book because all they require is to keep a record of receipts and expenditure.

Hon. J. C. Willcock: With the aid of the bank pass-book they can trace everything.

Hon. M. F. TROY: The Government should realise that the present impost is as much as people can afford to pay, and the increase in the stamp duty will penalise many people. Just fancy having to pay 5s. to get a cheque-book containing 30 cheques!

The ATTORNEY GENERAL: It is proper for the Opposition carefully to scrutinise proposals of this description and advance all possible arguments against any increase.

Hon. M. F. Troy: But I would hate to pay 5s. for a cheque-book with 30 cheques in it.

The ATTORNEY GENERAL: I hate to pay half a crown for a cheque-book. If it is logical to pay 1d. on each cheque, it is equally logical to pay 2d. There is a substantial precedent for the increase and I cannot accept an amendment.

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

Ayes	..	..	..	18
Noes	..	..	..	20
				—
Majority against	..	..	..	2
				—

AYES.

Mr. Collier
Mr. Corboy
Mr. Coverley
Mr. Cunningham
Mr. Hegney
Mr. Johnson
Mr. Kenneally
Mr. Marshall
Mr. McCallum

Mr. Millington
Mr. Munsie
Mr. Raphael
Mr. Sleeman
Mr. Troy
Mr. Wansbrough
Mr. Willcock
Mr. Withers
Mr. Fanton

(Teller.)

NOES.

Mr. Angelo
Mr. Barnard
Mr. Brown
Mr. Davy
Mr. Ferguson
Mr. Griffiths
Mr. Latham
Mr. Lindsay
Mr. H. W. Mann
Mr. J. I. Mann

Mr. McLarty
Sir James Mitchell
Mr. Parker
Mr. Patrick
Mr. Sampson
Mr. Scaddan
Mr. J. H. Smith
Mr. Thora
Mr. Wells
Mr. North

(Teller.)

PAIRS.

AYES.
Mr. Walker
Mr. Lutey
Miss Holman
Mr. Wilson
Mr. Lamond

NOES.
Mr. Piesse
Mr. Teesdale
Mr. Doney
Mr. J. M. Smith
Mr. Keenan

Amendment thus negatived.

Clause put and passed.

Clauses 7 to 14—agreed to.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 20th October.

HON. P. COLLIER (Boulder) [10.43]: There are two points in the Bill, and I have no objection to offer to either of them. First there is the provision to prevent the dual taxation of a company's profits. That is a sound principle. I remember on one occasion such a case came before me, the amount involved being £6,000 or £7,000. The parent company had paid a dividend to the subsidiary company, which had to distribute the dividend to its shareholders. It meant the payment of double taxation, which, when the case came before me, I thought was most unfair. I remitted the amount, but it is better to have statutory authority than for any Government to have to remit a large sum of money in that way. So I approve of that amendment. I also agree with the proposal to tax the premiums on insurance effected by agents representing companies outside the State. I know of one such company operating to a very large extent. It has not paid any dividend duty on the premiums received, to the disadvantage of the Treasury. I appreciate the fact that that particular company is operating in Western Australia, and has been so operating for some years past. It

has been of considerable advantage to those who have to avail themselves of the services of insurance companies. Still, I do not think any outside company should be exempt from the payment of duty, any more than is any company operating in this State. So I have no objection to the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

House adjourned at 10.47 p.m.

Legislative Council.

Wednesday, 28th October, 1931.

	PAGE
Questions: Railway excursion fares	4836
Agricultural Bank Reports	4836
Leave of absence	4836
Bills: Poor Persons Legal Assistance Act Amendment, 3R., passed	4836
Licensing Act Amendment (No. 4), 3R., passed	4836
Electoral Act Amendment, 3R., passed	4836
Local Courts Act Amendment, 2R., Com., report	4836
Reserves (No. 2), 2R., Com., report	4836
Roads Closure (No. 2), 2R., Com., Report	4837
Stamp Act Amendment (No. 4), 1R., 2R.	4837
Land Tax and Income Tax (No. 2), 1R., 2R.	4840
Dividend Duties Act Amendment, 1R., 2R.	4842

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTION—RAILWAY EXCURSION FARES.

Hon. V. HAMERSLEY asked the Chief Secretary: 1, What was the excursion fare charged by the railways from Merredin to the Royal Show, 6th to 10th October? 2, What was the excursion fare charged by the railways from Merredin to the King's Cup meeting at Ascot on 10th October?

The CHIEF SECRETARY replied: 1, First class, 45s. 8d.; second class, 28s. 7d.; the availability being 15 days. 2, First class, 36s. 7d.; second class, 22s. 11d.; the availability being 3 days.

QUESTION—AGRICULTURAL BANK REPORTS.

Hon. H. SEDDON asked the Chief Secretary: When will the reports of (a) Agricultural Bank, and (b) the Industries Assistance Board for the year ended 30th June, 1931, be laid on the Table of the House?

The CHIEF SECRETARY replied: The reports are in course of preparation, and will be available in about a fortnight.

LEAVE OF ABSENCE.

On motion by Hon. J. Cornell, leave of absence for six consecutive sittings granted to Hon. A. Lovekin (Metropolitan) on the ground of ill-health.

BILLS (3)—THIRD READING.

1, Poor Persons Legal Assistance Act Amendment.

2, Licensing Act Amendment (No. 4).

3, Electoral Act Amendment.

Passed.

BILL—LOCAL COURTS ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption from the previous day of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—RESERVES (No. 2).

Second Reading.

Debate resumed from the previous day.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [4.41]: I asked for the adjournment of the debate in order that I might make certain inquiries regarding the land at North Perth. I have found that everything is in order, and I support the second reading.

Question put and passed.