Legislative Assembly,

Tuesday, 7th August, 1906.

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

PRAYERS.

OBITUARY—LETTER OF THANKS.

MR. SPEAKER: I have received the following communication:—

Prime Minister's Office,
Wellington, 18th July, 1906.

Sir,—I have the honour to acknowledge the receipt of your letter of the 28th ultimo, forwarding copy of a resolution adopted by the Legislative Assembly placing on record expressions of its profound regret at the death of the late Right Hon. Richard John Seddon, and of sympathy with his family and the people of New Zealand.

In reply thereto, I have to inform you that the resolution has been communicated to the members of the late Mr. Seddon's family and the people of the Colony, and on their behalf I have to ask you to be good enough to convey their grateful thanks to your Assembly for the graceful tribute to the memory of our late Prime Minister.—I have, etc.,

WM. HALL-JONES, Prime Minister.

QUESTION—RACECOURSE UNREGISTERED.

MR. VERYARD (for Mr. Barnett) asked the Premier: In view of the proposal to establish an unregistered racecourse at Kalgoorlie, will he at the earliest possible date introduce a Bill giving effect to the recommendations of the Select Committee appointed last session to inquire into the alleged surfeit of horse-racing?

THE PREMIER replied: The Government realise the importance of the subject matter of the hon. member's question, and are now giving the subject their earnest attention.

QUESTION—RAILWAY CARRIAGE CLEANERS.

MR. BATH (for Mr. Troy) asked the Minister for Railways: 1, Is it a fact that some thirty carriage cleaners, many of whom have wives and families dependent upon them, are being paid 6s. 6d. per day by the Railway Department? 2, If so, does he consider that rate a fair living wage for persons so circumstanced? 3, If not, will he endeavour to provide more adequate remuneration?

THE MINISTER FOR RAILWAYS replied: 1, The wage of porters has been fixed by the award of the Court of Arbitration at 6s. 6d. per day, plus privileges. The porters engaged in carriage cleaning are drafted thence to other portering work as opportunity arises and with due regard to merit. The pay is then regulated accordingly. Of the thirty-two porters engaged in carriage cleaning, only eight are married. A number of these porters are eligible for transfer. The department, however, have not at present suitable vacancies, but the first opportunity will be availed of.

QUESTION—FIREWOOD TRAMWAYS CONCESSION.

MR. HUDSON asked the Minister for Lands: 1, Does any concession granted or to be granted to the Kalgoorlie and Boulder Firewood Company authorise the company to construct tramways and obtain timber within 30 miles of the surveyed route of the Coolgardie-Norseman Railway? 2, Will the Government take immediate action to reserve the timber areas along the route mentioned and for a distance of 30 miles east of such route?

THE MINISTER FOR LANDS replied: 1, No. 2, A strip five miles wide, including the proposed railway route from Burbanks to Lake Lefroy, has already been reserved. The question of extending the reserve beyond Lake Lefroy is now being considered.

QUESTION—LEAD MINES AT NORTHAMPTON, BONUSES.

MR. CARSON asked the Minister for Mines: Does the Government intend to reintroduce the system of granting bonuses for production of lead ore, to assist in the reopening of lead mines in the Northampton District?

THE MINISTER FOR MINES replied: The system under which bonuses for the production of lead were granted in the past was not productive of good results, and did little for the encouragement of legitimate mining. It is, however, the intention of the department to formulate a scheme of assistance which will tend to develop the mineral resources of that district.

QUESTION—OFFICERS FROM THE EAST, EXPENSES.

MR. SCADDAN asked the Minister for Works: Has any officer recently imported from the Eastern States in connection with the Perth Sewerage Scheme received repayment of passage money for his wife and family?

THE MINISTER FOR WORKS replied: It was necessary to obtain the services of an assistant engineer experienced in detail design and house-connection work, and a condition of his engagement (without which he would not accept the position) was that the fares of his wife and family, amounting to £30, should be paid by the department. No repayment has been made.

PAPERS PRESENTED.

By the TREASURER: Orders-in-Council approved under Section 35 of the Audit Act.

By the MINISTER FOR MINES: 1, Mines Development Vote — Return showing grants made to individuals. 2, Copper raised at Ravensthorpe—Return showing cost. 3, Revenue and Expenditure of Yalgoo Mining and Magistrate's Courts—Return. 4, Gold received from by-products at State batteries—Return.

BILL—LAND ACT AMENDMENT.

Introduced by the PREMIER, and read a first time.

BILLS (2)—THIRD READING.

(1) Stamp Act Amendment, (2) Fremantle Reserves, transmitted to the Legislative Council.

BILL—NELSON AGRICULTURAL SOCIETY LAND SALE.

SECOND READING.

Debate resumed from the 31st July.

MR. T. H. BATH (Brown Hill): In regard to this measure, I secured the adjournment of the second reading in the hope that the member for Nelson would be able to be present and give us some information on this proposal. As I have remarked on previous occasions, I take objection to measures of this kind because in some instances, no doubt, they give opportunity for people to secure reserves, and to obtain material advantages afterwards at the expense of the State. Unless we are careful in passing measures of this description, there are many associations in various parts of the State that can secure blocks of land on trust, designedly for the purpose of their particular recreation or society, and probably valuable blocks of land. Afterwards, as in this instance, they may be able to secure another block of land suitable for their purpose, yet farther from the centre of the town, and then they can come along and ask for the enactment of a measure which will enable them to sell the reserves that were vested in them for a specific purpose, obtain the money, and spend only a portion of it in the improvement of another reserve. I do not think it was intended that reserves of this character should be utilised in this direction, and therefore unless it can be shown that this is being done in the interests of the public in this case I shall object to the measure.

MR. C. H. LAYMAN (Nelson): I should like to explain to the House the circumstances which led to the introduction of this Bill. The Nelson Agricultural Society, some few years back, realised that the area of their ground was not sufficiently large; and they applied to the then Minister for Lands, Mr. Throssell, for authority to sell that land and devote the whole of the proceeds of the sale towards the improvement of the new ground. Mr. Throssell agreed to this, and a little later on the society decided to carry out their object. They had the block of land cut up into building sites and sold some of them, and they have been expending the proceeds of the sale on the new ground. The conditions on which they got the site from the Minister for Lands at the time was that they should spend the whole proceeds of the sale on the new ground, and I can assure the House that has been done. The society do not intend to expend one penny of the pro-

ceeds of the sale in any way except to improve the new ground. They have the second-best show ground in Western Australia, the arrangements and appointments of the ground being unequalled by anything outside the Royal Agricultural Society's ground at Claremont; and on the old show ground there was no room for improvements. After attempting to sell the blocks, the society found they had not power to give titles to purchasers; and on application to the Premier for power to transfer, it appeared that this Bill was necessary. I hope there will be no serious opposition to the Bill; for its failure to pass will place the society in an awkward position.

MR. BATH: Did the society purchase the second reserve?

MR. LAYMAN: The reserve they hold now was vested in them by a Crown grant.

MR. BATH: Have they two grants for one purpose?

THE PREMIER (Hon. N. J. Moore): I may say that I, with the Leader of the Opposition (Mr. Bath), realised the need for exercising the utmost care in the granting of such reserves; but I am now asking the House to carry out a promise made to the Bridgetown people by Mr. Throssell. It is true that two different reserves have been granted to the Bridgetown Agricultural Society. The first was only about four acres in extent, and totally inadequate for the society's requirements, although the land is situated in a more central part of the town, and is more valuable than the other grant, which contains 20 acres. The utmost care has been exercised in this matter; and as the Government were practically pledged to redeem the promise of Mr. Throssell, we had no alternative but to carry out that promise and introduce this Bill.

MR. BATH: Have the society already sold the first area?

THE PREMIER: They have not sold it, because they cannot get a title; but they have subdivided it with a view to sale.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the PREMIER in charge of the Bill.

Clause 1—agreed to.

Clause 2—Application of proceeds:

MR. HOLMAN: What sum would be realised by the sale of the first area granted? Apparently it was granted for a certain purpose. Subsequently another area was granted: and the proceeds of the sale of the first area would go to the society. If a society were granted a reserve, and could sell it, and have the money in hand for the improvement of another reserve, societies might apply for reserves with a view to selling them and using the money for the improvement of fresh reserves.

THE PREMIER: The land was subdivided at the instigation of Mr. Throssell when Commissioner of Crown Lands, so that the proceeds of sale might be devoted to the new reserve. It was on Mr. Throssell's recommendation that the sale was to be made; and some years ago the society were promised that if they sold the first reserve they would be allowed to devote the proceeds to the improvement of the new area of 20 acres. It was impossible to say how much the sale would realise.

MR. LAYMAN: When the first reserve was granted it was not considered at all valuable, consisting as it did of two blocks worth at the outside £20 each. The society improved the blocks, which had since become more valuable, but being too small were useless for the purpose intended. The new reserve was outside the town, and not a valuable site.

MR. HOLMAN: Giving a society a right to sell a reserve was practically giving a grant of money; yet such societies generally asked for farther assistance, holding that they had not obtained any previous assistance. The House should know what grants were being made to these societies and the amounts granted. The sum realised by the proposed sale would not appear on the Estimates as a separate grant. True, four acres were much too small; but why should any society have the right to hold two or three reserves, sell one, and retain the cash?

MR. LAYMAN: The second reserve was only recently granted.

Clause put and passed.

Title—agreed to.

Bill reported without amendment; the report adopted.

BILL—BILLS OF SALE ACT AMENDMENT.

RECOMMITTAL.

On motion by the ATTORNEY GENERAL, Bill recommitted for amendments.

Clause 3—Form of notice:

THE ATTORNEY GENERAL moved an amendment—

That "A" be inserted after "form," in line 2.

Every notice of intention to register a bill of sale must be, according to the clause, in the form of the second schedule to this measure. It became necessary to divide the schedule so as to distinguish between returns by individual firms and by public companies. A return made by a company, according to the schedule as printed, must include as grantees the names of all debenture-holders, and would be inaccurate because of the frequent changing of debentures from hand to hand. The amendment appeared on an addendum to the Notice Paper.

MR. BATH: The addendum was not in members' hands.

THE CHAIRMAN: Did members object to proceeding?

MR. BATH: Amendments need not necessarily be tabled, on the recommittal of a Bill at the report stage.

THE ATTORNEY GENERAL: When last in Committee on this Bill, he promised to put amendments on the Notice Paper; and he would not now press members to consider the amendments of which they had not had notice.

MR. JOHNSON: The position was rather awkward.

THE CHAIRMAN (Mr. Illingworth): Placing amendments on the Notice Paper was not compulsory.

THE ATTORNEY GENERAL: The reason for the amendment was that the schedule as printed in the Bill provided for the names of the grantee or grantees being given in full. Under the Bills of Sale Act a debenture issued by a foreign company, or a bill of sale issued by a company when registered, must contain the name and address and description of every debenture-holder. This would be voluminous. Therefore, in the case of a company, it was proposed to require them to file only the form of notice setting out the name of the company, the registered office, the property comprised in the bill of sale, and the consideration—everything that appeared in the second schedule as printed in the Bill would be given with the exception of the names of the grantees.

Amendment put and passed.

THE ATTORNEY GENERAL moved that the following proviso be added:—

Provided that if the grantor of a bill of sale be an incorporated company, it shall be sufficient if the notice is in the form (*b*) in the second schedule, and contains a statement of the particulars therein mentioned.

That was what he had explained to the Committee, making a second schedule for companies.

MR. HUDSON: Would it be limited to debentures, or would it extend to bills of sale given by an incorporated company?

THE ATTORNEY GENERAL: A bill of sale given by an incorporated company would be made under the company's regulations, and be in the form of a debenture; but if a company did give a bill of sale, the information conveyed was for all purposes all that was needed: the name of the company's registered office and the property comprised, and the consideration.

Amendment put and passed.

Clause 5—Time within which a bill of sale may be filed:

THE ATTORNEY GENERAL moved that at the beginning of the clause the following words be inserted:—

Notwithstanding any provision of the principal Act to the contrary—

The Bill to a certain extent was contrary to the principal Act. A bill of sale had to be registered within a given time, but we had provided that where a caveat was lodged, a person would have to wait a longer time. Therefore these words were inserted.

THE CHAIRMAN explained that information was now received that an alteration was made in the addendum paper at the last moment, which delayed the printing of the document.

MR. HOLMAN: One could not understand, from hearing the Attorney General reading the amendments, what was intended. It was usual for the amendments to be placed before members. One knew what these hasty amendments

usually meant. We had a specimen in the Stamp Act of last session. Out of courtesy to members, we should have an opportunity of perusing the amendments before being asked to consider them. He entered his protest against amendments being brought forward at the last moment.

THE ATTORNEY GENERAL would like to take the whole of the blame in this matter. To-day's Notice Paper was circulated on Friday last, and it was impossible between the interval of time from the last sitting of the House and the circulation of the Notice Paper for amendments to be prepared, and it was not until Saturday that he could send them out. He understood there would be no difficulty in printing an addendum to the Notice Paper, and he received a a proof of the addendum this (Tuesday) morning. He wished the Committee to understand that he had no desire to take advantage of members, and had suggested that if any member felt a disadvantage through the non-circulation of the printed amendments, the discussion could be postponed.

THE CHAIRMAN: The amendments could be made on third reading.

THE ATTORNEY GENERAL was open to adopt the course most convenient to members.

MR. HOLMAN: It would be better if the discussion were postponed.

THE ATTORNEY GENERAL moved that progress be reported.

THE CHAIRMAN stated that the printed addendum had just arrived.

MR. HOLMAN: Members had not considered the amendments.

THE ATTORNEY GENERAL: As the amendments were purely of a technical nature, if members considered them two days it would not make much difference.

Amendment put and passed.

THE ATTORNEY GENERAL moved—

That at the end of the clause the words "or the time is extended by order of a Judge of the Supreme Court" be inserted.

This was another consequential amendment. By reason of a caveat being lodged, power was given to a Judge to extend the time.

MR. HUDSON: Would this order be made under Clause 9.

THE ATTORNEY GENERAL: This was an amendment to Clause 5. The effect of the amendment was to obviate the necessity for fresh notice on any difficulty arising as to the time prescribed in the Bill. The hon. member asked if it would make any difference under Clause 9. That provision related only to the merits of the case. It was not a question of allowing any interval of time, but if there was a creditor the Judge could make an order that the matter be postponed until the creditor was discharged. Under Clause 5, when a party appeared before the Court, the Judge might extend the time in which the Bill should be presented for registration.

Amendment put and passed.

Clause 12—Time for presentation of bills of sale for registration not affected:

THE ATTORNEY GENERAL moved that the following proviso be added:—

Provided that a notice of intention to register a bill of sale, lodged in accordance with the provisions of this Act, shall be deemed to be a presentation for registration of such bill of sale for all the purposes of the principal Act.

This question was raised by the member for Dundas. Under the bill seven days' notice had to be given, and under the principal Act the bill had to be presented within seven days. The amendment was to meet the difficulty. The notice of intention to register a bill of sale would be deemed to be the presentation for registration within the meaning of the Act.

MR. HUDSON: The provisions of the principal Act dealing with the length of time were somewhat at variance with this Bill. The amendment had only been placed before members at the eleventh hour, and he was not in a position to say whether his objection had been met by the amendment. A difficulty might arise in this connection. Although the bill might be lodged on the particular day of making, it might not reach the public until some time afterwards, and unless there was some circular published every day a difficulty might arise. He was not prepared to say if the amendment would meet the objection he had raised. He suggested that the Attorney General let the matter stand over for recommittal.

In one clause we had seven days mentioned, another 14, and another 30, whilst in the principal Act we had 7, 14, 30, 60, and about 120 days mentioned, and it was a question of how these fitted in with one another. Much as he approved of the new provisions, there was great difficulty in drafting them, and we should consider them very carefully before accepting the amendment.

THE ATTORNEY GENERAL: Under Section 10 of the principal Act, a bill of sale must be presented within seven days of its execution if in Perth or within 30 miles of Perth, and within 14 days of execution if executed in Kalgoorlie, Coolgardie, and certain other places, including Southern Cross, or within 30 miles of such place. The only difficulty was in regard to the first interval, seven days. Under Clause 2 of our amending Bill no bill of sale would be registered unless notice of intention to register was lodged at the office of the Registrar of the Supreme Court, and in the case of Perth that notice must be lodged for seven days before the bill could be registered. The two terms being absolutely the same in regard to Perth, a difficulty would arise. A man having a bill of sale executed would give notice, and seven days would have to elapse before he could take any other step, by the principal Act. We had to meet that by putting the two together, and we said in this Bill that the fact of lodging the notice should be taken as the presentation for registration. The difficulty was limited entirely to Perth, and it was only because the two terms were coterminous; and we could not make the time for giving notice less than seven days.

MR. HUDSON: Notice was liable to publication.

THE ATTORNEY GENERAL: Under the law as it stood, presentation was simply a private matter, and therefore the public would be the gainer by the amendment. We could not ask the House to give 14 days, the same as in Victoria.

MR. HUDSON had a farther difficulty in dealing with these dates. To Clause 5 amendments had already been made. That was on a question of the length of notice. Now that this new provision was made that the lodging of notice should be equivalent to the presentation for registration, it would be only right that 14 days' notice should be given before registration. It was known, though perhaps it was not a matter of legal enactment, that there was a publication of lists of intention to register bills of sale or of bills of sale registered. This was published once a week, on Saturdays he believed. If notice of intention to file a bill of sale were lodged on Saturday at the last moment, this publication would not be given to the public until the following Saturday. Seven days would then have elapsed, and there would be no opportunity of lodging a caveat. The Attorney General ought to accept the amendment which he suggested previously, that seven days in Clause 5 should be struck out, and 14 days inserted, especially in view of the amendment the hon. gentleman had now made.

MR. FOULKES: Fourteen days was too long.

THE ATTORNEY GENERAL: Whilst we were entitled to put some legitimate block in the way of men obtaining money, we should reduce it to the smallest limit consistent with safety. Fourteen days was the term prescribed in the Victorian Act. We reduced it to seven days, and should not at this stage ask the Committee to go back and reopen the matter and possibly carry an amendment. Inasmuch as seven days appeared to be a fair time in Perth, we limited it to that period.

MR. HUDSON: The effect of the latest amendment was that there would be 14 days from the date of execution. There would be seven days in which to lodge the document and seven days before registration.

THE ATTORNEY GENERAL: Fourteen days was the maximum time in which one could register, but one could do so if there was no opposition, at the end of seven days. As regarded the other point, that a certain publication only came out once a week, business men were surely capable of inventing some means of protecting themselves. If the publication did not come out often enough, they could bring it out bi-weekly.

MR. BATH: What was the publication?

THE ATTORNEY GENERAL: It was a publication brought out by tradesmen in a weekly edition.

MR. FOULKES: There was always some difficulty in dovetailing the provisions of a new Bill so that they would not contradict the provisions of the existing Act. The member for Dundas had suggested altering the length of time, but that would cause really more inconvenience. The amendment proposed by the Attorney General, that the presentation of the document should be treated as equivalent to registration, was a precedent. He did not know of any other case where such a principle had been established. Rather than lose the provision for the notice being given, he would agree to the amendment suggested by the Attorney General.

MR. LYNCH: A person in Perth who was the grantor of a bill of sale had, he understood, to wait seven days, whereas a man at Coolgardie would have to wait 14 days. If the alteration suggested by the member for Dundas were agreed to, a Perth business man would be placed in the same position as a Coolgardie man, and he (Mr. Lynch) would suggest that, for the sake of uniformity, the amendment should be altered in the direction indicated by the hon. member.

THE ATTORNEY GENERAL: The point raised in regard to Coolgardie could probably be met by including Coolgardie in the first schedule. All the municipalities mentioned in that schedule were put on the same footing, because they all had direct communication. The period of 14 days related only to places beyond the radius of such communication.

MR. HORAN: Why include Coolgardie, and not Southern Cross?

THE ATTORNEY GENERAL: Certain municipalities were larger than others at present. There was a greater volume of business, and they were in a better position to protect themselves than were smaller populations. If the hon. member wished Southern Cross to be added the matter could be arranged; but a dividing line must be drawn somewhere. Some places were sufficiently large to have the volume of business that would amply protect them, but other places were small and did not have the same opportunity of direct communication with the city.

MR. BATH: The Attorney General had spoken on a point on which he (Mr. Bath) had asked a question, in regard to outside districts which would be inconvenienced by the shortness of the notice; and now the Attorney General said that business people in outside places could employ agents in the city to transact their business for them. Did the Attorney General mean that a tradesman in a small way of business was to retain a permanent agent in the city on the contingency that bills of sale would be registered? If so, the cost would be altogether out of proportion to the business or to the amount of bills of sale registered. On the other hand, if the small business man had to depend on getting notice of a bill of sale casually, he would need to depend on someone acting in the capacity of an agent voluntarily giving him notice of the lodging of a bill of sale.

THE ATTORNEY GENERAL: It was impossible by any limit to protect those in far-out districts. Business people in those places would have to adopt methods that would be clearly suggested by business habits. It would not be necessary to have business agents in the city, because every trader in outside districts did business with Perth or obtained most of his supplies from Perth, and therefore if he had a debtor on his books for a considerable sum, the trader, being disturbed in his mind as to the conduct of the debtor, or having some reason to suppose there was a risk, could communicate with one of the warehouses in the metropolis, and ask them to advise him if so-and-so proposed to give a bill of sale over his property. We could not go beyond the period of 14 days as provided, or we would need to go to interminable lengths. For instance we should need to provide say 50 days in the case of Pilbarra. That would be wholly impracticable. We must rely on business men using the term of 14 days for their protection.

MR. HOLMAN: Supposing a company at Lawlers desired to register a bill of sale. If they had an office in the city would it only require seven days' notice, or would the creditor at Lawlers be entitled to 14 days' notice?

THE ATTORNEY GENERAL: A bill of sale executed in Perth would only need to be presented for seven days before the date when registration could be effected. If a company at Lawlers had its registered office at Lawlers and executed a bill of sale, 14 days' notice would be required; but if the company's registered office was in Perth—and it would need to be a local company because no foreign company could execute a bill of sale in similar circumstances—only seven days' notice would be required. We could not provide in this Bill to go beyond the place of execution. In order to meet such a case the registrar would have to be satisfied that the property was situated within certain limits, and the period of registration would need to be fixed according to the distance the property was removed from Perth; but such a provision would not work out in practice, as the property covered by the bill of sale might be situated at varying distances from Perth. This 14 days' notice was the maximum. It was only in this Bill that a period of notice was required, because at present a bill of sale could be registered the day after making. It was proposed in the Bill that 14 days' notice should be given in the case of districts 20 miles outside municipalities. He (the Attorney General) could not undertake to draft a clause to meet the case raised by the hon. member. The hon. member must rest assured that business people, if they took proper precautions, would find the clause sufficient protection. If a business man had reason to think that a certain company's account was getting dangerous, he could ask his warehouse in Perth to advise him by telegraph as soon as notice of registration of a bill of sale was lodged by the debtor company, and he would have five or six days to act in order to protect himself. Legislation could not be framed to provide that those neglectful of their interests should not be mulct through not protecting themselves.

MR. HOLMAN: The point was not so slight as the Attorney General tried to induce members to believe. In most cases the directors of local companies were situated in Perth. For instance, there was the Kinsella Company working at Day Dawn, whose mine was in difficulties. The whole of the material used by the mine was purchased at Day Dawn from wood-cutters and ironmongers. These latter might be owed a certain sum of money by the company, but the whole of the office work of the company was carried out in Perth, and there was nothing to prevent a bill of sale being given over the property, and the people at Day Dawn hearing nothing of it. He (Mr. Holman) protested against the Attorney General bringing down amendments to such an important measure with the object of protecting a few interested people in Perth. He did not desire to impute any motive, but the protection the Attorney General was desirous of giving to people in Perth should be extended to people in the back country not so advantageously situated. It was all very well to say that the people on the goldfields would be doing business with Perth warehouses, but those who supplied firewood could not get information from warehouses in Perth as to a bill of sale being registered.

MR. TROY: The proposal of the Attorney General would not deal fairly with men in remote portions of the State. If a company was carrying on operations at Lake Darlôt, where there was probably only one mail a week, and where the wood-cutters would probably be thirty miles from the nearest post office, how would these wood-cutters have sufficient time to lodge a caveat when only seven days' notice need be given if the company had an office in Perth? No doubt it was impossible to meet all contingencies, but this was a most important matter, and the Attorney General should try to meet the wishes of those who would be penalised if the clause passed as it stood in the Bill. It must not be forgotten that, beyond the business people, there were those who supplied mines with wood, and carriers who transported material to mines, and also the wages men; and surely their interests should be protected.

THE ATTORNEY GENERAL: Their interests were protected in the Bill. Seven days' notice would be required, whereas now there was no time fixed.

MR. TROY: Take the Pilbarra Goldfield. If a local company there had an agent in Perth, the agent could not give notice of the intention of the company to give a bill of sale over the property. Pilbarra was such a distance from Perth

that a fortnight would elapse before the people in Pilbarra would receive notice of the intention of the company. Take Wiluna, that would be in the same position. A letter posted in Perth to-day would take six or seven days to reach Wiluna. How would the people there be able to lodge a caveat within the time provided by the Bill?

THE ATTORNEY GENERAL: Was there a telegraph to Wiluna?

MR. TROY: Yes, but from Black Range or Berrigan to the nearest telegraph station was 160 miles, therefore the people in those places would be placed at a great disadvantage.

THE ATTORNEY GENERAL: The relief proposed by the Bill was limited. It would not be possible to make a Bill sufficiently wide to cover the instances given by members. Take Pilbarra. Unless the Bill provided 24 or 30 days it would not protect Pilbarra, therefore it gave only a limited measure of relief. Was it good enough to place on the statute-book a measure which, although limited, would act as a safeguard to a large portion of the population? Take the illustration of Montagu Range. The mail to that place went out once or twice a week, and in order to make provision for that place the Bill would have to provide 20 or 30 days, and if we provided that we placed a great bar in the way of ordinary commercial business. If members wished the matter to be reconsidered so as to make 14 days the time throughout the country—he could not undertake to say that he would accept such an amendment—he would decide that on the third reading. He wanted to make the measure a reasonable one, and not to interfere too much with commercial transactions. It was beyond expectation to make the Bill sufficiently wide to protect people in distant parts; even if the time were made 50 days it would not be sufficient in all cases.

MR. TROY: Could not officers be appointed in various districts?

THE ATTORNEY GENERAL: A bill of sale had to be registered in the Supreme Court, where there was a staff of officers for the purpose. District registries could not be opened in all centres.

MR. HOLMAN: The Attorney General might consider some amendment to be made on the third reading. People in Perth, Kalgoorlie, Boulder, Geraldton, and such places were amply protected by the Bill, but it was just as necessary to protect people in the back country. To many places there was only one mail a week, and if that mail was missed it would take 12 or 13 days for a letter to reach a person in a distant part. In the event of companies working their properties in the back country it would be wise to make a provision that those companies should set out their past debts, stating what debts they owed. In that case people in the back country would be in a measure protected. He had known a case of some wood-carters having a debt of £200 or £300 against a company; those people were not protected at all. When a company desired to register a bill of sale they might be made to state their past debts so that people in the back country would be protected, and be enabled to lodge a caveat if they so desired.

THE ATTORNEY GENERAL: The consideration for the bill of sale might be a past debt, or a present advance, or a future advance. He did not wish the member to be misled. The schedule related to the past debt to the person to whom the bill of sale was granted. It did not relate to the general past debts of the person giving the bill of sale.

MR. HOLMAN: Could not provision be made for that?

THE ATTORNEY GENERAL: Not in that form. The only promise he could give was that on the third reading, if he could reasonably do so, he would propose to place the limit of 14 days on a bill of sale, no matter in what part of the State it was executed. It would be impossible to propose any limit sufficient to protect everybody.

MR. LYNCH: A party of contractors was supplying the East Murchison mine with firewood. There was a lien over the mining plant held by some financiers in London. Quite suddenly the mine was put up to auction. The party of contractors who had been supplying the mine with firewood had a debt against the company of £300 or £400. The property was bought by Bewick, Moreing, & Co., and when the contractors for supplying firewood presented their bill for payment they were told to whistle for

their money. That showed the necessity for protecting the people in the back country. Several companies were not above doing smart things when it served their ends. Ample time should be given to confiding creditors so that they were not left out in the cold as they would be by the 14 days' provision.

THE ATTORNEY GENERAL: Was there not a telegraph to Lawlers?

MR. LYNCH: Yes.

THE ATTORNEY GENERAL: Then if these people were not protected under the 14 days' provision they would not be protected if it were fourteen hundred days.

MR. LYNCH: There were those people who would continue to give companies credit for an unlimited time, believing there was nothing wrong. Bewick, Moreing, & Company had told the wood contractors that they had no remedy. Even at the risk of making this Bill appear unworkable, let us protect confiding creditors against the smart tactics of any person or company.

MR. TROY: Would the Attorney General, on the third reading, endeavour to make the provision requested by the Opposition?

THE ATTORNEY GENERAL: To the extent of 14 days.

Amendment (as to time for presentation) put and passed.

New Clause—Interpretation:

THE ATTORNEY GENERAL moved that the following be inserted as a clause:—

2. In this Act the term "bill of sale" means a bill of sale by way of security, and includes all assignments, transfers, declarations of trust without transfer, and other assurances of personal chattels, and also powers of attorney, authorities, or licenses to take possession of personal chattels as security for the payment of money or the performance of an obligation.

This was the definition in the Victorian Act, from which this Bill was copied. Our principal Act of 1899 made a bill of sale include a bailment, as well as a security for repayment of the sum advanced. By this Bill it was not desired to affect bailments, but merely securities by which assets were pledged for some debt and charged with repayment, so that the secured creditor could take possession of them if repayment was not made. If the scope of the Bill were made too wide, it would probably irritate ordinary members of the community, and we should have demands for its repeal. To make it workable we must confine it to preventing fraud. This interpretation would cover both a legal and equitable interest, and therefore cover all the ground necessary for the purposes of this measure.

MR. HOLMAN: Members had not much time to consider the interpretation, nor were they allowed to read from the *Hansard* report of the previous discussion. Possibly in pursuance of certain reforms in the Government Printing Office, 30 or 40 pages of the number of *Hansard* just distributed to members appeared to have been left out, and these included a speech of the member for Kanowna (Mr. Walker), who recently attacked the Printing Office. Was the omission made by way of revenge?

THE ATTORNEY GENERAL: The interpretation simply defined a bill of sale; and though not placed before members to-night, the member for Dundas (Mr. Hudson) had been informed of it.

MR. HUDSON: True the Attorney General had told him of the intended amendment; but he would prefer to consider all these amendments before passing them. Some were entirely new —not as stated merely consequential, but important. So far, he (Mr. Hudson) had not received a clear explanation as to the times fixed in respect of the notification and the registration of a bill of sale. The Bill should not be rushed through without members having time to consider the present proposals. As to this interpretation clause, it did not appear exceptionable, for the parent Act was very wide in its definition of a bill of sale, and this definition would not affect anything but this Bill. This interpretation should evidently have appeared in the Bill as drafted.

MR. LYNCH: Had the Attorney General made sure of his ground before making such a drastic alteration of the interpretation in the parent Act?

THE ATTORNEY GENERAL: That interpretation was mostly exclusion, providing that the term "bill of sale" should not include certain instruments. The present interpretation would not refer to the parent Act, but simply to this Bill.

Question passed, the clause inserted.

New Clause—Notice of intention not invalidated by misdescription:

THE ATTORNEY GENERAL moved that the following be inserted as Clause 12:—

No notice of intention to file a bill of sale shall be deemed insufficient or invalid by reason only that in such notice there is an omission or incorrect or insufficient description or misdescription in respect of the particulars required to be contained in such notice, if the court, judge, magistrate, or justices before whom the validity of the bill of sale comes into question shall be satisfied that such omission or incorrect or insufficient description or misdescription was accidental or due to inadvertence, and was not of such a nature as to be liable to mislead or deceive any person to his prejudice or disadvantage.

The member for Dundas had a similar clause relating to the bill of sale itself. The present clause would provide that a mere technical error should not make the notice invalid if the court was satisfied of the absence of an intent to defraud.

MR. HUDSON supported the clause. In view of the notice of intention, a bill of sale under this measure should have greater validity than one under the parent Act.

Question passed, the clause inserted.

New Clause—Vict. Act, 1223, Sec. 2:

MR. HUDSON moved that the following be added as Clause 13:—

Notwithstanding anything to the contrary contained in the principal Act, no bill of sale shall be deemed invalid by reason only that in the bill of sale, or in an affidavit filed or to be filed in pursuance of Section 8 of the principal Act, there is an omission or incorrect or insufficient description or misdescription of the residence or place of business and occupation of the grantor or grantee, or of any attesting witness to such bill of sale, if the court, judge, or justice before whom the validity of such bill of sale shall come into question shall be satisfied that such omission or incorrect or insufficient description or misdescription was accidental or due to inadvertence and was not of such a nature as to be liable to mislead or deceive.

This would have a similar effect to the clause just passed, but applied to the bill of sale itself, the end of which was often defeated by slight technical defects. The court would have discretion to determine whether the defect was accidental or was intended to deceive the public, and could decide whether the bill of sale should be good or bad.

Question passed, the clause added.

New Clause—Vict. Act, 1223, Sec. 3:

MR. HUDSON moved that the following be added as Clause 14:—

Any affidavit of renewal of a duly registered bill of sale to be filed in pursuance of Section 16 of the principal Act may be made by any attorney or attorneys under power of the person or persons entitled to the money secured by the bill of sale to which such affidavit or renewal relates, or by any person or persons who is or are able to depose of his or their own knowledge as to the amount owing on the security of such bill of sale.

The object was to remove a doubt as to the proper method by which under Section 16 of the principal Act a bill of sale might be renewed. Some held that only the grantee of the instrument could make an affidavit as to renewal. By this clause anyone who had a knowledge of the circumstances could make the affidavit.

Question passed, the clause added.

New Clause—Registration fee:

MR. GORDON moved that the following be added as a clause:—

Section 12 of the principal Act is hereby amended by striking out the words "fifteen," in line 3, and inserting "five" in lieu.

This was intended to reduce the registration fee of bills of sale from 15s. to 5s. It was generally acknowledged that people in poor circumstances usually gave bills of sale, and as a rule these bills of sale did not range much over £100. The only possible objection would be that of loss of revenue. It was not right that the poor man when down should be kicked. The cost of registration in South Australia was 2s. 6d.

THE ATTORNEY GENERAL: The amendment affected the principal Act, not the Bill before the Committee, and it suggested that the fee should be reduced from 15s. to 5s. in every case. If a scale were provided it would be well.

MR. GORDON: Provide a scale. That would be agreeable.

THE ATTORNEY GENERAL: If a scale were provided, one might well begin much lower than 5s. He intended next session to bring forward a measure which would include a scale providing for fees ranging from a very small sum to much higher than 15s., but to do so now was impossible. Fifteen shillings was a moderate fee for a large sum, and he could not accept the amendment to

reduce the fee to 5s. The amendment should not be pressed at this stage.

MR. HOLMAN: The member for Canning was to be congratulated in bringing forward the amendment, for it was unfair that anyone who registered a bill of sale, say for £50, should pay the same fee as the man who registered a bill of sale for £5. Although the Attorney General had promised to bring forward a consolidating measure next session, some amendment should be carried now, so as to benefit the poor man. He would support the member for Canning in endeavouring to bring about a reduction of fees.

MR. P. STONE: The reduction of the amount from 15s. to 5s. was fair, especially now that there was a graduation in the stamp duty of 6d. for every £5.

MR. TROY: The amendment was brought forward in the interests of those who were least able to pay fees. We should provide that the people who were least competent to pay the fees should be considered. Those who were not able to pay should not be charged as much as those who were competent to pay the fees. Now was the time to provide a sliding scale of fees. We should not wait until next year, as we had a measure before us, and it would not take much trouble to provide an amendment.

THE PREMIER: The Committee could not increase taxation without a message.

MR. TROY: That was an unfortunate thing. He was asking that the fee should be reduced. The Attorney General wished to leave everything until to-morrow, while the motto of members of the Opposition was "to-day."

THE TREASURER: That motto had been adopted this afternoon only.

MR. TROY: We had at least some credit in adopting the motto because the Opposition generally stood by their mottoes. The Treasurer this time last year had the motto of "no taxation," while a few nights ago his motto was "increased taxation." The excuse of the Attorney General for not adopting a reduction of fees this session would not hold good because the amendment was not of a very grave character. It made no striking alteration.

HON. F. H. PIESSE: The amendment could well be carried out under the Bill in the direction which the member for Canning indicated. As to the sliding scale, that should not apply to the question of registration. We had had certain provisions in the Stamp Act for obtaining revenue upon what was termed a sliding scale. That was quite sufficient. It was only those who knew the difficulties that men laboured under in regard to these registrations who understood the difficulties. Already the amounts were quite sufficient, without farther imposing penalties and charges upon people. In regard to the Stamp Act, he agreed that now it had become the law that stamps were supposed to be put on documents, that was sufficient, but registration was a different thing altogether. A document should not be registered according to scale, because the work of registration would be the same whether the bill was for £30 or £500 or £1,000 Take an ordinary bill of sale or a lien on crops, which was the same as a lien on wool which could be registered for 5s.; yet a lien on a crop became a bill of sale and a bill of sale could not be taken for less than £30. A lien on a crop might not be for much more, and might provide the means to obtain the seed for a man to put in his first crop, yet the fee was 15s., and was charged in cases where the amount was not more than £30 or £40. He did not wish to see the Bill delayed, but this matter might be taken into consideration with a view to reducing the fees.

THE ATTORNEY GENERAL: We should frame a scale of fees that would apply not only to small sums but to large sums which possibly would form the amount borrowed or secured under a bill of sale. At present there was a uniform charge of 15s., and no one would venture to say that 15s. was an excessive amount for bills of sale ranging from £30 upwards. That was the charge for putting bills of sale on the register, keeping the register open for a certain length of time, and maintaining a staff under which protection was afforded to the public. It was a small sum which could not be well reduced unless we allowed the principal Act to be amended, allowing bills of sale to be registered under £30. Below that amount he admitted 15s. was too high. As we were debarred from framing a scale to-night because

we could not increase the fee of 15s. without a message, we were asked to reduce the amount all round to 5s. That would be an absurd charge for four out of every five bills of sale registered in the State.

MR. TROY: It was done in South Australia.

THE ATTORNEY GENERAL: In South Australia there was a scale, and the scale ranged much higher than 15s. The member for Katanning was probably not aware that a large business was transacted, and the duty was imposed on the Executive of storing the bills in the archives.

HON. F. H. PIESSE: On payment of a fee.

THE ATTORNEY GENERAL: It was a nominal fee, and would be worthless for the maintenance of the office. If we had a right to some return for the work done, then 15s. was a mere nominal amount for the actual expenditure incurred in giving accommodation to the public. If members thought the Executive ought to give a present of these things, then why not make the registrations free?

HON. F. H. PIESSE: We did not want it free, but the fees should be reduced.

THE ATTORNEY GENERAL: The 15s. fee would be exceptionally high if it was contemplated that all bills of sale would be for £30, but if we took the average bills of sale, the uniform charge was rather on the low side than on the high side.

At 6·30, the CHAIRMAN left the Chair.
At 7·30, Chair resumed.

MR. GORDON: So long as the amendment was a good one, what would it matter if it did affect the principal Act. There was no reason why we should wait 12 months for a thing that was very necessary. It had been argued that the Government had a good deal more responsibility in registering a bill of sale for £1,000 than for £100; but really it did not make an atom of difference; there was no more responsibility for registering the one than the other. As to revenue, it was not right to load a poor man with a charge that was unfair and unjust. There was no occasion for a sliding scale. The Stamp Act provided for that, there being a charge of 6d. for every £5.

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

Ayes	...	...	15
Noes	...	...	14
Majority for	...		1

AYES.	NOES.
Mr. Bath	Mr. Carson
Mr. Bolton	Mr. Eddy
Mr. Collier	Mr. Ewing
Mr. Davies	Mr. Gregory
Mr. Gordon	Mr. Gull
Mr. Heitmann	Mr. Keenan
Mr. Holman	Mr. Layman
Mr. Johnson	Mr. Male
Mr. McLarty	Mr. Mitchell
Mr. Scaddan	Mr. N. J. Moore
Mr. Smith	Mr. Piesse
Mr. Taylor	Mr. Price
Mr. Veryard	Mr. F. Wilson
Mr. Walker	Mr. Hardwick (*Teller*).
Mr. Troy (*Teller*).	

Amendment thus passed.

New Clause—Bill of Sale, amount:

MR. GORDON moved that the following be added as a clause:—

Section 46 of the principal Act is hereby amended by striking out the word "thirty," in second line, and by inserting the word "five" in lieu thereof.

He failed to understand why there should be a limit placed on the amount for which a bill of sale could be given. It might be argued that this clause was of benefit because it would prevent a man from giving a bill of sale over his furniture in order to raise money from money-lenders at a very high rate of interest. That did not protect him in any way, for after all the furniture was liable to be seized for any debt and might be sold. The Attorney General might also endeavour to persuade the House to put this proposal off till next year, and might argue that other machinery would be necessary for a proper interpretation to be given to it. It would not, however, affect the principal Act in any way more than the amendment which had just been passed. The Bill seemed to provide for valuing the honesty of a man and his capability of looking after himself by how much furniture he had; for instance, a man with £30 worth of furniture could not give a bill of sale, for the reason that he might gamble it away or sell it for drink, whereas a man with £31 worth of furniture could go to a money-lender and give a bill of sale. That seemed to be a ridiculous position

in which to place a man who had not over £30 worth of furniture. A man might get out of work and be behind in his rent, and perhaps would want a £5 note, but could not go to the money-lender although he might have work to go to and be able to pay the money back in a month. The landlord would say, "I cannot help it; I want my £5, and I will sell you up;" so that man would have no chance at all of borrowing any money to give him an opportunity of recovering himself. That seemed most unfair. These clauses were professedly to prevent a man from doing harm to himself, especially in money matters; but very often the action of the State was a good deal more harmful than allowing a man to go "on his own" would be.

THE ATTORNEY GENERAL: The new clause undoubtedly had many merits, but the amendment was a most radical one affecting the principal Act, and before considering it we should have to provide against the dangers that would arise from adopting this form of legislation. In the debate on the principal Act Mr. James pointed out why it was that this sum of £30 was specified. The amount in the English Act was £50, but £30 was adopted here as a fair compromise. It was pointed out by the hon. member that the House ought to stop at that figure, because it was well known that to go below that amount, and have no provision for protecting household furniture or the goods that would be covered by a small bill of sale such as for £5, £10, or £15, would be to leave at the mercy of some reckless individual a man's household furniture, which really more appertained to the wife than to the husband. Mr. James also pointed out that in America bills of sale against household effects could not be registered; so that though a man could negotiate a bill of sale for any sum from a few dollars upward, he could not pledge and thus endanger his homestead. In the consolidating measure to be brought in here similar provisions would be included. It was absurd to say that as a bill of sale for less than £30 could not be registered, it became difficult for a poor man to get an advance. All knew that by a bill of sale a person could never obtain an advance of even half the value of the goods charged. A man with household effects worth £30 could never raise on them by bill of sale a loan of £15. Rashly to alter the law would be dangerous.

MR. GORDON: All household furniture was not protected.

THE ATTORNEY GENERAL: All furniture of less than £60 in value.

MR. GORDON: This was only another brummagem argument. For 20 years past in South Australia one could give a bill of sale for £1; and the power had never been abused.

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

Ayes	...	...	14
Noes	...	...	20
Majority against		...	6

AYES.	NOES.
Mr. Bath	Mr. Carson
Mr. Bolton	Mr. Eddy
Mr. Collier	Mr. Ewing
Mr. Daglish	Mr. Foulkes
Mr. Davies	Mr. Gregory
Mr. Gordon	Mr. Gull
Mr. Holman	Mr. Keenan
Mr. Johnson	Mr. Layman
Mr. Scaddan	Mr. Lynch
Mr. Smith	Mr. McLarty
Mr. Stone	Mr. Male
Mr. Veryard	Mr. Mitchell
Mr. Walker	Mr. N. J. Moore
Mr. Heitmann (*Teller*).	Mr. S. F. Moore
	Mr. Piesse
	Mr. Price
	Mr. Taylor
	Mr. Troy
	Mr. F. Wilson
	Mr. Hardwick (*Teller*).

Question thus negatived.

Second Schedule:

THE ATTORNEY GENERAL moved that in the first column the words "not incorporated the usual name or style of such firm" be struck out, and "the registered name of such firm" be inserted in lieu. The Registration of Firms Act obliged all firms to register that desired to have a legal existence. The amendment would make clear the particulars necessary to be given.

Amendment passed.

THE ATTORNEY GENERAL moved that the words "and where the grantees are a partnership firm, the registered name of such firm," be added in the ninth column.

Amendment passed.

THE ATTORNEY GENERAL moved that Form "B" (notice by incorporated company of intention to register bill of sale) be added to the schedule.

Amendment passed; the schedule as amended agreed to.

Bill farther reported with amendments.

LAND TAX ASSESSMENT BILL.

MACHINERY MEASURE.

SECOND READING.

Debate resumed from the 31st July.

INTENDED AMENDMENTS.

THE TREASURER (in explanation): Before the Leader of the Opposition resumes the debate, I should like permission to make a short statement. Since the Bill was introduced, Cabinet has considered the rebate to be made in respect of improved lands, and has determined to recast Clause 10. If members will refer to the Notice Paper addendum distributed this afternoon, they will see the proposed amendments.

MR. JOHNSON: Can we at this stage discuss the alteration of a clause, a detail of the Bill?

MR. SPEAKER: The Minister is making a brief explanation regarding a certain amendment.

THE TREASURER: There is a misprint in the addendum, which refers to this measure as "The Land Tax Amendment Bill," whereas it is an Assessment Bill. The first amendment proposed is in connection with lands used for agricultural, horticultural, pastoral, or grazing purposes; and it has been decided that in addition to the improvements which may be provided under the Land Act 1898, if improvements shall be made to an amount equal to £1 per acre for every acre, they shall be deemed improvements under Subclause (2) of Clause 10, which clause provides for a rebate of half the tax on improved land. That is to say, improvements made under the Land Act shall be considered improvements under Clause 10; and in addition, there is the alternative improvement which I have just mentioned. Then there is a provision with regard to other lands, to the effect that land upon which improvements to an amount equal to £50 per foot of the main frontage have been effected, and continue thereon, shall be deemed improved. Farther, in connection with the rebate, it has been decided to ask the House to agree to the "amount not less than fifty pounds per centum of the unimproved value" being reduced in Subclause (3) to one-third. That is, if improvements are effected on any land to the extent of one-third of the unimproved value thereof, such land will be considered improved under Clause 10. There is a farther amendment to show what land may be considered improved when it consists of two parcels under one owner. When two parcels of land are not at a greater distance than ten miles from one another we propose to consider them as one parcel. If the improvements are done on the one section they are considered as done on the other, provided that the second section is not more than ten miles away. It was thought necessary to make this provision and stipulate a distance because otherwise a person may have a block of land improved at Northam and another block absolutely unimproved perhaps towards Bunbury or Busselton, perhaps several hundred miles away. So we limit the distance to ten miles. These are briefly the conditions that Cabinet asks the House to accept; and I make this explanation in order that the Leader of the Opposition and other members speaking on the second reading may understand our intention in regard to these provisions under the Bill.

MR. W. D. JOHNSON: May I be allowed to make a statement? I think this is a most remarkable procedure, and I trust that the Ministry will not take it as a precedent that members will allow this sort of thing to be done in the future. Had I known that the Minister was taking up this position I should certainly have opposed it. It is a remarkable procedure that we should have a Bill introduced by a Minister of the Crown, and subsequently a statement by the Minister that Cabinet has reconsidered the Bill already considered, and an explanation. This is a remarkable procedure, and I trust it will never occur again in this House.

MR. SPEAKER: I stated distinctly that the Minister wished to make an explanation in reference to the Bill. It is certainly not in order for the Minister to speak again at this stage on the second reading, but I considered that the information would be of value to the House, and that is the reason why I allowed the statement to be made.

MR. JOHNSON: It is absolutely unfair.

DEBATE RESUMED.

MR. T. H. BATH (Brown Hill): So far as the second reading of this Land Tax Assessment Bill is concerned, the information supplied by the Treasurer by way of explanation might just as well have come after my speech, because in this debate I have no intention of dealing with the details that have been submitted to us. The members of the Ministry who spoke the other evening when an amendment was moved for the purpose of pointing out the necessity of having complete proposals before us, were gracious enough to grant permission to discuss the theory or justification for land values taxation upon a machinery measure. So far as my opinion is concerned, I think that when an important measure of this kind, or an innovation so far as the history of taxation in Western Australia is concerned, is introduced, we should have the complete proposals before us; and that was the object I had in view in discussing it at that time on the amendment moved by the member for Claremont; and I have not altered my opinion in the least particular since that event. However, there is not the slightest doubt that we have opportunity on this machinery measure, as it has been termed, of discussing and debating the principles of land values taxation; and we are presented with an opportunity—an opportunity which is very important and which should receive the gravest and most careful consideration of members—of recasting our scheme of taxation more in accordance with modern ideas of what is a just and equitable basis for taxation. So far as British colonies are concerned, not only in Australia but in other portions of the British Empire, people have to a large extent adopted the method of raising the bulk of their revenue from indirect sources of taxation; and it is a fact interesting to members that the system of indirect taxation was introduced in connection with the administration of Great Britain just at a time when the land holders, by virtue of an Act of Parliament and also by virtue of the dominant power they exercised in the Legislature at that time, were enabled to convert what was before a public trust into a private monopoly. It is a matter well known to any who have made a study of history that under the feudal system which obtained in Great Britain there was no question of the fee simple or the absolute right to the lands in England being parted with to those who held them. Holders only held the lands in trust, and had to return certain services which were afterwards changed to money payment as a *quid pro quo* for the use of those lands. After a time, however, as a result of the growing increase in the expenditure of those in charge of affairs, especially in the expenditure of the Kings, there was necessity to go outside the contributions of those who thus held the land in trust; and the result was that those in power had to resort to other sources of taxation which pressed very severely on the lower classes of the community; and those who had hitherto held their lands under the feudal system of tenure, who had held them as it were because they had to give services in return for holding those lands, said that this extra contribution was taxation, and that it was the payment by the lower classes for the right they had to work or live on the lands of Great Britain; and they took to their own use the lands of the State without making any farther contribution. The result was that contributions given to them by underlings, by those in the lower scales of society, were appropriated by the upper classes as rents; and the King had to resort in a greater degree to the taxation of the lower classes. This was confirmed by an Act passed in the corrupt reign of Charles II. by a majority of two; and the land-holders were removed from the necessity of carrying out their feudal obligations. Then the authorities had to resort to indirect taxation, such as excise duties on beer, spirits, and tobacco, and on a great many articles, those duties pressing hardly on the great mass of society. From that time onwards in Great Britain the great mass of the people have had to bear the burden of carrying on the government of the country. By means of the taxes paid by indirect methods, the people were oppressed in a double sense; because they have lost the right and title they undoubtedly had to a participation in the advantages accruing from the landed estate in England, and they have had placed on them a burden which should have been placed on those in occupation

of the land. When new British communities were formed we saw precisely the same course adopted. Indirect taxation was imposed on the people, and those who really should have borne the burden of the day were allowed to go practically unscathed. It is certainly in the nature of some return towards readjusting the scales of justice that there is now a strong and growing tide of opinion in favour of securing some proportion of the expenditure of the State from the unearned increment that accrues to those who are enabled to hold land in fee simple; and that opinion is not only held by a great many people, but is backed up in a greater or lesser degree by economists of standing in Great Britain, America, or Australia. The position in this State is that at the present time, owing to the exigencies of our financial position, we are given the opportunity not so much of discussing the theoretical position in regard to land values taxation, or of discussing it from an academic point of view or of doing propaganda work, but of directly applying the principle of securing to the community some portion of the unearned increment which the community confers on the land in this State. So far as the financial position is concerned, I will pay this compliment to the Treasurer, that in explaining the finances of this State and pointing out the loss occasioned by the Commonwealth taking over the Customs taxation, and by the gradual diminution of the sliding scale and the increase in the interest and sinking fund charges brought about by our resorting to borrowing methods, he was on ground which to an extent must have been congenial to him; and we could have no clearer statement of the financial position than was contained in the remarks of the Treasurer. We in Western Australia or in all the Australian States stand in precisely the same position in our relation to Federation as they do in other great federations of the world. In the United States when the Federal Government was formed it took over the customs and excise sources of revenue, and the States were compelled, in order to carry on the legislative and administrative work they still retained in their hands, to resort in a greater number of instances to some form of indirect taxation. The result has been that the Federation, whether it be the federation of the Commonwealth of Australia or that of the United States of America, or Canada, or the German Empire, or the Swiss Republic, has practically absorbed the most remunerative sources of taxation, while the individual States have been compelled to resort to the most unpopular. We know that the strength of indirect taxation lies in the fact that the people do not recognise that they are being taxed, whereas undoubtedly direct taxation, where you go to the individual and say "You must pay so much," is likely to be unpopular. So there is, of course, a certain amount of increment of popularity to the Federal Government at the expense of the individual State Governments. We cannot disguise the fact that we are faced with the necessity of securing some fresh sources of revenue; and the question arises as to what is the best form of taxation to meet the circumstances of the case. We have it laid down by those who are deemed authorities on the principles of taxation, by those who are quoted as authorities whose remarks or dicta should be followed, that there are certain canons of taxation which should be borne in mind whenever any fresh taxation is imposed, and I think the best thing we have in that direction is contained in the *Encyclopedia Britannica*, which says:—

> (*a.*) A given amount of revenue is, as a rule, both from the point of view of the Government and its subjects, more conveniently raised from a small number of very productive taxes than from a larger number with smaller returns per unit; (*b.*) a good system of taxation ought to provide for a self-acting increase in the revenue in proportion as the population and the consequent demands for governmental expenditure increase; (*c.*) those taxes are best which yield a steady and calculable return, instead of a return fluctuating in character and difficult to estimate; (*d.*) those taxes are best which in case of need can be most conveniently increased in amount; (*e.*) regard must always be paid to the real incidence of taxation, and care taken that the real burden of the tax falls on those aimed at by the legislature.

If we were to do that and add a fresh canon, one more important than all the others, that the tax should be so imposed as to place the least possible burden on

the industry and energy and enterprise of the community, we would have a very good guide on which to base our decision one way or another in regard to taxation. I say the proposal to tax the unimproved value of land more nearly approaches the necessities laid down in the canons that I have quoted than any tax that can be devised or advocated. So far as the advocacy of land values taxation is concerned, the policy of the Labour party, so far as I know, is that it does not advocate taxation of the unimproved value of land primarily as a source of revenue, and not even, as some think, as a means of breaking up large estates; but the first consideration of the members of the Labour party is that the tax is just and equitable, and therefore one that should be imposed. I think it is unnecessary for me in advocating this to enter at any great length into the arguments advanced by writers in all parts of the world as to the justice and equity of a tax on unimproved land values. We have had from very early times great economic writers who have pointed out in a greater or lesser degree the advantages of land values taxation. We have the writings of Smith, Mill, and others, although they have not recognised it to the fullest possible degree. Then we have an authority who is regarded not so much by the radicals and democrats as a great authority, but who is held by the middle classes of Great Britain as one of the greatest authorities on economics and statistics to-day, I refer to Giffen, who takes up the position in regard to land values taxation that it is a just and equitable source of revenue. He points out:—

> The soil of the nation is primarily the property of the whole nation, the common inheritance of all, regarding which the State, according to its lights, cannot help laying down rules from time to time for the common advantage. There is no other final authority, and if the action of that authority is to be limited by so-called rights, if on cause shown it may not destine the whole land or any part of it to any use it pleases, then we have this anomaly that the most vital necessity of national existence is to be held, not under the direction of the State, but subject to some arbitrary limitations in favour of individuals or classes based on a superstition of right.

Further on he says:—

> And whatever regulations may be objected to, it seems to me that assuming private property to be retained as the rule, the imposition of special charges on it, which will be in the nature of mining royalties or a reserved rent charge, or like the casualties under feudal tenure, will be about as innocent a way of limiting the privilege, interfering as little as possible with the individual enjoyment, as could well be desired.

And farther on, in the course of a work of his which is regarded as a high authority, he says:—

> At the past rate of increase, however, the real property of England, which is now worth about £150,000,000 a year, will be worth £250,000,000, perhaps the half of it or more will not be owing to any investment of capital in improvements, but to increase in monopoly value.

We have a quotation from General Wallace, who is not regarded by any means as an economic writer of radical or revolutionary tendencies. In his book entitled *First Lessons in Political Economy*, he says:—

> It certainly is true that any increase in the rental value or selling value of land is due not to the exertions and sacrifices of the community. It is certainly true that economic rent tends to increase with the growth of rent and population, and that thus a larger and larger share of the product of industry tends to pass into the hands of the owners of land, not because they have done more for society, but because society has greater need of that which they control.

Then in the "Newcastle Programme" propounded by the Gladstone Government, a declaration was made in support of the taxation of unimproved land values and the intention to carry it into effect. John Morley, a member of the present Liberal Cabinet in England, and who I am sure the member for Claremont will not regard as a gentleman of radical of revolutionary tendencies, stated in the course of a speech in the House of Commons:—

> The question of the unearned increment will have to be faced. It is unendurable that great increments which have been built up by the industry of others should be absorbed by people who have contributed nothing to that increase.

And on more than one occasion abstract motions have been passed in the House of Commons in favour of this form of taxation. In 1895 a resolution was carried, "That no system of taxation can be equitable unless it includes the direct assessment of the enhanced value of land due to the increase of population and

wealth and the growth of towns." From time to time since 1895 the House of Commons has passed resolutions in favour of the imposition of this form of taxation; and no later than the early part of this year the House of Commons again, by an increased majority, expressed their adhesion to the principle of the taxation of the unimproved value of land. The best statement which I have yet read, and one which has attracted a great amount of attention in the United States, was the report issued as to the incidence of taxation by the Illinois Bureau of Labour. So much effort and investigation had been pursued in the compilation of the report, that immediately on its publication an enormous number of copies was demanded, and the pamphlet had a great circulation not only in the particular State in which it was published, but throughout the United States. In the course of their investigations they pointed out in regard to the individual States which comprise the United States of America, owing to the formation of the Federation, that the States were compelled to resort to some form of taxation, and the most popular at that time was the imposition of a tax on the value of real estate and property, that is land and property taxation without regard to the unimproved value, and in the majority of the States —over 90 per cent. I think—that form of taxation exists. But the Illinois Bureau of Labour, when investigating the matter, pointed out as a result of their investigations that the incidence of the tax was unjust, and that large land holders in Chicago and New York and in other States of America whose land and ground value had increased to an enormous degree had the same assessment placed thereon as that which was in existence when the assessment was made some 30 or 40 years before, with the result that they were only paying taxation in some instances of five, six, seven, ten, and twenty per cent. on the real value of their land and properties. The result was that those who were dishonest and corrupt, and desirous of evading the incidence of the tax, were enabled to do so by giving false returns, and the very people who were compelled to pay a tax on the absolute value of their land were those whose estate was in the hands of executors or of the Court, as for instance those of widows and orphans holding the land. These people, by the position in which they were placed, had to return the full value of the land and property, while others could go practically unscathed as far as taxation was concerned. As a result of their investigations the Illinois Bureau of Labour reported, in connection with other matters, that —

> To adopt the site-value method of taxation is to invite general prosperity. With personal property exempt, its increased consumption would increase the demand for it, and consequently multiply business opportunities in connection with making, carrying, and selling it. With landed improvements also exempt, larger and better homes would be demanded to the stimulation of all branches of the building industry. With vacant lots taxed so much that it would be unprofitable to hold them long out of use, speculative values would decline and business be no longer obstructed by exorbitant prices for location. Working men would pay in taxes only what their ground rent privileges were worth. Farmers would pay in taxes not more than their farms would rent for if wholly denuded of buildings, fences, and drains, and turned back into raw prairie. Everyone would be benefited through reduced taxes or better incomes, or both—everyone except the mere monopoliser of public benefits. The cry of fraudulent taxation on any other account than an occasional personal dereliction, like a post office embezzlement or a bank robbery, would be heard no more.

I do not know, except in economic works devoted specially to the question, whether one can find a better justification or a clearer statement of the value of the change to this form of taxation from a tax on property, which after all is a tax on the energy and enterprise of the community. So far as our present position is concerned, and viewing the existing taxation, we have to recognise that it is owing to the formation of the Commonwealth that we are compelled to resort to some other form of taxation to-day. We have heard from the member for Swan (Mr. Gull) and the member for York (Mr. Monger), I think, that as the result of Federation we have thrown our revenue in the gutter. It is true, as I said before, as a result of Federation we have lost a certain amount of revenue; but if we examine the source of that revenue, if we examine the incidence, the burdens which it places on the different classes of the community, we

may not be so sorry that the taxation was lost after all. In 1902 the amount raised in Western Australia as the result of Customs taxation was £6 10s. per head of the population, in 1905 the amount was £4 13s. per head of the population, so that there has been a reduction in that amount of taxation of £1 17s. per head of the population. Taking a man and his wife and four children, they would pay according to the amount paid in Customs taxation in Western Australia to-day, £27 10s. That is averaging the total amount over the total of the population. We have to bear in mind the incidence of taxation is not on such an equal basis as that. We have to recognise that a number of people by their peculiar position are called upon to pay a great deal more per head than others not similarly situated. In investigating this, although I can only estimate approximately the amount contributed by the workers on the goldfields and that contributed elsewhere, no one can form any different conclusion than that they pay a great deal higher amount than is represented by the average of £4 13s. We have to recognise in the first instance that the worker on the goldfields is depending to a large extent on dutiable goods not only for his consumption and table but for his wearing apparel. His peculiar position in what is practically a desert so far as production is concerned makes him dependent on this form of goods, whereas on the other hand the farmer who is situated in an agricultural district produces a good many articles that he consumes at his table, and on which consequently he is not called on to pay Customs taxation. In trying to work it out, I think I am well within the mark if I say the average family on the goldfields pays double the amount, as far as Customs taxation is concerned, that the farmer does in the agricultural areas. The disparity would not be so great so far as the metropolitan worker is concerned, because he has certain advantages over the goldfields worker. Still, there is a disparity, and a considerable one, between the metropolitan worker and the resident or farmer in our agricultural areas. So we see this result, that under our existing form of taxation, under our existing Customs tariff for Federal purposes, a portion of which is returned to the State, the worker on the goldfields is called upon to bear a much larger burden (practically double) than the resident or farmer in the agricultural areas is called upon to bear. Does any superior position he occupies in the State or in the State economy justify him or warrant him in paying that extra share of taxation? If we take the position of 75 per cent. of the workers on the Eastern Goldfields we shall find that as things are conducted there it is practically a hand-to-mouth existence. For one thing, there is not the certainty of employment in the gold-mining industry as in other industries, and we know that from various causes, from accidents and a multiplicity of things which it is not necessary for me to name, they are not employed the full number of days in the year. Then, again, we have to bear in mind that as the result of unhealthy conditions surrounding their particular occupation they are more prone to sickness, and their working life is considerably reduced, as compared with that of a worker in industries more healthful. The result is that whilst the worker on the goldfields is, under our present system of indirect taxation, called upon to bear an undue share of the burden, he does not enjoy those advantages from the surplus income which would warrant his being called upon to bear that undue share of taxation. I have compared a goldfields worker with a farmer, but if we compare the position of a farmer with that of a speculator, a man who draws his revenue from lands in our cities, who draws his revenue purely and simply from the unearned increment, we see the disparity is just as pronounced as is the disparity between the farmer and the worker on the goldfields. So that we observe that so far as our present incidence of taxation is concerned, it presses hardly upon a great portion of the community; nor is the burden adjusted in accordance with the ability of the units of the State to pay it. When the Treasurer was introducing the Land Taxation Bill, the member for Guildford (Mr. Johnson) interjected and asked why he did not give us some information as to the method by which estates of land were acquired in this State in the early days; and the Treasurer said he did not think that had any bearing upon the

question. I have some idea of what the member for Guildford was driving at, and I think that if the Treasurer had thought over the matter for one moment he would have seen that it had very great bearing indeed upon the discussion. It has a bearing in this way, because the justification for this tax, a justification that was briefly urged by the Treasurer, was that land values taxation was an equitable tax because we were securing to the community the value which was imparted to land by the community; and we cannot arrive at any conception of what the amount of that unearned increment is unless we have some idea of the way in which land—especially in the cities of Perth and Fremantle—was acquired in the early days, and the value it bears to-day as compared with the value it bore 20, 30, or 40 years ago. That information only the Treasurer is in a position to secure, because he has greater opportunities than any private member in this House. We should have had some idea given as to increment of value which has accrued apart from any of the efforts of those who hold the land, either in our cities or our rural areas. For instance, in other countries, in New Zealand, New South Wales, America, and Great Britain, numerous articles have appeared in magazines and reviews giving this information in detail. I remember only a few years ago we had a series of most interesting articles showing how the Astors in New York made their millions, and their rule was to buy on the fringe of a growing city and wait for the unearned increment. What is the position at the present time? Mr. Astor lives in England and apes the aristocracy of Great Britain. The increment is piling up on his property now. Astor does not sell his land, but only leases it, and leases it for a short time, and the result is that at the end of his terms the land must return to him, and so his wealth goes on increasing, and it is an absolute fact to-day, borne out by those who have given a great deal of consideration and investigation to the subject, that even the tenants in slum areas of New York which are populated in many instances by what is the very lowest strata of humanity from the eastern countries of Europe flocking to New York, are doing as much to impart the increment of value to Astor's land to-day as any other section of the community. Even from the degradation of the people in New York Astor is drawing his millions. The same thing was seen when the London County Council, in connection with the improvements of some of the thoroughfares of England, purchased the land, for instance for the widening of the Strand. Information was then given in magazines and reviews in England showing the prices for which that land was sold not a great many years back, and the result was that the London County Council had to pay not only tenfold but one hundredfold over the amount which was originally paid for those areas, value which was not imparted by the owners of those lands, but imparted by the growth and industry and enterprise of those who carry on business in London. In those places we have had this information supplied to us, and it is information which is necessary if we are to thoroughly appreciate the equity and justice of this tax. The Treasurer in introducing the Bill should have made some efforts to secure that information for the benefit of the members of the House. There has been a general agreement, in some instances I may say an unwilling agreement, by members of the House, that some form of taxation is necessary. There is a general agreement that a new tax is necessary, and it is somewhat unwillingly conceded in some quarters that land values taxation is the sort of taxation we should devise for this purpose. We have had those who say that the balance-sheet, as far as Western Australia is concerned, could be adjusted by economy in various departments, and we have had the remarks which were made by the late Premier in the course of his Budget speech last session in justification for his statement that the accounts could be balanced by economy in the administration of various departments. We had a return which was submitted to us then that purported to show that so far as Western Australia was concerned there was a much higher relative cost of administration than in the other States of the Commonwealth. I carefully examined that return and compared it with the position in the other States, and I found that the only case where there was

a disparity, where there was greater relative cost in the administration in Western Australia, was in the Lands, the Mines, and the Medical Departments of this State, and when we remember that in these very departments the State confers so much service upon the community, does so much in encouraging and helping in the development of these resources, we can understand how the disparity arises, and we must continue to do these things and consequently continue this disparity, or we must say that in order to balance the revenue, in order to economise the expenditure we must either discontinue doing these things or make people pay a fair amount in return for the services rendered. These are the two alternatives we have, and we have to accept one or the other. To say that there is extravagance is to say a thing which is not justified, either by anything contained in that Budget Speech or anything which appears in that return, because in other departments so far as the cost of administration in Western Australia is concerned, taking the relative comparison, it compares more than favourably with the cost that is shown in the other States. In deciding upon some form of taxation in order to make up the deficiency with which we shall be faced unless something is done, we certainly have alternative courses to pursue other than the imposition of taxation on the unimproved value of land. We could raise revenue for instance by the same method that is adopted in the United States of America, by a taxation upon property, by a tax on land and improvements, and a tax on personal property. But after all we have to ask this question: Which would be a fair tax? Which would be the greater or less handicap on the industry and energy of the people? And if the question is studied, and studied on its merits, the admission will be not only from members in the metropolitan area but from those who represent agricultural constituencies that it would be infinitely fairer, rather than to impose a tax on property, on land and improvements and personal property, to impose a tax on unearned increment, because that in no sense imposes any handicap or any burden on the efforts or energies of the community. In relation to the practical application of a tax on the unimproved value of land, we have not very many examples in the world to guide us in our decision on this issue. The only places I know of where a tax is imposed purely and simply on the unimproved value of land are New Zealand, New South Wales, and South Australia. We also have a tax for municipal purposes in New Zealand and in Queensland, and while there are taxes on land in Victoria and Tasmania, such tax is in no sense on the unimproved value of the land. The tax in Tasmania is on the capital value of the land, including the improvements which are erected upon it, and the tax in Victoria has also an incidence of a somewhat similar nature. Outside Australasia we have a land tax imposed in a great many parts of the world. We have a land tax in Great Britain which brings in a revenue of about a million a year, but that tax is imposed upon the annual value, and that annual value is based on an assessment which took place 200 years ago. They have a tax of 4s. in the pound on the annual value of land, and if that tax were based on the values as they are to-day, instead of receiving a million they would receive something like 35 millions, or 35 times more than is really raised by the tax. Then in many of the countries of Europe we have a tax on land, but such taxes are always on land with its improvements, and in no sense taxation on the unimproved value of the land; with the result that the tax acts in many cases as a deterrent to the most enterprising and energetic classes of the community. If we were to impose such a tax in this country to-day, the man who improved his land to the greatest advantage, who enhanced its value most highly by means of buildings and other improvements, would have to pay the greatest share of taxation, while the man who left his land practically unimproved would go free. I do not think we desire to impose such a tax, but rather a tax which will hinder least the efforts of those engaged on our agricultural or our urban lands. The only country which has a land tax that can in any sense be regarded as approaching to a tax on the unimproved value of land is Japan; and that country, which is sometimes regarded as a not very civilised land, raises one-third of its revenue by land taxation. Until the year 1868, I

think, land was held in Japan under a feudal system practically similar to that which once obtained in England; and when Japan decided to adopt Western methods, her land-owners showed much more self-sacrifice than has been shown in any other community, civilised or uncivilised, in the world to-day; because the land-owners of Japan voluntarily delivered up their lands to the Crown; and people who had previously been tenants on practically a feudal basis were no longer asked to remain as tenants, but were placed in actual possession of the land; and the Government, while they gave the tenants what was virtually a grant of the fee simple, reserved the right to impose a land tax on what was termed the legal value of the land. A most elaborate valuation was made, approximating closely to the unimproved value of the land; and the Government imposed a tax of five per cent. in urban areas and three and a-half per cent. in rural areas. This tax raises at the present time, I think, one-third of the Japanese revenue. When it was first imposed, it produced one-half of the revenue. But the main feature of the tax in Japan is that the valuation adopted to-day is the valuation made some 20 or 30 years ago; and as a result of the development of industries in Japan, the increase of her population, the land values have increased threefold; so that the present holders really enjoy the fee simple of the land on paying an annual tax which represents only one per cent. of the actual value. It may be asked, when one advocates this tax and states that the great bulk of the people in many communities, and the mass of opinion amongst political economists, favour its imposition, why it has been adopted in so few countries. The answer is that vested interests, which are always the greatest barrier to any innovation or to the adoption of any new idea, have acted in this precisely as they act in any other direction. Vested interests have prevented the enactment of this principle, not only in Great Britain and America, but in Australia also. We have seen that in Victoria and in South Australia vested interests have time and time again successfully opposed a tax of this nature, even though the principle had been adopted and advocated by a great majority of the people in those States. The Treasurer (Hon. Frank Wilson) who is in charge of this Bill, did not give much information regarding the probable amount which will be derived from the tax which the Government propose to levy; and I submit that in discussing this question from the point of view adopted by so many Government members of the House—that they support the Bill because it is a revenue Bill—we should have had from the Treasurer some notion of the amount likely to be raised. Ministers know in their own minds what amount the tax will probably raise, and the probability of their being able to carry such a proposal; and I think that the Treasurer, even if he were uncertain as to the amount of the tax or the amount of the exemptions, could have given us several alternative tables showing the amount which would be raised by alternative systems. In discussing such a tax it is necessary to know exactly the amount expected to be raised; and even if the Treasurer had not that information in respect to this State, he could have given us a rough estimate by a comparison of the amount raised through land values in New South Wales, South Australia, and New Zealand. There is no doubt that an approximately correct estimate could be made by a comparison of the relation which the tax bears in these countries to the unimproved values of their lands; and a comparison of that kind, when considered with respect to the lands of this State, would have resulted in an approximate estimate of some use in determining members' attitude towards this tax, or towards the amount of the taxation which they will advocate. In such a measure there is considerable danger in dissociating the purely taxation proposals from what is called the machinery; and this danger was present in the minds of those who introduced the tax in New Zealand, South Australia, Tasmania, and Victoria, and was always present in the minds of those who introduced income tax proposals. But the Treasurer pointed out to us that because New South Wales alone, of all the countries which have adopted land values taxation, introduced a machinery Bill, the example of New South Wales was a good one for the Government of Western Australia to

follow. But when we remember that the New South Wales tax was introduced by such a slippery individual as George Reid, and when those of us who were then in New South Wales remember the tactics adopted at that time, and the manner in which he waited for public opinion to be expressed by members before he introduced his taxation proposals, we cannot but conclude that his is not so good an example to follow in this country as the Treasurer or the Attorney General would have us believe. The position will be in Western Australia just what it is in England to-day. England has a land tax which is nominally 4s. in the pound on the annual value of land; but the tax is imposed on a valuation taken 200 years ago. Consequently, it results in raising only one-thirty-fifth of the revenue which would be raised if the tax were imposed on a valuation made to-day. I do not say that if the British Government adopted the present-day valuation they should impose the tax of 4s. in the pound; but I say it would be a much purer and more open act to take the valuation of to-day, and adjust the rate per pound, than to take the valuation of so many years ago.

MR. FOULKES: Let Great Britain look after its own affairs.

MR. BATH: I am using that as an example merely. The position in Western Australia will be precisely similar, unless this dissociation of the taxation and the machinery Bills be discontinued; for it will mean that while the tax may be altered, the machinery Act will be left untouched. The latter will not be brought up; and the Government of the day may increase the amount, while they allow the valuations to stand as they stood some years previously, in spite of the fact that in the interim the unearned increment from the growth of population will allow the land-holders to escape by paying only a fraction of the tax they would have to pay if an up-to-date valuation were adopted. I say it is much better to embody in one measure the machinery Bill and the actual taxation Bill, so that when we review the measure, we can review not only the amount of the tax but the amount of the valuation, and regard them in their relation to one another, so as to see that there can be no possible evasion of the incidence of the tax as a resort to a valuation which is out of date. The Premier in some recent remarks at Coolgardie was loud in his adulation of his side of the House because the Government brought forward this proposal for land values taxation. He said they ought to be given great credit, and that people ought to support them for introducing the measures. But he forgot to mention that the Government depend not so much on the support of many of their own followers, who are opposed to the tax, as on members of the Opposition, for passing the Bills. If credit is to be given to the Government for introducing these measures, credit should be given also to those who have not only advocated the tax in the past, but on whom the Government must depend for carrying it through. Moreover, the Premier tried at Coolgardie to make capital out of the attitude of Opposition members towards an amendment moved a few nights ago on the question of bringing in this Bill separately from the Taxation Bill. Now, as regards the Premier we know, from what daily occurs while the House is sitting, that he is only a cypher in the real Government of this State; and we know also that our opinion of these occurrences is considerably modified by reason of his geniality of disposition, and also, I must say, by his gentlemanly behaviour as Leader of the House. But when he goes to Coolgardie and attempts to accuse the Opposition of trying to shelve and defeat these land-tax proposals, just because we had an idea that they should be submitted in one measure, he is resorting to tactics which I certainly did not expect from him. I did expect them from his co-Premier, the Attorney General; because he in his remarks here the other evening used the same argument, and said precisely the same thing of our attitude on this question. He tried to prove, speaking of that amendment, that we were opposing the principle of land values taxation: that we were trying to postpone the adoption of the measures. And if the remarks at Coolgardie had come from the Attorney General we could have well understood them; but coming from the Premier, I certainly think them altogether unjustified, and that they were a piece of political paltriness which should not have emanated from the Premier. We have frequently in this House an exhi-

bition of how the Premier is prompted and has his coat-tail pulled by the Attorney General; and it is a pity that in Coolgardie the Attorney General was not by the side of his leader or co-Premier to pull his coat-tail; for that would have saved the Premier from making a statement not only unjust but incorrect. If I had desired in this debate to be so unkind to other members of the House, I could, for instance, have dug up the speech of the Honorary Minister, the member for Northam (Hon. J. Mitchell). I could have pointed out how, in the course of his campaign last October, the hon. member opposed and abused the retiring member (Mr. Watts) for his advocacy of land values taxation, and won the election on the ground that Mr. Watts was advocating a land tax while he (Mr. Mitchell) was opposing it. If I had desired to account for the halting manner in which the Treasurer attempted to prove the equity of land values taxation, I could have dug up some of his speeches from the paper circulating in his electorate, and could have pointed out how the Treasurer opposed tooth and nail proposals for taxation on the unimproved value of land.

THE TREASURER: Dig them up.

MR. BATH: I refer to speeches in which he showed himself much more vigorous in his opposition to land values taxation than he showed himself to-day in its advocacy. If I had wanted to refer to the Attorney General, who was so desirous of opposing the wish of the Opposition to consider this measure in conjunction with the taxation proposals, I could have referred to his election attitude in 1904, when in eloquent periods he stated on the platform, "We must have devotion to principle, and no deviation in the slightest possible degree." When he had the slightest possibility, as he thought, of attacking or declaiming against his opponent for any slight deviation, he was not sparing in the use he made of that opportunity. Now we find, as a member of the present Cabinet, he is compelled to accept the various proposals for the emasculation and mutilation of this measure in the shape of rebates and exemptions; and the hon. gentleman who in October of last year and in June, 1904, was such a firm and devoted adherent to principle, and who waved the flag of devotion, adherence, and strict regard to principle, was the very man who came here and made a pathetic appeal on behalf of the virtues of compromise. At one time that hon. gentleman, in order to get into Parliament and in order to score a point off his opponent, was a devoted adherent to principle; but when it comes to retaining a seat in the Cabinet, or to suiting his ideas to the majority of Cabinet, we hear a declamation on the virtues of compromise. When the Premier and Attorney General desired to attack this (Opposition) side of the House wrongly and unjustly as they did, and attempted to fasten on the Opposition the responsibility for trying, as they said, to wreck the measure, they forgot the opposition they had shown to the principle of land values taxation and the different attitude they now adopted in regard to the proposals. So far as this discussion is concerned, I have not in this second-reading speech attempted to lengthen or to extend the debate by discussing the details of the measure. I have reserved those for the Committee stage. I just desire to point out that we (the Opposition) have adopted this attitude, that we will facilitate to the fullest possible degree the carrying of the second reading of this measure; but we reserve to ourselves the right to criticise and endeavour to amend the Bill in Committee according to our desires; but by facilitating the second reading and bearing in mind the promise of the Premier that he will not attempt to take this measure into Committee until the taxation proposals are brought down, the decision as to whether this land values taxation is carried speedily or not will depend on the speed with which the Premier brings down the taxation proposals and gives opportunity for discussing them in connection also with the Committee stage.

THE MINISTER FOR WORKS (Hon. J. Price): In dealing with the measure now before the House, I do not intend to go into the details, but I prefer for the time being to discuss generally the principle involved. It seems to me that it is desirable on the present occasion that all of us should, as far as possible, endeavour to dissociate ourselves from

our past views on taxation, and that for the moment we should look at this from a purely impartial and unbiased point of view. I know it is an extremely difficult matter for anyone to do this. In all sorts of directions we are unconsciously biased; but the present financial position surely calls upon every man to look upon this question, if possible, from a judicial standpoint. The Leader of the Opposition has read the Treasurer a lecture because the Treasurer had not brought down the exact data showing the amount this tax would produce—[MR. BATH: I did not say "exact data," I said "some approximation"]—and has stated that it was part of the Treasurer's duty to give the House an indication of what the values of land were in this State some 20 or 30 years ago and the values to-day. I venture to say that when my colleague replies to those criticisms, it will be patent to this House that he has an extremely difficult task to get accurate data as to present values, and that it would be next to a sheer impossibility to say what was the value of land in this State some 20 or 30 years ago. It is a very easy matter to make these requests; but if the hon. gentleman were in the place of the Treasurer, I believe he also would find the task of getting accurate information an extremely difficult one. The Leader of the Opposition also criticised the method of introducing this Bill, and expressed his own personal opinion that the taxing Bill and this particular measure should have formed one Bill when brought before the House. He stated that this Bill provides certain machinery for values and for assessments, and he suggested that it will be an extremely difficult matter in the future to alter these values. I refer the Leader of the Opposition to Clause 21, by which the Treasurer may from time to time make new assessments on all lands liable to the land tax; I refer him also to the provisions in the Bill for the appointment of assessors; and I think hon. members, if they will carefully read the measure, will say that it is no more difficult to alter the assessment than it is to alter the tax.

MR. BATH: It does not come under review; that is the point.

THE MINISTER FOR WORKS: From my point of view and in view of the difficulties we have experienced in getting exact figures on which to calculate the amount this tax will produce, and in view of the urgency there is to redeem promises so often and so frequently made, I think the Government are perfectly justified in bringing down this measure before they introduce the actual taxing Bill; but the hon. gentleman in some of his criticisms, and especially in his criticisms of the Premier and of the past speeches of Ministers on this bench, seemed to me to be somewhat angry that this side of the House should bring in a Bill of this nature. Assuming that his statement as to the previous utterances of my friends are correct, instead of being cross the hon. member should rather have rejoiced over sinners who have repented. I quite understand that when his party, who for some considerable time occupied the benches on which we sit, and who for years had asserted their belief in this particular form of taxation, left this measure untouched, it must be extremely painful for the hon. member to see a practically new Government come here and at such an early stage of our existence redeem our promise in connection with this matter. [MR. TROY: We compelled you to do it.] There is no compulsion. I venture to say that before the hon. gentleman arrived at manhood I myself advocated this form of taxation; and it is with the greatest pleasure I see it introduced into this House. I propose to address myself in connection with this Bill to two points: first of all to the necessity there is at the present moment for finding new sources of revenue, and secondly to what I consider to be the fairest and most equitable method of obtaining this result. I notice that in the Federal Budget recently delivered, the Commonwealth Treasurer anticipates that there will be a decrease in the return to this State of some £103,000. There will be new charges for sinking fund and interest in the current year to the extent of some £30,000. There was a deficit for the financial year just closed of about £73,378, and there was the previous financial year's deficit of £46,521. In round figures it means that we have some £250,000 to provide from extra sources of revenue. It has been claimed on all sides that a great deal may be

done; in fact in some cases it has been said that all this extra call on the Government may be met by increased economy in administration. I am glad the hon. gentleman who leads the Opposition has explained to this House that in most of our departments, owing to the position in which we are situated and owing to the vast areas over which our administration has to operate, it is an extremely difficult matter to bring down our costs of administration to those of more compact States. I know that if we were to meet this matter by decreasing our expenditure, the departments which would suffer would be what I may term the developmental departments of this State. The decrease would need to be in departments like the Mines Department, the Lands Department, and the Works Department. For instance, if we take last year's Estimates of revenue and expenditure and go carefully over them, we can see that there was a sum of £1,999,887 estimated as the gross revenue of the State from sources other than the railways. We find that in our estimated expenditure for the year, the expenditure exclusive of the Estimates and provided for by special Acts was estimated at £895,000. We had the Governor and Parliament, expenditure which we had to meet in any case, estimated at between £14,000 and £15,000. Then there were the Miscellaneous Services of £127,400, which cover municipal grants and so on in the Treasurer's Department.

MR. JOHNSON: You are going to reduce them.

THE MINISTER FOR WORKS: We propose to in part meet the difficulties by reducing these grants; but remember that we have a large sum—about a quarter of a million—to provide, and it would be extremely unfair to the municipalities at the present time to make any radical reduction in the grants we have been in the habit of giving to them. That must be a gradual matter, so that the municipalities may adjust their finances to the requirements of the situation. I do not think any Government would be justified at one fell swoop in making an extremely serious reduction in the municipal or roads board grants.

MR. JOHNSON: I do not think you are justified in making any reductions at all.

MR. H. BROWN: You have sops to municipalities and roads boards to the extent of a quarter of a million.

THE MINISTER FOR WORKS: Under the Treasurer's Department there was an estimated expenditure last year of £233,000. We cannot make much reduction on that head. Then there was the Department of Justice with its various branches—Crown Law, Land Titles, Stipendiary Magistracy, and Supreme Court. It is impossible to make a large reduction in any of the items under that heading. Also we have the Colonial Secretary's Department with the Police, Gaols, Harbour and Light—[MR. JOHNSON: There is a splendid opportunity for reduction in the Colonial Secretary's Department.]—and the Education Department. It would be possible, perhaps, to make some reduction in the Education Department; but if we made any reduction in our elementary system of education, in my opinion it would be necessary to put what we saved in that direction towards farthering secondary education. At all events, so far as we are concerned it would be disastrous, however we make alterations in details, to spend less in elementary education than we are doing at the present moment. Then there are certain departments, such as the Aborigines, Medical Services entailing grants to various hospitals, making the sum of £89,000, so that if we come down to the bedrock it means that from the Mines, the Works, the Lands and the Agricultural Departments, upon which according to last year's estimates the sum of £762,000 was spent, if no fresh sources of revenue are to be exploited the bulk of saving must be made. I think members, on whichever side they may sit, will admit that if this country is to prosper, if it is to progress and offer opportunities for settlement, it is an utter impossibility that the operations of any of these particular departments can be curtailed. I would put it to members that it is an absolutely good business proposition that out of the pockets of the community we should get such a sum as will enable us to keep these particular departments in full working order. If we can do that we are assured a continuance of prosperity in this country; but if the money to keep these departments in full swing is not forthcoming, it means a cessation of

development and the introduction of a period of stagnation.

MR. JOHNSON: It cannot be worse than we have it now.

THE MINISTER FOR WORKS: All the better for trying to remedy it at once, if what the member says is correct.

MR. FOULKES: Do you think £70,000 will remedy that?

THE MINISTER FOR WORKS: I think that £70,000 will go a long way towards remedying it if we apply it satisfactorily. We hope to make economies in other directions, which will enable us, with £70,000, to meet the present financial position. In the department which I have the honour to preside over, the difficulty in deciding between the different requests for works that are absolutely necessary for the development of the country is a most serious and trying task.

MR. H. BROWN: Political bribes.

THE MINISTER FOR WORKS: I beg the hon. member's pardon, they are not political bribes. They are works to absolute necessity if the country is to progress and prosper, and to describe them as political bribes is casting a reflection on members who put the requests before the Government. If is an unfair and ungenerous thing to say. Members who from time to time come before the Government with these varied requirements—and most are legitimate and proper requirements for their localities—seem to forget that unless the money is forthcoming in the shape of increased taxation, then the requirements which many members so urgently need will have to be dropped, and they will have to forego many necessary works in their districts.

MR. FOULKES: The amount of £70,000 will not meet all the requirements.

THE MINISTER FOR WORKS: I do not suggest that £70,000 will meet all requirements, but I do suggest that it will help. If the hon. member were extremely hungry or thirsty, he would be glad of half a glass of water or half a loaf of bread. I have used no argument to show that £70,000 will do all we want, but it will go some way towards it. But to say that we should drop the £70,000 altogether because it will not remedy the whole trouble is not an argument at all.

MR. FOULKES: You are trying to make out that this £70,000 is needed, and that it will be all that is necessary.

THE MINISTER FOR WORKS: I am not trying to make the House believe anything of the sort. I am trying to point out that if these things are necessary the community must be prepared to foot the bill. It is a business proposition. It is like a tradesman or merchant extending his business. He is prepared to spend £20 or £30 in the decoration of his shop front to catch customers or to improve his premises. [MR. FOULKES interjected.] Continuous interjection is particularly ungenerous. I do not know what Busselton has to do with me. I have never had the honour to represent that particular town, and I do wish the member would give me a fair opportunity of making the few remarks I have to make. I recollect by the way that a particular district named Kojonup has not been unfairly treated in the past.

MR. FOULKES: I have nothing to do with Kojonup.

THE MINISTER FOR WORKS: I remember the member's anxiety to get a certain Bill through last session when it was before this House. His desire was most marked, and other members will remember his anxiety. I remember the member's particular anxiety to get me to vote for the Bill. The position is this. At present we have to devise some new sources of revenue, and when it comes to a question of taking money out of the pockets of the people by new or fresh taxation of that sort, you will always hear the cry that there is something unfair about its incidence. It is almost impossible to devise any system which in its incidence is absolutely equitable and absolutely fair. But the difficulty of devising a perfectly fair system is no reason why we should not endeavour to devise one that is as equitable as we can possibly think of. I am not going to say that in its incidence this tax will deal in an absolutely fair and impartial manner with everyone in the community. As one reads the Bill over and considers it from time to time, one can think of instances where perhaps there may be some degree of injustice.

MR. JOHNSON: You can fix it up by personal explanations and amendments.

THE MINISTER FOR WORKS: Where a real case of injustice can be shown under the Bill, in Committee there will be an opportunity for its rectification whether it comes from this side of the House or the other. There are certain vital principles in connection with the Bill by which the Government are prepared to stand or fall, and no doubt at the proper time the Premier will explain to the House what they are. Mill says:—

> Equality of taxation means apportioning the contribution of each person towards the expenditure of Government, so that he shall feel neither nor more less inconvenience from his share of the payment than every other person does from his.

And again—

> As in case of voluntary subscriptions for a purpose in which all are interested, all are thought to have done their part fairly when each has contributed according to his means, that is has made an equal sacrifice for a common object.

Many members absolutely disagree with Mill in the methods in which he applies some of his principles, but I think this is a fairly reasonable and fair statement as to what should be our object and desire in raising taxation of any particular kind; that is to say, it should press no more severely on the man who has £200, £300, or £400 a year than it does on the man who has £2,000, £3,000, or £4,000. Each individual should pay in accordance with his means. That at all events is the ideal position to strive for. In my opinion a man should not be taxed on his necessaries. There is a certain limit that every man should have to live on; there are certain necessary comforts that every man should be enabled to gain, and I believe it is the duty of the Government up to a certain point to touch him with taxation in as light a degree as possible. As far as possible a man's abundance should be taxed, not his necessaries, and for that reason, and that reason alone, I agree to the principle of exemptions in the Bill. It is our desire to see a prosperous agricultural community here; and in our desire to encourage the colonial to settle on the land and to develop his farm in the early and struggling stages of his career, we offer him certain exemptions. I think that a perfectly fair and reasonable position. Just as e struggling farmer deserves certain encouragement from the Government, so in my opinion does the working man who is endeavouring by all sorts of sacrifices to build up for himself a small home. I believe the House generally believes that the Government should bring down provisions for exemptions, and will generously support us in this matter. [MR. H. BROWN interjected.] This is a tax on unimproved land values, and those who support this form of taxation do so because in the least possible degree it is a tax on the energy and industry of any man. To me an income tax is one of the very last taxes that a Government should resort to, because it is a direct tax on a man's energy, and in a country like this we need men of energy and grit to develop the country before anything else. In a tax on unimproved land values we tax to a very large extent that augmentation of value that accrues to the land of any country owing to the energies and industry of the whole of the people. Taking a broad view of this question, we must admit that in this country for instance some 15 or 20 years ago, the land of the State was not worth one-fourth of what it is to-day. That accrued value has come to it, not because of the energy of the man who owns a certain portion of it—he has had his share of increasing the value, I admit—but the general increase in value has been a largely fortuitous business which has been governed by the settlement of population. The increase or decrease of values in a town has been caused, so far as the country generally is concerned, by the movements in population owing to opportunities of employment and work in various centres. The effect has been a general increase of values in this country. I notice Sir Robert Giffen, whom no one will accuse of being a rabid socialist, says that in the last 30 years the value of property in Great Britain owing to this particular cause must have increased by some £100,000,000, and he farther says that these increases will go on while the country grows and increases. We have not reached the limit of our growth yet. Those of us in this House, the bulk of us, have every confidence in this State and we believe we are but at the commencement of our greatness; and it is a perfectly fair principle that those who

benefit so much from the increase of population, from the energies of the people as a whole, should pay some small quota towards the upkeep of this State. I submit to those gentlemen that it is a good business principle for them so to do; because what will this money be used for? It will be used for farther development of the State. Every new mine that is opened, every new farm that is put under cultivation, means increased values of property to some extent in most centres of population; and what does it come to? Probably the tax which the Government propose will average about one-tenth per cent. on the improved values or one-third per cent. on unimproved values; surely no very large sum for any man of property to pay to ensure or assist in ensuring a continued development of this State, from which he may reap an extremely rich reward. I think that when this tax is understood and looked at from a purely business point of view there is not one man in the community who would not be ready to put his hand into his pocket and pay this tax without any demur at all. As far as this particular Bill is concerned, the endeavour has been to impose this tax in a spirit of fairness and justice. There is no desire to penalise any particular class of the community, and least of all is there any desire to penalise those individuals who came here in the early days, who have passed through all sorts of hardship, and who by their courage have developed tracts of this country which when they first went there were unknown; but we do ask them to recognise that as well as its advantages—and shall I say its privileges—wealth brings with it certain responsibilities and certain duties; and the way that principle is applied in this Bill will make it impossible to show that any particular class of the community is treated unfairly. During the last few days a great deal has been said as to the already heavy burden which those upon the land have to bear at present. We are told that our roads boards in their rating on the unimproved land values have already imposed upon the landowner a very heavy burden, that because of this condition of affairs it is a particularly unfair thing at the present moment to add a State unimproved land value tax. I have taken the opportunity, where I could get particulars, to investigate this question. I have looked into roads boards returns, many of them very incomplete, and I find many roads boards are still rating upon a rental value, but there is a considerable number rating upon the unimproved value of the land. Taking six suburban roads boards—the only six that have furnished complete returns—who are rating on the unimproved value, I find that the capital unimproved value of the property rated amounts to some £831,802, and that the amount which they contributed in rates—that is apart from the health rate—comes to £488 5s. 7d. Or perhaps the House will understand me better if I put it another way round. They pay a little over $\frac{1}{3}$ per cent. on the unimproved value of the land. For instance, a man with a block of the value of £100 and a £300 house upon it pays in rates the sum of 10s. 7d.; that is, exclusive of health rates. That is no very great charge upon the property owner. If we turn from the suburban roads boards to the country roads boards we find that there are 32 boards which have made this particular return, and that the total unimproved valuations of the land made in their districts amount to the sum of £2,764,058, and the total of rates paid by the 32 boards rating on an unimproved value of nearly $2\frac{3}{4}$ millions amounts to £11,303, which is equivalent to two-fifths per cent. on the capital value. I may put the position another way. A man has a farm of some thousand acres valued at 10s. per acre, £500, and he has improvements on it, his house, his homestead, and other buildings, clearing and so on to the value of another £1,000. The rate on that man, that is on the unimproved value of £500, taking the average paid by these 32 roads boards, would be some £2 a year. It is absolutely useless in the face of such figures, to attempt to convince me that the rating on the unimproved land value has already proved a heavy burden on the landowner, and that it is unfair under those conditions for the Government to ask him for a farther contribution to the State revenue because of the rates which he pays on the same basis.

Hon. F. H. Piesse: I would like to know if you consider putting £500 as the unimproved value of 1,000 acres is

fair, when one may have only paid 3s. an acre to the Government.

THE MINISTER FOR WORKS: If we value the land at 3s. an acre it makes the amount which he pays still less, and his position as an objector is worse. I am not here to value the land: the valuations are made by the members of the roads boards. Members of the roads boards should be sympathetic towards the property holders in their district, for if any men can be trusted to do what is a fair thing towards the agricultural settlers it surely should be the members selected to a very large extent in country districts from the agricultural population. I am not here to say on what basis the valuations have been taken, but to a very large extent the valuations of roads boards are undoubtedly available. I am simply pointing out at the present moment that the rate these people are paying on that system is not of an exceptionally heavy nature, not of such a nature as should give them a claim for exemption from contributing revenue to the Government by a tax of this kind. I am perfectly aware that there are certain anomalies. There may be anomalies, for instance, in regard to lands in the vicinity of a town, which from its proximity to close settlement is of a higher value than ordinary agricultural land while used for agricultural purposes. I think it would be a perfectly fair thing if the position of such estates were taken into account. These things can all be righted. I wish the House to believe that this Bill has been brought in by the Government in a spirit of honesty and fair play, without any desire to unduly press upon any particular class of the community; but after considering all the openings of taxation which were available we came to the conclusion that if we were not to tax the energy and industry of the people, if we were to put a tax upon that class of property or on that value which can best stand it, then the fairest and most equitable tax we could bring before the House was a land tax. And I appeal to members, especially seeing the position the country is in at the present time, and the need there is that we should push ahead with the development of this great State, to view this matter not from their own porticular standpoint. I admit that were I a landowner I should possibly take a biased view, but I would do my best to put it aside because of the greater necessities of the State. I ask not this House only but the country not to judge this particular Bill from a personal standpoint, but to take the wider view of requirements of the State, and then I am sure that in this particular matter the Government will be supported.

HON. F. H. PIESSE (Katanning): It is not my intention to deal very largely with the measure at this stage, for the reason that I have already had on a previous occasion the opportunity of dealing with it, namely in the debate on the Address-in-Reply. However, we have since had the Bill placed before us—that is the Assessment Bill—and we have had disclosed within the four corners of that Bill more clearly the provisions which are comprised in it and the methods by which the Government intend to raise what is termed the land tax. I have previously said that I consider it is an inopportune time to bring in such a tax, simply for the reason that whilst we are dealing with the question of immigration, whilst we are endeavouring to settle our land in different directions, whilst we are holding out inducements to people from abroad to take up their residence in our midst and develop our lands, we are not by this measure taking the right course, we are not encouraging this settlement in the way we should do if we were not proposing at this stage to introduce a land taxation scheme or proposal which will mean a drain upon the resources of those people when they come to settle amongst us. As the Bill is now before us for consideration, I think we should deal with the proposed provisions. Particularly I would like to point out that in regard to the question of unimproved values, upon which everything will depend, I previously mentioned that I considered that on the question of unimproved land values the Bill did not convey to the ordinary mind what it will mean when it becomes law. The Government have arrived at their conclusions in regard to the possible amount which the Taxation Bill is likely to provide. They have arrived at those conclusions by information which they have obtained from the various municipalities and the roads boards throughout the country.

The Government have assumed that the tax, partly at the higher rate of 2d. and partly at the reduced rate of 1d. in the case of certain improved lands, will realise about £70,000. Probably on the information at their disposal this estimate may be correct. However, whether it be correct only actual results can show. Now as to assessment values, if municipal values or roads-board values be taken as bases, then the proceeds of the tax may not exceed that estimate. But my knowledge of roads-board valuations—of their inequality, if I may so term it—leads me to conclude that the Government are likely to receive from this tax much more than they anticipate, if the assessments are made as proposed in the Bill. I have in mind one or two instances, and I will mention one which came under my notice within the last few days. A roads board in a country district was written to by the Minister for Works regarding its method of rating. The board had struck a rate on an unimproved value of ½d. in the pound, and was informed by the Minister that it would have to rate at a value of not less than 1½d. in the pound. The board then decided that it would follow the suggestion, almost the direction, of the Minister, but that in arriving at the unimproved values it would take the whole of the land within its district at a valuation of 5s. per acre. Members will see how unreasonable is the decision; because some of the land may not be worth 2s. 6d. an acre, and some may be worth £3 an acre. If one board adopts the course indicated, other boards may do likewise; hence we cannot take the roads-board assessments as a true indication of the amount likely to be raised under the land tax. The Bill provides that the landowner must state in his return as the value of the land, the price which it would fetch under reasonable conditions of sale by a *bona fide* seller. It rests with the owner to make this declaration, and to assess the value. Now, it is not upon the assessed value arrived at to-day by the municipalities, or the assessed value arrived at through the roads boards, that we shall have to pay. This Bill will have to be a guiding authority to those who administer it in the future; and the clauses of this Bill dealing with the unimproved land values will result in a great increase in the values now ruling, and hence a much larger sum will be realised by the tax than is expected by the Government. It may be said that the Government are prepared to adopt the valuations already made by the municipalities or by roads boards. True, they may be, for this year and probably for the next. But we have no assurance that these valuations will be accepted subsequently; because the Government of the day will determine through their valuators the value of the land. First, the owner will have to estimate the value in his return; and if he does not state the true value, he may be called upon to make a fresh return. Then, if in the opinion of the official valuator the true value is not stated by the owner, the Government through its valuator will assess the value. Then the owner has a right of appeal to the court of review; and in case the Government valuator's valuation is upheld, the owner will have to pay the costs of the appeal. However, in some instances the owner's contention may be upheld. I merely mention this to show that in regard to valuations the Government are not likely to take as bases those already in existence, but that soon the Taxation Act will compel the owners to make the declarations prescribed in Clause 16. If members refer to Clause 10, providing for a rebate of the tax on improved land, and compare its provisions with the proposed amendments thereto tabled by the Treasurer, they will perceive some important alterations. Taking Clause 10 as printed in the Bill, we find that by Subclause (2):—

> Land used for agricultural, horticultural, pastoral, or grazing purposes, or for two or more of such purposes, shall not be deemed improved within the meaning of this section unless the Under Secretary for Lands certifies in writing that improvements——

After "improvements" the Treasurer proposes to insert—

> (*a.*) To an amount equal to £1 for every acre thereof; or
>
> (*b.*) To an amount prescribed or to be prescribed by the Land, Act, 1898 or any amendment thereof or the regulations thereunder have been completed on the land, and the benefit thereof is unexhausted at the date of such certificate.

The Treasurer proposes also two new subclauses, to stand as (3) and (5) respec-

tively, together with other amendments to Clause 10, which will effect a considerable improvement in the Bill. With respect to the Land Act, for instance, the grazing-lease sections provide that the highest price at which land shall be purchased under those sections generally is 6s. 2d. per acre, and the improvements to be carried out are to be to the amount of 6s. 2d.; consequently, such land will, under the Bill, if these proposed amendments pass, come under the 1d. instead of the 2d. rate. So with Section 55 in respect of land worth 10s. an acre, and again with Section 56 which provides that although the land is worth 10s. an acre improvements need be effected to the value of 20s. an acre only. So, in view of the provisions of the Land Act, these proposed amendments by the Treasurer are a considerable improvement on the Bill as drafted, and are certainly much clearer and more intelligible than the original clause providing for a rebate of taxation on improved lands. But let us consider paragraph (*a*) of the Treasurer's proposed amendment to Subclause (2) of Clause 10, which amendment provides that improvements "to an amount equal to £1 for every acre thereof shall result in the land mentioned being considered improved within the meaning of the section." It seems to me that in certain cases the State will lose heavily; because, though the amendment will work greatly to the advantage of the rural landowner who is improving his land for agricultural and similar purposes, yet where the lands are close to a town or close to a railway station, and their value is greatly increased by the vicinity of the town or railway station, then the State will lose revenue; and although country lands are fairly treated by the proposed amendment of Subclause (2), in some cases they will not be; but agricultural lands close to towns or railways, which towns or railways improve the land values, will not pay their fair quota to the revenue which they must have paid under the Bill as drafted. We may see how unfair the amendment will be in another direction. Suppose, for instance, a man who takes up what are termed poison-lands, sold at about 9d. an acre by the original owners, and upon which the purchaser has had to pay something like 5s. an acre for improvements. He cannot well spend any more in improving that land, because it is suitable for grazing purposes only; whereas under this proposed amendment the value is assessed at £1 an acre, and the amount expended on improvements being only 5s. an acre, the land will not be considered "improved." Hence, in the case of land valued at £1 per acre for 1,000 acres, the improvements will be worth only £250, or a quarter of the assessed value; therefore the tax will be 2d. an acre. Now, who has improved the land? The man who has cleared off the poison plant, ringbarked the property, and thereby enhanced its value; yet he is to be penalised by the imposition of the higher rate of 2d. in the £. I am, of course, speaking of the time when it will become freehold. Whereas in some other cases where the land is much more valuable, the owner will be favoured by these exemptions, which will penalise the man who has done so much to improve his land under poison-lease conditions. Thus we see how difficult it will be to apply these various proposals to the different classes of land; hence it seems to me that these clauses will require very earnest consideration in Committee. Then in Clause 11, dealing with exemptions, subclauses (3) and (4), we find that—

> All lands used solely or principally for agricultural, horticultural, pastoral, or grazing purposes, or for two or more of such purposes, the unimproved value of which does not exceed £250, are exempted from assessment for taxation under this Act.

Most people would believe that in the case of land valued at more than £1,000, £250 would be deducted, and the holder would have to pay on £750 only; whereas the Bill clearly states, in Subclause (3), that—

> Where the same person is the owner of several estates or parcels of land as aforesaid, this exemption shall not apply if the aggregate value of such several estates or parcels exceeds £250.

Therefore I hope that the Treasurer will explain this later on in Committee, because we were certainly led to believe that the amount of £250 would be deducted from the value of £1,000, and that the tax would be imposed on a value of £750 only. Then Subclause 4 of Clause 11 provides that—

> All lands held under contract for conditional purchase made before or after the passing of

this Act, under "The Land Act 1898" or any amendment thereof, are exempted from assessment for taxation under this Act for the term of three years from the date of contract.

I consider that this term should be extended to not less than five years, and to seven if possible. Those who know conditional purchase settlers are aware that three years is far too short a period of exemption. Such a settler takes a year to get upon the land, another year to make any proper start, and in the third year he is probably only fairly under way; so that the term of exemption should not be less than five years; and if this Bill reaches the Committee stage, as I presume it will, I hope an opportunity will be afforded for an amendment of this subclause, or that, after my bringing it under the attention of the Government, they will see their way themselves to alter the provision, rather than allow the necessary amendment to come from other members interested. By such an amendment the Government will, I think, confer a great benefit on the persons particularly concerned, and will farther improve the position of the State by letting outside people know that for at least five years conditional purchase selectors will be free from taxation under the Land Tax Assessment Act. That will be an inducement to settlers to come to the country. It must, however, be borne in mind that settlers are already taxed under the Roads Act and the Municipalities Act; so that they will not be entirely free from taxation. At the same time, a land tax in addition to the two taxes they already bear would certainly be a hardship. Therefore I hope that the Treasurer who is in charge of the Bill will see his way to amend the clauses in the manner I have suggested. These are two or three of the several objections I have to the Bill; and I hope the suggestions I have made will be carried out by the Government, and that they will take notice of the proposed amendments and will farther consider their own amendments in the direction I have indicated. I do not intend to deal farther with the Bill at this stage. I prefer to wait for the Committee stage. I have given strong reasons why I consider that the Bill is at present most inexpedient, inopportune, and detrimental to the country, and why it should not be introduced; so it is not necessary for me to repeat my arguments. There is no one more opposed to the Bill than myself; but at the same time I am well aware that the country cannot be carried on without money. We are asking for new railways in every direction, and we must have money in order to pay the interest on the money borrowed for carrying out these works; yet I feel that we have not exhausted all the means at our disposal. I feel that more economy could be exercised in regard to administration, and other matters could well stand over for a time. I would prefer to see this matter deferred at least for a time in the hope that the large increase of population that would come come to our shores would help to swell the revenue, and thus avoid the necessity of introducing such a measure at this stage. I am hopeful that during the passage of this Bill the Government will see their way to farther modify it in the direction of dealing more leniently with the people in the country than they propose to do by the amendments explained by the Treasurer to-night. Under the circumstances I am prepared to await the Committee stage, and to deal with the clauses as they come forward. I regret that I was not in the House when the Minister for Works, in the early portion of his speech, dealt with roads board taxation. I should like to point out to him that, in regard to his assumption that only £11,300 would be obtained on a penny tax from the roads board valuation of £2,764,000, that the roads boards in most instances have valued the land at 10s. an acre; but that land is being purchased from the Government under conditional purchase conditions. I wanted to obtain from the Minister information in regard to the valuation which the Government would place on this land. It cannot be assumed that unimproved lands which have very little done on them are worth 10s. an acre. The roads boards have arrived at that conclusion in many instances, but we must not forget that these lands are bought under conditional purchase conditions and on terms of extended payments for 20 years, with payments of 6d. per acre per annum until the sum of 10s. per acre is reached. If a man has held a conditional purchase block for six

years he has made only six annual payments of 6d. per acre, thus has only paid 3s., leaving 7s. to be paid; consequently I cannot see how we can value his land at 10s. an acre. However, there is a clause, as I mentioned requiring an owner to set a value on his land at which he will sell. We thus place the owner in an awkward position, because he would not sell the land under 10s. an acre, not wishing to part with it; but that would not be a true valuation. What it is worth is what the man has paid on it; so it is hard to know what to do as to the conditional purchase clauses, because even the land is not the property of the proposed holder; he is the applicant for purchase; he is taking the land under lease from the Crown under the terms of conditional purchase; and until he has completed the conditions of purchase he is not the owner.

THE PREMIER: Sixpence per acre, spread over 20 years, if capitalised would mean about 4s. per acre.

HON. F. H. PIESSE: We cannot understand why the valuation is assessed at 10s., when it is not worth that. It is only when the land is improved by the owner that it becomes of that value. The Bill is surrounded by difficulties of a similar character; and it is only when we are discussing the Bill clause by clause n Committee, and when matters are considered from various standpoints, that we can arrive at some understanding as to the application of the different clauses relating to conditional purchase leases. There is also the question of pastoral leases. They have been brought under the provisions of this Bill, but I cannot see how the Government can rightly tax them under this Bill. It seems to me that the Government should take a more legitimate course, that of increasing the rental if the lands will stand it, rather than taxing the land under a land tax Bill, which they do not seem to me to have the right to do. For some years past pastoral lessees have had all they could do to make their way in the Northern districts, where they have not been too successful until we had more bountiful rains of the past few years. Under the present Land Act we could not change the conditions in regard to the pastoral leases, but under the amending Bill we could bring in new conditions and secure additional rents. I do not advocate that course, but I think it is more preferable than the course suggested by the Government in this Bill, which will be hard to apply and which is, in my opinion, unfair, and one which should not be included in a Bill of this nature. These various matters will be again touched on, so I do not intend to say anything farther in regard to the Bill. I will content myself with the opportunity later on of dealing with these matters when they come up in the Committee stage.

MR. A. C. GULL: I move that the debate be adjourned.

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

Ayes	...	...	26
Noes	...	...	10
Majority for	...	...	16

AYES.	NOES.
Mr. Brown	Mr. Bath
Mr. Butcher	Mr. Bolton
Mr. Daglish	Mr. Collier
Mr. Davies	Mr. Heitmann
Mr. Ewing	Mr. Holman
Mr. Foulkes	Mr. Johnson
Mr. Gregory	Mr. Scaddan
Mr. Gull	Mr. Taylor
Mr. Hudson	Mr. Ware
Mr. Illingworth	Mr. Troy (*Teller*).
Mr. Keenan	
Mr. Layman	
Mr. Lynch	
Mr. McLarty	
Mr. Male	
Mr. Mitchell	
Mr. Monger	
Mr. N. J. Moore	
Mr. Piesse	
Mr. Price	
Mr. Smith	
Mr. Stone	
Mr. Veryard	
Mr. Walker	
Mr. F. Wilson	
Mr. Hardwick (*Teller*).	

Motion thus passed, the debate adjourned.

ADJOURNMENT.

The House adjourned at fourteen minutes past 10 o'clock, until the next day.