

share and fall into line wherever possible, but it is only just that special consideration should be given in instances such as I have mentioned.

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

Ayes	..	..	..	12
Noes	..	..	..	7

Majority for .. .. 5

#### AYES.

Hon. J. T. Franklin	Hon. J. Nicholson
Hon. W. T. Glasheen	Hon. E. Ross
Hon. V. Hamersley	Hon. H. Stewart
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. A. Lovekin	Hon. H. J. Yelland
Hon. G. W. Miles	Hon. G. A. Kempton
	(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. H. A. Stephenson
Hon. J. M. Drew	Hon. Sir E. Wittenoom
Hon. W. H. Kitson	Hon. E. H. Gray
Hon. Sir W. F. Lathlain	(Teller.)

Amendment thus passed.

The CHIEF SECRETARY: I move an amendment—

That the following proviso be added:—“(vi) That land shall not be rateable in respect of the cost of works constructed prior to the first day of January, 1925.”

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

Clause 3, Title—agreed to.

Bill reported with amendments.

*House adjourned at 6.14 p.m.*

## Legislative Council.

*Tuesday, 20th November, 1928.*

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

### ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the under-mentioned Bills:—

- 1, Pearling Act Amendment.
- 2, Dried Fruits Act Amendment.
- 3, Navigation Act Amendment.
- 4, Fertilisers.

### QUESTION—RAILWAY PROJECT, KALGARIN.

Hon. E. H. HALL (for Hon. W. T. Glasheen) asked the Chief Secretary: 1, What is the cause of the delay of the Government in bringing down a Bill to authorise the construction of a railway to serve the Kalgarin settlers? 2, Will such a Bill be introduced before the close of the present session?

The CHIEF SECRETARY replied: 1, and 2. The matter is receiving consideration.

### BILL—HARBOURS AND JETTIES.

Introduced by the Honorary Minister and read a first time.

### BILL—ROAD CLOSURE, (QUEEN STREET.)

Read a third time and transmitted to the Assembly.

### BILL—WATER BOARDS ACT AMENDMENT.

Report of Committee adopted.

**BILL—LAND TAX AND INCOME TAX.***In Committee.*

Resumed from 14th November. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 2—Grant of land tax and income tax for the year ending 30th June, 1929 (partly considered).

The CHAIRMAN: Progress was reported on this clause. Mr. Rose indicated a desire to move an amendment, and that amendment has since been drafted as follows:—

That the following proviso be added at the end of Subclause (1):—“Provided that as regards improved agricultural land the rate shall be one half-penny in the pound sterling on the unimproved value thereof.”

That amendment is now the question before the Chair.

The CHIEF SECRETARY: I hope the Committee, before agreeing to this amendment, will give serious consideration to the financial position of the State, both as it is at present and as it may be in the future. As I have repeatedly said, we were able to reduce the income tax by 33½ per cent. in consequence of a grant from the Commonwealth Government. It is our desire that that grant should continue, but we have an assurance that it will operate for only five years. What is to occur after that? Are we to go back to the old rate of taxation? That is the question the Committee will have to consider in dealing with this amendment. Again, there is an amendment to the Group Settlement Bill authorising the formation of a board for the purpose of revaluing the farms. There is not the slightest doubt the capitalisation will be lowered, but to what extent we do not know. It will certainly have a serious effect on the revenue. It has been said that the money expended on the groups was cheap money, but I may point out that of that money some 3½ millions is not cheap money; the full rate must be paid on it. About 2½ millions come under the head of cheap money, but the remaining 3½ millions was dear money, carrying the full rate of interest. I wish to give the Committee clearly to understand the possible effect of the proposed revaluation. Suppose each farm is reduced to £1,000. If such a reduction takes place there will be a total loss of capital of £3,454,737, and the

effect against Consolidated Revenue, including the cheap money, will be £190,008 per annum. If the farms are reduced to £1,250 each, the total loss of capital will be £3,013,287 and the effect against Consolidated Revenue will be £165,726 per annum. If the farms are reduced to £1,500 each, there will be a total loss of capital of £2,571,787 and the effect against Consolidated Revenue will be an annual loss of £141,443. How is that revenue to be made up? That is another question I desire to put to the Committee, and particularly to Mr. Rose. During the last two years £460,000 of loan money has been spent under the Federal aid roads scheme. Interest on that has to be met. At present it is not being met by anyone outside the Government. The different local authorities have repudiated their assessments, and we have therefore to find the interest on that loan expenditure. During the last two years also we have spent £277,000 on water supplies in the agricultural areas. I am informed that very little of this sum has been recouped in the form of interest. The State has to bear the burden of that outlay. In addition, the interest and sinking fund bill has increased this year by £226,544. Agricultural railways, water supplies and other works of advantage to farmers have brought this about. They are not reproductive works at present, but should be so within a few years. Taxation from every source amounts to £1,318,920. The free services cost £1,335,698. Taxation does not cover the free services, which include education £668,893, medical and health £200,893, lunacy £101,918, child welfare and outdoor relief £106,352, police £220,511, gaols £25,712, and aborigines £11,626. The cost of running these departments is increasing from year to year. We increased the land tax and abolished the 15 per cent. super tax. The sum of £60,000 was lost last year by the reduction in railway freights, which was a set-off against the increase in the land tax. Country people are getting the benefit of that. Farmers receive a rebate of 50 per cent. on the increased valuation of their properties. Half the land tax of the farmer is deducted from the income tax.

Hon. H. Stewart: It ought all to be deducted.

The CHIEF SECRETARY: Will the disabilities grant be continued by the Federal Government or not? It is guaranteed

for only five years. When the time comes to reconsider the position, if the State Government have been heavily reducing the income tax and do reduce the land tax, the Federal Government will say there is no necessity to continue that grant. If we can afford substantially to reduce taxation, they will claim we stand no longer in need of assistance. I ask members to consider these points when dealing with Mr. Rose's amendment.

Hon. H. STEWART: When the Government brought down a previous Land and Income Tax Assessment Act, this House expressed the opinion that those who were engaged in developing our agricultural lands were entitled to equitable treatment. It has been the custom in the previous history of the State for the tax on the farmer's income or on his land to be rebated entirely in the one case or the other, the effect being that he paid only a land tax or an income tax, whichever was the greater. This House supported that principle. When, however, it came to a question of a conference between the two Chambers, it was arranged by the managers that the super tax should be reduced over a period of years and that a rebate of 50 per cent. should be accepted. Meanwhile the Government have substantially reduced the income tax but have made no attempt to relieve the position of the person who utilises his capital in agricultural production. Before reducing the income tax the Government should have still further reduced the tax on developed agricultural land. Furthermore, the Government did not consider whether the land was being properly utilised or not. The effect of the double land tax was that the imposition fell proportionately greater upon the person who was utilising his land than upon he who was holding it unutilised. These are two sound reasons why I intend to support the amendment.

Hon. A. LOVEKIN: I hope Mr. Rose will not press the amendment. If he does, we shall be led into an impasse with another place. If there was any chance of the amendment being accepted I would support it. The principle of taxing improved land is a vicious one. After the figures given by the Chief Secretary, however, we can hardly desire to deprive the Government of the revenue that would accrue under this Bill. Western Australia is not so heavily taxed when it is compared with the other States.

In Victoria, the tax on unimproved land is  $\frac{1}{2}$ d. plus the super tax; in Queensland it is  $\frac{3}{4}$ d. plus another  $\frac{3}{4}$ d. if the value of the land is £5,000 or over, and in Tasmania the unimproved land tax is 1d. to  $3\frac{1}{4}$ d. according to the area. When the tax was imposed, railway freights were reduced to the equivalent of  $\frac{1}{2}$ d. in the pound. The settler is therefore 15 per cent. better off than he was before the arrangement arrived at between the two Houses. The tax used to be  $\frac{1}{2}$ d. plus 15 per cent. Now it is 1d. without the 15 per cent., and out of the 1d. the settler receives a rebate of  $\frac{1}{2}$ d. through reduced railway freights. In view of the financial position of the State I cannot see that any good will accrue by persisting with this amendment. I hope Mr. Rose will not lead us into the position we found ourselves in last session.

Hon. J. NICHOLSON: I am invariably ready to support any reduction in taxation that can feasibly be carried out. I should like very much to support this amendment, but I find great difficulty in doing so. We know what a serious position this created between the two Houses last year, and if we are prepared to enter into another position such as that, I should be sorry indeed and I think also that no one would be more sorry than Mr. Rose himself. On an occasion like this, I contend it is impossible for such a proposal to be given effect in view of the explanations made by the Chief Secretary. We must recognise also that the Government have endeavoured to reduce taxation and that they have shown that they are alive to the responsibilities of their office and to the need for encouraging as far as their revenue will permit them to carry out further reductions if they are able to do so. One has only to remember the items referred to by the Chief Secretary to realise that no Government could possibly meet their interest bill if the amendment were carried. I am regretfully compelled to vote against the amendment.

Hon. A. J. H. SAW: I intend to vote against the amendment, and as it is one that entirely accords with my political principles, I should like to say a few words to justify my action. Ever since I have been in Parliament I have always advocated that taxation on land shall fall on unimproved land and not on improved land and I do not care whether it is placed on agricultural land or land in the city. But remembering the impasse into which we were

led last session, and being aware of the majority the Government have in another place, and also that members of that other place are not likely to change their views on this particular question, I cannot see that it will be any use passing the amendment, and leading the House into another conflict on a constitutional point.

Hon. J. EWING: The three previous speakers are in favour of the principle enunciated by Mr. Rose, but I think if we view the situation in a proper manner, we must realise that the Government are now receiving more money than has ever been received before by any previous Government. Mr. Rose does not want to do anything that is not right; the action he proposes is in the interests of the people and especially the farmers. He recognises, as we all recognise, that the people on the land are creating the wealth of the country and that the heaviest burden should not fall upon their shoulders. I shall support the amendment.

Hon. V. HAMERSLEY: I am not certain whether it is Mr. Yelland's amendment or Mr. Rose's amendment that is before the Committee.

The CHAIRMAN: The amendment moved by Mr. Rose is before the Committee.

Hon. V. HAMERSLEY: The amendment is in keeping with the original Act and also what has been the intention of the community since the inception of taxation on land and incomes. Originally, great exception was taken to the land tax, and it was only passed when a combined tax was brought into operation with the one idea that the person working agricultural land was not to be taxed as well. We have departed from that principle and now those who are developing the country and keeping the cities and the larger centres buoyant, find that taxation has to be paid on their land as well as on their incomes. Not only has the tax been increased, but the 50 per cent. reduction has been swept away by the vastly increased valuations. In my opinion the amendment is reasonable and farmers should be given the consideration they had before. We are aware that the requirements of the State are considerable, but if the Government will keep on increasing their expenditure in all directions, it will be hopeless to expect the agricultural community to go on trying to find more funds. Many of them are writing letters to us com-

plaining of the difficulties under which they are labouring and some are wondering whether it is worth while continuing their operations. We have heard it said that taxation in the Old Country is greater than that out here. I claim that the taxation in the Old Country does not fall so heavily on the people there as does taxation on the people here. It must not be forgotten that the people here have to bear a fairly heavy Federal tax as well as the State tax. I feel inclined to support the amendment.

Hon. E. H. H. HALL: I listened carefully to the figures quoted by the Chief Secretary, and I also heard what was said by Dr. Saw, Mr. Lovekin, and Mr. Nicholson, and after giving due consideration to the remarks about the clash between the two Houses, I wish to express the hope that Mr. Rose will persevere with his amendment. Government expenditure will continue to increase until the Government set an example that is long overdue to the whole of the people of the State. The sooner a thrift campaign is commenced and is headed by the Government, the better will it be for everyone concerned. My mind goes back to some time ago when the Government granted long service leave to the railway employees.

Hon. H. Stewart: Apart from the Arbitration Court.

Hon. E. H. H. HALL: The Government carried out an unconstitutional act and I ask members, irrespective of what the consequences may be of another clash between the two Houses, to remember who it is that provides the money that enables the Government to indulge in such unconstitutional acts. The money is provided by the man who goes out and develops the backblocks of the State. I wish Mr. Lovekin and Mr. Nicholson had been with me yesterday when I passed through part of the Central Province, and had seen men garnering the harvest in a temperature of 105 degrees in the shade. It is not a question of getting as much revenue as possible from the man who is developing the State as it is that the Government should exercise strict economy. It is no idle rumour that has reached me that the Government service in this State is considerably overmanned. The sooner action is taken with a view to ascertaining the exact number of officers required to carry on the services of the State, the better it will be

for all concerned. It seems to me that civil servants are falling over each other in looking after the business of the country.

The CHAIRMAN: Order! Mr. Hail is a new member and on that account I have allowed him a considerable amount of latitude.

Hon. E. H. H. HALL: Thank you.

The CHAIRMAN: I hope the hon. member and other members of the Committee will keep to the simple issue that is before the Chair—the amendment moved by Mr. Rose.

Hon. Sir EDWARD WITTENOOM: Whilst I have every sympathy with the amendment moved by Mr. Rose, I am sorry I cannot support it on this occasion. My reason is that it is a serious matter to interfere with the Treasurer's Budget after he has gone through every possible avenue to provide revenue for the year. It is quite certain that if the amount proposed to be raised by the tax is to be set aside, a similar sum will have to be found elsewhere. I have already said that I have no sympathy with taxation on land except for the purposes that I enumerated and therefore next year, if an amendment of this kind is brought forward, I shall give it my support. At the present time, however, I do not feel justified in interfering with the Treasurer's Budget.

Hon. E. ROSE: The object of the amendment is to ease the burden on the small farmer. It is all very well to talk of the income tax reduction, but when we consider the number of taxes imposed upon the small farmer, we should realise the necessity for affording some relief. On top of the land tax of 2d. in the pound, farmers have to pay road board rates of 3d. to 4d. in the pound on the unimproved value, a Government vermin tax of  $\frac{1}{2}$ d. and a road board vermin rate of  $\frac{1}{4}$ d. In addition, many farmers have to pay water and drainage rates. Some members have said that while they favour the amendment they cannot support it. A similar amendment was tabled last year when the Government had an opportunity to gauge the feeling of this Chamber and it was their duty to ease the burden this year.

Hon. V. Hamersley: Hear, hear!

Hon. E. ROSE: Valuations show an increase of £11,592,657 on which the Government are collecting land tax. Of the 120

or 130 road districts in the State, only 73 have been re-valued, and as the remaining districts are re-valued, more revenue will be received by the Government. A huge additional sum is being received by the Government over and above the proceeds of the tax in 1923-24. I am doing my best to assist the small farmers in order to get the land developed. There is so much unimproved land that it is time we altered the system of land taxation.

Hon. H. J. YELLAND: I support the amendment, although I have a proposal to rebate 1d. of the land tax. One point members have overlooked is that no State should allow its expenditure to exceed its receipts. When the receipts by means of taxation exceed the expenditure, there is always a tendency to extravagance. When by extravagance the expenditure exceeds the receipts, the Government naturally seek some avenue of taxation to make good the loss. Usually the burden falls on the producers. If we give relief to producers, as suggested by Mr. Rose, we shall reduce the tendency to extravagance. Prior to 1924 the tax on land was only 1d. in the pound, in addition to which certain exemptions were granted. A man was not taxed upon his land when his land was considered to be his capital. There cannot be any justice in taxing a man's capital. When a man is using his land as capital to produce his income, the exemption is quite justified. Not only was the exemption abolished, but the tax was increased from 1d. to 2d. in the pound. The figures of the Commissioner of Taxation show that the valuations have been increased by 61 per cent., and the proportion of tax coming from the land to-day is 1.85 x 1.61 as compared with that prior to 1925. The advantages that the present Government have received are such that a revision of the tax is long overdue. The Chief Secretary referred to my second reading speech and seemed to think that I had blamed the Government for the present state of affairs. I did nothing of the sort. The valuations have been revealed as they have been completed and the increase to-day is 61 per cent. The Government are receiving taxation on the increased valuations, the exemptions have been abolished, and the return from land tax is in the proportion of £1 to £2 10s. 9d. A reduction of the land tax from 2d. to 1d. would mean that the receipts from land tax would be in the pro-

portion of £1 5s. 4½d. to £1 as compared with the 1924 assessments. If that is so, the producers who no longer enjoy exemption from taxation of their capital are justified in looking to this Chamber for relief.

Hon. H. SEDDON: I cannot support the amendment for the reason I mentioned when discussing the second reading. The finances of the State will not be balanced this year, and I cannot see how any member can suggest reduction of any taxation while that state of affairs exists.

Hon. Sir WILLIAM LATHLAIN: When a similar amendment was tabled last year, I opposed it because the Financial Agreement had not been finalised. With the carrying of the referendum, the financial arrangements between the Commonwealth and the State will be much more secure. A large amount of money is being held by the Treasurer and that will now be available for distribution. Every member recollects the unpleasantness engendered between the two Houses last year when we pressed a similar amendment, and I think it would be unwise to adopt that course again. No matter how much we may press the amendment, I feel sure we would meet with refusal as before. Then we should be placing ourselves in a peculiar position. Probably every member here favours the amendment, but when we realise the parlous position of the finances, we must admit the time is not opportune to reduce taxation.

Hon. E. Rose: That applies every year.

Hon. Sir WILLIAM LATHLAIN: I am aware of that. I agree with Mr. Hall that it is easy to be generous with other people's money. The Government could have restricted expenditure in the matter of long service leave, the 44-hour week, and the contract system. However, the Treasurer has budgeted for the current year, and it would be unwise for us to interfere, because we might be blamed for the deficit that I believe will assuredly accrue this year.

Hon. V. Hamersley: We shall be blamed anyhow.

Hon. Sir WILLIAM LATHLAIN: But we do not want to accentuate it. If we could insist on the amendment, I would say, "Go on with it by all means," but as Mr. Lovekin has pointed out, we have no power to enforce it. Though we may request the amendment, we are pretty sure the Government will refuse to accept it; consequently

I cannot support the amendment. We should not do anything to engender ill-feeling between the two Chambers.

The HONORARY MINISTER: I admire Mr. Rose's persistency, and regret I cannot support him or agree with some of the arguments advanced for a reduction. Surely there is no need to make charges of extravagance against the Government service or suggest that the greater part of the revenue of the State is provided by the farming community! Facts and figures prove the contrary. It is a fact that while valuations have been increased the proceeds from land tax have been in no way commensurate with the increase. On the other hand, we are constantly receiving requests, almost demands, from practically every part of the State for increased or improved services in one direction or another. We receive numerous complaints that agricultural railways are not being built fast enough, and that essential water supplies, which it is contended should be free of charge, are lacking. In no part of the world are agriculturists treated so well as in Western Australia. Some members declare that the State finances are in a parlous condition. However, that is not the case, notwithstanding the deficit budgeted for by the Treasurer. There is no need to be pessimistic about the financial situation, but we should try to make ends meet. The Government are trying to do that, while giving all due consideration to the needs of the man on the land. The 44-hour week and long-service leave have been mentioned, but I will not argue those matters beyond saying they are justified. They have no bearing on the present question. The policy of the Government for the next two years shows that they are prepared to do justice to the man on the land. When the land tax can be reduced, no one will be more pleased to see it reduced than the present Government.

The CHIEF SECRETARY: I appreciate the sentiments expressed by members who oppose Mr. Rose's amendment, but supporters of the amendment have in no way attempted to refute my arguments and figures, except for a vague statement by Mr. Hall that the Public Service is over-manned. If it were so, it would be a grave reflection on the Public Service Commissioner and also on the Public Service itself. However, it is not so. In my department very few appointments have been made since I took

charge of it. Appointments have been made in other departments, but they were not new appointments. Mr. Hall should have investigation made into the matter.

Hon. E. H. H. Hall: I intend to.

The CHIEF SECRETARY: The clause represents a compromise made between the two Houses in 1924. Until recently no protest has been made against the compromise, not even by Country Party members.

Hon. H. Stewart: Protest has been made each session, as "Hansard" shows.

The CHIEF SECRETARY: When I brought down a Bill to reduce the income tax by one-third, not a single member of this Chamber suggested that the land tax should be reduced instead of the income tax. This agitation has only begun since then. Mr. Stewart now says the Government should have reduced land taxation instead of income taxation. Discussions in this Chamber extending over two sessions impressed me with the necessity for reducing income taxation, and the arguments used here were laid by me before Cabinet and caused the matter to be taken into serious consideration. I stated to Mr. Nicholson that I had put the position before Cabinet.

Hon. J. Nicholson: That is so.

The CHIEF SECRETARY: Mr. Hamersley says the increased valuations put upon land mean more taxation on the farmers. I recently quoted an extract from a statement compiled by the Taxation Commissioner as to agricultural land values in the Eastern States. There the valuation of land capable of producing 15 bushels per acre is higher by something like 300 per cent. than the valuation of similar land in Western Australia.

Hon. V. Hamersley: What is the reason?

The CHIEF SECRETARY: I do not know.

Hon. V. Hamersley: You should inquire.

The CHIEF SECRETARY: There is a continuous increase in the value of agricultural land, and farmers should be gratified by the fact. However, we are considering the financial position of the State, and at present it is impossible for the Government to agree to any reduction in taxation. Mr. Rose referred to the "Government vermin tax." That is not a fair way of describing the tax. It is not a "Government vermin tax," since the proceeds go to a fund which is administered by a board, and which is in no way concerned with Consoli-

dated Revenue. The measure imposing the tax was introduced at the request of the Primary Producers' Association and the Pastoralists' Association.

Hon. E. Rose: I am not complaining about that.

The CHIEF SECRETARY: But the hon. member would lead the public to believe that the Government derive benefit from the vermin tax. He further said that no State should allow its expenditure to exceed its receipts. In that case Western Australia would speedily come to a standstill. The Government are constantly being asked when they propose to build new agricultural railways. Such railways never return interest and sinking fund from the beginning, and thus their construction necessarily means increased expenditure. If the Government decided not to provide water supplies unless there was a certainty of their returning interest on the money within two years, agricultural settlement would not advance. In fact, if we looked at matters from that aspect, there would be no progress in Western Australia.

Hon. H. STEWART: Until recently I would have been prepared to accept any statement made by the Chief Secretary as accurate, but in connection with the discussion of Main Roads Board matters I had occasion to challenge, in this Chamber, certain statements of his regarding my attitude and that of other members. I challenged those statements as conveying a wrong impression. The Chief Secretary now seeks to indicate that representations have not been made to him regarding the burden of taxation on the holders of agricultural land. He says that the matter has not been impressed upon him here as representative of the Government. I have not had time to look up in "Hansard" what I have previously said regarding land taxation, but I believe that in each session, either on the Address-in-reply or on the Land and Income Tax Bill, I have made protests on that score. If the Chief Secretary has not put those protests before Cabinet, it is an indication that I have shown the Government too much consideration in not moving such an amendment as that of Mr. Rose. Apparently the Chief Secretary wants me to take drastic action by way of amendment. I have not had time to look up the reports in "Hansard" of what I said regarding the Government's taxation pro-

posals. If I refrained previously from drawing the comparison I have made to-day, it was because I recognised that the Government were responsible for framing taxation. But the Chief Secretary knows full well that I have referred to the land tax each session and have said that I was opposed to the vicious principle under which the burden was made greater on the individual who improved his property than on the man who did not do so. The Chief Secretary cannot say that is not so.

The CHAIRMAN: I have allowed considerable latitude, but I am afraid the discussion is developing into an Address-in-reply debate. I hope the hon. member will connect his remarks with the simple issue involved in the amendment.

Hon. H. STEWART: I do not think I have reached the stage at which I have roamed so far afield as other members, including the Honorary Minister. The principle upon which the land tax has been based has been unsound and for that reason I support the amendment.

Hon. A. Lovekin: Why limit it to agricultural land?

Hon. H. STEWART: Because it has been recognised by Parliament that it was in connection with agricultural land that the increased burden was imposed.

Hon. A. Lovekin: Does not the principle apply to all land?

Hon. G. W. Miles: Yes, of course it does.

Hon. H. STEWART: There are various reasons why I favour the amendment rather than expand its scope to cover all land.

Hon. J. EWING: The attitude of some hon. members has astounded me. It has been said by some that they will not support the amendment because they do not desire to embarrass the Government. In view of the Financial Agreement, it must be patent that Governments will be better off during the next 10 or 15 years than ever before. Hon. members talked about those who created the wealth having the right to pay either land or income tax, but it has to be remembered that at a conference with the managers from another place it was decided that they should not have that right. If hon. members look at the report of the Commissioner of Taxation they will appreciate how the values of land have been increased during the last few years. The Minister said that the unimproved value of land here was low. On the other hand it

has been increased very considerably. Take the land at Bruce Rock. The old unimproved value was £279,020, whereas the unimproved value under the latest valuation amounts to £818,433, an increase of £539,413.

Hon. A. Lovekin: That is profiteering!

Hon. J. EWING: The re-valuations completed to date show, according to the figures submitted in the report of the Commissioner of Taxation, that the old unimproved value of agricultural lands stood at £7,869,223, whereas the new unimproved value is £13,215,433, or an increase of £5,346,210. That is an enormous increase, and will serve to indicate the increased revenue the Government will derive from the land tax. The figures I have read should satisfy any hon. member that some reduction is justified in the interests of the small farmers. The Government can well afford to reduce the land tax as suggested in the amendment. Notwithstanding what took place last year, we should put up a fight to secure a reduction of the land tax.

Hon. A. Lovekin: Will you stand up to it at the finish?

Hon. J. EWING: If it should be shown to our managers at the conference that the financial position of the Government will be embarrassed, they can satisfy themselves, and as we had to give way on a former occasion, so we could again.

Hon. V. HAMERSLEY: I cannot allow to go unchallenged the Chief Secretary's remark that no protest was made by country members.

The Chief Secretary: I admit that you protested.

Hon. V. HAMERSLEY: I do not want the Minister's remark to appear in "Hansard" without having the opportunity to point out that when the managers submitted their report, I entered a protest, but the Chairman of Committees said it was not right for the House to protest after the managers had agreed. That ended the matter. I am sorry if the fact that we did not enter a more emphatic protest is to be a charge against us now.

The CHIEF SECRETARY: Mr. Hamersley is right. I remember now that he did object, briefly but definitely.

Amendment put and a division called for.

The CHAIRMAN: Before appointing tellers I desire to inform the Committee that



I shall cast my deliberative vote with the noes because an almost identical amendment was agreed to last session, and it led us nowhere. Although the voting on this occasion is not in doubt, I wish to intimate that, even if it were, I would still vote with the noes.

Division taken with the following result:—

Ayes	..	..	..	11
Noes	..	..	..	15
				—
Majority against	..	..	..	4
				—

#### AYES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. J. Ewing	Hon. E. Rose
Hon. E. H. H. Hall	Hon. C. H. Wittenoom
Hon. V. Hamersley	Hon. H. J. Yelland
Hon. G. A. Kempton	Hon. H. Stewart
Hon. W. J. Mann	(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. Sir W. Latblain
Hon. J. Cornell	Hon. A. Lovekin
Hon. J. M. Drew	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. A. J. H. Saw
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. H. A. Stephenson
Hon. W. H. Kitson	(Teller.)

#### PAIR.

AYE.	NO.
Hon. W. T. Glasbeem	Hon. C. B. Williams

Amendment thus negatived.

Clause put and passed.

Clause 3—Rate of income tax:

Hon. A. LOVEKIN: When the clause was last before the Committee, the Minister presented some figures regarding taxes, which I do not think should remain unchallenged in "Hansard." He gave the rate on a taxable income of £500 as the basis for comparison between our rate of tax and those operating in the Eastern States. That was not a fair basis to work on from any point of view. If we consider the Victorian tax as against the Western Australian tax and take a taxable income of £100, we find that the rate in this State is 2d. in the pound, whereas in Victoria it is 6½d. in the pound. We are much lower. If we take a taxable income of £500, our tax again is lower than the rate of 6½d. in the pound that operates in Victoria. In that State the tax paid would be £13 10s. 10d. as

against £10 here. When we get to taxable incomes of £660, we reach a scale of income that counts in its effect upon industry. On incomes of that amount the Victorian tax practically synchronises with our tax. An income of £1,000 is not an extravagant one, but if we consider a taxable income of that amount, we find that the Western Australian rate of tax runs away from the Victorian rate. Whereas an individual in Victoria will pay £27 10s. on his taxable income of £1,000, a person in Western Australia having a similar income will have to pay £34 11s. 8d. That position is continued when we deal with the higher incomes. The Western Australian rate of tax runs up to 4s. in the pound, whereas the Victorian rate remains at 6½d. plus 5 per cent. It is the tax on the higher incomes that reacts upon industry and prevents competition. It is on those higher taxable incomes that the rebate is so essential, and I am glad that the Government have provided for that rebate, so as to give the industries of this State, small though they may be, an opportunity to progress. I mention these points because I do not think the figures that the Chief Secretary gave should be allowed to stand in "Hansard" without some further explanation.

The CHIEF SECRETARY: Those figures were not my figures, notwithstanding which I understand they are approximately correct. They were taken from the "Daily News," from a letter by Mr. L. E. Horne, secretary to the Taxpayers' Association of Western Australia. Certainly he is no friend of the Taxation Department. I understand that from other correspondence I have read in the daily Press. In his letter in the "Daily News" of 6th inst., Mr. Horne said—

It must be understood that this does not mean £500 earned income, but the amount actually taxable after all deductions have been allowed.

The earned income may have been £700 or £800, but he is dealing with the taxable income. He then gives figures showing that Western Australia on the basis of a £500 taxable income compares favourably with the Eastern States. His letter continues—

For instance, New South Wales allows a statutory deduction of £300 off all income; Victoria allows £200 up to £500; Queensland allows £100; Tasmania and Western Australia allows £250 diminishing; South Australia allow nothing on incomes beyond £300.

His letter concludes with this—

From the above examples it will be seen that Western Australian taxes on income and profits compare very favourably with those of the other States.

That is a gentleman who is naturally a critic of the Taxation Department; but he honestly comes forward and expresses the opinion that on the whole our taxation compares favourably with that of the other States.

Hon. A. LOVEKIN: On the whole, it does not bear very favourable comparison. The Chief Secretary draws in a lot of extraneous matter. To make a comparison in taxation one must always come back to the bedrock of the taxable income, and apply the rates to it. We do not want to go very much further than this: If in one State the limit of the tax is 6½d. in the pound, and in another 4s. in the pound, there must be a great disparity in the respective taxation of the two States.

Clause put and passed.

Clauses 4, 5 and 6—agreed to.

Preamble, Title—agreed to.

Bill reported without amendment, and the report adopted.

### **BILL—QUARRY RAILWAY EXTENSION.**

Received from the Assembly and read a first time.

### **BILL—FEEDING STUFFS.**

Message received from the Assembly notifying that it had agreed to the amendments made by the Council.

### **BILL—RAILWAYS DISCONTINUANCE.**

*Assembly's request for Conference.*

Message received from the Assembly requesting a conference on the amendments insisted upon by the Council, and notifying that at such conference the Assembly would be represented by three managers.

## **BILL—ELECTORAL DISTRICTS ACT AMENDMENT.**

*Second Reading.*

Debate resumed from 13th November.

HON. E. H. HARRIS (North-East) [6.7]: Two matters that vitally affect the representation of the people in the State Parliament are a redistribution of Assembly seats or a re-adjustment of boundaries. It is 17 years since any alteration has been made in either respect, and so all will agree that the Bill is overdue. In 1923 an attempt was made by the Mitchell Government to amend the boundaries, but the Bill failed. I was vigorously opposed by the then Opposition, who are now on the Treasury bench as the Collier Government. The Bill failed because the recommendations made by the Commissioners—who, by the way under this Bill, will be the same gentlemen—were not acceptable to members of another place. Not only was the Bill opposed by the Opposition, but it met with opposition by Government supporters in the Assembly. Those members were allowed to exercise their freedom of conscience in the matter; that is to say, the Bill was not made a party question. It was a fatal error of political judgment on their part that they did not pass the Bill; for that was a more equitable measure than the one now before us. The Premier, when Leader of the Opposition, delivered his policy speech at Boulder in January of 1924. In the course of his remarks he is reported to have said—

During last session the Government had introduced a Redistribution of Seats Bill. His party had put up such a strong fight that the measure was defeated. They had always stood by the principle of one man one vote, but in the Government's Bill the boundaries were arranged in such a way that a vote in one district would equal six in another. They would have one district with 1,000 electors and another with 6,000. It was better to let things stay as they were than to interfere with them and make them worse.

Subsequently the Premier said that if he and his party were returned to power they would bring in a Redistribution of Seats Bill on a more equitable basis. I intend presently to give members an opportunity to compare that statement made by the Premier when he was Leader of the Opposition and trying to get into power, with what is embodied in the Bill. I wish now to turn a spotlight on the figures that have been

supplied to us, indicating the number of electors in the various electorates, and the quotas. The Mitchell Bill provided for five areas; but the present Bill, by a simple striking out of words in the schedule, will provide for only four areas. The goldfields central area is to be dropped, and the electorates composing that area are to be transferred to the mining area, which is to be re-named as the mining and pastoral area. That will embrace all goldfields seats as being mining and pastoral. So the grossly unfair basis existing to-day is to be superseded by another, but in a lesser degree. The Bill discloses that the bump of self-preservation is very highly developed in the Collier Government. We see that in the proposal to amalgamate the central and outer goldfields areas. There are no pastoral areas in the electorates of Boulder or of Kalgoorlie, not any more than there are in the Perth electorate. It would be just as correct to say that Perth is an agricultural district as to say that Kalgoorlie or Boulder is a pastoral district. They are surrounded by pastoral areas, it is true, but that is applicable also to the northern electorates. Kalgoorlie is approximately distant 400 miles from the seat of government and is reached by train. Once you reach Kalgoorlie or Boulder, you can travel from the centre to any portion of either in a quarter of an hour. Representing the North-East Province, I last week wrote to the Chief Electoral Officer, asking him to be good enough to give me the square mile areas of the five Assembly electorates comprised within the North-East Province. My object in trying to obtain that information was to point out to the House that there is no analogy between the small compact electorates of Kalgoorlie and Boulder and those farther north. Yet it is provided by the Bill that they shall have exactly the same quota. Here are the figures supplied me by the Chief Electoral Officer:—Kalgoorlie, two square miles; Brown Hill-Ivanhoe 84½ square miles; Menzies 5,150 square miles, Mt. Leonora, 10,037½ square miles and Mt. Margaret 127,937½ square miles.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. E. H. HARRIS: I was quoting the area in square miles of the five electoral districts covered by the North-East Province. This is a huge territory. I quote it

because it is obvious to anyone who looks at the possibilities of the redistribution that the Menzies, Leonora and Mt. Margaret seats will be embodied in one. There is an area which I believe is larger than that, which will cover the districts of Cue, Murchison and Mt. Magnet. This with its limited population will naturally cover one other area. The area of Boulder is smaller than that of Kalgoorlie, approximately one square mile. If one were to take as a guide the boundaries allocated by the commission for both Boulder and Kalgoorlie when they were previously subdivided, one could see that they would be reduced considerably from the very small areas they now consist of. The goldfields outer area, unfortunately, is thinly populated. The methods of transport and the facilities afforded for going to that district are not analogous to those of the central portion of the goldfields area. People have to travel from the seat of Government to Kalgoorlie before they can radiate to any of those respective electorates. It may be pointed out that there is an inner and an outer area in the agricultural districts, but it is not so pronounced as would be the case on the goldfields. This shows the solicitude of the Government for Cabinet Ministers and the contemptuous regard for those who represent the outside districts, when it is submitted that they should have the quota of 2,000 where they are in the outside and scattered districts, as against those which would be represented by the small and concentrated areas. There is no area in the agricultural districts of one or two square miles. There are some areas smaller than others, but there is no analogy between any of them and the goldfields. It is argued in another place that if there is one agricultural area there should be one goldfields area. I believe that is one reason why the alteration was made. Either the majority of Labour members who agreed, as they must have done, to the measure, before it was brought down, had this thrust upon them by the minority, or they are disciplined to the extent that they have to obey any decision reached in that direction. I want to quote the figures submitted by the Government per medium of the Bill, and the number of electors in the respective electorates. Members will see from the statement of the enrolments that in the metropolitan area there are 108,866 electors, who are now represented by 12 seats. At

the time of the Mitchell redistribution there were 83,748 electors. By the measure before us it is proposed to increase the number of seats to 17. This means an extra five seats with an increase in population of 23,275. In the agricultural area with 86,749 electors it is proposed to provide for 21 seats. At the present moment only 21 seats are provided for, and at the time this was arranged the population was 66,838. This shows an increase in the population of 19,961 in areas which are rapidly expanding, but they are to have no further representation than they already have.

Hon. E. H. H. Hall: Very liberal.

Hon. E. H. HARRIS: It is very unjust to the agricultural areas. The Government propose to give an extra five seats to the metropolitan area because of the increase in population of 23,000, whereas with an increase of 19,961 in the agricultural areas it is not proposed to provide any extra seats.

Hon. A. Lovekin: Perhaps they already have too many.

Hon. E. H. HARRIS: I should like to know what members representing the country provinces think of the Bill from that point of view. With regard to the proposed mining and pastoral areas, we find the number of electors is 15,836. In what is known as the inner or central goldfields the population is 8,395. When the Mitchell Bill was before us, the population was 11,184 in the central goldfields area, so that there is a decrease in the number of electors of 2,865. Nevertheless it is proposed to retain there exactly the same number of seats as before. It is proposed in the out-back mining districts to reduce the number of seats from nine to four. If we examine the remarks of the Labour Party at the time of the general elections in 1924, we find that the Government were denounced for endeavouring to rob the goldfields of four seats. In the pamphlets issued in the district when the proposal of the Mitchell Government was before the people, it was stated that the intention was to rob the goldfields of four seats, but the Labour Party said if they were returned to power they would place the seats on a more equitable basis. If, with a slight alteration in population, it was logical to say they were to be robbed of four seats, then it is barefaced robbery to endeavour to take from them five seats now. I submit that the central goldfields, whose population is 8,395, might well be

divided into three seats. This would give an average of 2,798 electors. It would permit of the outer goldfields a sparsely populated centre where people are dotted about all over the place, and where the difficulty of access is great, to have a lesser number of electors than in the central areas, and these should be entitled to five seats. The representation offered to the agricultural areas is manifestly unfair. The proposal is to take five seats from the goldfields and give them to the metropolitan area, thereby robbing the agricultural districts of five or portion of the five seats which, having regard to the increase in population, should go to them. The question that has to be asked by every elector is whether, under the Bill, he will have an equitable voice in the representation of his district? The Government have evidently had regard for an alteration in the allocation of the seats in the metropolitan area when they propose to take five seats from the goldfields. They have an opportunity to win an equal number of seats by subdividing the industrial areas which have rapidly grown up in the coastal districts.

Hon. J. R. Brown: The Government will not have power to do that.

Hon. E. H. HARRIS: The commission will be vested with power to frame what is considered to be equitable boundaries, but it will be for Parliament to determine whether those boundaries shall be accepted or not.

Hon. H. Seddon: What happened before may happen again.

Hon. E. H. HARRIS: That is my reason for drawing attention to the Bill that was before us on a former occasion. The central goldfields should be represented by, roughly, three seats, and the outer goldfields by another five. I submit it would be fitting that the scattered areas should not be called upon to have the same quota as the central districts. The question whether Parliament should adopt the boundaries submitted by the commission is worthy of consideration. We might well contrast the attitude of the Government on the Group Settlement Bill. They were prepared to delegate extensive powers to men outside Parliament, and to give them the right to write off many millions of money on the group holdings. When something is brought forward that affects members of the Legislature, the Government indicate that the same principle will not be

acceptable. Mr. Collier is reported as having said about the 1st November that immense power and responsibility would be taken from Parliament if the report of the Electoral Commission were automatically adopted. I say if it is good to delegate powers away and accept what is put before us in connection with the groups, it is equally logical to do so in this case, and particularly so where it is a matter affecting the members who, unconsciously or otherwise, would be more or less biased in their return, so much so that this House might well consider the framing of an amendment to make provision that the Commission's report should be accepted by the Parliament. I am not doing that, having regard solely for the Legislative Assembly, because when the boundaries of the Assembly are altered the boundaries of the provinces will in turn be affected. We have delegated powers far greater than the powers we propose to give to the Commission in connection with the allocation of seats. I refer to the Court of Arbitration, which consists of three members, one being independent and the other two biased. That court resolves itself into a one-man court in regard to the workmen of the State who are on the basic wage and others who have their wages determined for them. If such extensive powers can be vested in that court, we are justified in expecting similar powers here.

Hon. A. Lovekin: After all, a committee of one is the best committee you can get.

Hon. E. H. HARRIS: I quoted that instance because it resolves itself into a committee of one. Here, however, it is proposed to have three commissioners. We know they are not partisans as we would refer to the lay members of the Arbitration Court. The Bill proposes that the Commission shall consist of a judge, the Surveyor General and the Chief Electoral Officer. It may be put to us that this will be the best redistribution obtainable, and that may be said just in the same way as Mr. Collier told members in another place, and the Chief Secretary told us, when we tried to get better terms from the Commonwealth with regard to the Financial Agreement—it is the best obtainable, take that or nothing. If we amend the Bill, and the amendment is not accepted by another place, it will suit another place to say that this House rejected it and they

will charge us with having put up amendments that were not acceptable, and then another place will go to the country on the existing distribution, which is shrieking with anomalies. This House should seriously consider whether it will be wise to amend the Bill on the lines I have indicated. It would be in the interests of all the members of the Legislature if the Government accepted amendments along those lines, and if some other hon. member does not move in the direction I have suggested, I shall submit the amendments. However, we are more or less compelled to accept the something that is offered to us, which is better than the existing conditions, and therefore I shall support the second reading.

HON. J. CORNELL (South) [7.50]: Under the existing distribution of seats Parliament itself fixed the boundaries and allocated the provinces. Under the Bill we are discussing it is proposed that a Commission shall fix the boundaries and allocate the provinces. In regard to this House it might logically be said that it should concern itself only with its own boundaries. But whilst the clear line of demarcation is drawn in respect of the seats of another place, this House will be totally in the dark about the future boundaries of the provinces, until the Commission has reported. There is practically no direction whatever in the Bill as to how the Commission shall proceed to fix the boundaries for the 10 provinces of the Council. That means, so to speak, that the members of this House are more or less in the lap of the gods, in that they have not the slightest idea of what the boundaries of their provinces are likely to be, at any rate not until the Commission reports. So far as can reasonably be ascertained, the position of another place will be that the Bill will divide the State into three districts—Metropolitan, Agricultural and Mining-Pastoral. It is intended that the agricultural districts shall remain as they are, that is to say, there are 21 agricultural seats so designated to-day, and they are to remain. The Commission will not be able to add to or take from them. The metropolitan area will be increased by five seats at least, and the mining-pastoral and outer goldfields will lose five seats. He would be a wise man who could say, when the Commission reports, how the provinces will then be allocated. I do not envy the Commission the

work that will have to be undertaken regarding the alterations or making the necessary adjustments to the existing boundaries of the Assembly seats to conform to the directions laid down by Parliament. I envy the Commission less still the task in front of them in making reasonable adjustments of the present provinces. When we make comparisons between, say, the province Mr. Harris represents and the Metropolitan-Suburban Province, and a comparison, say, between the Metropolitan-Suburban Province and the Northern Province, it appears to me that the existing position cannot continue when the Commission has reported. There must be some serious adjustments which are bound to affect members of this House. There is a phase of the Bill I wish to touch upon and it is that the Commission will be tied hard and fast to three groups, the Metropolitan, Agricultural and Mining-Pastoral. So far as my reading of the Bill goes, the Commission will be tied to those three groups and will be confined to certain electorates, those that they may take from and add to. The country electorates will remain practically as they are, but with certain adjustments to raise the quota to a certain level or reduce it to that level. I do not know by what process of reasoning Yilgarn, any more than Avon, can be classed as a mining constituency. As a matter of fact, there is more active mining going on in the Avon electorate to-day than in Yilgarn.

Hon. J. R. Brown: There are not so many holes in the ground at Avon.

Hon. J. CORNELL: If holes in the ground constitute a mining area, then those holes are perpetuating the dead and not the living. But Avon is more a mining seat than is Yilgarn if we take into consideration the present mining activities, the future prospects, and the number of men employed. Still, Avon and Yilgarn are adjoining electorates, and Yilgarn is classed as a mining-pastoral electorate. I have yet to learn where there are any pastoral properties in Yilgarn.

Hon. E. H. Harris: Is it not proposed to carry out the 3,000 farms scheme in the Yilgarn electorate?

Hon. J. CORNELL: But that will not make it a pastoral electorate. I do not know one solitary station, unless it be Mungleup in the south-east corner of Yilgarn, and that has not been actively worked. I have already said that so far as mining is

concerned Yilgarn plays second fiddle to Avon and yet both are adjoining electorates. Avon is to have a quota of 4,000 and Yilgarn is to have a quota of 2,000 or less. That is an anomaly that I think will make the work of the Commission extremely difficult. I honestly believe that if it were left an open question to the Commission, as to whether or not Yilgarn should be designated mining-pastoral or purely agricultural, the Commission would describe Yilgarn as an agricultural seat. Outside of Bullfinch about half a dozen men only are carrying on practically all the mining operations that are going on there.

Hon. G. W. Miles: There is nothing to prevent the Commission doing as you suggest.

Hon. J. CORNELL: If the hon. member reads the Bill, he will find that Yilgarn is contained in the mining-pastoral districts.

Hon. A. Lovekin: There are a lot of goats there.

Hon. J. CORNELL: There were at one time and near Southern Cross there was a goat farm. That, however, was a long time ago. If you take the agricultural development that has been going on at Yilgarn during the last five years and take the number of new locations allotted to Yilgarn in the last six months—over 500—practically on a first-class land basis, it conclusively proves that Yilgarn should be an agricultural seat. I am not advocating that representation should be taken from the goldfields, but when electorates like Kalgoorlie, Brown Hill-Ivanhoe and Boulder are so easy of access by train to the members who represent them, and when they can be walked over from corner to corner both ways in the space of four or five hours, it does not seem quite fair that their quota should come down from 4,000 to 2,000 while Yilgarn is to remain at 2,000 as a pastoral and mining seat. That is one of the minor faults of the Bill. While I am prepared to admit that the other seats are not purely mining and pastoral, there is not much need to stress the point that Yilgarn is as much an agricultural seat as is any other agricultural seat so designated. Kanowna certainly stands in a little better position because from Norseman northwards it is practically a mining district. Very little mining is going on at present, but there is much more mining in Kanowna than there is in Yilgarn, where mining is practically at a standstill. It seems rather illogi-

cul that a place like Albany or Geraldton, either of which is more difficult of access than is Kalgoorlie or Boulder, should be required to have practically double the quota. Geraldton and Albany have to have 4,000 each, though they are equally distant from Perth as are Kalgoorlie and Boulder. Take the geographical boundaries of Boulder and Kalgoorlie—I leave Brown Hill-Ivanhoe out of the question—and compare them with Geraldton and Albany; if a logical case can be made out for a 2,000 quota for Kalgoorlie and Boulder, a more logical case can be made out for Albany and Geraldton. I recognise that there must be anomalies in any Bill or in any directions given to the Commission, but let us consider this aspect: There are two seats, Albany and Geraldton, that are to have 8,000 electors for two members while Boulder, Hannans, Brown Hill-Ivanhoe and Kalgoorlie are to have 8,000 electors for four members. I think we might exempt Hannans because, to require a larger quota would necessitate extension further afield and a much larger area, but any re-grouping of Boulder, Kalgoorlie, and Brown Hill-Ivanhoe is not going to increase or largely reduce the areas for the respective members. I think we must pass the Bill, but personally I would rather have seen it a little more elastic so that the commissioners could give consideration to the anomalies I have pointed out. The North-West does not come into consideration at all. I would have preferred to see a higher quota fixed for the three Kalgoorlie and Boulder seats and another seat given to the out-back districts.

Hon. E. H. Harris: It would have been far more equitable.

Hon. J. CORNELL: If the eight seats are to remain, it would have been infinitely more equitable to give Murchison and the northern goldfields three members instead of the two they will get under this proposal. They cannot get more than two for the simple reason that the three northern goldfields seats will have to draw on the Murchison or on the eastern goldfields to make up their quota. For those seats there are fewer than 4,000 electors. If the North-West is deserving of special consideration, and I claim it is, and if it should have four members for 3,238 electors, a good case could be made out for the northern goldfields and Murchison goldfields to have three

members, Kalgoorlie district retaining three seats and Kanowna and Yilgarn one each. If I were a member of the Assembly and had my choice of representing a district such as Murchison or one of the northern goldfields seats will be as against representing one of the North-West seats, with the exception of Kimberley, I would infinitely prefer to stand for Roebourne, Pilbara or Gascoyne because those districts are bounded by the seaboard and a majority of the electors are congregated on the seaboard. The other seats to which I have referred are scattered over a territory much larger than the North-West itself. Those are the few blemishes in the Bill. However, we cannot get all we want. We cannot draw that nice line of equity that we might desire. Any criticism I have offered has not been made in a carping spirit. Let me reiterate that the representation for the mining and pastoral areas is overbalanced in one direction and underbalanced in another direction and will give too much representation to the part so easy of access and so easy to traverse, as against the part so difficult of access and so difficult to traverse. I support the second reading.

On motion by Hon. H. Seddon, debate adjourned.

## **BILL—GROUP SETTLEMENT ACT AMENDMENT.**

*In Committee.*

Resumed from the 14th November. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 2—Amendment of Section 3 (partly considered):

Hon. A. Lovekin had moved an amendment—

That the following words be added:—  
“ ‘Actual expenditure’ in this subsection means all sums found to be in excess of the capitalisation which each group settler’s area can reasonably bear, having regard to the prospective income derivable therefrom, irrespective of whether such excess of capitalisation is due to moneys advanced by the Crown or moneys borrowed from any other source or to money’s worth represented in kind or for work and labour performed by the prospective lessee or his family.”

Hon. J. NICHOLSON: At a previous sitting an amendment moved by the Chief Secretary was carried to insert after “bank”

the following words: "with power to the board to fix the amount chargeable at so much below the actual expenditure as in its discretion it may think fit." As a result of discussions with the Solicitor-General it may be desirable to recommit the Bill in order to alter those words and incorporate them in an amendment to give effect to the wishes of the Committee, namely, to Mr. Lovekin's idea. The amendment I propose reads—

Strike out the words "with power to the board to fix the amount chargeable at so much below the actual expenditure as in its discretion it may think fit," and insert "with power to the board at its discretion to fix the amount chargeable and to be apportioned to each parcel of land within the group settlement area at such sum below the actual amount expended upon each parcel of land as shall be found by the board to be in excess of the capitalisation which each group settler's area can reasonably bear, having regard to the prospective income derivable therefrom, irrespective of whether such excess of capitalisation is due to moneys advanced by the Crown or moneys borrowed from any other source or to money's worth represented in kind or for work and labour performed by the prospective lessee or his family."

Hon. A. LOVEKIN: If it will facilitate consideration, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. J. NICHOLSON: I take it we shall still have to recommit the clause.

The CHAIRMAN: I suggest that the clause as amended and the Title be put, and that on reporting the Bill to the House, a motion be moved to recommit the Bill.

Hon. A. LOVEKIN: I move an amendment—

That a new subsection be inserted, as follows:—" (2a) The board shall report its decisions to the Governor."

I do not think the Chief Secretary has any objection to the amendment.

The CHIEF SECRETARY: The amendment means that the Governor in Council would have to approve finally. The Government are not in favour of that. It would give the Executive Council power to deal with valuations, and they do not wish to take any responsibility in that connection.

Hon. A. Lovekin: That is the point.

The CHIEF SECRETARY: I do not think it would be acceptable to the group settlers if the Government were empowered to alter valuations.

Hon. A. LOVEKIN: Someone must be responsible to Parliament. Is there to be an outside board of whose personnel we have at present no knowledge whatever, with absolute power to write off millions of money without the Government knowing anything about it and without Parliament having any say in the matter? I do not think that is constitutional, and I certainly would not agree to it. The proper course is for the board to report to somebody. The board can have no executive function to write off money. The Government must write off the money. The board must report to the Government, and when the Government have written off the money the Government must report to Parliament.

The CHIEF SECRETARY: In 1925 the House agreed to give practically that power to the managing trustee of the Agricultural Bank, without any reference to the Government. In another place there was difference of opinion whether the managing trustee could have that power, and I moved here an amendment to meet the wish expressed elsewhere.

Hon. A. LOVEKIN: But this is a different position. Under the Group Settlement Act of 1925 the uncontrolled power which the managing trustee of the Agricultural Bank had was not to write off millions of money, but to allocate the portion, for each block, of the total aggregation of the groups. If £40,000 had to be spent on a group of 20 blocks, the managing trustee had power to write off £2,000 against each block, or he might write off £3,000 against one block and £1,000 against another. The total commitment of the State had to be distributed among all the blocks, but there was no loss of money to the State.

Hon. J. J. HOLMES: Mr. Lovekin is quite right. The Minister says it is the same thing, but it is nothing of the kind. No power was given to the managing trustee to write off. If that power had been given there would be no necessity for this Bill, as the managing trustee would have done the writing off. It may simplify matters if I refer to an amendment which I have placed on the Notice Paper. Let us assume that the managing trustee has now made the allocation of the amount amongst the respective groups; then what better authority can we have than that official to assess what amount is to be written off? Surely he is



the best man to be given that authority. With all these amendments we shall complicate the Bill as some wills drawn by lawyers are complicated, so that no one can determine their meaning.

Hon. J. EWING: The previous speaker has practically repeated what is in the 1925 Act, making the managing trustee of the Agricultural Bank the sole authority; but under that Act the managing trustee had merely authority to re-apportion expenditure on a group when writing off. I am inclined to support Mr. Lovekin, who wishes the responsibility to rest with the Government. When the board have determined what the valuation should be, they ought to report to the responsible Minister. Then let the Government take the responsibility of accepting or rejecting his recommendation. No doubt a number of settlers will wait on the Minister with requests for reductions, but he will have to exercise his discretion, and if he is wrong, the Government will have to suffer. When the Executive Council receive the board's report, the Government, and especially the Minister in charge, will go carefully into the matter. The Minister, from his experience, will know whether what is suggested is right or wrong. It will mean a great deal of work for the Minister, but Ministers are there to work.

Hon. A. LOVEKIN: Unless we have some such provision as this, we shall have to add clauses to the Bill providing machinery in respect of writing off, because no power is given to the board to write off.

Hon. J. J. Holmes: The proposal is to give authority to write off as much as the board think fit.

Hon. A. LOVEKIN: But the board cannot do the actual writing off. That must be done by the Governor in Council. The Constitution provides that no money shall be disbursed without the warrant of the Governor.

Hon. J. J. Holmes: There is no disbursement.

Hon. A. LOVEKIN: Surely this is disbursement.

Hon. J. J. Holmes: The disbursement has already been made.

Hon. A. LOVEKIN: If a man owes the Government £1,000 and the board say he should pay only £300, there is a disbursement of £200. At any rate, someone ought to be responsible to Parliament. The managing Trustee of the Agricultural Bank, or

the board, cannot be responsible to Parliament even if great wrong is done. The Government would say, "This has nothing to do with us; Parliament gave authority to the board, and the board have acted." Surely that is not constitutional.

The CHIEF SECRETARY: I agree with Mr. Lovekin that no one except the Governor in Council has power to write off under the Constitution Act, but we want the matter so arranged that the board will have power to fix the amount to be written off and that the Governor in Council will have no right to question that. The writing off would come later. The group settlers must not be led to understand that the Government would influence the board in any way with regard to valuations. Later, certain amounts must be written off; and they can only be written off by the Governor in Council.

Hon. J. EWING: The position as set forth by the Minister is impossible. The Government might, in all good faith, appoint as valuer a man whom they considered to be the best available, but he might be biased in favour of protecting the Government as far as possible by keeping valuations high. If the valuer says a property is worth £2,000 and the settler says he cannot possibly pay more than £1,000, let the Government take the responsibility of deciding what the settler shall pay. Possibly dozens of settlers might eventually think they they were hardly dealt by, while the Government might think the valuations too low. Let there be someone in between to determine who is right and who is wrong. If the valuations of the board are to be final, the Government will have to accept them in Executive Council. There is much difference of opinion regarding values of blocks on the groups. The Minister, with all his knowledge and with the expert advice available to him, will be able to determine on what valuation the settler can make a living. It would not be a fair thing to allow one man, however, expert or clever he might be, to determine the whole matter. He could give advice, and the experience of the Minister will enable him to do what is just and fair to the settler and to the State.

Hon. E. H. H. HALL: Mr. Ewing's remarks lead me to believe that the Chief Secretary was right when he said that the report of the board should be final. Those who have read the speech of the Minister

for Lands in another place when dealing with the Bill, and those who have watched his administration of the group settlements, must admit that Mr. Troy is doing his best in the interests of the settlers and of the State. References have been made to the constitutional aspect. I have a suggestion to make that will overcome that difficulty. Hon. members must be aware of the interminable delays and uncertainty in the minds of settlers, and they can judge what use will be made by those settlers of the right of appeal to the Minister, if that appeal is available, and the report of the board is not to be regarded as final. I think the amendment could be altered to overcome the difficulty that has been pointed out, by making it set out that the report of the board shall be final and that the decision shall be reported to the responsible Minister.

Hon. J. Ewing: That would be no good!

Hon. E. H. H. Hall: What better inquiry could a group settler expect than one on the spot, particularly when we have the assurance of the Minister that the board will consist of three practical men? I am prepared to give the Government every credit for doing their best in this matter. The report of the board should be final, and the Minister should have the authority to write off the necessary amendments.

Hon. A. LOVEKIN: The position is clear under the provisions of the Constitution Act. The revenue that will accrue from loans to group settlers must form part of the Consolidated Revenue. Section 68 of the Constitution Act reads—

No part of the public revenue of the colony arising from any of the sources aforesaid shall be issued except in pursuance of warrants under the hand of the Governor directed to the Treasurer.

It is proposed that some outside authority shall have power to issue warrants directed to the Treasurer, in connection with the writing-off of the advances recommended by that outside authority. In that case it is necessary to include the words I propose in the Bill.

Hon. J. EWING: With regard to Mr. Hall's remarks, I would like to ask him if he can tell us who will be the persons to conduct the inquiry.

Hon. E. H. H. Hall: No.

Hon. J. EWING: And the Minister has not been able to tell us either. If the Min-

ister had been able to do so, I would then have been able to judge for myself whether those chosen could undertake the task. There are a great many men in this State I would not allow to undertake such work. They might do grave injustice to the Government or to the settlers. I know some people I would not trust for five minutes with this work, and they are in the Government service to-day.

The CHAIRMAN: Order!

Hon. J. EWING: I refer to people who are not sympathetically disposed towards the settlers.

Hon. E. H. H. Hall: You will admit that the Minister is sympathetic.

Hon. J. EWING: The Minister will receive the report from the board and then, having availed himself of the assistance of his experts, he will be able to say whether the recommendations of the board are fair. It will not take the Minister long to do that, because he is a farmer himself and will have assistants to guide him. If the board is to have the final say and the recommendations made are palpably unfair, what can be done?

Hon. J. J. HOLMES: I cannot see that the amendment will complicate matters for the Minister, or make any additional work for him, unless he is prepared to trim his sails to every breeze that blows. We are asked to give a board power to write down.

Hon. A. Lovekin: But constitutionally, it cannot be done.

Hon. J. J. HOLMES: The Minister will have to stand by the board! Would anyone suggest seriously giving some unknown board the right to write off £3,000,000 or £4,000,000 and allowing the board's decision to be final? There is no necessity for the Minister to interfere with the board, but he must take the responsibility. All Mr. Lovekin seeks to do is to fix the authority for the actual writing-off upon the responsible Minister.

Hon. H. STEWART: I support the amendment.

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

Ayes	..	..	..	..	18
Noes	..	..	..	..	3
					—
Majority for	..	..	..	..	15
					—

## ATES.

Hon. J. R. Brown	Hon. A. Lovekin
Hon. J. Ewing	Hon. W. J. Mann
Hon. J. T. Franklin	Hon. G. W. Miles
Hon. E. H. H. Hall	Hon. J. Nicholson
Hon. V. Hamersley	Hon. E. Rose
Hon. E. H. Harris	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. H. Stewart
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. Sir W. Lathlain	Hon. G. Fraser

(Teller.)

## NOES.

Hon. J. M. Drew	Hon. E. H. Gray
Hon. W. H. Kitson	

(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

*Recommittal.*

On motion by Hon. J. J. Holmes, Bill re-committed for the purpose of further considering Clause 2.

*In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 2—Amendment of Section 3:

Hon. J. J. HOLMES: The Bill provides that the amount of the expenditure shall be assessed and determined by the Managing Trustee of the Agricultural Bank. In my amendment I have deliberately omitted the word "assessed." I am hopeful that the Managing Trustee of the Agricultural Bank will use the present board to do the assessing, the board that is now amalgamating the group blocks. I hope that if the amendment be carried the Managing Trustee of the Agricultural Bank will be the final arbiter in the writing down, but will use the present board to do the assessing. Instead of moving my amendment as it appears on the Notice Paper, I will move to add the following words, "The Managing Trustee of the Agricultural Bank, who shall have power to fix the amount chargeable to each parcel of land at so much below the actual expenditure as in his discretion he may see fit." The Managing Trustee of the Agricultural Bank has been charged with the responsibility of allocating the amount spent on each group, irrespective of whether the group can carry it. That responsibility was put on him by Parliament. Certain expenditure has been made on the groups, and

we have charged the Managing Trustee of the Agricultural Bank with the responsibility of allocating that amongst the group blocks. He has done that, and it is now found that a lot of the group blocks cannot carry the amount placed against them. So the only thing to do is to arm the Managing Trustee of the Agricultural Bank with authority to write down so much of the amount as in his discretion he may see fit. If we agree to the amendment suggested by Mr. Nicholson, or that drawn up by Mr. Lovekin, we might only complicate matters, and the Managing Trustee of the Agricultural Bank will not know where he is. Parliament would be wise to give an officer like the Managing Trustee of the Agricultural Bank the necessary authority, without all these ramifications of what the wife or the husband may have done in their spare time, without any of these side issues. Parliament would be doing its job if it placed on the Managing Trustee of the Agricultural Bank the responsibility to carry the position one stage further. I think that is as far as Parliament could be expected to go at present. In view of what I have said, I will leave in that word "assessed." I move an amendment—

That the following be added to the clause:—"The Managing Trustee of the Agricultural Bank, who shall have power to fix the amount chargeable to each parcel of land at so much below the actual expenditure as in his discretion he may see fit."

The CHAIRMAN: The amendment proposes to strike out from the clause certain words and to re-insert them. That is contrary to our Standing Orders. I suggest that the hon. member moves his amendment in two parts.

Hon. J. J. HOLMES: I am not moving my amendment as it appears on the Notice Paper. I am moving only the latter part of it, and so it becomes a simple addition to the clause.

The CHAIRMAN: Then those words are to be added after the word "by" in line four?

Hon. J. J. HOLMES: That is so.

The CHIEF SECRETARY: It came as a surprise to hear that the Managing Trustee of the Agricultural Bank had been assessing properties under the Act of 1925. I was under the impression that that power had not been exercised. If it has been exercised, it has been done very secretly.

Hon. J. Ewing: It has never been exercised.

The CHIEF SECRETARY: The Government have come to the conclusion that it is not advisable to have one Government officer to assess the amounts and afterwards to write them down. No matter how wisely the work might be done, it would be likely to give dissatisfaction to the settlers, or those of them that may be under the impression that the Government are influencing the Government officer. Again, I understand that Mr. McLarty does not wish to take on the job. The Government think the Agricultural Bank should be represented on the board, but they hold that the responsibility for this work should not be thrown on a Government officer. The existing board, no doubt, will have made a number of enemies amongst the settlers in the course of their administrative work, and if the settlers knew that the Managing Trustee of the Agricultural Bank was referring to that board for information, it might result in general discontent amongst the settlers. The Government wish to see this matter concluded in a satisfactory way.

Hon. J. J. HOLMES: The Minister questioned my authority for saying that the Managing Trustee of the Agricultural Bank has made allocations under the Act. Parliament armed him with the authority to do so, and if the allocations have not been made, how can any group settler set up the plea that he has been overcharged? Indeed how can anybody know that the writing down is necessary if the allocations have not been made?

Hon. J. Ewing: The Managing Trustee has not made any allocations.

Hon. J. J. HOLMES: You mean to say he has not determined the amount?

Hon. J. Ewing: He has not.

Hon. J. J. HOLMES: The Minister has told us that the settlers get their accounts rendered. So the allocations must have been made.

Hon. J. Ewing: They have not been made.

Hon. J. J. HOLMES: Then I should like to know why they have not been made.

Hon. J. Ewing: He could only make an allocation one way; he could not reduce it.

Hon. J. J. HOLMES: But he has to make an allocation before he can determine whether anything should be written down. Without an allocation, we could not have

dissatisfied settlers saying that they are carrying too big a load. How are they to know that, if the amount has not been allocated?

Hon. W. J. Mann: The Minister gave us a list the other day.

Hon. J. J. HOLMES: Of course the allocation has been made. It has been made, not actually by the Managing Trustee, but by his officers. He is the responsible party, as I propose to make him the responsible party under my amendment. The Minister says that if we couple up the existing board with the Managing Trustee of the Agricultural Bank there will be all sorts of dissatisfaction amongst the settlers. One would think that somebody was more concerned about pleasing the group settler at the expense of the State than about seeing to it that the State got a fair deal. That is the only way I can read the proposal to remove the responsibility out of the Minister's hands altogether. If the responsibility remains in his office, somebody will be dissatisfied. That seems to be playing a more important part in the matter than the responsibility for seeing to it that the State gets a fair deal. It does not follow that the Managing Trustee himself will do the work, but he is the man to determine by what means the writing-down should be done.

Hon. A. LOVEKIN: Under Mr. Holmes' amendment we shall get a board about which we know something, not an indefinite kind of body. The Government say that the managing trustee does not want to do the work.

Hon. J. J. Holmes: No responsible officer would desire to take it on.

Hon. A. LOVEKIN: I suggest the amendment does not go far enough. Whoever does the work can only do it within the four corners of the statute. We must know what the actual expenditure upon each group has been, and we must see that no settler is carrying capital greater than he can bear. It would be better to allow Mr. Nicholson to get his amendment through, after which Mr. Holmes can move his amendment to provide for the appointment of the Managing Trustee to do the writing-down.

Hon. J. J. HOLMES: The suggestion does not appeal to me. I want to see first of all that the work is entrusted to the managing trustee. We can then pass the

necessary machinery detailing the manner in which the work should be done.

Hon. Sir WILLIAM LATHLAIN: I support the amendment. We have an unpleasant duty to perform, and we must carry it out fearlessly. Probably the managing trustee does not want to do the work, but he is the proper official to do it. The Minister, in accepting the final responsibility, has only to stand by the decision of his officer.

Hon. W. J. MANN: Group settlers should be thankful to members for their efforts to assist them in their difficult position. The subject matter of the amendment has been widely discussed by the settlers. Originally I favoured the present board carrying out the valuations. I feel now that the settlers would not be satisfied with that procedure. They feel they have been regarded by Governments and officials as of little or no consequence. Most of them, therefore, would welcome the appointment of a new tribunal to look after them and write down the value of their properties. The Government should take the responsibility, but the work should be done by the board.

Hon. J. Nicholson: A different board.

Hon. W. J. MANN: Yes, an altogether independent board as suggested in the Bill. I cannot support Mr. Holmes' amendment.

Hon. E. H. H. HALL: It is not a question of Mr. McLarty not caring to act on this board. The Minister for Lands when introducing this Bill in another place, said that he was not going to ask Mr. McLarty to act for the reason that that gentleman had then more work than he could attend to. The Minister also declared that it was not intended to appoint the existing board as the revaluation board. I cannot see any reason to doubt the words of the Minister for Lands and therefore I shall oppose the amendment. The Minister is desirous that the group settlers shall receive every consideration and that the State also shall be properly treated.

Hon. J. J. HOLMES: If the hon. member who has just resumed his seat devotes his time to reading "Hansard," he will find that the Minister may say one thing to-day and something else to-morrow, and so he will never get anywhere. There is nothing to prevent the existing board, with a Chairman at £1,200 a year and two others drawing £1,000 a year each, acting as as-

sessors for the managing trustee of the bank.

Hon. E. H. H. Hall: The Minister says he will not have them.

Hon. J. J. HOLMES: I have already told the hon. member that the Minister may say one thing to-day and another to-morrow. When the hon. member has been in Parliament a few years he will not take quite so much notice of what Ministers say. I do not intend to be influenced by what the Minister for Lands said when he introduced the Bill. My opinion is that the present board, acting as assessors for the managing trustee, can do the second job just as well as we have been told that they have done the first job.

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

Ayes	..	..	..	..	9
Noes	..	..	..	..	10
					—
Majority against	..	..	..	..	1
					—

#### AYES.

Hon. J. T. Franklin	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. G. A. Kempton	Hon. Sir W. Lathlain
Hon. G. W. Miles	(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. E. H. H. Hall
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. J. Ewing	Hon. W. J. Mann
Hon. G. Fraser	Hon. J. Nicholson
Hon. E. H. Gray	Hon. E. Rose
	(Teller.)

Amendment thus negatived.

Progress reported.

*House adjourned at 9.26 p.m.*