

members were complaining about lack of generosity on the part of the Government and also that the Bill was extorting one per cent. more than was actually necessary.

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

Ayes .. .. .	17
Noes .. .. .	4

Majority for .. .. 13

#### AYES.

Hon. R. G. Ardagh	Hon. V. Hamersley
Hon. E. M. Clarke	Hon. J. W. Kirwan
Hon. J. Cornell	Hon. C. McKenzie
Hon. J. F. Cullen	Hon. E. McLarty
Hon. F. Davis	Hon. B. C. O'Brien
Hon. J. E. Dodd	Hon. A. Sanderson
Hon. J. M. Drew	Hon. Sir E. H. Wittenoom
Hon. D. G. Gawler	Hon. W. Patrick
Hon. Sir J. W. Hackett	(Teller).

#### NOES.

Hon. H. P. Colebatch	Hon. C. A. Plesse
Hon. J. D. Connolly	(Teller).
Hon. T. H. Wilding	

Clause thus passed.

Clauses 4, 5—agreed to.

Title—agreed to.

Bill reported without amendment, and the report adopted.

House adjourned at 10.8 p.m.

## Legislative Assembly,

Tuesday, 10th December, 1912.

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The SPEAKER took the Chair at 3.30 p.m., and read prayers.

### PAPERS PRESENTED.

By the Minister for Works: Plans showing routes of the proposed Esperance-Northwards, Newcastle-Bolgart Extension, Wagin-Bowelling, Armadale-Brookton, and Hotham-Narrogin Railways.

By the Minister for Lands: 1, Annual Report of the Inspector General of the Insane for the year 1911, and Financial Report for the year ended 30th June, 1912.

### AUDITOR GENERAL'S REPORT.

Mr. SPEAKER: I have here the first part of the Auditor General's report. I want to advise hon. members that the report is not complete. The Auditor General has sent portion of it; the second portion is now in print and will be submitted to the House before prorogation. Copies for distribution have not yet come to hand, but immediately they are received they will be distributed.

### QUESTION—STATE VETERINARY SERVICES TO COMMONWEALTH.

Mr. LÄNDER asked the Premier,—What was the amount of money received from the Federal Government on behalf of veterinary services rendered by the State veterinary officers?

The PREMIER replied: The answer to the hon. member's question is as follows:—

		£	s.	d.
1908, April 3rd	R. E. Weir's expenses attending Quarantine Conference	46	1	0
1909, 1/7/9 to 31/12/9	By arrangement with Federal Authorities—Salaries of Vets. Weir and Burns, and Inspector at Albany at £220 per annum	110	0	0
1910, 1/1/10 to 31/12/10	Do. do.	220	0	0
1911, 1/1/11 to 30/6/11	Do. do.	110	0	0
1911, 1/7/11 to 31/12/11	Do. at £100 per annum	50	0	0
1912, 1/1/12 to 30/6/12	Do. do.	50	0	0
Total	.. ..	£586	1	0

Since 1st July, 1911, a new arrangement has been entered into under which the Federal Government pays into the State Treasury the sum of £100 per annum to cover all charges.

#### QUESTION — MR. HARPER AND THE GOLD-MINING INDUSTRY.

Mr. GREEN asked the Premier: 1, Has he seen a report in to-day's *West Australian* of a meeting held in Kalgoorlie protesting against the remarks in this House of the member for Pingelly, in which the Goldfields have been spoken of disparagingly? 2, In view of the adverse opinion against the credit of the State that these remarks may cause, what action does he propose to take to deal with this disparagement of the mining industry?

The MINISTER FOR LANDS (for the Premier) replied: 1, Yes. 2, In view of the nature of the remarks, and the replies given, no further action is considered necessary.

#### PERSONAL EXPLANATION.

##### *Mr. Harper and the Gold-mining Industry.*

Mr. HARPER (Pingelly): On a personal explanation I should like to say in reference to the question asked by the member for Kalgoorlie (Mr. Green) that I have not said anything against the gold-mining industry. I have only attacked the political side as regards gold mining, and I do not think the gentlemen who held the meeting in Kalgoorlie a few

nights ago could have read *Hansard*, because up to the present I have done my best to encourage gold-mining in this State. What I have said has been said deliberately and after due consideration in the interests of Western Australia as a whole. They have attributed ulterior motives to me, but I wish to say that we have a State debt of £23,000,000 and my prediction is that the agricultural areas of Western Australia will have to bear the brunt and burden of the taxation.

Mr. SPEAKER: The hon. member can make an explanation in respect to any of those remarks which have been taken exception to, but he must not at this stage enter into a further statement.

Mr. HARPER: I would like to know when I have spoken disparagingly of the goldfields? I have not done so any more than any other member of the House. Even the Minister for Mines had to admit that the gold returns are diminishing, and the monthly *Abstract* shows that every year the gold returns are declining, and surely when I tell the truth it is not a libel on the goldfields! Even the Premier had to allude to the decline of the gold production. Surely, because I said that gold mining is a diminishing asset, it is not a libel on the people of the State and on Western Australia. Everybody knows it, and I think it is no more than justice that my statements should be taken as they were intended and not as a reflection on the mining industry. Of course, I cannot help the people on the goldfields, quite a number of men who aspire to political honours, finding fault with what I have said. I have not heard the member for Kalgoorlie eulogise the gold mining industry very much. The member for Hannans—

Mr. SPEAKER: The hon. member is departing entirely from the personal explanation. I think he has done very well.

Mr. HARPER: All I have said with regard to the goldfields has been, I maintain and will substantiate, in the best interests of the State of Western Australia.

# QUESTION — RAILWAY EXCURSIONS TO GOLDFIELDS.

# BILL—ESPERANCE-NORTHWARDS RAILWAY.

Mr. GREEN asked the Minister for Railways: 1, Is he aware that the tickets for the special cheap excursions from the Eastern Goldfields to the coast for women and children are only available for the duration of one month? 2, Is he further aware that the summer excursion tickets are available for three months? 3, Will he consider the advisability of extending the special cheap excursion tickets to the same period as the summer excursion tickets and thus confer a boon on many of the women and children of the goldfields?

The MINISTER FOR RAILWAYS replied: 1, Yes, but on application to the Chief Traffic Manager they may be extended to six weeks without extra payment, provided the application is *bona fide* and the applicant is remaining in the State. 2, Yes. 3, It is considered that the extension mentioned in answer to No. 1 is sufficient.

# QUESTION—KARRI SLEEPERS ON RAILWAYS.

Mr. GEORGE asked the Minister for Railways: 1, How many karri sleepers are laid in the permanent way of Government railways? 2, From what source were these sleepers obtained?

The MINISTER FOR RAILWAYS replied: 1, Approximately 125 sleepers in road. 2, (a) 66 supplied by Mr. Gorman, Mt. Barker district; (b) 59 cut from logs supplied by Land Department's officer from Denmark district.

# RETURN—STATE BATTERY TREATMENT COSTS, LEONORA.

On motion by Mr. FOLEY (Mount Leonora) ordered: "That a return be laid on the Table showing—1, The cost of treatment of sands and residues at Leonora State battery; 2, The return in value from same."

# BILLS (2)—THIRD READINGS.

1, Roads Closure.

2, Perth Streets Dedication.

Transmitted to the Legislative Council.

# Second Reading.

Order of the Day read for the second reading of the Esperance-Northwards Railway Bill.

# Point of Order.

Hon. Frank Wilson: Before the Minister addresses himself to his motion, I would like your ruling, Mr. Speaker, as to whether this is the same in substance as the motion already decided in the affirmative in this House, that is the railway Bill from Norseman to Esperance. I have glanced at the plans laid on the Table, and I find that the 60 miles from Esperance Northwards covered by this Bill is exactly on the survey of the line of the proposed railway for which a Bill was passed by this Assembly, and I submit for your consideration that under Standing Order 176 this measure cannot be reconsidered at the present juncture. Standing Order 176 lays down clearly—

No question shall be proposed which is the same in substance as any question which, during the same session, has been resolved in the affirmative or negative.

The other day we resolved in the affirmative to build a railway from "Norseman to Esperance," and the mere change in title to "Esperance-Northwards, 60 miles" does not change the substance of the decision we came to. I submit that the Bill before us is the same in substance, that it is portion of the Bill already dealt with, and that we cannot consider a second measure which is dealing with portion of that railway already dealt with.

The Attorney General: I respectfully submit that this is an entirely distinct and separate proposition.

Hon. Frank Wilson: Then why not construct ninety miles and bring it within ten miles of Norseman?

The Attorney General: If it had been 90 miles it would still be distinct from a railway joining two places, that is joining Norseman and Esperance. When the railway was constructed from Coolgardie

to Norseman it was in the direction of Esperance, and that railway was used in the previous Bill as part and parcel of the same route between the goldfields and Esperance. That was a railway proposition to join the goldfields with the bay at Esperance; that was a goldfields line; this proposition is an agricultural proposition. The proposition now is not to join the goldfields with Esperance, but to enable the farmers who have settled on the mallee land to find an outlet for their produce, not at the goldfields, but by way of Esperance Bay with Fremantle and other points. Therefore the two propositions are entirely separate and distinct, and in some respects antagonistic.

Hon. Frank Wilson: Oh, no, not at all.

The Attorney General: They are antagonistic, because the first railway had in view the object of giving to the goldfields their natural port, their nearest port.

Hon. Frank Wilson: That was not the argument.

The Attorney General: The hon. member surely can listen until I have finished. Surely he is always preaching about example. Let him keep quiet now.

Hon. Frank Wilson: The object of the Bill was to serve the settlers.

The Attorney General: It was the original proposition to give to Coolgardie and Kalgoorlie and the goldfields generally an outlet, a port of their own, a sea-side resort, and an opening for them to have their nearest pathway of commerce with the rest of the world through the port of Esperance. But this is another proposal entirely; it leaves the goldfields entirely isolated; they are entirely cut off; it is simply an agricultural railway proposition; it goes not one inch beyond the agricultural belt. In the very discussion on the other measure in the Chamber hon. members opposite used the argument that if we proposed a line from Esperance northward to the agricultural settlement the Bill might receive support, and they complained that we were not giving a line to the settlers, but a line to the people of the goldfields which would give them a plain trackway from the goldfields to Adelaide. That was their

argument, and to prevent that we now take them at their word, and say that our object is to build a line that will serve the people who have been settled upon the land in good faith so that they will not be left isolated there in the heart of the wilderness. It is our duty to build such a line when we cannot get the line we proposed. The other railway would serve two purposes; it would serve the goldfields and serve the settlers; this is serving the settlers and is distinctly an agricultural railway line; and therefore I submit that, although the two lines travel over some of the same country, they are two proposals of two different lines altogether. On that score this Bill is very different from the other Bill. Another place rejected a proposal to join up Esperance with the goldfields.

Mr. Monger: Rightly so, too.

The Attorney General: This line does not propose to join up Esperance with the goldfields, but only proposes to give an outlet to the agricultural settlers on the mallee belt, some 30 miles up to 60 miles north of Esperance.

Mr. George: The debate is not as to the advisability of building this railway, it is whether the Bill is properly before us under our Standing Orders. Whether this line provides for facilities for settlers or for the goldfields is beside the question altogether. The Attorney General is probably the highest authority among members on constitutional law, and I should like to have heard from him what is really the constitutional meaning of the question. The debate as to the line can be taken later, but we must not, if we can avoid it, debate it now when it might prove to be against our Standing Orders. That is why the House wants a ruling for its guidance before expressing an opinion. The Attorney General has not given reasons, but has spoken on questions that can be more conveniently dealt with should this measure reach the second-reading stage.

Hon. Frank Wilson: To supplement my remarks, I want to put it clearly before you, Mr. Speaker, that the substantial objection I have taken is sup-

ported by an illustration. Suppose a Bill had been introduced to build a railway from Esperance 110 miles northwards, it would have brought the terminus within 10 miles of Norseman, and no one would contend for a moment that that was not practically and substantially the same railway we have already dealt with. Now, reduce the distance to 60 miles and we still have that same argument holding good. The plans show it, because the surveys are exactly the same. The 60 miles are a portion of the Esperance-Norseman railway, which has already been dealt with by this Assembly. The question so far as the goldfields are concerned was only the additional construction, but the main object of the Bill was undoubtedly, as advanced by the Minister in charge, to open up what was supposed to be a large belt of wheat country, the mallee belt, and arguments were used by myself and others on this side that if this belt proved to be suitable for wheat growing there would be no objection to tapping it by our railway system, but at the same time what I was careful to point out, was whether it would be advisable to tap this belt from Esperance or whether a railway should be run east and west, and ultimately coupled up with the existing railway system at some point along the Great Southern line. Undoubtedly the House considered the question as to whether the goldfields might derive some benefit through having an outlet at Esperance or having a seaside resort, but that was only a secondary consideration. The whole trend of the debate has been from the point of view of the wheat belt. The Bill was passed through this House and it was sent on to another place, and I submit we are not able under the Standing Orders to consider during this session the introduction of a measure for the partial construction of a line which has already been dealt with.

The Attorney General: Are you relying on the Standing Orders?

Hon. Frank Wilson: I submit that we cannot depart from the usages of the House of Commons, nor from our own Standing Orders, and we cannot consider a measure which has already been dealt with in substance by this Chamber. The

Standing Orders of another place are even more explicit than ours. On page 29 Standing Order 110 says—

No question or amendment shall be proposed which is same in substance as any question which, during the same session, has been resolved in the affirmative or negative.

Mr. Speaker: Are you quoting a House of Commons Standing Order?

Hon. Frank Wilson: No; that of the Legislative Council, and the Legislative Council have already had this Bill.

The Attorney General: They are two different propositions.

Hon. Frank Wilson: Not at all. I have not had time to look up the House of Commons rules in connection with a similar matter, but I contend that we cannot reconsider this question, even as portion of a railway Bill which has already been dealt with by this Assembly.

The Attorney General: As the hon. member has been permitted to add a few words may I also be allowed to say something further?

Mr. Speaker: In a matter of this kind I wish to be as careful as possible in forming an opinion, and whilst I have my own opinion on the matter I am willing to hear as many as possible from hon. members.

The Attorney General: I want to answer the argument of the hon. member that because this line goes in a certain direction towards what would have been the Esperance-Coolgardie railway line, it therefore is the same proposition in substance. What would that argument entail if it were to be carried out logically? From this time onwards on that track, which is of course the track for building any railway northward, you could not take a line a mile out of Norseman because it would be in the direction and on the track of the line originally proposed.

Mr. Wisdom: You can do it next session?

The Attorney General: Why delay it if it is necessary.

Hon. Frank Wilson: It is not necessary.

The Attorney General: I am submitting this new and entirely different proposition.

Hon. Frank Wilson: It is practically the same.

The Attorney General: The two propositions have different termini, and the present has the more direct and a more specific object, namely, to serve the agricultural settlement. The other was a general line for general purposes; this is a line simply and only for the purpose of giving settlers an agricultural railway. That is the difference. Whenever we move northwards out of Esperance we cannot help but go upon the original survey.

Hon. Frank Wilson: Yes, you can.

The Attorney General: At all events, if we wish to reach these settlers we must go upon this track. Why should we not take advantage of a survey which has already been made and of the country already known for the purpose of constructing this agricultural line? I submit that these two propositions are absolutely distinct. For instance, we propose to build a trans-continental line from Perth to Kalgoorlie, and that is more or less in the direction or part of the way to Port Darwin, and it may ultimately connect with Port Darwin.

Hon. Frank Wilson: Oh, ring off, Mr. Attorney General!

The Attorney General: Suppose there was a proposition that we should construct a railway to Port Darwin, and then the second proposition came along that we should go only to Kalgoorlie, would hon. members say that this second proposition would be on the track of the railway to Port Darwin?

Mr. George: But Port Darwin is in South Australia.

Hon. Frank Wilson: That argument will not wash.

The Attorney General: Because this proposed railway from Esperance will go along part of the track that it was intended to take, the other, hon. members consider it is the same proposition in substance. This will be merely a railway to cover a specific number of miles, and the other was a rail-

way to cover twice the number of miles. We do not propose to build a railway from Esperance to Norseman, but we propose to do a service to the settlers near Esperance, who are entitled to it, and the justice of which service has been admitted even by the hon. members who have spoken this afternoon. I repeat the two are distinct proposals, and must be considered as such, though they have certain features in common, inasmuch as both lines would travel north and both would go on the best track selected by the surveyors. But there is that wide distinction that the present one will go only to the end of the agricultural belt and the other was supposed to complete through traffic from Esperance to Kalgoorlie and Perth.

The Minister for Works: I would like to express an opinion in regard to the point which has been raised.

Mr. Speaker: May I suggest that the further consideration of the matter be postponed until after the tea adjournment. This is a subject on which there is sure to be a keen difference of opinion and I want to be satisfied in my own mind in regard to the decision which I shall have to give that it will be the correct decision. The question if postponed until after the tea adjournment can be discussed again then.

The Minister for Works: I move—

*That the further consideration of the Order of the Day be postponed.*

Motion passed.

## BILL—LAND AND INCOME TAX.

### *In Committee.*

Mr. Holman in the Chair, the Premier in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Interpretation:

Hon. J. MITCHELL: In the definition of "business" it was proposed to include "horse-racing, trotting, or other sport." Would this interpretation cover all sports?

The MINISTER FOR LANDS: The profits derived from these sports were regarded as a legitimate source of taxation,

notwithstanding that the undertaking carried on were not strictly in the nature of a business. The reason for the specific inclusion in the clause of these organisations was the decision recently given by the Full Court in regard to an appeal by the W.A. Turf Club, when it was held that the W.A. Turf Club was not carrying on a business as prescribed in the existing Act. It was in order to clear up this point and to enforce the payment of taxation upon the profits of these organisations that they were included in the clause.

Hon. FRANK WILSON: The principle of taxation, especially of an income tax, was to secure a portion of the profits made by the proprietors of a business. It had been the object all along to distinguish between undertakings working for shareholders or proprietors, and those which were not distributing profits. Presumably it was intended that the profits of social clubs should be taxed to provide revenue for the State. Such profits were never divisible among the members of a club. The subscription was either raised to meet a deficiency or lowered in view of a surplus.

Hon. W. C. Angwin (Honorary Minister): Which amounts to the same thing.

Hon. FRANK WILSON: No, it was only returning an overcharge which had been made. A member of a club did not pay his subscription by way of an investment so that he might get a profit. As a matter of fact, clubs never did return profits; it was prohibited under their constitutions. This would apply also to horse-racing, trotting, and sports clubs. We got at these institutions, especially the horse-racing clubs, through the totalisator tax, collecting from them a dividend on the money speculated on the races. He would not object to that tax being increased, but he did not think it was advisable in addition to mulct these organisations in a tax on profits which were never distributed. As for other sports, surely it was not desired to insist upon a cricket or football club or association paying a tax! We should endeavour rather to encourage sport among the rising generation. The words complained

of should be struck out of the definition, or other words inserted providing that only such profits as were distributed should be levied upon.

The MINISTER FOR LANDS: There was an enormous diversion of money in the direction of associations formed for the purpose of carrying on these various kinds of sport, and in the direction also of clubs constituted under the Licensing Act. It was immaterial whether or not there was an actual distribution of profits; profits were realised, and the advantage accrued in some way or other. To secure some portion of these profits in the form of taxation as proposed in the Bill was perfectly legitimate and desirable.

Hon. Frank Wilson: Will you not merely make them show a loss by reducing the subscriptions?

The MINISTER FOR LANDS: If these organisations crossed the border line between legitimate charges and book-keeping entries for the purpose of evading the Act, the Commissioner of Taxation would be sufficiently wide awake to come down on that sort of thing. There was perfectly legitimate argument for the diversion of the profits earned by these undertakings, whether a club under the Licensing Act or a horse racing or trotting association. There was a marked difference between sport carried on for sport's sake and in which the contribution was just about sufficient to pay expenses, and those undertakings where the profits realised were very great. There was also a distinction between this proposal and the totalisator tax, because a club merely acted as agent and took a percentage of the money passing through the machine. After all, the taxation was really on the great body of the public using the totalisator.

Hon. Frank Wilson: That ten per cent. taken by the club on the money put through the machine represents the major portion of its profits.

The MINISTER FOR LANDS: This was a legitimate form of taxation and one which was easiest paid. He hoped no attempt would be made to strike out the words referred to.

**Mr. UNDERWOOD :** Not being a member of any of these clubs, and not participating generally in sporting, the Minister for Lands did not understand the position. As a matter of fact the W.A. Turf Club made absolutely no profit. No member of that club derived any profit from it. The whole of the resources of the club were expended either in prize money or in improvement of the grounds. Clubs which improved their grounds as did the W.A. Turf Club and the Boulder and Kalgoorlie Racing Clubs should not be asked to pay a tax. It would be just as reasonable to impose a tax upon the Parliamentary bowling green, or call Parliament House a club and say that a profit was being made, as to tax the clubs he had mentioned. Of course, proprietary clubs, such as the Helena Vale, the Goodwood and others, constituted an entirely different proposition. Legitimate racing clubs should not be taxed. The people who went to the races were already taxed exorbitantly. The Minister for Lands was quite wrong when he suggested that there was any profit whatever in connection with such an institution as the W.A. Turf Club. It was hoped that exemption would be given to this and other similar clubs. Absolutely all the money received was expended in prizes or for improvements to the grounds.

**Hon. J. MITCHELL :** Proprietary clubs run for profit ought to pay. The W.A. Turf Club used their funds to beautify the grounds, but for years they had to bear an enormous overdraft to make the grounds what they were.

**Mr. Munsie :** Are the grounds open to the public ?

**Hon. J. MITCHELL :** The club had spent a large sum on the grandstand, and the admission fee was very low. Considering the expense the Turf Club and the country racing clubs should not be taxed. Under the £250 exemption most of the small clubs would be exempted, but if the Bunbury or Northam race clubs spent £500 on improvements that would be calculated as part of the taxable income. That was not right. They

paid a totalisator tax and a license fee to the Government.

**Mr. Thomas :** An hotel keeper has to pay a license fee and we charge him on his income.

**Hon. J. MITCHELL :** That was a matter of profit. In addition an enormous amount of money was collected by the Railway Department on race days. It was absurd to tax genuine sports clubs. The clause would embrace every club that had any money.

**Mr. MUNSIE :** The clause would have his opposition particularly in view of the position of the two goldfields racing clubs.

**Hon. Frank Wilson :** You cannot single them out.

**Mr. MUNSIE :** No; but the goldfields race clubs had provided the only two reasonable parks where people could go for recreation or enjoyment. The clause would tax them for money spent on improvements, and that was unfair. Something should be done to give greater opportunities for recreation on the fields, and these clubs particularly deserved to be encouraged and not discouraged.

**Mr. B. J. STUBBS :** The racing clubs, such as the Turf and the goldfields clubs should be exempt. If they had a large income and none was returned as profits to individual members, but was spent on improvements and stakes, that would be legitimate expenditure. Profits could only be that part of the revenue over expenditure. Therefore under the clause these clubs would be exempt as also would sporting bodies which did not pay dividends to their members. Immediately dividends were paid such as in the case of proprietary racing clubs which were run for individual profit, they would have to pay on the profits—that was the amount of revenue over and above expenditure.

**Hon. FRANK WILSON :** The member for Subiaco (Mr. B. J. Stubbs) appeared to have missed his vocation, and ought to be advising people how to make out their returns for taxation purposes. If the hon. member made £500 profit and instead of putting it into his pocket he spent it on additional fixtures and stock, would not



the Commissioner of Taxation collect income tax on those profits? If the hon. member had escaped in that way the Commissioner would find when his attention was drawn to the hon. member's remarks that he had a large amount to collect. Undertakings which earned profits for the benefit of their owners or members should be included, but those undertakings which were purely for the benefit of sport and which were already taxed as in the case of race clubs, by way of a totalisator tax, should be excluded. The Minister should know that the bulk of the profit on racing clubs was derived from the 10 per cent. from the money which passed through the totalisator. That was the large source of their income, and they already paid  $2\frac{1}{2}$  per cent. on it. It would be better to increase the totalisator tax than to impose a tax on paper profits. Social clubs did not distribute profits. He did not know of a single sporting or social club which made a profit on its year's transactions, apart from the subscriptions.

The Minister for Lands: They put their profit into the purchase of land and the erection of palatial buildings.

Hon. FRANK WILSON: There was not one such club in Western Australia from the Weld Club downwards. All their buildings had been erected with borrowed money.

Mr. Thomas: They provide luxuries for themselves, and that is no reason why they should be exempt from taxation.

Hon. FRANK WILSON: If the hon. member paid £5 to the Bunbury Club so that he might have easier chairs, did he think the club should be taxed?

The Minister for Lands: The profit is not on subscriptions but on the sale of liquor.

Hon. FRANK WILSON: Then if it was to be a taxation on the sale of liquor we should say so. Paper profits contributed only by the subscriptions of members should not be taxed.

Mr. George: They might as well tax the profits on the refreshment rooms at Parliament House.

Hon. FRANK WILSON: No club to his knowledge paid its way out of the

profits of the sale of liquor or of food. Clubs paid their way out of the subscriptions which members individually contributed. We should not put obstacles in the way of these institutions, but encourage them.

Mr. Thomas: To whom does the property of the racing clubs belong?

Hon. FRANK WILSON: To the members.

Mr. Thomas: If a club had to be wound up, who would get the profit?

Hon. FRANK WILSON: An application would have to be made to the court as to how the profits would have to be distributed. If there was a desire to collect a tax on these profits then we should provide for it. A club went on indefinitely. He did not know if it would cause inconvenience in the construction to be placed on the definition of "business" if the following words were added after "sport":—"the profits of which are distributable amongst its members."

The Minister for Lands: That was already provided for in Subclause 6 of Clause 14.

Hon. FRANK WILSON: A business, according to the definition, included every profession, avocation, trading, calling, employment, undertaking and occupation; then it said "the term also includes the business carried on by any club under the authority of the license granted under the Licensing Act." He moved an amendment—

*That after "sport" in the last line of the definition of "business," the words "the profits of which are distributed amongst its members" be added.*

The MINISTER FOR LANDS: The mere fact that profits were not distributed in the way of actual distribution of cash did not prove that there was not an actual distribution of benefit and did not disprove the fact that profits were not made. In racing clubs, even if not proprietary clubs, the money they made in profits and spent on improvements to their holdings was not expended with the benevolent intention of contributing to the public advantage, they were made for the purpose of attracting bigger crowds and making larger profits and thereby adding

to the net result over and above the expenses of running the undertaking. At present these clubs did not make a distribution of profits, but that did not say that in the future they would not do so. At present they were utilising their profits made out of pleasure for the specific and material expenditure on their grounds.

Hon. J. Mitchell: For the public use.

The MINISTER FOR LANDS: No, the public had to pay a considerable sum to avail themselves of the grounds.

Hon. J. Mitchell: A small fee.

The MINISTER FOR LANDS: No, a fairly substantial fee. The fact that the public were allowed to use these grounds was incidental to the purpose for which they were established, and it was legitimate for the State to secure some of the profit for the benefit of the general public. It was new for him to hear that clubs were unfortunate propositions in which profits were not realised on their operations. That statement was entirely different from the statement made in the annual balance sheets of these clubs, because if the members did not realise actual cash dividends, they received benefits; money that might be borrowed was paid off, land and buildings representing thousands of pounds became their own property. Take the Commercial Travellers' Club in Sydney, they erected a palatial building and afterwards purchased a block of land. True it had some indebtedness on it, but they made substantial profits so that they were enabled to purchase a valuable block of land in Sydney to erect a larger building thereon which in ten years might become their own property free from debt. That and other clubs were undoubtedly amassing considerable profits, if not in coin of the realm then in valuable properties. It was a legitimate source of revenue and one that should be taxed.

Mr. UNDERWOOD: The Minister was mistaken in what he had called profits. Profits simply meant that a member of a club could buy a drink of whisky for 3d., but he agreed to pay 6d. for the whisky and thus put the excess amount paid over the actual cost of the whisky for the purpose of purchasing a place which might

be enjoyed later on. Members of clubs could not transfer their shares or sell their membership. A person might belong to the W.A. Turf Club for which a membership fee of six guineas was paid which enabled the holder to go to the races, but the person could not sell his membership and it could not increase in value, but the member was prepared to go on paying that, and if he continued to be a member he might receive greater comforts by and by. In the meantime the members of the club were improving the race grounds so that the public might use them.

Mr. Thomas: How often do the public use the Perth racecourse?

Mr. UNDERWOOD: The ground was there, and anyone could go on to the ground any day he liked except race days. It was one of the beauty spots of Perth. It had been built up by the racing people of Western Australia or the people who went to the races, and the grounds were open at all times except on race days. Those who went on to the racecourse admitted that "it was a thing of beauty and a joy for ever." The Minister for Lands had absolutely misunderstood the question. If he was a member of the W.A. Turf Club he would get no benefit except the right to go on the course on race days. If by making a higher charge for membership and for admission there was an excess which enabled the club to further improve its grounds, it was not a fair thing that such excess should be taxed. There was no proposal to tax football clubs; as a matter of positive fact the playing members of the Subiaco Football Club, for instance, received more direct benefits, in the form of boots, guernsies, etc., than did the members of the W.A. Turf Club.

Mr. Foley: If you were a horse owner you would get a lot of concessions that the Subiaco Football Club members do not.

Mr. UNDERWOOD: A horse owner had to pay his jockey's fees, trainer's fees, admission charge for the jockey and trainer, and nomination fees for his horse. The excess of receipts over expenditure in the various race clubs had been spent either in prize money or in im-

provements of the grounds, which were open to the public free on every day except race days. A man who won a horse race only received the stake less income tax, and even the bookmakers had to submit their books and pay on their incomes. Every person who attended a race meeting was taxed exorbitantly through the railways; in fact, the dearest fare on the Government railways was that to a racecourse.

The Minister for Mines: There are excursion fares from Perth to Kalgoorlie every time races are held.

Mr. UNDERWOOD: The fare from Perth to Kalgoorlie might be reduced, but the fare from Kalgoorlie to the racecourse was raised 400 or 500 per cent.

The Minister for Mines: No, not at Boulder.

Mr. UNDERWOOD: Boulder was the only place where the railways did not charge higher fares on race days. Seeing that there were so many taxes on those who desired to go to the races, the least the Committee could do was to decide not to charge income tax on revenue which was not income, but was merely a surplus to be spent for the benefit of the public.

Mr. THOMAS: It was difficult to understand all this commiseration over the race clubs. There was no reason why they should not be taxed; the Committee were told that those clubs were, in a way, philanthropic institutions, whose grounds were beautified for the benefit of the public.

Mr. Munsie: So they are on the Goldfields.

Mr. THOMAS: The statement might be true in that particular instance, but he doubted the statement that the people were able to use those facilities at all times without charge; there was a certain restriction upon them. If a person desired to go to races, the amount of consideration and comfort he received was in proportion to the amount he could afford to pay. The profits that were taken from the general public were utilised to provide greater comforts for the wealthy patrons. Why should exemption from taxation be given to those people who

were building up luxuries for themselves and enjoying comforts that only a few people in the community could afford to enjoy? To reduce the taxation would merely mean increased comforts for the members and increased prizes for the people who owned racehorses. The amendment would give exemption to a class of the community who could very well do without that concession. If a man wanted the privilege of racing horses, and of belonging to an expensive club and indulging in a luxury which few people could afford, he was the last person in the community who should claim exemption from taxation.

Mr. George: Is horse racing not also for improving the breed of horses?

Mr. THOMAS: One wondered how many of those who engaged in horse racing had any idea of improving the breed of horses. Those institutions which were purely luxuries could at least afford to pay a reasonable amount of taxation.

Mr. George: Why not tax the collections of the churches?

Mr. THOMAS: If the hon. member would introduce a Bill with that object in view it would receive consideration. The Committee were told that the race clubs paid licenses and a tax on their totalisator returns, but there was no reason why they should not. Poorer people than wealthy racing clubs had to pay license fees.

Mr. Underwood: Does the Subiaco Football Club?

Mr. THOMAS: One could not appreciate the hon. member's unkind and ungenerous references to the Subiaco Football Club.

Mr. Underwood: Do football and cricket clubs pay a tax?

Mr. THOMAS: No consideration was due to any racing club because they paid a license fee.

Mr. Underwood: Or a football club.

Mr. THOMAS: An hotelkeeper paid a license, but if he made a profit he had to pay taxation. He did not believe that the members of the big racing clubs in the State would ask to be exempt from their fair share of taxation. Taxation of the racing clubs would not amount

to very much. The members of these clubs received enjoyment for their money, and if we put into their pockets money it would only be for horse owners and those who had no particular claim on Parliament for consideration.

Mr. GEORGE: The clubs referred to in the amendment were not business affairs out to make profits; they were bodies that should be legitimately encouraged and supported; because they did good to the country, not only giving recreation to the people of the State, but also assisting to improve the breed of horses.

Hon. W. C. Angwin (Honorary Minister): They maintain a very good patronage for the Fremantle gaol.

Mr. GEORGE: It was said the members of these clubs were wealthy. If so they were already contributing their share to the taxation of the State, and why should they be taxed again because they were spending portion of their income on race clubs? We might as well tax church collections and subscriptions.

Hon. W. C. Angwin (Honorary Minister): Very few churches fill the gaols.

Mr. GEORGE: The hon. member by inference said that because scoundrels frequented racecourses, as also churches, we must set to work to condemn that which gave enjoyment to thousands of innocent persons. The hon. member should broaden his views. The more avenues we could provide to enable people to get right away from crowded cities to places of decent enjoyment the better it would be, and we should welcome them.

The MINISTER FOR MINES: These clubs did make a profit, and there was no more legitimate source of taxation than taxing sport in the shape of horse-racing. The tax would only mean that the wealthy clubs would have a little less to distribute in the way of prizes, and the Kalgoorlie and Boulder clubs would have to forego the concession of paying the railway freight on all horses which attended their meetings. Surely when we proposed to tax men engaged in legitimate business who sometimes could ill afford to pay the taxes extracted from them, no great harm would be done, and no serious

opposition could be raised, if we took a little from those who would not miss it. Though the lawns of these race clubs were supposed to be open to the public, the great body of the public were excluded from participating in the enjoyments and pleasure of these lawns. There was no reason why the State should not take a portion of these profits, although the members of the clubs did not make individual profits.

Mr. Underwood: Why not tax all cricket clubs and football clubs?

Mr. Dwyer: They are taxed.

The MINISTER FOR MINES: It was absurd to say that football clubs would be taxed under this provision.

Hon. J. Mitchell: You provide it.

The MINISTER FOR MINES: Such clubs would be exempt.

Hon. J. Mitchell: There is no special exemption for them.

The MINISTER FOR MINES: Only that provided for all others. The only clubs which would really be affected would be the wealthy racing clubs, and there was no good argument to show that a proportion of the profits they earned should not be taken from them.

Hon. J. MITCHELL: The amendment would exempt ordinary racing clubs, but not proprietary clubs, and therefore its object was good. Members of these race clubs paid just as much as the ordinary public for the privilege of going on these racecourses. There was a time when Parliament was asked year after year to grant money to the W.A. Turf Club for the encouragement of horse breeding. It was just as necessary to-day to encourage horse breeding. Members of these clubs already paid income tax on the subscriptions they paid to the clubs. There was no allowance made by the Commissioner of Taxation for such subscriptions. Surely Parliament would not agree to tax sport, especially where every penny made by racing bodies was spent in beautifying their grounds for the benefit of the public. Anyone could go on the W.A. Turf Club ground by paying a moderate fee. The objection he had to this was that we proposed to tax sport.

The Minister for Lands: That is done all over the world.

Mr. Heitmann: Your Government brought in a totalisator tax.

Hon. J. MITCHELL: That was another matter. The Government had legalised the totalisator.

The Attorney General: Does sport object to pay?

Hon. J. MITCHELL: Of course they would object. We wanted it limited to within a reasonable scope. It was not desired that the House should tax all sporting clubs that made over £250 a year.

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

Ayes	..	..	..	15
Noes	..	..	..	21

Majority against .. 6

#### AYES.

Mr. Allen	Mr. Nanson
Mr. Broun	Mr. A. E. Piesse
Mr. George	Mr. A. N. Piesse
Mr. Lefroy	Mr. S. Stubbs
Mr. Mitchell	Mr. F. Wilson
Mr. Monger	Mr. Wisdom
Mr. Moore	Mr. Underwood
Mr. Munsie	(Teller).

#### NOES.

Mr. Angwin	Mr. Lewis
Mr. Bath	Mr. McDonald
Mr. Carpenter	Mr. McDowall
Mr. Collier	Mr. Mullany
Mr. Dooley	Mr. O'Loughlin
Mr. Dwyer	Mr. B. J. Stubbs
Mr. Foley	Mr. Thomas
Mr. Gardiner	Mr. Turvey
Mr. Green	Mr. Walker
Mr. Johnson	Mr. Gill
Mr. Lander	(Teller).

Amendment thus negatived.

Hon. J. MITCHELL moved a further amendment—

*That the following definition be added to Clause 3:—"Parcel of land" means one or more blocks of land the property of one owner situate within a radius of 20 miles; provided that this definition shall not apply to town lands."*

Unless this definition was included a person working several blocks situated a few miles apart would not receive the benefit he should receive under Clause

16 which provided that where profits were derived directly or indirectly from the cultivation of land a person could claim a deduction on the amount payable for income tax. He did not see why an allowance should not be made for the gross earnings on a property owned by one person, although it might not be contained within four boundaries. Clause 16 referred only to one class of land, and unless the definition he proposed was included it would mean that a man who owned two or more blocks which were some hundreds of yards apart would not gain any advantage by reason of special activity on any one of the blocks. It did happen in the State that men owned land a considerable distance apart and the land was used partly for grazing and partly for agriculture.

The MINISTER FOR LANDS: If we were to include the amendment it would have an entirely different effect from the provision in the Land Act to which the hon. member had referred, a provision under which the holder of the land was allowed to concentrate improvements. This was merely a temporary arrangement.

Hon. J. Mitchell: Lasting for twenty years.

The MINISTER FOR LANDS: Not necessarily. It was a temporary arrangement for the purpose of enabling the holder to concentrate improvements to advantage; but before the holder could secure the Crown grant for the parcel of land which remained unimproved or only slightly improved owing to excess of improvements on another block, the conditions had to be fulfilled, and to that extent the arrangement was only a temporary one. Under the proposed amendment such a man would be able to transfer the advantage he was receiving on one particular block to some other holding absolutely unimproved. Under the circumstances it would defeat the object of the measure.

Hon. J. Mitchell: You allow a deduction in the case of a partially improved thousand acre block.

The MINISTER FOR LANDS: But what the hon. member was asking was

that the reduction which would be applied to a cultivated block should be made to apply also to another within a radius of twenty miles, which was absolutely unimproved.

Mr. George : You allow concentration of labour on mining leases.

The MINISTER FOR LANDS : That also was a temporary arrangement, just as in the case of the concentrated improvements on conditional purchase land.

Hon. J. Mitchell : You allow a rebate of the income tax on a partially improved block.

The MINISTER FOR LANDS : But the hon. member required that the abatement in respect to one particular block should cover another unimproved block. That was not sound.

Hon. J. Mitchell : There is no difference.

The MINISTER FOR LANDS : If the provision were included in the Bill it would make all the difference between a temporary and a permanent arrangement.

Mr. GEORGE : It was well known that in the South-West a stock raiser holding hill land must also have an area of coastal land for the purpose of removing his stock from the one to the other at a certain portion of the year, failing which they became "coasty." The cattle which had been running in the Darling Ranges had to be removed to the coastal land, and in the same manner a man who kept his stock chiefly on coastal land had periodically to shift them up into the hills. If this practice were not observed, the consequence was manifest in loss of stock. So, although there might be twenty miles between the hill and the coastal parcels of land, it was virtually all the one piece of land, held by the same man, for the purpose of raising stock. For that reason the amendment should be accepted.

The Minister for Lands : But, before such a man could use coastal land, he would have to effect improvements on it.

Mr. GEORGE : The improvements were restricted to fencing. Nothing more was required, because the herbage and scrub on the limestone formation was exactly what the stock required to put

them into good condition for the rest of the season.

The MINISTER FOR LANDS : In the case cited by the hon. member improvements would have to be effected on the coastal block, if that area was to be used; on the other hand, if the area was not worth improving the valuation for taxation purposes would be correspondingly light. But if the amendment were agreed to it would mean that there would be a possibility of abuse of the provision under Clause 16, for the reason that the abatement for the improvements effected on land would apply to other parcels of land than that upon which the improvements had been effected. That ought not to be the case; the abatement ought to specifically apply to the block on which improvements were effected. If we were to extend it to other parcels it would lead to the encouragement of the holding of land with a view to profitably disposing of it. Admittedly the improvements prescribed in the Land Act were not sufficient if a parcel of land was to be put to productive use. The provision in the Land Act for the concentrating of improvements had led to blocks being held with the idea of disposing of them to advantage. Undoubtedly that provision was abused. The trouble was that to eliminate it from the Act would be to impose hardship on legitimate holders. However, there was no reason why we should make a permanent provision in the Bill in the direction contemplated by the amendment.

Hon. H. B. LEFROY : The amendment had not been moved with a view to permitting people to hold land for speculative purposes, but with a view to making Clause 16 more equitable in its application. As that clause stood at present it was almost impossible of administration, and would cause a great deal of hardship. It was necessary to read the clause in conjunction with the interpretation under discussion. The clause read as follows :—

Whenever any person is assessed for income tax on profit derived directly from the cultivation of any parcel of land such person may claim and shall be allowed an abatement of so much of

the amount payable for income tax on such profits as equals the amount paid by him for land tax in respect of the same parcel of land.

What we required was an interpretation of "a parcel of land" as appearing in the Bill, and it was certain that the Commissioner of Taxation also would like such an interpretation. If the Minister intended that it should mean simply one surveyed allotment then a great deal of hardship would be entailed under the clause. The Minister knew well that nearly all our farming was mixed farming. A man might start with a hundred acres of land and gradually add to that by taking up additional hundred-acre blocks. One of the blocks might be of a rocky nature with perhaps only ten acres of it suitable for cultivation. It might be used for grazing purposes in conjunction with other blocks, which were entirely cultivated. It would be impossible to describe how much income was made from the cultivated land and how much from the grazing land, as the income was derived from working the blocks together. The people on whom the tax would fall worked their land principally in this way. If the land was held for speculative purposes no exemption should be allowed, but it appeared that supporters of the Government had this bogey always in front of them. He knew of none of his friends who were holding land for speculative purposes except in the towns. Many people who took up land legitimately were not suited for the work and had to sell.

Mr. Underwood: That is where you come in.

Hon. H. B. LEFROY: The Minister should not regard such a person as one taking up land for speculative purposes. He should take a broad minded view of the question.

Mr. Underwood: You have more land than you can work.

Hon. H. B. LEFROY: A body of land owners in the country were represented by him.

Mr. Underwood: Can you work all the land you own?

The CHAIRMAN: Order!

Hon. H. B. LEFROY: Certainly I can.

Mr. George: What has that to do with the member for Pilbara?

Hon. H. B. LEFROY: It was objectionable to bring personal matters into the House.

Mr. Underwood: Do you work all the land you own?

Hon. H. B. LEFROY: Certainly.

Mr. Underwood: You do with labour.

Mr. George: Oh! he means you must not employ anyone.

Hon. H. B. LEFROY: It was his hope that the Minister would consider these points which were important to land owners. If it was desired to make the law equitable, provision should be made so that where several parcels of land—

The Minister for Lands: There is no intention to do otherwise.

Hon. H. B. LEFROY: That was not clear in the Bill. Provision should be made for several parcels of land contained in a common boundary, and he would go so far as to make it apply to improvements to the extent of £1 per acre. The Minister should agree to the amendment or at any rate accept the underlying principle and agree to make provision in Clause 16 which would embody to a considerable extent the principle of the amendment.

The MINISTER FOR LANDS: The opposition on his part to the amendment was in relation to pieces of land that were not adjoining but were some distance apart. It was not a question of making provision in the interpretation clause so much as making clear the intention of Clause 16, and that was so far as a parcel of land being worked as a common farm was concerned the abatement should count. If it was necessary to make it clearer he would do so in Clause 16. Regarding land being taken up for speculative purposes, he was in a better position than other members to know. Of the areas taken up under non-residence about 1910-11, more than 50 per cent. were taken up with a deliberate intention to sell to other people. The evidence of that was on the files of the Lands Department.

Mr. George: You are quite right in stopping that.

The MINISTER FOR LANDS: The extent to which selections were taken up with the intention of selling to other people was amazing.

Mr. S. Stubbs: What proof had you that such was the case?

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

Mr. A. E. PLESSE: The amendment was a very necessary one, especially in view of the fact that later on in the measure provision was made for a rebate in respect to improvements on land. It was pleasing to note from the Minister that he was prepared to concede to some extent the desires of the Opposition. Unless the definition was made clear in regard to "parcel of land," the Bill was likely to be unworkable and would not carry out the desired exemptions. The officers administering the measure would interpret it as printed, and therefore it behoved Parliament to make the intention clear in regard to these proposed concessions. He was pleased to know that the Government had thought fit to make the taxation as lightly felt as possible by the individual who was doing his best to improve the land. However, unless the point was made clear as to the interpretation of "parcel of land" that object would not be attained. The Minister had said he intended to make it clear that "parcel of land" meant any number of blocks adjoining each other. To some extent that would give a concession to landholders, but it would not operate quite fairly in regard to other individuals who had equally good claims to the rebate. Under the provisions of the Land Act people had been encouraged to take up land under conditions which specially provided that any person residing upon rural land might acquire other lands under residential conditions so long as that land was situated within 20 miles of the place of residence of the holder. Therefore we should not specially penalise those people who might have holdings in divided blocks distributed over an area of not more than

20 miles. To those people we should offer the same concession as we were giving to a man whose blocks adjoined each other. Although the improvements might be concentrated on one particular holding the concession should be made to apply to other blocks held by the same man, even though they were not contiguous one to the other. It was not in the best interests of the country to restrict concessions to cultivated land, because much of the land was not cultivable, although of considerable value as grazing land. It was often to the advantage of a settler to hold an area of sandplain or grazing country at some distance from his central block. The amendment would carry out the intention of the Government to some extent, but would in addition extend the rebate to others who had equally good claims to it.

Mr. GEORGE: It was desired to emphasise the point that it was absolutely necessary for those who were grazing stock on the Darling Ranges to periodically remove their stock to the coastal land. The man engaged in grazing required to have a block of land at some distance from his main holding, and the two should be taken in conjunction for the purposes of taxation.

The Minister for Lands: The difficulty could be overcome by cultivation.

Mr. GEORGE: But as far as the limestone country was concerned much of it could not be cultivated.

The Minister for Lands: I mean in regard to inland country.

Mr. GEORGE: In the Darling Ranges a man might have 5,000 or 6,000 acres, of which perhaps only 200 acres could be cultivated. The cultivation would not do away with the necessity for sending the stock to the coast. There was no reason for it. We might as well ask the carpenter to show how much he made by his hammer, how much by his chisel, and how much by his plane, and a builder to distinguish the profits made on building a house and on the material worked up in his shop.

The MINISTER FOR LANDS: It was his intention to amend Clause 16 by



inserting in line 2 after "parcel" the words "or parcels" and after "land" the words "contiguous to each other." Regarding the point raised by the member for Murray-Wellington (Mr. George) the time must come soon when the development of the South-West, the cultivation of these areas, and the use of proper fertilisers would obviate the necessity for having two areas of land. It was necessary to guard against loopholes whereby the intention of securing revenue would be avoided.

Hon. J. MITCHELL: The Minister now admitted the principle as regarded adjoining blocks.

The Minister for Lands: I never denied it.

Hon. J. MITCHELL: But if the blocks happened to be a mile apart, the earnings would not be grouped. That was unjust. What did it matter if the blocks were five miles apart or if they were contiguous? If a farmer requiring 1,000 acres had to take up two separate blocks and was able to cultivate only one, he he would get no abatement on the second, but if the two blocks adjoined they would be considered as one. That was ridiculous. The amendment was reasonable. The Bill was removing the recognition existing under the present Act of benefiting the man who did his duty. Under the Act there was a rebate of one half of the tax for the man who improved his holding in accordance with the conditions of the law. Under this Bill no difference was made regarding the man who did his duty as against the man who did not. Clause 16 was reasonable, but it did not go far enough. The amendment would improve the clause, but even then justice would not be done. The Minister should heed the argument regarding the South-West. The land could not be put to its full use for many years until there was a bigger population and the amendment should be agreed to in order to meet existing circumstances and the needs of the people who now found it necessary to have two areas.

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

Ayes	..	..	..	10
Noes	..	..	..	24

Majority against	..	14
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#### AYES.

Mr. Allen	Mr. A. E. Plesse
Mr. George	Mr. A. N. Plesse
Mr. Harper	Mr. F. Wilson
Mr. Lefroy	Mr. Wisdom
Mr. Mitchell	(Teller).
Mr. Moore	

#### NOES.

Mr. Angwin	Mr. McDowall
Mr. Bath	Mr. Mullany
Mr. Carpenter	Mr. A. N. Plesse
Mr. Collier	Mr. Munroe
Mr. Dooley	Mr. O'Loughlin
Mr. Dwyer	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Gill	Mr. Turvey
Mr. Green	Mr. Underwood
Mr. Johnson	Mr. Walker
Mr. Lander	Mr. A. A. Wilson
Mr. Lewis	Mr. Heilmann
Mr. McDonald	(Teller)

Amendment thus negatived.

Mr. McDONALD: Attention might be called to paragraph (d) of the interpretation of unimproved value which made the unimproved value in respect of land held under an exclusive license at Shark Bay a sum equal to twenty times the annual rent reserved by or payable under the license. There had been more revenue received from Shark Bay than from all the other parts of the coast engaged in the same industry. At Shark Bay they paid a license fee of 10s. a year, and they paid rent to be fixed by the Minister for the banks they held for the purpose of cultivating the shell. As soon as any portion of the bank was denuded, small shell was put on it, so that the process of cultivation went on the whole time. Holders therefore were improving their particular properties. In the Shark Bay district there were 72 banks held under exclusive license, totalling an area of 16,875 acres, but what he desired to draw attention to was the fact that it was absolutely necessary that a certain rotation of work should be adopted in connection with these banks because it was necessary to allow a certain portion of them to rest to

enable the immature shell to mature and become of marketable value. In speaking on this matter a little while ago the Minister for Works referred to the fact that exclusive rights were given to certain people with a view to encouraging them to go in for the cultivation of shell. Now, by taxing them, we would limit the amount of cultivation and we insisted upon them paying an increased revenue to the State altogether out of proportion to the rights they held. The value of pearls and shell from Shark Bay last year was £8,592, and from this sum the State derived a revenue of £513. For the remainder of the State the value of pearls and shell raised was £300,000, and the State obtained only £363 in revenue. It would be seen therefore that Shark Bay was returning more revenue than all the other places combined. The Minister said that this was an anomaly which should not be allowed to continue, yet we found on the first opportunity a colleague of that gentleman proposing to increase the revenue in the method proposed in the Bill. In the succeeding paragraph of the clause it was proposed that in respect of land held under timber lease license or concession, a sum equal to 5s. per acre should be deemed the unimproved value. It might be mentioned that for 1911 the added value of the timber industry was £738,836. Reference had been made by other speakers to Clause 16, which provided that a person could claim an abatement of so much of the amount payable for income tax on profits which equalled the amount paid by him for land tax, but the unfortunate people on whose behalf he was speaking could not take advantage of that clause because they did not earn anything like £250 a year. If the Minister would agree to some other means of assessing the unimproved value, he would do a justice to those poverty-stricken people engaged in pearl shell fishing at Shark Bay.

**THE MINISTER FOR LANDS:** This was not, as the hon. member had stated, a proposal for increasing taxation. All those engaged in Shark Bay pearl fisheries came under the existing Act, and they were assessed on a similar basis to

that provided in this measure. The provision for assessing the value upon which taxation was based was, he admitted, rough and ready, and he pointed that out when in the first instance we were discussing the question of land taxation, but so long as we had a drag-net system of assessing the annual rental on these, as also in the case of pastoral leases and other leases, it would be necessary to adopt some such provision as was contained in paragraph (c) of the interpretation clause. That was adopted when the Land Tax Assessment Bill was first introduced in 1907, and until such time as we had some measure of classification or valuing for each individual lease, he did not see how we could adopt any other means for arriving at the annual value upon which the land tax was to be assessed. It was true that power was taken by a slight alteration of paragraph (c) by which, in the event of an independent assessment being made in the case of leases under the Shark Bay Pearl Fisheries Act, or in the case of pastoral leases, there would be some more equitable method of arriving at the value on which the land tax was to be assessed, but until such classification or allocation was made we would have to continue in this manner.

**Mr. McDONALD:** There were 72 banks at Shark Bay, and at this rate these 72 banks would pay an added fee of £70, and the industry was already overburdened. This small amount of revenue might well be dispensed with by the Treasury, so that the industry might get a little encouragement. There was a vast difference between pastoral leases and these leases held under exclusive licenses, just as much as there was between the pearl shell license and the timber leases held under concession, and if it was justifiable to charge 5s. for the timber leases, it was reasonable to expect the assessment to be reduced in the case of the exclusive license to which he had referred.

**Hon. J. MITCHELL:** Was the Minister for Lands taxing the water in the case of these exclusive licenses? If he was, it would be necessary to alter the title of the Bill.

The Minister for Lands : The land was underneath the water.

The Attorney General : Whoever has the land has everything that is on it.

Hon. J. Mitchell : But you will have to alter the title if you are going to tax the land which is under the water.

The Attorney General : Not at all. Water is land.

The MINISTER FOR LANDS : It was not possible to make the alteration the member for Gascoyne (Mr. McDonald) desired, because this was the only method of assessment, until there was an individual valuation. If the hon. member wanted to effect a remedy, the proper method would be for those interested who regarded the valuations too high to ask for action to be taken under paragraph (c) with a view of determining what the fair annual rental would be, and then it would mean that the assessment would only be on the difference between the fair annual rental value as determined, and the amount reserved by the Act. If, as the hon. member pointed out, the amount reserved by the Act was higher than the fair annual rental value, it would mean that they would escape taxation. Until that was done he could not undertake to make the amendment desired by the hon. member, because in this case it was a rough and ready approximation which applied not only to this but also to pastoral leases throughout the State. In regard to the proposal with which the hon. member had made a comparison, that was in regard to the timber areas held under lease, license, or concession, this was a case where different treatment would apply, because under a royalty system an attempt was made to secure something like a fair proportion of the value, and the value fixed under paragraph (c) had been so fixed because of the difficulties occasioned in a legal case between one of the timber companies and a roads board. The difficulty was occasioned because there was no means of ascertaining the assessable value of the land tax: in order to meet that difficulty, this method, which was also a rough and ready approximation, had been inserted in the Bill. It was

true that timber, because it extended over a large area, reached a much higher value of production than pearl shell fisheries, but in proportion to the higher value, timber paid a good deal more in taxation. The amount of taxation in which the Shark Bay fisheries would be involved would be very small. The large increase in the value in connection with the timber produced in Western Australia was due to the fact that the amount of labour involved was large whereas in connection with pearl shell it was a much smaller percentage of the marketable value. That was the reason why there was a difference in the amount paid. Under those circumstances he could not see that the lessees of the Shark Bay fisheries were being treated worse than other lessees.

Mr. McDONALD : It was difficult to understand why the pearl shell industry, the production of which amounted to £308,000, should be divided into two portions, and that portion returning £8,000 worth should be held liable for taxation, whilst the remainder, returning over £300,000, should be altogether free from taxation. The exclusive licenses were issued only for 14 years, at the end of which the Minister would re-appraise the rent. The suggestion offered by the Minister in regard to paragraph (c) would be accepted, however, and he hoped that something would be done to reduce considerably that item of taxation.

Clause put and passed.

Clauses 4 to 7—agreed to.

Clause 8—Land tax on unimproved value :

The Hon. J. MITCHELL moved an amendment—

*That in Sub-clause 1 all the words after "subject to the provisions of this Act" be struck out with a view to inserting the following in lieu:—"there shall be levied and paid to the Commissioner, for the use of His Majesty, at the times and in the manner herein-after directed, a land tax, at such rate as Parliament shall from time to time declare and enact, per pound sterling of the assessed value of all land situate in Western Australia, and not in-*

*cluded in the exemptions specified under this Act."*

That was the wording of the existing Act, and the effect of the amendment would be to make it necessary to impose the tax annually by Act of Parliament as at present instead of annually by the Commissioner, as the Bill proposed. The present system should be continued, because, except where the needs of Government made it imperative to adopt this form of taxation, Parliament should, from time to time, if possible, grant relief to the fullest possible extent. Under the clause as printed the tax would be collected annually without any further instructions from Parliament.

The MINISTER FOR LANDS : The hon. member for Northam would not expect the Government to agree to the amendment because from the time the measure was introduced, they had contended in favour of the Land and Income Tax Assessment Act and the Land and Income Tax Act being embodied in the one measure and standing from year to year until either repealed or amended. This form of taxation was substituted as more equitable than others that had preceded it when it was introduced in 1907. He still held that opinion, and if the time arrived in this State when we had a serious embarrassment of riches arising out of the production of this and other forms of taxation, the legitimate producers should receive the benefit by a reduction of payment for services; for instance, in the amount paid in railway rates.

Hon. J. Mitchell : That has nothing to do with it.

The MINISTER FOR LANDS : It was in that direction that the Government desired to give genuine encouragement to those who were utilising their lands.

Mr. George : You will never get that.

The MINISTER FOR LANDS : It was hoped that the time would come when the Government would be able to do that.

Mr. George : Your own Treasurer could not give it to you.

The MINISTER FOR LANDS : The Treasurer had already reduced the railway rates to the extent of £20,000 by removing the special rate on spur lines. If the Government were to raise more revenue than was needed, the benefit should be extended to those who were providing freight for the railways, by a reduction in railway freights and in the cost of services in other directions. The clause embodied what the Government had contended for when sitting in opposition.

Mr. GEORGE : Underlying this measure was the principle of the single tax. The Minister was too optimistic if he thought that he or any other Minister was likely to get much of a rebate in railway rates. One of the things a Treasurer was after was to get from the railways all the revenue he could, and although the Government took a great deal of credit to themselves for having given relief to the extent of £20,000 by taking away the terminal charge on spur lines, that relief was a mere bagatelle compared with what those who paid those charges had to bear. The Railway Department could not run the spur lines at rates approximating those on the main lines. The amendment proposed that the country should have the opportunity of judging whether this impost should be put on from year to year, and what was wrong with the Government coming down next year and asking for the imposition of this tax? The tax passed by a former Government was not considered just by those earning a living on the land. In one case a father and son and two daughters managed, by hard work, to earn an income of £150 a year; and because it was a joint effort they were taxed, whereas, if they were working individually, they could make more money between them and not be taxed. The tax was against all our principles of land settlement. We invited people to come to the State, and proceeded to bleed them. Was not a man working on the land as much a working-man as the man working for a farmer? Yet the present Government had the face and audacity to bring in a Bill of this sort, and parade themselves before the country as being

friends of the working-man by bringing down this damnable tax.

The CHAIRMAN: Order! The hon. member must withdraw.

Mr. GEORGE: Well, this condemnable tax.

The CHAIRMAN: The hon. member must withdraw and apologise to the Committee.

Mr. GEORGE withdrew and apologised, but one's indignation carried one away.

Hon. W. C. Angwin (Honorary Minister): Your indignation does not carry weight.

Mr. GEORGE: The hon. member only carried weight in his waistcoat. We invited people from all over the world to take up land and when we got them here, by a process which one was not permitted to describe, we bled them, and yet we raised the income tax exemption so that thousands of Government employees who were now contributing income tax might escape scot free just because they had the voting power.

Mr. Lander: Bunkum! What voting power have they?

Mr. GEORGE: It had done a good deal towards returning the hon. member.

The CHAIRMAN: The hon. member must not impute motives.

Mr. GEORGE: On a poll 99 per cent. of the farming community would endorse what he had said.

The MINISTER FOR LANDS: The hon. member could assume a virtuous indignation, but if he wished to find an eloquent plea in favour of this tax he deemed so iniquitous let him refer to the speech the leader of the Opposition had made when introducing it, and he would find, not an indignant interlude such as that to which the hon. member had treated the Committee, but a calm, well-reasoned and eloquent plea in favour of this form of taxation. The question of the justification of the tax was not a matter to be discussed on this clause. It was decided in 1907 by the Bill introduced by the now Opposition party. The whole question hinged on whether it should be an annually recurring tax enforced by enactment each year, or whether it should remain on the statute-book year after year until Parliament amended or re-

pealed it, its wisdom or otherwise, if Parliament imposed it, not being reviewable until an election took place. In the latter case if there was such a general objection to the tax, as was stated by the hon. member, at the next general election the tax would be repealed. But in the circumstances it must be this form of tax or some other form. Were we to tax on the effort, energy or enterprise of the individual, or on the communal value imparted to the land by the co-operative energy on the part of the people? If the principle of the Bill was wrong, the only option would be to tax the man who improved his property, the more he improved the more he would pay; otherwise the alternative was the form of taxation to which the hon. member took such strong exception. All the measure asked was to secure an infinitesimal proportion of the value imparted by the community to the lands of the State, apart from any effort of the individual himself. So long as we had the position as it was in Western Australia to-day, with railways constructed at a large expenditure of loan moneys, involving substantial increases each year in the charges for interest and sinking fund, our efforts must be concentrated in the direction of securing the utilisation of the land alongside these railways so that it might be brought to the reproductive stage at the earliest possible moment. It was admitted by the member for Northam (Mr. Mitchell) on the second reading that the Federal land tax had been the means of dividing large estates. The Bill sought to do the same, to secure the further subdivision of land into smaller holdings for intense culture in order that we could utilise our railways to the fullest extent and convert railways now found to be non-paying into paying, at least so far as interest was concerned.

Mr. George: How much land will you let a man have, and where are these large estates?

The MINISTER FOR LANDS: A man should have sufficient land to secure a comfortable livelihood; a man should not be restricted to less than a fair living area that would secure him a comfortable livelihood and some security for his old age. Beyond that, it was to the advant-

age of the State to have a greater subdivision of areas, and it was idle to assert there were no big estates. One-third of Western Australia was held by 290 people, so it must be realised there must be big estates somewhere. The Bill would bring about the increased use of the land, and increased production, and by that means we should secure lower railway freights.

Hon. W. C. ANGWIN (Honorary Minister): It was amusing to see the member for Murray-Wellington express indignation in regard to the land tax when the hon. member had sat in Parliament for three years and never on one occasion raised his voice against the land tax.

Mr. George: Why?

Hon. W. C. ANGWIN (Honorary Minister): Because the hon. member approved of it, as it was brought in by his own party.

Mr. George: I never approved of a land tax.

Hon. W. C. ANGWIN (Honorary Minister): Then the hon. member never voted or spoke against it and by his silence gave his consent to it. So the hon. member's indignation was really nothing. It was merely objection to the party introducing the present Bill. The taxation of land had become an established fact in Western Australia. There were more people coming to Western Australia than ever before in the history of the State.

Mr. George: That does not prove very much.

Hon. W. C. ANGWIN (Honorary Minister): It proved that land tax had not done anything to stop the tide of immigration. Hon. members who had not been here three sessions ago should understand that the member for Murray-Wellington (Mr. George) had not previously given vent to the indignation which he had displayed to-night.

Mr. GEORGE: As a matter of fact he had many times raised his voice against the land tax when the principle was under consideration by members of his own party. The Minister for Lands had told the House that 299 persons held one-

third of the land of the State. If these persons held the land in large areas and were not cultivating it, then for once he was in agreement with the land tax; but not with the land tax as embodied in the Bill, which put a man who improved his land on the same footing as one who did not. In the existing measure a difference was made, and the man who improved his land paid one halfpenny, while the other man had one penny to pay. Twenty years ago, in the Perth town hall, he had declared that he had no sympathy with the man who held areas unimproved simply for the purpose of reaping the unearned increment. The only justification for a Government parting with the land was the implied contract with the purchaser that the land should be developed.

Mr. Lander: You would not say that at Pinjarra.

Mr. GEORGE: Many times had he said it at Pinjarra, and he would repeat it. That implied contract was recognised in the existing taxation measure by the differentiation made between the man who improved his land and the man who did not; but the Bill said to the sloth, the shark and the speculator, "We are going to put you on the same footing as the man who is working his soul-case out on the land." He would see the Government in recess before he voted for the Bill.

Hon. FRANK WILSON: The point we had to consider was as to whether the land tax should be brought down annually or whether it should be made a fixed thing in the Bill before us and go on from year to year until some Government deemed it necessary to reduce it or increase it as the case might be. When first taxation of this nature was imposed the then Opposition had wished to have the Assessment Bill included with the taxation measure; not that they wished to have a fixed land tax passed which would last until some amending Bill was brought in, but because they desired to review the machinery provisions each year in order to amend certain exemptions which at that time they were unable to do. The point was were the Government justified in having fixed taxation,

and was it in the interests of the people that the amount should be so fixed? Clearly the best course to pursue was to fix the amount of taxation year by year, according to the necessities of the Treasury. At the same time there was not much prospect of any reduction in this taxation while the present Government remained in office. The finances had drifted into a deplorable state, the deficit was assuming very large proportions, we were being loaded up with an ever increasing Bill for interest and sinking fund on loans, and were proposing to borrow here, there, and everywhere for all classes of undertakings and works, and altogether it seemed that so long as the present Administration remained in power we were not likely to get any relief in respect to taxation. The Minister has suggested that relief should be given by way of rebates of railway freights. That was absolutely a wrong principle. Railway freights represented the payment by special individuals who used the railways, for services rendered, and there was no analogy between the revenue raised by charges for services rendered and direct taxation. No Government would be justified in giving relief through the railway system when it was possible to give relief to the whole community by means of a reduction in direct taxation.

Mr. Turvey: Would you not favour giving some relief through the Railway Department?

Hon. FRANK WILSON: Yes, but as a proposition absolutely apart from taxation. In many instances we were giving relief in reduced freights in order to encourage the development of the land and the increase of production so that ultimately the railway system might derive a considerable benefit. That practice was common in the old country. In the past, of course, we had made a profit from the railways. That was legitimate in view of the fact that there was only a certain section of the community who used the system, whereas under the Bill we would be taxing the whole of the community, with the exception of those covered by exemptions and rebates. It would be far better to have the amount of the taxation

fixed each year. Judging from the remarks of the Minister, and the provisions of the Bill, the taxation proposed under the measure was to be continued interminably. Once the taxation was fixed at a certain amount it would be very difficult to get any Treasurer to introduce an amending measure for a reduction of that tax. The Treasurer would hang on to the higher amount as long as he could. The result would be that we would be tampering with railway rates which might be equitable in every sense of the word and making a political lever of them, as mentioned by the Minister for Lands. That was undesirable and it appeared for that reason that the Committee should support the amendment in order to keep it an absolutely live question each year and so that we might compel every Treasurer to bring down his taxation proposals every year in accordance with the needs of the financial policy. It was true that when things were very strained financially he was bound to impose taxation on land. It was true also that he had ultimately included an income tax. He had always favoured the income tax as against the land tax and his utterances would prove conclusively that although he had introduced this form of taxation, it was simply a case of necessity at the time. He was bound to raise revenue to endeavour to square the ledger and this was one of the avenues open at the time, but with the advent of the Commonwealth land tax the aspect changed and it must be obvious to anyone that to have a dual tax was wrong. While he was compelled to impose land taxation he would keep it as light as possible and he had decided to repeal it if he had been returned with a majority at the last election. We would do well even now in the face of the deficit which had accumulated, rather than increase the burdens of the small struggling settler on the land, to wipe out this form of taxation altogether and derive revenue from the income tax. This could be done if the people bore their fair proportion of the burden and if the tax was not used for political purposes by raising the exemption so that the section of the community who sup-

ported the present Government should be exempt altogether from taxation. We should after allowing fair exemption for subsistence provide that every man should contribute something, no matter how small it might be, towards the general revenue of the State. The point under consideration more especially was whether this should be a fixture in the Bill or whether we should do as we had done in the past, bring the taxation proposals down annually. Private members could not introduce amendments to a Bill of this nature, especially when the measure included not only the machinery clauses but also the actual clauses imposing the burden of taxation, so that it rested with the Government as to whether at a future time they would bring in amending measures. The chances were that the Treasurer would refrain from bringing in amending measures to this Bill if it was carried, and therefore the taxation rates and conditions imposed by the Bill would go on from year to year, whereas under other circumstances they might reasonably be reduced in keeping with the interests of the country.

Mr. S. STUBBS: The importance of the Bill to a very large section of the residents of the State compelled him to enter his emphatic protest against some of the clauses. Some years ago Sir Newton Moore proposed a land tax and in discussing that measure with prominent business men who said they thought it was on wrong lines, the then Premier said it was only until he could square the finances of the State. That was five years ago. That was the most vital mistake which the party of which he was a member had made in connection with any taxation measure. Because a man was on the land, working like a slave from 5 a.m. till far into the night, without holidays, supporters of the Government thought he was in a position to derive some huge benefit.

Mr. B. J. Stubbs: What has that do with the clause?

Mr. S. STUBBS: It had a lot to do with the clause. Supporters of the Government in advocating a tax on land and exemption for those earning up to £250 forgot that the man on the land paid his

quota of taxation and a good deal more than the man who in other walks earned £250 a year. The man on the land had to pay for his clothes and food and railway freights for their carriage, and the revenue of the railway department went a long way towards paying not only the interest and sinking fund on the money expended on railways but a profit, and it was unfair to saddle tillers of the soil with probably twice as much as their fair share of the taxation of the country, although they did not earn £5 a week. He would be wrong if he did not enter a protest in this connection.

The CHAIRMAN: The hon. member was not in order in discussing a question like that. The question was that certain words be struck out. The principle of the land tax had been dealt with on the second reading. The hon. member's remarks must be confined to the clause under review.

Mr. S. STUBBS: When the land tax was introduced for the first time the understanding was that it would be re-enacted every year and repealed at the first opportunity. He agreed with the amendment and he was satisfied that the people at the next elections would express themselves in no uncertain voice on the question because the Bill aimed a blow at that section of the community who were tillers of the soil and who were being called upon to pay more than their fair share of the taxation of the country.

Mr. HARPER: The amendment would have his support. It would be a bad advertisement for the State if a land tax was permanently placed on the statute-book. In the agricultural areas there was a strong objection to the Bill being placed on the statute-book. Members knew the hardships endured by the people who were cultivating the land. We all knew what this State owed to agriculture and to men who were improving the land. Everyone realised what a difficult task the man on the land had, and it was admitted that he should be encouraged. There could not be too much done for those who were endeavouring to develop the State, and it was an injustice that there should be a land tax at all. Personally he preferred



an income tax, but even there it was an injustice that there should be an exemption of £250. We encouraged people to come here and when they arrived they found that the objectionable land tax was in existence.

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

Ayes ..	..	..	13
Noes ..	..	..	26

Majority against .. 13

# AYES.

Mr. Allen	Mr. Moore
Mr. Broun	Mr. A. N. Plesse
Mr. George	Mr. S. Stubbs
Mr. Harper	Mr. F. Wilson
Mr. Lefroy	Mr. Wisdom
Mr. Mitchell	Mr. A. E. Plesse
Mr. Monger	(Teller).

# NOES.

Mr. Angwin	Mr. Mullany
Mr. Bath	Mr. Munsie
Mr. Carpenter	Mr. O'Loughlen
Mr. Collier	Mr. B. J. Stubbs
Mr. Dwyer	Mr. Swan
Mr. Foley	Mr. Taylor
Mr. Gardiner	Mr. Thomas
Mr. Gill	Mr. Turvey
Mr. Green	Mr. Underwood
Mr. Johnston	Mr. Walker
Mr. Lander	Mr. A. A. Wilson
Mr. Lewis	Mr. Heitmann
Mr. McDonald	(Teller).
Mr. McDowall	

Amendment thus negatived.

Clause put and passed.

Clause 9—agreed to.

Clause 10—Exemptions:

Mr. GEORGE: It was his desire in this clause to insert what formed a part of Section 10 of the old Act, reading as follows. "Every owner of improved land shall in respect of such land be entitled to a rebate of one-half of the tax levied on the unimproved value as assessed under the provisions of this Act." That was to say that the owner would be in the exact position that he had been in since the land tax had been in force.

The CHAIRMAN: It would be better to move that as a new clause at the end of the Bill.

Mr. GEORGE: It would more fittingly find a place at the commencement of Clause 10 because the exemptions which followed were practically the exemptions

which were included in Section 10 of the existing Act.

The MINISTER FOR LANDS: Clause 10 of the Bill dealt specifically with exemptions, and if the hon. member wished to introduce his amendment it should be in the form of a new clause. It certainly could not form part of Clause 10 because it was something distinct from exemptions.

The CHAIRMAN: The proposed amendment would have to come in as a new clause. It could not be moved at the present stage. Clause 10 read exactly the same as Section 11 in the existing Act. The matter of rebates was different from that of exemptions and as the Minister for Lands had objected to it, it could not be moved as part of Clause 10, but would have to be moved as a new clause at a later stage.

Hon. H. B. LEFROY moved an amendment—

*That after the word "for" in line 12 of paragraph (b) the words "agricultural halls and" be inserted.*

There would not be any objection to that on the part of the Minister.

Amendment put and passed.

Mr. A. E. PIESSE moved a further amendment—

*That the following new subclauses be inserted after Subclause 1:—"(2) All lands the unimproved value of which does not exceed fifty pounds are exempted from assessment for taxation under this Act: but where the same person is owner of several parcels of land, this exemption shall not apply if the aggregate value of such several parcels exceeds fifty pounds. (3) All improved lands outside the boundaries of any municipality used solely or principally for agricultural, horticultural, pastoral, or grazing purposes, or for two or more of such purposes, shall be assessed after deducting the sum of two hundred and fifty pounds. Such deduction shall not be made more than once in the case of an owner of several estates or parcels of land, but in every such case the aggregate of the values of such several estates or parcels shall be regarded, for the purpose of taxa-*

*tion, as if such aggregate represented the unimproved value of a single estate or parcel. (4) All lands held under contract for conditional purchase, made before or after the commencement 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 five years from the date of contract, or from the date of survey in the case of land not surveyed before the date of contract. But such exemption shall only apply to taxpayers who prove to the satisfaction of the Commissioner that they do not hold legally or equitably more than one thousand acres of cultivable land or two thousand five hundred acres of grazing land or of cultivable and grazing land mixed, as defined by the Land Act and its amendments."*

The amendment was an exact copy of Subsections 2, 3, and 4 of Section 11 of the existing Act. It had been the custom to allow certain consideration in the first place to the cottager, the small blocker, the man of small means who wished to make a home for himself in the town, and secondly, to the small landholder, in the form of exemption to the extent of £250. In the past it had been the wish of Parliament to encourage the small man to develop his holding and the exemption was fixed at £250 to totally exempt from taxation a small area of agricultural land sufficient for a man to make a living on. The third exemption was much more far-reaching, and extended to new selectors for the first five years after they had taken up their holdings. He was aware that later on in the Bill there were provisions carrying out the exemption provided in the existing Act, so far as they affected those who had taken up land prior to the passing of this measure, but for the future all exemptions of the pioneer holders were to be wiped out. A very good case could be put up for exempting the selectors in the early stages of their settlement. We had heard repeatedly of the many hardships the farmer had to put up with in the first few years of his settlement. In many instances he had been forced out into the

waterless areas, away from railways, and without the comforts and facilities to be found near a railway. Much of the land taken up during the past four or five years had been taken up at a greatly increased price and he had been anxious as to the ultimate success of those people, taking into consideration the high price they had paid for their land. There was great discontent so far as those prices were concerned, and in many instances the price of land had been increased beyond its true value. That should be sufficient to make the Government hesitate in bringing about any further taxation upon a selector who was in the early stages of his settlement. The Minister for Lands had said that it was sought by this measure of taxation without exemption to get back some of the unearned increment imparted by the expenditure of public money and not by the energies of the owner. The Minister should know that so far as selections made during the past few years were concerned, there was very little increased value added to the lands for many years. It took a selector at least three years before he could expect to see any return which he could call an income from his land. He knew of instances where the owner, through no fault of his own, had to wait as long as ten years before he could say that he had turned the corner. Provision was made in the amendment that the exemption would only apply to small holders who did not hold more than a thousand acres of cultivable land, or 2,500 acres of mixed land, and therefore it could not be said that the amendment aimed at granting relief to the large holder. It had been stated that the Government proposed to make some rebate of rent to conditional purchase holders for the first three years, but there had been no proof that the Government were in earnest.

The Minister for Mines: It is on our platform.

Mr. A. E. PIESSE: That was one of the planks of the party's platform he could heartily support. He had always advocated a rebate of rent in the first two or three, or even five years of settlement. The Minister knew the trying times

which the settlers had experienced in the dry areas during the past two or three years, and he was in accord with the assistance given to them by reserving the rent for the past year and agreeing to extend the payment of it over a number of years. It was absurd to endeavour to put money into one pocket of the farmer and by another process take it out; and the process in itself would be aggravating, because there was a great deal of trouble in connection with the duplication of these taxes. Then there was a question of the increased price of land. In the very near future unless there were some extraordinary seasons in this country the Government or Parliament would have to take into serious consideration the question of reducing the price of some of the land. There were numbers of settlers, small men with very little means, in serious financial difficulties, and unless we gave them some relief in the direction indicated by the amendment we would only add to their troubles. Representing an agricultural district he did not want it to go forth that he was not in favour of the man who could afford taxation contributing a fair quota. Where a man had the opportunity of getting some return from improved land, where he had the opportunity of better markets and cheap land, and where his property was revenue producing, there was no objection to his paying a fair proportion of taxation; but we should help the people in the early stages. The local authorities had increased their taxation and there was no exemption provided for in the Bill, although there were certain exemptions that applied to other classes of the community. Many of the small farmers working their holdings under great difficulties would not for seven years earn anything like £250 a year. Another difficulty for the farmer would be that adding to taxation decreased the value of the security, and there was already difficulty in raising money on land for the first years of settlement. We should give these people trying to build up homes for themselves in the blackblocks an opportunity to turn their land into account;

some of it very poor land in the first stages and some of it poison land.

**THE MINISTER FOR LANDS:** The position in regard to revenue was different when these amendments were inserted in the land taxation measure of the last Government. The present need for revenue was almost entirely a legacy from the previous Government. Nearly every new railway built, except those partly serving agricultural areas and partly serving timber areas, would involve the State in loss. Nearly all those lines thrown open for traffic within recent years had involved the State in loss, and if we were to provide facilities for the development of the State involving ourselves in loss we must look to other sources of revenue for the necessary amount in order to pay the interest and sinking fund charges. If on the one hand we were to be called on to render assistance in order that the ultimate development of the State might be aided, and in order that settlers might be given every opportunity of developing their holdings, if we were to sustain a loss on that account, the producers in their turn might be prepared to face the corollary, and find some new source of revenue. This put a different complexion on the position to-day. It was claimed that this was placing an altogether crushing burden on the rural producers, but it was estimated that only £25,000 would be paid by rural producers out of the £62,000 which would be derived from this measure.

**Mr. A. E. Piesse:** That is considerably under-estimated.

**THE MINISTER FOR LANDS:** The hon. member could rely on the estimate because it was largely based on experience since the land tax was first introduced, and estimates on this basis had certainly not been exceeded, or had only been exceeded to a very slight extent. On the other hand, postponing the rents amounted to £60,000, and the interest and sinking fund charges involved by agricultural railways construction involved £40,000, so it was not an unreasonable request to ask the rural producers to pay £25,000 as a payment towards the interest on this huge loan expenditure. Then there would be

at least £3,000,000 out of the new Loan Bill, the bulk of which was for the benefit of the agricultural producers. In reply to the leader of the Opposition, there was no need for the Government to ask for taxation in order to make up any loss on any of the State undertakings. These would not only provide facilities at a lower price than private enterprise, and working expenses, interest and sink-fund, but would leave a balance for the benefit of the taxpayer.

Hon. H. B. LEFROY: Without amendment the provision would inflict a considerable amount of hardship, and we would have the anomaly, in the case of two holders adjoining, of one paying tax and the other not. We should put all the holders on the same basis and not extend the exemption only to persons who took up the land in the past. It was thought at first that the Bill was to be affected by the Land Act Amendment Bill which was introduced and provided that all land taken up in the future would be exempt from the land tax; but as that Bill would not become law this session, the Government should give those taking up land in the future the same indulgence as those who took up land under the existing legislation. He was quite sure the Government were making a rod for their own backs in framing this provision. The Minister must be aware of the bitter feeling which would be engendered when one man found he had to pay land tax whereas his neighbour had not. In the early stages of their struggles those who took up land ought to be given every indulgence and encouragement.

Hon. J. MITCHELL: The Minister had said the financial trouble was largely due to a legacy left by the previous Government. It was due also to the activity displayed by the previous Government in railway construction. If we had made some trifling direct loss in connection with the running of these spur lines, it had to be remembered that the earnings of the railways generally were very much increased, and it was therefore doubtful if there had been any real loss at all when all the conditions of these spur lines were

taken into consideration. The Minister had made the deferred rents an excuse for opposition to the proposed exemption.

The Minister for Lands: Oh, no, that was only in reply to the statement made by the member for Katanning, that we have to put in with one hand and take out with the other.

Hon. J. MITCHELL: It was taking out all the time, and there was no putting in at all. It was strange that the members of the Opposition should have to appeal to members opposite to give bare justice to the people who owned small blocks of land. The collection of the tax on these small blocks would cost as much as the tax itself would amount to. The cottager, like the small agriculturist, should be exempt. It was always wise to exempt the small man wherever possible.

The Minister for Works: He may be making bigger profits than the bigger man.

Hon. J. MITCHELL: The Opposition believed in exemption, and so, too, did the Government, who as a matter of fact were exempting from the income tax persons earning up to £250 per annum. It was only a fair thing to exempt small conditional purchase holders from the operations of the land tax for the first five years. The Premier ought to agree to the amendment.

The PREMIER: The amendment was totally opposed to the very principle of the Bill, which was that there should be no exemptions. The exemptions made in respect to conditional purchase lands were in the nature of a fulfilment of a contract entered into when the existing Land Act was passed. In order to keep that compact it had been decided to exempt for the first five years conditional purchase land taken up prior to the passing of the Bill, but the concession would not be extended to conditional purchase land taken up after the passing of the measure. It was proposed that, next session, the Land Act should be amended to provide for the deferment of rents for the first three years. On a thousand-acre block valued at £1 per acre that would mean £75, which would remain in the

pockets of the selector to be utilised for the purpose of improving his holding. Exemption from the operation of the land tax for the first five years would only mean £25 15s. 8d. in respect to such a block; so practically there would be an advantage to the settler of £50 under the proposed amendment of the Land Act.

Mr. A. E. Piesse : Why not suspend the operations of the tax until that time?

The PREMIER : There was no occasion to do so. To-day the settler was living on the loans advanced by the Agricultural Bank, and had to pay some of that money to the Lands Department in the shape of rent. It was proposed to exempt him for the first three years from the payment of that rent, but from the time he came into possession of his land he would be required to pay the land tax. This would only mean £4 3s. 4d. per year on a thousand acres. It was not the amount of the tax hon. members were objecting to, but the principle underlying the impost. It was proposed, when opportunity should offer, to make reductions in order to assist the farmer, but nevertheless the land tax would be kept in operation as a principle doing an immense amount of good. As for small blocks in the towns, one had to remember the innumerable small blocks not in use at the present time, blocks being held with a view to the unearned increment. Numbers of small blocks in the suburbs were being held for speculative purposes to-day. If the land tax was going to be as beneficial as was expected it would be a pity to undermine it by granting exemptions, even on the small scale proposed. The land produced all the wealth, and it was only right that the land should return a certain amount to revenue. The man who held land for speculative purposes, to secure the increased value given to it by the energies of other people and by the expenditure of public funds, should be made to contribute to the revenue. To-day those who wanted land in or about Perth had to go two miles from the general post office to obtain any land at all at £3 per foot.

Mr. George : No. I will sell you plenty of it.

The PREMIER : What was happening to-day was that £3 per foot was asked for land on which to reside, and the small man could not afford that. The object of hon. members opposite was to force the workers out as far as possible, so as to give added value to the land in the centres of business. The Government were asking the holders of rural lands to contribute only £25,000 of the £60,000 to be raised by way of land tax. The objection to the land tax was by the City property owners and not by the farmers. The agitation against a land tax always commenced in the streets of the city on the part of people who owned large properties in the city and in towns. Members in talking about the impost that was being placed on the farmers said nothing about the Government having relieved farmers to the extent of £20,000 by knocking off the terminal charges on spur railways, which meant that all the farmer was going to pay was £5,000 additional on what he was paying this year. In view of the fact that the Government were keeping faith with the present holders, and that the people who took up land in future would know that they would be subject to a land tax, he was not disposed to consider any further exemptions. If the Government succeeded in getting their amendment of the Land Act through next year the farmers would have their rents deferred for three years. When the Government leasehold proposals were before the Chamber hon. members asserted that they did not want leasehold, that the freehold was all right because the State had always the right to tax it and get value from it in that way. Now when the Government attempted to tax the freeholder hon. members were shifting their grounds, in the interests of the land holders in St. George's-terrace. They were the persons who were going to contribute the largest portion of the land tax, and they were the ones who received the greatest amount of benefit from the expenditure of public money. Every extension of a

mile of railway into the agricultural districts gave an added value to the land.

Mr. A. E. Piesse: But I contend that the price of land is already fixed too high.

The PREMIER: If the hon. member had any complaint on that score, it was against the member for Northam.

Mr. A. E. Piesse: And against the present Government for continuing the errors of their predecessors.

The PREMIER: If the land tax was to have the effect which the Government desired, apart from the raising of revenue, to admit exemptions would mean only defeating the intention of the measure.

Hon. J. MITCHELL: The Committee were discussing small exemptions and not the principle of land taxation. The Premier was of course pledged to the imposition of a land tax without exemptions, but the Opposition believed in exemptions and were therefore pressing their case. As to the statement that land was sold for more than it was worth, the present Government were continuing the system of valuing land adopted by the preceding Government.

The Minister for Works: They are not valuing it under the same system.

Hon. J. MITCHELL: The present Government were valuing the land in exactly the same way, and at higher prices. When the previous Government sold the land at the prices then fixed they decided that railway facilities would be provided in all cases within a reasonable time. It was ridiculous for the Premier to say that members were seeking these exemptions in order that the St. George's-terrace people might benefit. That statement was equally as ridiculous as the remark that the Opposition members desired to push the working man out into the distant suburbs.

The Premier: That is the result of your policy in encouraging land booming.

Hon. J. MITCHELL: Naturally when times were good land values rose, but the Premier had knocked the bottom out of land values. Probably it was because times were not good now that these exemptions were being asked for.

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

Ayes ..	..	..	12
Noes ..	..	..	25

Majority against .. 13

#### AYES.

Mr. Allen	Mr. A. E. Piesse
Mr. Broun	Mr. A. N. Piesse
Mr. George	Mr. S. Stubbs
Mr. Harper	Mr. F. Wilson
Mr. Lefroy	Mr. Wisdom
Mr. Mitchell	(Teller).
Mr. Monger	

#### NOES.

Mr. Angwin	Mr. Munzie
Mr. Bath	Mr. O'Loghlen
Mr. Collier	Mr. Scaddan
Mr. Dwyer	Mr. B. J. Stubbs
Mr. Foley	Mr. Swan
Mr. Gardiner	Mr. Taylor
Mr. Gill	Mr. Thomas
Mr. Green	Mr. Turvey
Mr. Johnson	Mr. Underwood
Mr. Landner	Mr. Walker
Mr. Lewis	Mr. A. A. Wilson
Mr. McDonald	Mr. Heltmann
Mr. Mullany	(Teller).

Amendment thus negatived.

Clause put and passed.

Clauses 11, 12—agreed to.

Clause 13—Incomes liable to taxation:

Hon. J. MITCHELL moved an amendment—

*That after "property" in line 2 of Subclause 3 the words "acquired after the passing of this Act" be inserted.*

This would make the clause apply only to land bought after the passing of this measure. As the clause stood it referred to land purchased since the foundation of the State. If land which was purchased perhaps 60 years ago was sold, the seller would be compelled to pay on the difference in the price. In some cases the people would not know what they paid for the land, or what they had spent in the way of improvements. Take a man like Mr. Hamersley, for instance, it would be very difficult for him to say. Why should a clause like this be made retrospective?

The Premier: It is not made retrospective.

Hon. J. MITCHELL: The Bill proposed by the Labour party in South Australia provided for a valuation after the

passing of the measure and the increment on that was to be taxed. It would be iniquitous to apply a tax to the difference between the price of land bought 60 years ago and the price it would bring now.

Mr. GEORGE: There was considerable force in the arguments of the member for Northam (Hon. J. Mitchell). Where land had been held for 20 years it was well nigh impossible to ascertain what the cost had been. There were recurring charges in the way of local taxation of which a man did not keep a record. The object of the clause was to make those who were dealing in land contribute something to the revenue, and that was quite right. Possibly a means of getting at a fair basis would be the returns given in the first instance to the land officer when the tax was imposed. That would be within the last three years. To go back even 10 years would be wrong. We might as well provide that if a man bought a horse or some machinery cheap and sold it, he should pay on the difference. There should be no difficulty in ascertaining the price paid by the land jobber but in the case of people who had held land for many years it would be almost impossible to ascertain what the actual cost had been.

Hon. J. MITCHELL: It was to be presumed that the word "property" in line 2 of the subclause should be "land."

The PREMIER: The hon. member was confusing this with the land tax provision. The word "property" was used distinctly and definitely and surely the hon. member appreciated the fact that if a property or business was bought to-day and sold to-morrow at 50 per cent. increase that increase represented income.

Mr. George: That is right.

The PREMIER: That was all that was provided.

Mr. George: But not if you had it for 10 years.

Hon. J. Mitchell: Look at the definition.

The PREMIER: The clause provided that if a person bought a property and disposed of it at a profit, after deducting any capital expenditure the difference between the cost and the amount he received

should be accepted as income on which he should pay income tax. If it was not income would someone tell him what it was?

Mr. A. E. Piesse: It is income, but you are going back 50 years.

The PREMIER: This was to deal with transactions after the passing of the measure.

Hon. J. Mitchell: That is all right.

The PREMIER: The cost of improving a property was to be added to the original cost and the difference between that and the price obtained was termed income. This had nothing to do with the increment tax. It was a matter of income pure and simple. If a man bought land for £2,000 and sold it for £3,000 and incurred costs amounting to £500 the balance of £500 represented income and was taxable. It should be taxed just as well as wages.

Mr. George: You are exempting wages men under the Bill.

The PREMIER: The hon. member had tried as much as anyone to prevent wages men from getting up to the exemption. The amendment could not be accepted.

Hon. H. B. LEFROY: Property meant any real or personal property whatsoever, it embraced land and everything. How was the profit to be arrived at? If a man purchased land 50 years ago he should be allowed compound interest on the money during the 50 years.

The Premier: Do you propose that we should make up any loss?

Hon. H. B. LEFROY: The Premier wanted to get at the unearned increment.

The Premier: No, I do not.

Hon. H. B. LEFROY: If a man paid £50 fourteen years ago he should be allowed to deduct compound interest from the income he was supposed to have derived. The amount represented by rates and taxes should also be deducted. It was impossible to ascertain what the cost had been. The Bill should distinctly specify what was income derived from real or personal property, or the Commissioner would have great difficulty in arriving at it.

Hon. FRANK WILSON: The Premier was undoubtedly aiming at the unearned increment of real and personal property.

No matter how and where acquired, it was to be considered income and was to be taxed accordingly. If a man bought land 50 years ago for £5 and it was worth £1,000 to-day he must pay income tax on the increment during the last 50 years, but during the major portion of that time other people had been buying and selling property and had not paid income tax on it up till a few years ago. The Premier would be well advised to amend the clause and make it equitable all round and only apply it back to the date of the beginning of this system of taxation. To go back to the early days of the State would be absolutely unjust.

The PREMIER: Since the beginning of this taxation the person making a business of buying and selling land had been paying income tax upon these transactions.

Hon. Frank Wilson: Only since the Act was passed.

The PREMIER: Instances could be given of estates purchased long before the Act was passed to which this provision applied. There was no difference between a person making a regular business of it and the man who did it occasionally. There was nothing to prevent those persons holding land like the Hamersleys, arriving at some figure as the cost of their land and deducting from it the present selling prices and paying income tax on the increment.

Mr. S. Stubbs: Are you going to allow a man anything for interest?

The PREMIER: Clause 15, Subclause 2, paragraph (a) provided that losses, outgoings and expenses actually incurred during the year by the taxpayer in the production of such income, including interest paid on borrowed money used in or in acquiring the business which produced the income, could be deducted.

Mr. George: That is only in the year. That is not going back 20 years.

The PREMIER: Hon. members first complained that the owner could not say what he paid for the land, and yet now they claimed the owner was in a position to say what interest he had paid during these years. Apparently any argument would do for hon. members to advance.

The actual difference between the cost of purchasing and selling the land was income, and it was an income that should not be exempted. What interest was the worker to be permitted to charge against his earnings each year? The worker had only what he could earn each day, but when it came to a man of property hon. members wanted special consideration for him.

Mr. GEORGE: It was certainly income if a man purchased a property for £50 and sold it for £60; but it was an entirely different proposition when land was purchased many years ago and some of it for a couple of bottles of whisky and rum. A fair thing would be to take the valuation on which taxation was paid three years ago. Would a man be allowed for the rates and interest paid during all these years.

The Premier: Rates and taxes are not an expense. The tax is paid by the occupier.

Mr. GEORGE: Not by the occupier. He knew whose pocket it came out of.

Mr. Heitmann: I know whose pocket it came out of before it got into yours.

Mr. CHAIRMAN: Order.

Mr. GEORGE: The hon. member was trying to insinuate there was something wrong done. The hon. member ought to be manly enough to keep his mouth shut.

Mr. Heitmann: I would not keep my mouth shut for you.

Mr. CHAIRMAN: No hon. member must interrupt another hon. member while speaking. Interjections that had any bearing on the question under debate and which threw a light on the subject were welcome, but interjections which did not bear on the subject would not be permitted.

Mr. GEORGE: For everything he had got he had worked hard and it was not right to suggest that the money he had earned was not clean.

Mr. Heitmann: No one suggested it.

Mr. S. STUBBS: If the land was purchased for £1,000 on money borrowed from a bank at six per cent. and was held for ten years and sold for



£2,000, would the Commissioner allow £600 for interest, or only £60 actually for the one year in which the land was sold?

Mr. ALLEN: The Premier interjected that rates and taxes would not be liable. Was that what he meant to be conveyed? If a man purchased a block of land for £100 and after having held it for eight years, during which time it cost him £50, he sold it for £150, what position would he be in? It was necessary that the average elector should know exactly where he stood in connection with this matter. What profit would the Premier say had been made out of the block of land in an instance such as that to which he had referred.

The Premier: There is no profit there.

Mr. ALLEN: The owner of the land would be entitled to debit interest and rates and taxes year by year.

The Premier: If it was actual expenditure.

Mr. ALLEN: Suppose a man put his money into an investment at 5 or 6 per cent. he would be entitled to the interest on the money invested and if a man put £100 into a block of land, he was entitled to debit year by year 6 per cent. against that property. What could a man debit against a block of land that he had bought; that was what it was desired to find out.

Mr. Harper: How far back will this operate; that is another point.

Hon. Frank Wilson: From the earliest days of settlement in the State.

Mr. A. E. PIESSE: Would the Premier state whether it was intended to go back to the time when an owner first purchased his block of land?

Mr. Harper: I think it would be going back quite far enough if we went back to the previous year.

The PREMIER: The difficulty in dealing with this matter was that members opposite could not get away from land. This portion of the Bill dealt with incomes and not land. Even from the standpoint of dealing with land, if someone bought land fifty years ago and lived on it ever since, that land would have been earning interest on the capital

expended. Hon. members wanted to give special consideration to the person who had purchased land and had held it out of use and then wanted to dispose of it.

Mr. A. E. PIESSE: Why go back beyond 1907?

The PREMIER: Hon. members knew well that it was only intended to tax profits when the measure came into operation. Hon. members were viewing it purely as a transaction in land, whereas they ought to regard it as a contribution to a man's income. The objection taken by the leader of the Opposition was that a man might purchase a parcel of land for a mere song and sell it at a greatly enhanced value, only to find that he was to be taxed on the deal. Another hon. member had declared that the only real objection was that permission was not given to charge five per cent. on the song. The clause was as clear as possible. Only the difference between the actual cost of the land and what was received for it would be taxed. And the cost of the property to the taxpayer would be the actual expenditure of the taxpayer in respect thereof, and this would be allowed to him. Only the profit made would be taxed. The expenditure, whether incurred before or after the passing of the Act, would be deducted from the price received for the land, and the difference would be regarded as profit and be taxed as income.

Mr. WISDOM: The whole trouble seemed to be in the determining of the profit or gain. The Premier had said that it was proposed to take the actual cost of the property at the time of sale. That would be all right if the actual cost was clearly defined.

Hon. W. C. Angwin (Honorary Minister): That is for the Commissioner and the taxpayer to deal with.

Mr. WISDOM: A clear definition of the actual cost would be required. Interest, if not compound interest, on the amount invested in the property would be a just charge against that property. No man could ever borrow for the purchase of a property anything like the full value of the property, and in consequence the purchaser had to put into the deal a cer-

tain amount of his own capital which, if invested in other directions, would earn interest. Therefore the interest lost to the purchaser by the investment of his own money in the property was a just charge to make against that property, and should be included when computing the cost of the property. The Premier had said the actual expenditure on the property would be taken. This was entirely different from the actual cost of the property.

Hon. FRANK WILSON: The point was that the Premier was trying to secure a tax on income derived from property prior to the time when an income tax was first imposed in the State. In the case of a man who had held property for the past 20 years the whole of the accrued profit would be taxed, notwithstanding that for fifteen years of the twenty during which the profit had been accruing an income tax was unknown in the State. The proposition was unjust. As for the question of interest on the property it was proposed that if a man purchased a property with borrowed money a deduction should be allowed of the interest paid, whereas if a man bought a property with his own money he would not be allowed to deduct interest, but would have to lose it. Surely that could not be defended. To make the measure retrospective beyond the time when first an income tax was imposed in the State would be to unduly penalise the man who had acquired his property many years ago.

Hon. J. MITCHELL: According to the Premier all property was to be included. Therefore if a man purchased a wardrobe or other article of furniture and sold it again he would have to account to the Commissioner of Taxation for the difference, if any. A person would have to keep his invoices, and account for every particular the Commissioner cared to ask for. It was quite possible that the value of property to be sold was less to-day than when the land tax was first imposed, and it would be hard if the owner had to pay on the difference between the price of the land some years ago and its worth to-day. It was fair that the increment

should go back three or four years but no further. The amendment would cause tremendous confusion and bother, and the Treasurer would reap only a very poor result. The Premier had made vile insinuations against members of the Opposition, and thought that loud and violent words were sufficient argument.

The Premier: Give us some facts and not so much lecturing.

Hon. J. MITCHELL: It was so easy for a man with the experience which the Premier had had to make statements in regard to finance and other matters.

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

Ayes .. .. .	11
Noes .. .. .	24

Majority against ..	13
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#### AYES.

Mr. Allen	Mr. Monger
Mr. Broun	Mr. A. E. Piesse
Mr. George	Mr. F. Wilson
Mr. Harper	Mr. Wisdom
Mr. Lefroy	Mr. S. Stubbs
Mr. Mitchell	(Teller).

#### NOES.

Mr. Angwin	Mr. Mullany
Mr. Bath	Mr. Munsie
Mr. Collier	Mr. O'Loughlen
Mr. Dooley	Mr. Scaddan
Mr. Dwyer	Mr. B. J. Stubbs
Mr. Foley	Mr. Swan
Mr. Gill	Mr. Turvey
Mr. Green	Mr. Underwood
Mr. Johnson	Mr. Walker
Mr. Lander	Mr. A. A. Wilson
Mr. Lewis	Mr. Heftmann
Mr. McDonald	(Teller).
Mr. McDowall	

Amendment thus negatived.

Hon. FRANK WILSON moved an amendment—

*That in line 10 of Subclause 3 after the word "Act" the following words be inserted:—"Provided that where a taxpayer is liable in respect of profits on sales of land, the tax shall not be payable at the time when the sales are made, but as and when the instalments mature and are paid in cash."*

Estates were cut up and blocks were sold, but the money was only paid in instalments extended over a long period of years. Under the amendment the seller

would pay on the amount received each year from the sale of the land, and not on the balance held over.

The PREMIER: It was right that a person should not pay on the income he might receive. Although he had contracted to receive it he might not actually receive it, and in that case he ought to pay when he came into possession of it. The only point was whether this would conflict with Subclause 5. If it did not, he would agree to the amendment. It was not intended that a person should pay on profits which he foresaw he would receive during subsequent years, but only on what he received during the year.

Hon. Frank Wilson: That is all this means.

The PREMIER: Subclause 5 meant that in the event of the cash being available but being invested or capitalised or applied in any other way it should be treated as income received. In the event of land being sold on the instalment system, a man should pay only when the instalments were received. It might be necessary to reconsider the matter, but on those conditions he accepted the amendment. It would be only fair if the amendments were put on the Notice Paper.

Hon. Frank Wilson: We have not had time.

The PREMIER: Members had had since Thursday last.

Amendment put and passed.

Hon. J. MITCHELL: Just as profit was added to income so loss should be deducted. He moved an amendment—

*That in lines 12 to 14 of the Subclause the words "only from the profits arising from other transactions of a similar nature and shall not be deducted" be struck out.*

The PREMIER: The intention was that if a person sold several properties he could set the loss from one against the profit from another.

Hon. Frank Wilson: Would it not be fair to omit these words?

The PREMIER: No. If a person was doing a little jobbing outside of his avocation it would not be fair to set a loss against his ordinary income.

Mr. George: But you take any profit. Why not recognise the loss?

The PREMIER: The ordinary income should stand by itself, and transactions of this description should stand by themselves. If the amendment was agreed to, the making up of returns would be rendered very intricate and some people would not be able to arrive at their net income. In order to get matters settled to the satisfaction of the department and of the taxpayer it was necessary to keep the transactions separate. He suggested that the amendment should not be pressed.

Hon. FRANK WILSON: The Premier might report progress. Then on the following day it would be possible to go through the amendments and dispose of them before the tea adjournment.

The PREMIER: There was no objection to reporting progress on those conditions. In order to meet the wishes of the Opposition he had postponed the Committee stage until to-day. The measure had to go to another place and it was desirable that it should reach there in fair time.

Progress reported.

## BILL—INDUSTRIAL ARBITRATION.

*Reprint with amendments.*

Message (No. 44) received from the Legislative Council as follows:—

The Legislative Council acquaints the Legislative Assembly in reply to Message No. 63, that it has found it impossible to set out the understandings come to by the managers of the conference, and the necessary consequential amendments in the Industrial Arbitration Bill, except by causing the Bill to be reprinted in the form approved by the managers. Under these circumstances the Legislative Council invites the Legislative Assembly to accept this Message as a request from the Legislative Council that the Legislative Assembly will make in the original Bill all the amendments which are contained in the reprinted Bill. On receipt of Message in reply that the Legislative

Assembly has adopted this course, the Legislative Council will proceed to read the Bill a third time and pass it." now considered.

*In Committee.*

Mr. Holman in the Chair.

The ATTORNEY GENERAL: I may inform the Committee that all the amendments made necessary by the understandings arrived at by the managers of both Houses have been made by the Parliamentary Draftsman and have been inserted in the Bill, and the Bill reprinted as so amended has been considered by the Legislative Council and is returned to us with these amendments, not only those referred to in the report, but the consequential amendments. I have pleasure in moving—

*That the amendments requested by the Legislative Council as shown in the print of the Bill transmitted with Message No. 44, which expresses the understandings come to by the managers at the conference, be made.*

Question passed.

Resolution reported, the report adopted, and a Message accordingly returned to the Legislative Council.

**BILL — FREMANTLE HARBOUR TRUST AMENDMENT.**

Message received from the Legislative Council insisting on amendments.

*House adjourned at 11.49 p.m.*

**Legislative Council,**

*Wednesday, 11th December, 1912.*

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The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

**QUESTION—SAVINGS BANK, STATE AND COMMONWEALTH.**

Hon. M. L. MOSS: I do not want to unduly hamper the Colonial Secretary, but I would like to ask him whether there is the slightest chance of getting an answer to the questions I asked last session and on several occasions this session with reference to the Savings Bank deposits.

The COLONIAL SECRETARY: I am inclined to think there is, but I do not wish to say anything further just now.

Hon. M. L. MOSS: I hope you will see how long suffering I have been.

The COLONIAL SECRETARY: I hope the hon. member will repeat his question before the end of the week.

**STANDING ORDERS SUSPENSION.**

*Close of Session.*

The COLONIAL SECRETARY moved—

*That the Standing Orders relating to public Bills and the consideration of Messages from the Legislative Assembly be suspended during the remainder of the Session so far as is necessary to enable Bills to pass through all their stages in one sitting and Messages to be taken into immediate consideration.*