

Clause thus passed.

Title—agreed to

Bill reported without amendment ; the report adopted.

ADJOURNMENT.

The House adjourned at two minutes past ten o'clock, until the next day.

Legislative Council, Thursday, 4th October, 1906.

Bills: Land Tax Assessment, suggestion for a Select Committee (out of order). Clauses in Committee resumed, adjourned...	2097
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The PRESIDENT took the Chair at 4:30 o'clock p.m.

PRAYERS.

BILL—LAND TAX ASSESSMENT.

PROCEDURE, AS TO A COMMITTEE.

HON. R. F. SHOLL, (North) : Before the Orders of the Day are proceeded with, I would like to ask if it is possible to refer this Bill for regulating the assessment of land to a select committee. I know it is late. The more I go into the Bill, certainly the more puzzled I am, and I feel that a great injustice will be done if the measure is hurried through the House without great consideration, particularly with regard to the northern portion of the State. It has been explained by a Minister young in politics, and I question whether any member of the Ministry knows the country north of Geraldton. I do not know that any one of them has been north of Geraldton. The Bill may prove a great hardship. We have agreed to the principle of land

taxation, and certainly the Bill should not be hurried through Parliament. If there are no means now of referring it to a select committee, there ought to be a very long adjournment before the Bill is farther proceeded with. It is, I say, a very puzzling Bill. It appears to me that not only is the incidence of taxation puzzling, but in many cases it will act injuriously to the country, and be ruinous to individual lessees probably. I will ask if there is any possible means, with the consent of the Government, of considering the details of this Bill and the incidence of taxation as applied to the different parts of the State ; whether it is not better to get it before a select committee, if possible.

THE PRESIDENT : I can only refer the hon. member to Standing Order 246, which says :—

After the second reading, unless it be moved "That this Bill be referred to a select committee," the President shall put the question "That I do now leave the Chair and the Council resolve itself into a Committee of the whole for the consideration of this Bill."

CLAUSES IN COMMITTEE.

Resumed from the previous day.

Clause 2—Interpretation :

HON. E. McLARTY had moved an amendment that paragraph (c) in the definition of "unimproved value" be struck out.

THE COLONIAL SECRETARY : In answer to what Mr. Sholl had just said in relation to this subclause dealing with pastoral leases, although the hon. member had missed the opportunity of referring the Bill to a select committee, that course would not have been objected to on the part of the Government. As a rule, it was rather a good thing and not a waste of time to refer particular Bills to a select committee ; but the opportunity had passed in this case. Mr. Sholl appeared to complain that the Bill was being unnecessarily hurried through.

HON. R. F. SHOLL : That was not stated by him.

THE COLONIAL SECRETARY : The hon. member said it ought to be adjourned for some time. The Bill was, however, introduced in another place many months ago, and it had been before this House about a month. There was a long adjournment after the second

reading had been moved, the debate not being resumed until eight or nine days elapsed; so there had been plenty of time. He had no wish to force this clause or any other through the Committee, and if members were not quite seized of the facts or did not understand any particular clause he would be willing to adjourn such clause till the end of the Bill.

SIR E. H. WITTENOOM: The time for the urgency of this discussion had passed. The question had been whether a vote on the second reading would be in time for the Budget Speech; but that speech had now been delivered, therefore the debate might now be adjourned with great advantage. We were getting into the time of shearing and for holding shows, and those who represented country districts were bound to go to the shows and see their constituents.

THE COLONIAL SECRETARY: A lot of Bills had to come down yet, and we must not leave this to the last week.

SIR E. H. WITTENOOM: The debate might be postponed for two or three weeks. Members wanted to attend shows and see what was being done in the country, and constituents liked to see their representatives.

THE COLONIAL SECRETARY: The convenience of the House would perhaps better be met by adjourning at different times when certain members could not be present. We might go on at any rate for the present, and when occasion arose we could consider the advisableness of adjourning the debate. With respect to the clause before the Committee, Mr. McLarty had moved to strike out paragraph (c) in the definition of unimproved value. One was much surprised at this action, for it was known that pastoralists were making a deal of money, and all we expected to gain from them by this provision was £3,300 a year.

HON. J. W. HACKETT: What portion from the North and what portion from the South?

THE COLONIAL SECRETARY: From the whole of the Crown leases.

HON. J. W. HACKETT? What were the proportions?

THE COLONIAL SECRETARY: The details he was not in a position to give. Against the sum mentioned we should

have the municipalities contributing £28,000.

HON. G. RANDELL: A rough estimate made by him was £40,000.

THE COLONIAL SECRETARY: The calculation he had here was £28,000. Then from rural lands outside municipalities, exclusive of lands not sufficiently improved, we expected to get £16,000; and from lands not sufficiently improved about £11,000. Members would see it was a small proportion the pastoralists would pay, so that the burden would be light upon the lessees. For the first year the capital unimproved value would be arrived at by multiplying the annual rent by twenty.

HON. F. CONNOR: Would it be the same assessment for a lease with one year to run as for a lease with 20 years to run?

THE COLONIAL SECRETARY: Yes. This provision was only for the first year until there was time to send assessors all through the country to value the pastoral leases. After that the unimproved value would be arrived at by multiplying the fair annual rental by twenty. If it was estimated that a lease was really worth £1 per 1,000 acres, we would arrive at the capital unimproved value of 1,000 acres by multiplying the £1 by twenty.

HON. F. CONNOR: Supposing the lease were only worth 1s. per 1,000 acres?

THE COLONIAL SECRETARY: If the lease was worth less than the annual rent paid to the Crown, no tax would be paid. The tax was to be charged on the excess of the fair annual rental over the rental that was being paid to the Crown.

HON. F. CONNOR: Would stock be allowed as improvements?

THE COLONIAL SECRETARY: No. Stock was not specified among the improvements set out in the Bill.

HON. F. CONNOR: Stock was allowed as an improvement under the Land Act.

THE COLONIAL SECRETARY: It was in the conditions of the lease. Improvements had already been fully discussed; and they were specified in the definition clause. The tax would not press at all heavily upon the pastoralists.

HON. R. F. SHOLL: It was all very well to quote improved leasehold land. As a rule there were sufficient improvements to gain the rebate, but there were cases in new country where the improve-

ments would not be sufficient. For instance there was the newly discovered land between Wyndham and Derby. Before the lessees could make improvements they would be assessed at such amount that they would of necessity throw up the land.

THE COLONIAL SECRETARY: A new lease was only worth the rent paid to the Crown.

HON. R. F. SHOLL: The Government did not realise how harshly these little matters would act. Leases were made more valuable by the improvements effected in the shape of artesian bores and wells.

THE COLONIAL SECRETARY: They were not taken into consideration in estimating the unimproved value.

HON. M. L. MOSS: There was no provision compelling the Government to make a valuation.

THE COLONIAL SECRETARY: It would be better for some leases if no valuation were made.

HON. R. F. SHOLL: It would be unwise to hurry the Bill. We might not only be doing an injustice to the State by causing land to be thrown up, but we might do something which would act injuriously and harshly towards the people on the land.

SIR E. H. WITTENOOM: The paragraph was simplicity itself. The question was whether it was desirable to retain it. He did not think so. If a man held a lease of 100,000 acres at 10s. a thousand acres the rent would be £50. If somebody was prepared to pay a rent of £200 for that holding, the valuator would estimate the amount on which the property would pay the tax as twenty times £150, which represented the excess over the rental paid to the Crown; that would be £3,000. Provided there was no assessment, the taxable amount would be estimated at 20 times the rent of £50; that would be £1,000. That was the idea; but it was unfair to tax any land that would not become a freehold. It was unfair to charge rent and then, under the guise of something else, to increase the rent. When we came to the exemption clause he intended to move to add pastoral leases to the exemptions.

HON. M. L. MOSS: Nothing in the Bill compelled the Government to make

assessments. If an assessment was likely to show that the fair annual rental of leases was in excess of the present rental paid, the Government would be sure to appoint assessors, but there might be cases where the present rental was above the fair annual rental. In such a case we should make it mandatory on the Government to make a valuation, and at certain periods afterwards, say every year or every two years.

THE COLONIAL SECRETARY: If a valuation was made every year the cost would exceed the extra revenue received.

HON. M. L. MOSS: Local bodies were compelled to make periodical valuations.

THE COLONIAL SECRETARY: That was quite different.

HON. M. L. MOSS: It was probable, as was admitted, that in the bulk of cases the assessed fair annual rent would be found to be in excess of the rental paid, and in that case we could accept it that the Government would make the valuations very speedily.

HON. E. McCLARTY: The Government appeared to hold that a pastoral lessee must of necessity be prospering; and possibly the Ministers had in mind a few squatters who had unquestionably done well. But the Government should remember also that squatters were paying rent for hundreds of thousands of waterless, barren acres in the northern parts of the State from which they secured not the slightest return.

THE COLONIAL SECRETARY: Lessees would not be taxed in respect of those lands, as such leases would not be worth more than the present rental.

HON. E. McCLARTY: They would be taxed under the proposal to levy on an estimated excess value over the rental until a fresh valuation was made. A pastoralist who secured out of half a million acres one-third of the area capable of carrying stock was fortunate. Lessees had taken up the land at a fixed rental, and he failed to see any justice in a proposal which gave the Government a right to increase the charge in respect of those leases before the term expired. At the expiration of the leases it might be equitable to increase the rental, but not now. The subclause affected people who were deserving of consideration. About two years ago Mr. Brockman reported on some new northern country which had

since been taken up by squatters, who were battling against great disadvantages. Pastoral lessees generally paid a reasonable rental for their land, and the Government should be satisfied with that.

THE COLONIAL SECRETARY : With the exception of the first year after this Bill passed, lessees would not be called on to pay taxation in respect of land which was not worth more than the annual rental; and even in the case of land rented at 10s. per thousand acres and assessed at 11s., the tax would be leviable only on the extra shilling. The intended valuation would be made before the end of the current financial year. Undoubtedly some leases were worth more than the amount paid as rent to the Crown; hence for the sake of getting extra revenue the Government would be careful to see that the valuation was made before the close of the financial year.

HON. J. W. HACKETT : Would Mr. Moss accept that as a promise?

HON. M. L. MOSS : No; he desired that a clause embodying the assurance be placed in the Bill.

THE COLONIAL SECRETARY would give no such promise. It was unfair to ask that the Government should undertake by promise to have the valuation completed in one, two, or even three years. It was unreasonable to ask that a valuation be made every year or every second year, as the cost would be too great. The cost of administering this measure was estimated at 5 per cent.; but if a valuation were made every year or second year, the cost would probably be 20 per cent. It had to be remembered that the object of the Bill was not to tax land, but to raise necessary revenue. The huge areas comprised in pastoral leases did not increase or decrease in value within twelve months to an extent that would justify such frequent valuations.

HON. M. L. MOSS : In view of the Minister's explanation he would vote against the subclause. If the bill passed, its operation should be fair. Until such time as the assessment was made, leaseholders would be required to pay on a value equal to 20 times the annual rental of the leases; and if the assessment were to be delayed indefinitely—

THE COLONIAL SECRETARY : It would not be delayed indefinitely. He had said it would be made during the next financial year.

HON. M. L. MOSS : The Government should give the House some definite date, say the second or third year after the Bill would come into operation, so that the lessee should not be called on unjustly to pay for an indefinite period a tax on 20 times the present annual rental. Mr. Sholl, Mr. McLarty, and others had shown how inequitably the proposal would work in the case of persons taking up virgin country. Unless a definite promise were given by inserting a provision for making the required valuation within two years, he would vote against the subclause.

HON. E. McLARTY : A material factor in a valuation would be whether it was made during a good season or in a time of drought. One lessee might easily be penalised if his property were valued after a good fall of rain in his district, while on another lessee's property where rain had not fallen for a long time it might be difficult to keep stock alive. The Government anticipated a revenue of £3,300 from the taxation of pastoral leases; but a proper valuation of those leases could not be made for double that sum.

HON. W. T. LOTON : Some members who supported the Bill on its second reading appeared now to regret their votes. A valuer should rate the pastoral runs near the coast at a higher rate than those inland. If we must have this class of tax, it should be made as general as possible in application; and he would support this clause in order to give taxpayers in the country a taste of the policy of the Government, for he felt confident that before next session those taxpayers would be heard from. Members who wanted to get off scot-free should have taken action earlier. Let them have a taste of it too. As to taxing town properties, Perth alone would have to pay £30,000 at least.

HON. F. CONNOR would vote for deleting the subclause, principally because it was a repudiation of a contract entered into by the Government with the people who took up pastoral land 14 or 15 years ago, when that land was of no use to the country. Those leaseholders risked their lives in

the wilderness, fighting hostile natives, and risked their money in stocking and fencing country, and building homesteads, on certain conditions imposed by the Government; and we had no right to alter the conditions until the leases expired. If paragraph (c) passed, the House would lend itself to repudiating contracts which the leaseholders were carrying out in all good faith.

HON. C. SOMMERS: There seemed to be a want of sympathy between town and country members. Last night he proposed certain exemptions, but did not receive the support he expected. He would, therefore, support paragraph (c) as printed, not because he liked it, but because if townspeople were to be penalised we should not have any exemptions. Let all feel the effect of the tax.

HON. J. W. LANGSFORD: Mr. Connor's cry of "repudiation" applied with double force to conditional purchases and freeholds.

HON. F. CONNOR: No; for the pastoralist could not get the fee simple of his lease.

HON. J. W. LANGSFORD: If we admitted the right of the Government to tax the freehold, we must admit its right to tax property still in its hands. As to repudiation, there was no agreement that pastoral leases should not be taxed.

HON. W. MALEY: Those who voted for the second reading knew that the Bill proposed to repudiate contracts and to confiscate certain lands; hence every supporter of the second reading should, to be consistent, vote for this paragraph. He was not favouring any exemptions, and would, therefore, leave the Chamber before the vote was taken.

HON. E. M. CLARKE: There must be runs in the North-West worth considerably more than the annual rentals, and there might be runs not worth a penny more; hence the Government should promise to have valuations made at an early date, differentiating between the more valuable and the less valuable.

HON. C. E. DEMPSTER opposed the subclause, which was in every way unjust to the pastoralist.

HON. J. W. HACKETT: And yet the hon. member voted for taxing conditional purchasers.

HON. C. E. DEMPSTER: Those acquired the fee simple of the land, and the pastoralists did not, but took up the land at great risk, and at the termination of the lease might be charged an increased rent. Where was the justice in taxing such land as if it were freehold?

HON. M. L. MOSS: The Bill did not state definitely when the valuations would be made; and without such provision the Government might in some parts of the State accept the assessments made by the local authorities, and might in others make independent assessments. He regretted having to oppose the paragraph, for the tax should fall on everyone; but the absence of a provision for proper assessments made the Bill capable of such abuse that he had no alternative. All knew that in virgin country land was not worth 20 times the amount of the annual rent.

HON. F. CONNOR: Before Federation South Australia had the heaviest land tax in these Colonies, yet on South Australian land similar to our northern pastoralist areas the rent was about one-seventh of that charged by our Government; and there was no land taxation of pastoral leases. Our north-eastern squatters could go across the border and select the same class of country for about one-seventh of what they paid this Government. The Minister said pastoral leases were let for less than they were worth; but without enormous capital to stock those leases, they were worth nothing. Now, because of popular clamour to an unpopular Government the leases were to be taxed; and though financial institutions would doubtless see the squatters through, the principle was bad; and where would it end? He would vote for striking out the paragraph.

HON. V. HAMERSLEY: After the explanation of the subclause, he was satisfied with it. But undoubtedly there was a great deal in what Mr. Connor said, and the Colonial Secretary should inform members whether a legal opinion had been obtained as to the right of the Government to impose this tax on pastoral lessees.

THE COLONIAL SECRETARY: Parliament would make it legal by passing the Bill.

HON. V. HAMERSLEY: That did not get away from the fact that it would

be repudiation of a bond entered into. In the Crown grants of freeholds the Crown reserved the right to impose taxation; but no such reservation was made in the case of pastoral lease contracts.

HON. R. F. SHOLL: It did appear there was a likely cause of action for compensation. It had to be remembered that about the year 1892, in consequence of continued drought in parts of the North, the Government had to grant extension of time, six or twelve months, to enable pastoral lessees to pay their rents. When stations were well stocked and the price of wool and meat was high, it might be easy for lessees to pay the tax; but in times of drought unquestionably the tax would inflict hardship. The injustice of the tax was very apparent in the case of a holder of unimproved country who was endeavouring to stock and improve it. The principle was wrong, and the taxation of pastoral leases amounted practically to repudiation. A Government capable of imposing this taxation would be capable, if the occasion arose, of repudiating its loan obligations. This unjust tax was class legislation of the worst kind.

Question (amendment to strike out the subclause) put, and a division taken with the following result:—

Ayes	6
Noes	16
Majority against				10

AYES.
Hon. F. Connor
Hon. C. E. Dempster
Hon. V. Hanmersley
Hon. M. L. Moss
Hon. R. F. Sholl
Hon. E. McLarty (Teller.)

NOES.
Hon. G. Bellingham
Hon. H. Briggs
Hon. E. M. Clarke
Hon. J. D. Connolly
Hon. J. T. Glowrey
Hon. J. W. Hackett
Hon. S. J. Haynes
Hon. Z. Lane
Hon. W. T. Loton
Hon. R. D. McKenzie
Hon. W. Oats
Hon. C. A. Piessie
Hon. G. Randell
Hon. C. Sommers
Hon. J. W. Wright
Hon. J. W. Langsford
(Teller.)

Amendment thus negatived.

HON. M. L. MOSS moved an amendment, that the following words be added to the subclause:—

Provided that the last-named mode of assessment shall remain in force for twelve months after the Act comes into operation.

As he had been unable to obtain an assurance from the Government—

THE COLONIAL SECRETARY had given an assurance, but the hon. member refused to take it.

HON. M. L. MOSS: There was no necessity for loss of temper in this matter. The assurance he wanted was the inclusion of a clause in the Bill. The Minister having stated that the tax would operate retrospectively from the end of June last, this meant practically six months before the Bill was passed. In ordinary circumstances he would have been prepared to vote with the Government in the last division; but he desired to impress on members that the point he was now making was an important one. The Government professed to be solicitous about protecting pastoralists and others who took up virgin land to make it productive, yet the proposal contained in the clause would work a hardship on those very people. It might happen that the intended valuation of the pastoral leases would never be made. Whether that were so or not was no reason why an act of injustice should be perpetrated. We ought to have a provision in the Bill that these valuations should not remain at twenty times the amount of rent in the case of virgin country. It was an unfair impost to put on people who were taking up virgin land in order to make the country more productive.

THE COLONIAL SECRETARY: The hon. member would persist in saying that he gave him no assurance that this would be in force only for one year, and that it would not remain in force for an indefinite time. He had given the House that assurance on several occasions. With all due deference to his legal friend he, had never known a man who could draft a clause in a few minutes whilst the House was waiting for him and be absolutely certain that it was correct. Was it at all likely that the Government would delay making these assessments, knowing full well that these leases on the whole were worth considerably more than their annual rent?

HON. F. CONNOR: The hon. gentleman had no right to make that statement.

THE COLONIAL SECRETARY: It was a well known fact. These leases were being sold day after day and month

after month at a very large premium. He resented the insinuation made by Mr. Moss that this Government might do this and might do that. He of course did not know what a Government of which the hon. member might be a member would do, but he knew what a self-respecting Government would do. This amendment was a needless repetition and addition to the Bill. That valuation would be made within the next year. There would be no need to value the land in the case of new leases, because it would be perfectly understood that those leases would be worth only what was paid for them at the present time.

HON. M. L. MOSS: It was news to him that he made any aspersion which the hon. member had occasion to resent. All he said was, and he repeated it, that in the absence of inclusion of some provision it opened the door to enable this or any other Government to refrain from making valuations. As the hon. gentleman said that within a year the Government would make these valuations there could be no harm in putting it in the Bill.

HON. F. CONNOR: The statement by the Leader of the House that the value of the leases under discussion was more than the rental was one against which he desired to enter his protest. The hon. gentleman had not taken the precaution to be able to substantiate his statement, inasmuch as he had not a lease such as those under discussion, and did not know what it cost to develop these leases, nor did he know the work in connection with the development of the industry this Bill was now attacking. There was a marked difference in the manner pastoralists were treated in South Australia and the way they were treated in Western Australia. In South Australia they had a 40-years tenure, at a third of the rent paid in Western Australia. Some leases in Western Australia were worth more than the rental, but what about the leases which were not, and which were held to secure a small water right? Leases were worth more than the rent when improved and when the stock was upon them. We had not been told by the Government or the gentleman in charge of the Bill whether or not stock was going to be acknowledged as an improvement. If not, there were no

improvements practically except the building of a house, or a few stockyards; therefore the people would pay the full rate. He hoped that if the amendment was not carried the Bill would be recommitted, so that we should have more discussion, and a decision more in the interests of the people who were helping the State most, and in the interests of the country.

HON. W. MALEY: The remarks by Mr. Connor in reference to the difference in the value of pastoral leases in South Australia and that of those in Western Australia could be endorsed by him. He had occasion to call on the Surveyor-General in South Australia, and was surprised to find how much lower the rents charged there were and how much more favourable were the conditions for securing land. We had abnormal values in the city of Perth and we had abnormal values at present throughout the State. Land values in the country were supposed to be 50 per cent. higher than they were 12 months ago. Doubtless when this Bill got through it would bring things to the level of the other States. Only yesterday a large farm in the vicinity of Katanning consisting of 3,900 acres, with improvements and growing crops, was submitted to public competition, and not 15s. per acre was paid for that land.

HON. R. F. SHOLL: The leader of the House wanted members to accept a little too much, and objected to the amendment being put in the body of the Bill providing that the Government should make an assessment within 12 months from the coming into operation of the measure. If the Government intended to do this, there should be no objection to the insertion of the amendment. We did not know that the present Government would be in power six months hence, and he hoped it would not be. Personally, he considered the present was the worst Government the State had ever had.

THE COLONIAL SECRETARY: Was that the question before the Committee?

THE CHAIRMAN: The hon. member was rather straining the point.

HON. R. F. SHOLL: The Leader of the House should have drawn the attention of the Chair before. The hon. member was very inexperienced in parlia-

mentary procedure. In these and in other matters, so far as Ministers were concerned they were inexperienced. If they were sincere in their intention to have an assessment, it was asking too much of business people to accept a statement, when it could be put in the body of the agreement. He could not understand the objection of the Leader of the House to doing so. Before this session expired, unless the Minister altered his tactics and became a little more conciliating, he would have a bad time. It was easy for the Minister, if he could not take the responsibility of piloting the Bill through the House with intelligence, to ask for the postponement of this clause until he consulted his superiors.

THE COLONIAL SECRETARY: Though certainly young in politics and with little experience, he was exceedingly glad he was young in the experience the hon. member seemed to have gained. He moved that the farther consideration of the clause be postponed until the end of the Bill.

Motion passed, the clause postponed.

Clauses 3 and 4—agreed to.

Clause 5—*Gazette* notice sufficient:

HON. J. W. LANGSFORD moved an amendment that the following words be added to the clause—

Provided however that such officer when assessing any land shall, if so required by the owner or his agent, produce the certificate of his appointment.

This was moved on behalf of Mr. Randell, and should commend itself to the Government.

THE COLONIAL SECRETARY: The amendment seemed to be reasonable, if owners required more notification than the *Gazette* notice; but in order to see the full effect of the additional words, he moved that the farther consideration of the clause be postponed.

HON. M. L. MOSS: There was no necessity to postpone the clause. The wording was identical with sections in the Municipal Institutions Act and in the Roads Act. The assessor would probably make the valuation in his office. What was really intended by the amendment was that the assessor should produce the certificate when inspecting a property.

HON. W. T. LOTON: There was no necessity for the amendment. There was a penalty provided in Clause 7 against any unauthorised person undertaking this work.

HON. J. W. LANGSFORD: In the absence of Mr. Randell, he moved that the clause be postponed.

Motion passed, the clause postponed.

Clauses 6, 7—agreed to.

Clause 8—Court of Review:

HON. M. L. MOSS: This clause might have a detrimental effect on outlying districts. It was not intended to make every local court a court of review, but that the Governor could, by notice in the *Government Gazette*, declare that any magistrate of a local court should be a court of review. There was a possibility of having only one magistrate, say at Roebourne, for the whole of the North-West.

THE COLONIAL SECRETARY: There was no limitation in the clause. We could not do better than provide that any magistrate could be made a court of review. Courts could be held exactly where they were required.

HON. M. L. MOSS: It did not provide that every magistrate should be a court of review. That was where injustice might be created.

HON. V. HAMERSLEY: It would be better to provide that every local court should be a court of review, because people would then be able to attend the court most convenient to them.

HON. M. L. MOSS: It would be possible for the Government to group a number of local court districts to come under one magistrate as a court of review. In the Municipal Institutions Act it was provided that the magistrate of the local court of the district in which the land was situated was a court of appeal for the purpose of dealing with assessments. It was possible the magistrate at Geraldton might be made a court of review for the whole of the North. That was capable of being done.

HON. R. F. SHOLL: The clause should be postponed for farther consideration. It was not right to pass a clause that would act harshly. If a number of districts were grouped together the provision might work a hard-

ship, for no one would come from Wyndham to attend a court at Geraldton.

THE COLONIAL SECRETARY : There was no objection to postpone the clause. Members should not give imaginary cases. It was not likely that the magistrate at Geraldton would be appointed a court of review for the whole of the North.

Motion passed, the clause postponed.

Clause 9--Land Tax :

HON. J. W. LANGSFORD : If the valuation as taken from the 31st December, 1906, was to be the valuation for the following year, then according to the Land Tax Bill only half a year's tax could be collected. There was a discrepancy that required explanation.

THE COLONIAL SECRETARY : The member must not connect the two Bills in this respect. This clause fixed the ownership of the land. A person who on the 31st December owned land was deemed to be the owner for the following year.

HON. M. L. MOSS : When the Colonial Secretary was moving the second reading he (Mr. Moss) asked whether it was intended that foreign companies should be liable to the extra impost of 50 per cent. in the same manner as an absentee person was penalised in Subclause 3 of Clause 9. The Colonial Secretary had informed him that it was so intended.

THE COLONIAL SECRETARY : It was altered in another place.

HON. M. L. MOSS : In his second reading speech the Colonial Secretary stated that foreign companies were liable to pay the extra impost. It was obvious the word residence could have no application in regard to incorporated companies. He (Mr. Moss) did not want to see foreign companies taxed the double rate, as it might raise a barrier against the introduction of foreign capital which we ought not to do. Was it the intention of the Government to include foreign companies under Subclause 3 ?

THE COLONIAL SECRETARY : There was nothing in the clause relating to companies. What was a foreign company? There might be a company registered in the old country and having its head office in London with the bulk of the shareholders in Western Australia. He (the Minister) knew of a

gold-mining company in Kalgoorlie, and he did not think 5 per cent. of the shareholders were resident in Australia. It would be unfair and unjust to call such a company a foreign company. Australian registered companies might have more shareholders resident in another country than an English registered company.

HON. C. SOMMERS moved—

That in line 2 of Subclause 3 the word "one" be struck out and "two" inserted in lieu.

Because a man was absent from Western Australia for more than a year it was unfair that he should be regarded as an absentee and taxed accordingly. A man might be ill, and so it might be necessary for him to be absent for more than a year. We must protect our own citizens.

Progress reported, and leave given to sit again.

BILL—BREAD ACT AMENDMENT.

Received from the Legislative Assembly and read a first time.

At 6:35, the **PRESIDENT** left the Chair.
At 7:30, Chair resumed.

FEDERATION DETRIMENTAL, THIS STATE TO WITHDRAW.

ASSEMBLY'S RESOLUTION.

Debate resumed from the previous day, on the motion by Mr. Connor that the Assembly's resolution as to withdrawal from Federation be concurred in.

HON. E. M. CLARKE (South-East) : It is regrettable that on such a vital question there is not a better attendance. Far be it from me to make any rash statement or take a hasty view of the situation; because I hold that when this question was formerly before the country we allowed our sentiments to run away with us. Five years ago when we had the referendum, I am certain we did not give sufficient consideration to the question. We talked too much about "one people one destiny," "one people one flag," and at the same time absolutely forgot we should find ourselves dealing with a parcel of thoroughly practical, hard-headed business men, who would measure everything by a standard of £ s. d. I believe there are several mem-

bers who will not vote for the motion. At the same time, if we review the speeches they have made we find the greater number have said in effect that we are in our present financial position because of Federation. They do not actually say because of Federation—"A rose by any other name would smell as sweet"; but they mean that on account of our joining Federation a large portion of our funds has gone to the Commonwealth. I defy any of those members to withdraw his words. I much regret that Dr. Hackett is not here, because he said in effect that the taxation proposals of the Government were simply owing to Federation, or had it not been for Federation we should not be in our present financial circumstances. Dr. Hackett has, like me, a perfect right to think and vote as he pleases; but when he spoke he was an upholder of Federation, and we shall require the advocates of Federation to show that it has been of some real benefit.

HON. W. MALEY: You are not yet converted?

HON. E. M. CLARKE: I think no worse of Federation than I did at the start, and certainly no better. I am sorry to say my anticipation of what Federation would be has, unfortunately for this State, been realised, and the result is even worse than I thought. I should not counsel dealing hot-headedly with this proposal: we must look it squarely in the face. We have first to ask ourselves, have we derived any benefit from Federation? I think the strongest advocates of Federation will say that one of the greatest benefits we are likely to derive from it is adequate defence; but if we admit that, we are confronted with the fact that the one great work which would serve us in time of trouble is the Trans-continental Railway; and the other States, taken as a whole, have simply denied us that work. We wish to know how we have benefited by federating. Many members in this Chamber say that our present financial position has resulted from Federation. We find Dr. Hackett saying that we must tax ourselves to prevent the Federal Parliament usurping the right of taxation which we now possess. I think, if there is any argument against Federation, it is his statement that if we do not tax ourselves the Commonwealth will tax us. Therefore we must impose

a land tax lest a worse be imposed by the Federal Parliament. If it can be shown that we by any constitutional means can sever this Federal bond, I am perfectly willing in a rational manner to stump the country to see what can be done with that end in view. Because candidly speaking, divested of sentiment, there is very little left for Western Australia. Many advocates of Federation have said that had we refused to join, only one thing could have happened: the other States would have strangled us, and the gold-fields would have obtained separation. That is ridiculous. I believe there is a terrible lot of human nature in the gold-fields residents. That is to say, they are people somewhat like me: their religion is to buy in the cheapest and sell in the dearest market. They might have been a little annoyed with us for a while; but when they found we could give them a little more for one pound than they could get from other States, I believe they would have been ready to forget all about their annoyance, and to spend their money where they could get the best return. We must not be rash in this matter. Let us see whether secession is possible, and then let us take a vote of the country. I certainly agree with the resolution passed in another place, that we should, to say the least, let it be known to the other States that we are not so childish as to be ignorant of the fact that we, as the weakest State in the union, are not getting a fair deal. I think I can say there is scarcely a person in this State but owes up straight away that we are not getting what we have a right to expect. I do not think all say that loudly enough to be heard; but it is in their minds that we are not receiving the treatment that should be accorded to one of the weakest States in the Federation. Had we been a richer State, and had we discovered a few more gold mines, Federation would not have hurt us; but unfortunately we took a tremendous risk, and we have now to pay the penalty. I support the motion.

HON. J. W. LANGSFORD (Metropolitan-Suburban): I quite agree with Mr. Connor that this is a matter of the very gravest importance; that the proposal to secede from the Commonwealth

of Australia means, if it is carried, that from a territorial aspect one-third of the continent of Australia, a million square miles, will be taken from the Federation, thus leaving the Federation denuded of what is in many respects its best and brightest pearl. Mr. Connor asks us to agree with the statement that Federation has proved detrimental to the best interests of Western Australia; but one could hardly have judged from the breezy manner of the hon. member's speech that this was a question of such great importance. I think members will agree with me that on few previous occasions have we seen the hon. member so jovial in his presentation of a case as he was last evening. The great importance of the matter was not indicated by his manner. And while we admire the manner of the speech, I personally was unconvinced by its matter; and I am still waiting to hear some evidence that will induce me to vote for the motion. Probably when he replies he will give us the evidence which may be in his possession, but which he kept very carefully to himself. I quite agree there have been broken promises and hopes unfulfilled. By some leading federalists, especially of the Eastern States, we were promised the Transcontinental Railway. Although the Survey Bill has been passed three times by the House of Representatives, the larger House, yet on three occasions it has been blocked by the Senate, though I am inclined to think that if all the representatives of Western Australia had been present in the Senate, the third reading would have been carried on the last occasion. I do not know the reason for Senator Matheson's absence from the division. There may be some justifiable cause for his not voting. But I would ask members to recollect that the Federation has been in existence for only five years; and in the life of a nation five years is a very small term indeed. I agree with Mr. Clarke that every consideration should be given to this matter, so that if we have made a mistake, and if the interests of Western Australia have been detrimentally affected by Federation, we may get out of it as soon as possible. The secession movement must be well considered. It has been said that the Federal movement was in the first instance a movement of politicians and not of the

people. We must be careful that this secession movement is not a movement of politicians only. If the voice of the people is desired on this question, then by all means let us hear it.

HON. F. CONNOR: Will you vote for hearing it?

HON. J. W. LANGSFORD: When I am convinced of the justice of the hon. member's motion.

HON. F. CONNOR: Will you vote for hearing the voice of the people?

HON. J. W. LANGSFORD: In that excellent letter from Mr. Moran which the hon. member read yesterday, there was one great sentiment: "Give us a leader, give us a united people, and Parliament can be ignored," or words to that effect. Have we a leader in this case? Are the people united in this regard? Were it so, I would be with the hon. member that to a large extent Parliament could be ignored. Whether the hon. member who introduced this motion in another place is to be the Moses of this movement, and Mr. Connor is to be his lieutenant Joshua, to lead us out of this worse than Egyptian bondage into which we have been entrapped by Federation, I am not prepared to say. This, to my mind, must be a people's movement, not a politicians' movement. Amid the hon. member's eloquence there were two statements I could get hold of; the first, that Federation has been responsible for stagnation in trade. He gave us no concrete instance of this. He did, however, say that freehold properties in Perth and the suburbs were now unsaleable. As a matter of fact, the largest sales in city of Perth freehold property have taken place since we entered Federation. One would have supposed he would have given us some concrete instances, because if this measure has to go to the people it must go with the full facts placed before the people; and members have a right, before being asked to vote on this motion, to have some concrete instances given to us, showing the detrimental effects of Federation. On the other hand, I think we can point to statistical information which goes to show there has not been an absolute stagnation of trade in Western Australia since we entered the Federal Union. I ask the patience of the hon. member while I give him a few figures dealing with the State as it is to-

day, and what it was when we entered the Federal Union. The population in 1901 was 194,000, in 1906 it was 262,000. There is no indication here to support the hon. member's contention that there has been stagnation.

HON. R. F. SHOLL: Is that increase owing to Federation?

HON. J. W. LANGSFORD: It may be in spite of Federation; but it does not bear out the contention that there has been complete stagnation.

HON. F. CONNOR: I rise to a point of order. I did not use the words "complete stagnation."

THE PRESIDENT: Perhaps the hon. member will accept the denial, and withdraw the phrase.

HON. J. W. LANGSFORD: If the hon. member says he did not say that, I must accept his denial.

HON. F. CONNOR: I want a withdrawal, or that the hon. member will prove I said "complete stagnation."

THE PRESIDENT: The hon. member has withdrawn.

HON. J. W. LANGSFORD: I withdraw the term "complete stagnation." But the hon. member certainly said that there had been stagnation in trade. Had there been such stagnation, it would have evidenced itself in the statistical records before us.

HON. J. W. WRIGHT: You do not look at the years which went before; take the proportion.

HON. J. W. LANGSFORD: Take the Savings Bank returns. In June 1901 we had 39,000 depositors, in 1906 we have 62,000; depositors had to their credit in 1901 a total of £1,618,000, in 1906 to June the total was £2,316,000. As to the trade imports and exports, in 1901 the value was £14,969,000, in 1906 to June it was £16,352,000. There is no indication in these figures that there has been stagnation in trade owing to Federation.

HON. J. W. WRIGHT: They might have been double if there had been no Federation.

HON. J. W. LANGSFORD: Take the railways; for the year ending June 1901 the passengers carried totalled 6,800,000, in 1905 they were 11,854,000; the tonnage of goods carried amounted in 1901 to 1,719,000, and for 1905 it was

2,445,000. These are a few figures I have taken out of the Statistical Register to disprove the statement that there has been stagnation of trade consequent on Federation, as not conveying all the truth. In the matter of live-stock, horses, cattle, sheep, pigs, and goats, all have increased very considerably. One would have thought, if Federation had such a baneful influence, that it might have affected the increase in stock. Mules and donkeys have increased wonderfully since the inception of Federation—perhaps the hon. member will agree with that statement, and will say it is right this should be so—the number has increased by 700 during Federation. Now take agriculture to show that trade has not been stagnated: the total area of land cropped, cleared, etc., in 1901 was 1,218,000 acres, in 1906 it was 2,470,000 acres, or a hundred per cent. increase in the five years. I do not think, in view of those facts and figures, that the hon. member has proved conclusively his statement that there has been stagnation in trade as the result of Federation.

HON. F. CONNOR: Ask the bankers.

HON. R. F. SHOLL: Those figures merely show the wonderful vitality of the State.

HON. J. W. LANGSFORD: Another statement which the hon. member made and repeated several times was that we have lost the power to control our own affairs. We still have our land, our timber, our mining and pastoral resources to develop; we have also our railways.

MEMBER: And taxation powers.

HON. J. W. LANGSFORD: And taxation powers. I say that we have not lost altogether the control of our own affairs, for the whole of the internal political economy of the State is still in our own hands.

HON. F. CONNOR: We have lost the control of our Customs; that is the principal thing.

HON. J. W. LANGSFORD: The hon. member said we had lost the power to control our own affairs: now he limits that statement. It is true that we have parted with the control of our Customs, and of our post-office and quarantine, but we still retain control of everything out-

side of these and can do what we like with them.

HON. F. CONNOR: Can you say the Federal Parliament has or has not the power to tax our lands?

HON. J. W. LANGSFORD: I am not going into anything of that kind.

THE PRESIDENT: It will be better to allow the hon. member to speak uninterruptedly; the mover can reply later.

HON. J. W. LANGSFORD: How is this withdrawal from the Union to be effected? Is it to be done by the mere placing of this matter before the people? I think in fairness the hon. member should have stated to the House what other steps are intended to be taken in following this matter up; because I suppose that if the motion be carried in this Chamber there will have to be other steps taken to bring about a severance from the Commonwealth. It has been said that all we need to do is to get the consent of the Imperial Parliament. According to my reading of the Constitution it provides that not only have we to get that consent, but first we have to get the consent of the Australian people; and I want to know, supposing this motion is carried and supposing a referendum is held, who is going to the Eastern States to persuade those people to consent to this severance?

HON. R. F. SHOLL: We will send you over.

HON. J. W. LANGSFORD: I shall be agreeable, provided the hon. member who interjects will go with me. It is a fair question to ask, who is going to stump the Eastern States in favour of this secession movement? I say the withdrawal of any one State from the federal compact must be with the consent of all the States. The hon. gentleman referred to the amount of sentiment which was brought into this question when the Federal Bill was passed. I would like to say that Mr. Connor belongs to a nation which is to a degree perhaps more than any other nation sentimental; and if we were to take out of Irish history all sentiment, if we were to take all sentiment out of the lives of distinguished Irishmen, we should remove much that makes that history and those lives valuable.

HON. F. CONNOR: Would you not be sorry?

HON. J. W. LANGSFORD: We should be extremely sorry to lose that. I should like to be told where the realm of sentiment and the realm of practical affairs begin and end. I cannot say "This is practical, that is sentimental." The two matters are so mixed up that it is difficult to divide them. In regard to the federal movement, we are still in the birththroes of Federation. And if our federal movement and our federal life are to have vigour and strength, then one of the things we must anticipate is that we should have misunderstandings and troubles to begin with; but I say we are five years nearer a proper understanding than we were when we began Federation. I cannot, like the hon. member, use eloquence of language in addressing members of the House; indeed I am afraid that many may be led away by the eloquence he has put forward in the place of what should be sound argument. My feeling is that before I can vote in the affirmative for this motion I must have some direct evidence, and the hon. member has not given that evidence at the present time. I ask that it should be forthcoming, and if the hon. member can convince me that Federation has been detrimental, and that remaining in Federation will still be detrimental to the best interests of Western Australia, I shall heartily support the motion he submits; but until he does I feel disposed to give the federal movement a longer trial. In view of the energy and new life which is being instilled into the nations which are not very far away, Japan and China, it will never do for Australia to be divided into seven States as it was previously. [MEMBER: That is why we want the railway.] For the purposes of defence alone we should still retain our position in the federal movement. It is quite true that we were promised this railway by many of the supporters of Federation, and so also were the people of New South Wales promised their capital; but I think they are farther off from getting their capital than we are from getting our railway, although they have it in the Federal Constitution Act itself. For this reason I must hesitate

to give that support to the movement which the hon. member asks us to give.

HON. R. F. SHOLL (North): I am not going to detain the House long, because I have not thought out the remarks I propose to make, as the last speaker has done. With regard to the secession movement, I do not think really anything serious can come of it, unless something more than moral suasion is used. I certainly would not advocate civil war or anything of that kind, but the mere fact of passing this motion shows we are dissatisfied because we are ignored. Western Australia has no sympathy whatever from the Eastern States. I was always opposed to Federation because during the experience I had in representing a constituency far removed from the seat of government I found it most difficult to get the sympathy even of our own people living near or within the city where the seat of government was located. I thought then, and I think that feeling still exists, judging by what took place to-day, that all constituencies far removed from the seat of government get no sympathy whatever from those near the seat of government; and the same thing applies to a State which is isolated as we are, for we have not the sympathy of the population of the Eastern States. We do not want advantages. We are prepared to pay our share of the cost of Federation, but we want sympathy and friendship, and to be treated as if we were one of a concrete Commonwealth. As a matter of fact we are treated as if we did not belong to the Commonwealth at all. I have no feeling with regard to the railway; in fact I am hardly in sympathy with the railway, so I have no grievance at all. This State has guaranteed I think for 10 years any loss that might accrue or result from the building of that railway to South Australia. Such being the case I think we have done quite enough. It is a national railway, and a work which should be carried out by the Commonwealth, and we should only pay our loss and not guarantee any other State against any loss for a number of years. Therefore I am not taking this up because I am at all aggrieved that

the survey of the inter-State railway was thrown out by the Senate. I am in sympathy with the movement, if it is only to protest that we are not actually federated with the Eastern States. The hon. member who has just sat down said that the member who moved this motion was not serious, that he was rather frivolous. It struck me that the hon. member when speaking was most earnest. In fact I never heard him make a speech in which he showed so much earnestness, and it is a matter which people should be earnest over. It is not a matter to be brought into this House to be treated frivolously, and I think that when the hon. member said that Mr. Connor was not serious he must really have taken a wrong view of the action or the manner of that hon. member. The hon. member has also given us a number of statistics trying to prove—I do not think it is practicable—that we have not gone back. It is true that our sheep have increased, and that trade generally has increased, but a great deal of that increase depends upon the good seasons. And also, with regard to stock, the duty is being reduced annually on the sliding scale, so that a great deal of stock has been imported from abroad which otherwise would have been kept out. I do not think that is an argument which can be used altogether, that we are not suffering from joining the federal movement. I think good seasons have a great deal to do with the number of stock, the number of sheep, cattle, and horses, and that sort of thing. I think the hon. member would find if we had a drought the number of stock in the country would be decreased considerably. I think the argument he used is not sound. I do not propose to thrash it out any farther. It only shows, notwithstanding the drawbacks, the loss this State has suffered in pounds, shillings, and pence owing to the inter-State duty being removed, the vitality of this country. It is wonderful that our finances are in as good a condition as they are at the present time. The vitality of this State is marvellous, in spite of these drawbacks, in spite of the want of sympathy, and in spite of the withdrawals owing to the

loss of customs. I can hardly quote the Post Office as having been reproductive, because it was almost always worked at a loss. However, we lost our Customs, but the State has progressed in spite of that. My reason for supporting the movement is not the loss of anything we have to contribute to the support of the Commonwealth, but the want of sympathy, the want of friendship that the people of the other States show towards this State. I dare say that this movement will be taken up throughout the Commonwealth itself, and if the people speak out in every State in the same way as they will in this State, I am positively certain that the tactics of the Commonwealth authorities must alter, or else the union must be dissolved. I have not thought this matter out with regard to what I have to say, but I intend to support the motion of the hon. member for the reasons I have given.

On motion by the HON. W. MALEY, debate adjourned.

ADJOURNMENT.

The House adjourned at 8:12 o'clock, until the next Tuesday.

Legislative Assembly, Thursday, 4th October, 1906.

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

PRAYERS.

PAPERS PRESENTED.

By the MINISTER FOR WORKS: 1, By-laws passed by the Port Hedland Roads Board. 2, Capital Cost of Fremantle Harbour Works—Particulars.

RAILWAY WORKSHOPS INQUIRY.

MR. BOLTON'S CHARGES.

FINDINGS OF THE COMMISSION.

THE PREMIER brought up the report of the Royal Commission appointed to inquire into the charges made against certain officials in the Railway Department.

Report received, read, and ordered to be printed with evidence; the consideration of the report made an order for next Tuesday.

QUESTION—ABATTOIRS AT KALGOORLIE.

MR. WALKER asked the Premier: In view of the fact that the Swan Meat Company recently received permission from the Kalgoorlie Roads Board to erect and establish a slaughter-yard, can the Government give any definite idea when the Kalgoorlie public abattoirs are likely to be started?

THE PREMIER replied: Provision has been made on this year's Loan Estimates for the work. The plans have been put in hand, and it is anticipated that the department will be in a position to call for tenders in two months time.

BILL—FREMANTLE HARBOUR TRUST ACT AMENDMENT.

Introduced by the MINISTER FOR WORKS, and read a first time (in lieu of Bill introduced previously in the Council, and withdrawn to avoid irregularity as to the House of origin).

BILL—BREAD ACT AMENDMENT.

THIRD READING.

MR. J. VERYARD (in charge of the Bill) moved that it be now read a third time.

AMENDMENT.

MR. H. BROWN moved an amendment—

That the word "now" be struck out, and "this day six months" added.