on this Sale of Government Property Trust Account was illegal without an Act, the Act had been passed, and the Treasurer was within his rights in carrying out the works as proposed in the Estimates. The principle challenged by the Leader of the Opposition was open to argument ; but it did not apply to the Estimates before the House.

Mr. ANGWIN agreed with the Leader of the Opposition. The Treasurer seemed to forget that for some years we had not followed the example of the Eastern States. Not long ago a statement was distributed throughout the Commonwealth showing this State did not spend its loan funds on unreproductive works. The Eastern States had covered up their deficits by means of loan funds, and we should be doing exactly the same by using as revenue these funds derived from the sale of Government property ; for if a large portion of public works included in Estimates was paid for out of loan, there would be no deficit. The Leader of the Opposition did not refer to the Treasurer as personally dishonest, but to the dishonesty of the practice. There was a possibility of occasionally selling Government property that ought to be retained, and of using the proceeds of the sale to construct other public works. A question such as this should be carefully considered.

Mr. LAYMAN moved—

That the Committee do now divide.

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

Ayes	19
Noes	8
Majority for	11

Ayes.	Noes.
Mr. Barnett	Mr. Angwin
Mr. Brebber	Mr. Bath
Mr. Cowcher	Mr. T. L. Brown
Mr. Eddy	Mr. Horan
Mr. Gregory	Mr. Hudson
Mr. Hayward	Mr. Stuart
Mr. Layman	Mr. Walker
Mr. McLarty	Mr. Troy (*Teller*).
Mr. Mitchell	
Mr. Monger	
Mr. N. J. Moore	
Mr. Piesse	
Mr. Price	
Mr. Smith	
Mr. Stone	
Mr. Veryard	
Mr. A. J. Wilson	
Mr. F. Wilson	
Mr. Gordon (*Teller*).	

Motion (closure) thus passed.

Vote put, and passed on the voices.

This concluded the ordinary Estimate for the year.

Resolutions as passed in Committee o Supply, granting supplies amounting t £2,479,558 and a farther sum of £31,83 from the Sale of Government Propert Trust Account, were formally reported.

ADJOURNMENT.

The all-night sitting terminated a 10.33 o'clock Wednesday forenoon, an the House adjourned until the afternoo at 4.30.

Legislative Council,

Wednesday, 11th December, 1907.

The PRESIDENT took the Chair a 4.30 o'clock p.m.

Prayers.

PAPERS PRESENTED.

By the Colonial Secretary : 1, Re port of Lands Department for the yea 1906-7. 2, Amended By-laws of North East Coolgardie Road Board.

STANDING ORDER AS TO NEW BUSINESS.

To Suspend.

The COLONIAL SECRETAR moved—

That for the remainder of the presen session, Standing Order No. 62, pro

viding that no new business be taken after ten o'clock at night, be suspended. He explained that Order No. 62 provided that no new business should be taken after ten o'clock in the evening. Whether or not the President would hold that an Order of the Day which had been adjourned would be new business he did not know ; but provided it were looked on as new business, the result would be very awkward near the end of the session. To take a case in point, say last night the House had agreed to the second reading of the Land Tax Assessment Bill at five minutes past ten o'clock ; without a suspension of the Standing Order we could not have followed on with the Electoral Bill. Ten o'clock would be rather early to adjourn in the closing days of the session ; and to get over the difficulty he had moved the suspension of the particular Standing Order for the remainder of the session.

Question put and passed.

BILL—LAND AND INCOME TAX ASSESSMENT.

Machinery Measure—in Committee.

Clause 1—agreed to.

Clause 2—Interpretation :

Hon. C. SOMMERS moved an amendment—

That the words "tramways, railways, and" be inserted after "planting."

The amendment referred particularly to the Hampton Plains and the Midland Railway Companies. The latter owned a vast area of land comprising some two million acres, and to say that land was not improved by the railway would be stretching the point too far. The company had improved the land to the fullest extent possible by constructing the railway, and this was the only way we could expect them to improve that land.

Hon. F. Connor : The Government improved it for them.

Hon. C. SOMMERS : The company built the railway and received payment in the shape of land. They could not be expected to improve that land in the same way as an ordinary settler. It was not desired that the company should be exempt from taxation, but instead of paying one penny in the pound as the tax on unimproved value it was desired they should pay a half-penny. That would be the rate they would have to pay if allowed to count the railway as an improvement. The value of the railway was difficult to compute, but if it were worth £1,500 per mile, as there were 300 miles of the railway, the value would be from £300,000 to £450,000. It might be said the railway was built first, and therefore the land was not improved at all.

Hon. F. Connor : Where were all the settlers they promised to put on the land?

Hon. C. SOMMERS : That condition was withdrawn by a subsequent agreement and cancelled, so it could not be taken into account. If instead of being paid in land for building the line the company had been paid in cash, there would now be nothing to tax. If the State had paid for the railway by debentures 30 or 50 years ago, the company would still have had the railway and the State would be in possession of the land. The company should be put on the same footing as ordinary holders of land.

Hon. W. Patrick : Ordinary holders of land paid for their properties.

Hon. C. SOMMERS : They were subject to a tax for unimproved land of a penny and for improved land of a half-penny. The Hampton Plains people had put down tramways through part of their country.

Hon. R. D. McKenzie: That line did not belong to the Hampton Plains Company.

The Colonial Secretary : It belonged to the Goldfields Firewood Company.

Hon. C. SOMMERS : His remarks would then be confined to the Midland Company. That company had been unfortunate from the start, for it had never paid a dividend and was not likely to for many years to come. When that land was given to the company in payment for the line, they were to construct——

Hon. M. L. Moss : It as not for payment, as the line belonged to the company still. It did not belong to the State.

Hon. C. SOMMERS : In consideration of the company constructing the line certain land then of little value to the State was given to them. The land was improved by the company, and to make

the company pay as for unimproved land would undoubtedly harass them. Almost immediately after the land was granted to the company, the Government started to sell Crown lands on exceedingly liberal terms, twenty years' purchase at 10s. an acre for first-class land, without interest. The company, finding themselves therefore unable to sell their lands, offered their railway and lands to the Government at a fair price, and a mistake was made in not accepting the offer. The company then went vigorously to work to develop their estate, and during the last eighteen months disposed of £300,000 worth of land, on which many people, including moneyed men, had settled, and by this settlement the State benefited without spending a penny. Last year from all sources the Lands Department revenue was £238,061 and the expenditure £109,046 ; so nearly 50 per cent. of our land revenue went in administration.

Hon. M. L. Moss : The Midland lands fetched far higher prices than Crown lands.

Hon. C. SOMMERS : More power to the company. It was a mistake to part with the Midland lands, also a mistake not to repurchase them ; and do not let us make a similar mistake by taxing them too heavily. The original debenture-holders had lost about 30 per cent. of their money and had dropped out, and the company had been re-formed. The debenture-holders had never received a penny of interest, and were never likely to get any. Now, notwithstanding that the company were introducing new settlers, we threatened to tax this as unimproved land, as if the company were an ordinary selector of a 1,000-acre block. When sold to the Midland Company the land was of no value to the State, and now we were attempting to penalise them. The manner in which the company were inducing settlement was an object lesson to the Minister for Lands. Whereas settlement of Crown lands cost fifty per cent. of the land revenue, the Midland settlement cost only five per cent. If the company could settle lands for five per cent., there was no reason why we should pay fifty per cent. For the State to sell the same area of 330,000 acres in eighteen months would cost £125,000. In 1899 a Rural Lands Bill, after passing the Assembly, was introduced to this House with the object of forcing people to improve their lands. After two years from the passing of the Bill those who did not improve were to be taxed one penny per acre. But one clause provided that the Act should not apply to rural lands granted by the Crown to the Midland Company or the Hampton Plains Company so long as the lands remained the property of the respective companies—a fair proviso, in keeping with the spirit of the agreement between the Government and the companies. The company were doing more than the Government in inducing settlement. They were giving all sorts of concessions which the Government were unable to give. For that reason they should be encouraged. It was a decided advantage to have the settlement on the company's lands, as there was no consequent increase in the Lands Department administration. Sir John Forrest had specially exempted the company's lands.

Hon. J. W. Hackett : The lands were valued at half-a-crown an acre when the company got them.

Hon. C. SOMMERS : The company were hampered in every way. They were unfortunate in that they could not sell their lands except for cash because of the conditions imposed by the Government. We allowed all kinds of improvements to count, even roads. If roads were to count why not railways that gave facilities to settlement ? Evidently the exclusion of railways was oversight. Members should look at this question dispassionately and strike out of their minds what had been said of the company in the past and think of them merely as some other persons who had come here to take up land.

Hon. C. A. PIESSE supported the amendment. He had not the slightest idea of the importance of the amendment when he saw it on the Notice Paper, but no one could get away from the claims put forward by Mr. Sommers. The House had the reputation for being

fair, and he took it that the amendment would be carried without opposition. No doubt a railway was an improvement and should count as an improvement just as a road did on a farm. If Parliament declined to let the company have the benefit of the huge expenditure on the railway, the company would be compelled to go to a higher tribunal to get redress. Evidently it was a mistake that railways were not included as improvements. He had some idea that there was a condition in the agreement with the company that there should be no taxation on them. The people of the State were glad enough at the time to get the Midland Railway constructed. It was considered a great bargain, and it was no fault of the company that they could not sell their land. Much of it was held by the Government as security and the Government would not allow the sale of the land unless it was sold under conditions of improvement.

Hon. J. W. Hackett : No ; it could not be sold unless the money was paid into the Treasury.

Hon. C. A. PIESSE : The hon. member was wrong. The land could not be sold unless it was subject to conditions of improvement. The railway was honestly worth £2,000 a mile and that was greater than the amount it was expected people would spend in improving to come under the rebates.

The COLONIAL SECRETARY : While it was intended by the Bill to allow improved lands to come in as lightly as possible, it certainly was no mistake when railways and tramways were left out of the definition of "improvements." Surely the Committee would not agree with Mr. Sommers for one moment that the Midland Company's railway, because it traversed certain lands, should be constituted an improvement on those lands. Every improvement made on a railway was for the trade of the railway and not to improve the land. We might as well say the main road from Perth to Albany constituted improvements on the neighbouring land. We must not consider that the railway was built by the same company that owned the land. Would it constitute an improvement to the land if the railway were built by a separate company ? We should shortly be asked to approve of a Bill to build a tramway to the Nedlands Park Estate. Members would not argue that running a tramway to that estate should constitute an improvement on land where a tree had not been cut. There was another private estate on the opposite side of the road along which it was proposed to run the Nedlands Park tram. Would it constitute an improvement to the Nedlands Park, and not an improvement to the land on the opposite side of the road owned by another person ?

Hon. C. Sommers: The Colonial Secretary would not call it a detriment.

The COLONIAL SECRETARY : There was a big difference between "detriment" and "improvement." The Committee were not likely to agree to the amendment ; therefore there was no necessity to debate the matter farther.

Hon. J. M. DREW : This was a most astonishing proposal, and he was surprised it had been submitted. The railway was paid for by the people of Western Australia. A large extent of agricultural country was given in exchange for the line and the company were fully paid for it. Now we were asked to remit one-half the taxation to that company, who got the land at 2s. 6d. an acre, whereas the price to-day was from £1 to £4 an acre. The concluding words of the clause might benefit the company ; these words were : "and any other improvement whatsoever the benefit of which is unexhausted at the time of the valuation."

Hon. E. M. CLARKE : It would be unjust to allow the railway to count as an improvement. The company got the land at a valuation of approximately 2s. 6d. per acre. which was paid in the shape of putting the railway through their property.

Hon. F. CONNOR : The most valuable asset the Midland Company had was their railway, out of which they were making a profit.

The COLONIAL SECRETARY : The land the railway was built on would be considered improved land. If it were a road, the provision would only apply to the portion fenced in.

Hon. C. SOMMERS : When the Rural Lands Bill, by which it was proposed to tax a company for not improving lands, was before the Assembly, there was a provision that the Bill should not apply to the Midland Company. That measure was brought forward when Mr. Throssell was Minister for Lands and Sir John Forrest was Premier. The Bill passed the Assembly by a large majority, but when it came to this House it was thought to be such a preposterous idea to harass people that the Bill was thrown out. He was not proposing that the company should not be taxed, but they should be taxed as ordinary land owners were. One could not expect the Midland Company to improve their lands in the same way as a man who only held 1,000 acres. It had been said that the Midland Company's land had been sold at from 10s. to £3 an acre. A few blocks were sold at £3 an acre, but he knew land which was sold at 2s. 3d. an acre. He himself had bought 8,000 acres at 2s. 3d. an acre and the land was fenced and had a dam on it. He had 15 years in which to pay for the land and paid four per cent. on the balance of the purchase money. Yet it was said that this company were standing out for extortionate rates. Under the Rural Lands Bill the Hampton Plains Company were specially exempted from taxation ; but the Bill was thought to be unfair to other land owners, and it was thrown out. The Colonial Secretary had made some reference to the Nedlands Tramway. Roads counted as an improvement and Nedlands Park was fenced in. There was a house on it and a garden, and the land had been settled for the last fifty years. The land was not cultivated to the fullest extent, but all the improvements necessary to comply with the laws to-day had been carried out. We should encourage everyone to improve their property. Anyone would think it was a crime to build a railway or tramway. He would not be a party to penalising absentees who held two million acres of land, for they could not be expected to improve that amount of land to the same extent as the holders of small blocks. There were practically new holders all along the Midland line doing what they could to improve the State, and the State was getting the benefit. The unfortunate company had never paid a dividend. They had made a fair offer to sell their property to the Government, but Parliament refused to purchase it.

Hon. R. D. McKENZIE : The amendment, if carried, would exempt the extensive area secured practically for nothing by the Hampton Plains Syndicate, for the reason that wood tramways had been built through the property, not by the syndicate but by a trading concern paying royalty.

Hon. C. SOMMERS : The price paid for the land at 2s. 6d. per acre by the syndicate was sufficient, as their right to the minerals had since been handed back to the Crown.

Hon. J. W. LANGSFORD : It had not been made clear whether the withdrawal of the Rural Lands Tax Bill was due to expediency or to a belief in its injustice to the Midland Company. The cost of the railway was stated by Sir John Forrest at £900,000, and yet last year the company obtained £300,000 from sales of land ; and the fact must be remembered that the railway was paid for by the State, not in cash but in acres.

Hon. C. SOMMERS : The hon. member forgot that the line was built at a cost of £900,000 twenty years ago, and although last year for the first time a revenue from sales of land was obtained, yet even if the company could sell their 2½ million acres at an average of £1 per acre, and were credited with a farther £500,000 as the approximate present value of the railway, the total of three million pounds thus arrived at would not repay their outlay, if reasonable interest for twenty years were allowed. It was a bad bargain for the company and for the State, in whichever light it was regarded. The reason for the withdrawal of the Rural Lands Tax Bill was that it would be unfair if applied to the Midland Company, and farther because it was felt to be too drastic. At least the value of the railway should be permitted as a set-off to the amount taxable under this Bill.

Hon. C. A. PIESSE : The question to decide was whether the railway was an improvement in relation to the adjoining

lands held by the company; and if so, the owners should be entitled to set off the value of the railway against the total amount taxable under the Bill, in the same way as private owners of land were exempted proportionately to the amount of their improvements.

Hon. E. McLARTY: The State paid for the railway in land, and the company were now being reimbursed at the rate of £300,000 a year by sales; hence he failed to see the necessity for specially assisting the Midland Company. He had always been sympathetic towards the company, and had defended it in this Chamber; but having regard to the mixed value of their land, the company would not be unduly taxed even at the maximum rate.

Hon. J. A. THOMSON: It was forgotten by some members that though the railway was an undoubted "improvement," still it was one already paid for by the State, and should not therefore be regarded as entitling the holders to exemption for its value.

Hon. G. BELLINGHAM failed to see that the low price at which the company obtained the land affected the question. The company now held the fee simple of the land, and the railway was undoubtedly an "improvement." Mr. Throssell had instanced cases of land taken up under conditional purchase at 10s. per acre which had advanced in value to £8, £10, and even £20 per acre; and "improvements" existing on such lands were allowed for under the Bill.

Hon. G. THROSSELL: It would be opposed to common sense to allow railways and tramways to be looked upon as improvements. If it were desired to grant this concesion to companies let them be exempted under the Act but not by a side-wind as was now proposed. The State owed no debt of gratitude to either company, and we should not go out of our way to assist them.

Hon. W. T. LOTON: One or two members urged that the fact of building a railway provided an improvement to the land. Did a railway take away gum trees or scrub, or cause pasture to grow? Certainly a railway was an advantage to the residents, but it was not an improvement to the land. Twenty years ago the Midland Company acquired a splendid concession, it being provided that they should receive 12,000 acres of land for every mile of railway they built. What did the company do with the land? They sat on the concession for some time, and then formed another company to try and make a million of money out of it. Some of the people connected with the company absorbed large tracts of some of the best land on the Irwin. What advantage had the country gained from that company during the past twenty years? The land was locked up, and was not opened up until the company were driven to it. If they had lost money in the past it was their own fault, for they never tried to get settlers on the land to improve the property and act as feeders to the railway. It would be most unjust to the State if the concesion asked for were granted.

Hon. C. A. PIESSE: The Midland Company had to go through a lengthy period of great depression. The Great Southern Railway Company were in a somewhat similar plight at one time, for they in the same way failed to settle their lands—lands which had since been proved to be some of the best in the State. That company could not get settlement any more than the Midland Company. Would the Government treat the actual land occupied by the railway, the railway track, as taxable property? Apparently it was the intention of the Bill that a strip of land three chains wide from Midland Junction to Walkaway should be taxed. If so, would the Government tax it as an improved piece of land, or take into consideration the value of the railway that ran over it? In such circumstances the Government would have to take into consideration the value of the railway, for the clause concluded with the words "and any other improvements whatsoever." That being so the adjoining lands would have to be considered in connection with the railway. If the Government decided that the lands should be looked upon as unimproved and the company appealed, in all probability they would win the case.

Hon. J. W. Hackett: The railway track and the narrow strip of land adjoining it were part of the railway.

Hon. C. A. PIESSE : Would the Government say that piece of land was not improved ?

The Colonial Secretary : It was improved under Subclause 4 of Clause 10.

Hon. W. PATRICK : Whatever improvement the railway might be to the Midland lands, it was an improvement for the benefit of the company. The biggest improvements the company had, however, were the Murchison Goldfields, the farming and squatting districts in the north, and the city of Perth in the south. He would oppose the amendment.

Hon. C. SOMMERS : Taking the figures of Sir John Forrest as being correct, the line cost about £900,000. In exchange for that expenditure they received 2,500,000 acres so that the price worked out at 6s. 8d. per acre, and not 1s. and 2s. as some members suggested. It had been impossible for the company to sell the land in the past. A year or so after the concession was granted the Government, who had been selling land previously for cash or on short terms, gradually liberalised the land laws ; provided land at 10s. an acre ; gave free surveys, and allowed a settler 20 years in which to pay. How could a foreign company expect to sell land against such competition ?

Hon. J. W. Hackett : They were doing it now.

Hon. C. SOMMERS : Circumstances were very different now, for Crown land was not available at the present time as it was then. Any dividends made by the owners of the concession, either by means of the railway or the land, would be taxed under the Dividend Duties Act, and it would be unfair to put them to a 50 per cent. additional impost by saying they did not improve their lands. The land and the line were owned by one company, and if that estate were to be dealt with both would be sold, not one apart from the other. When that property was up for sale everyone would admit that the land was greatly improved owing to the fact that it had a railway running through it. If the Government decided that the land was not improved and the company appealed against the decision, in all probability the latter would win and the Government, in any case, would be put to very great expense. In these circumstances more harm would be done to the State than good resulting from obtaining the additional percentage of taxation.

Hon. V. HAMERSLEY : Had it not been for the fact that the company had been paid for constructing the railway and still retained the railway he would have supported the amendment. The company received fair value in the shape of all this land and they now owned both the land and the railway. If the State had received the railway in exchange for the land the position would have been very different.

Amendment put and negatived.

The COLONIAL SECRETARY moved an amendment—

That the words "but shall not include railways or tramways available for public purposes" be added to the definition of "improvements."

It had been said it was doubtful whether railways and tramways even now could not be looked upon under the Bill as improvements. The House had just decided that railways and tramways should not be classed as improvements therefore there should be no objection to the amendment.

Hon. C. SOMMERS: It was a monstrous thing to propose the amendment. Take the case of a man who had a big estate and on selling portions of it thought fit to run a tramway through it. Would not such a work be included as an improvement? It was preposterous to suggest that in such a case the tramway should not be looked upon as a improvement to the land. "Tramways" should be defined. Tramways on large private estates were quite common in Victoria and New South Wales, and sometimes connected with the nearest railway or port. The amendment was altogether too sweeping.

Hon. C. A. PIESSE: The amendment was opposed to common sense, and if passed here would be negatived in another place. To class a rough road as an improvement and to exclude a tramway was to act like children. If it

was a born stonewaller he would speak to time as long as he was able.

The CHAIRMAN: The hon. member must not threaten the Committee.

Hon. C. A. PIESSE: The Colonial Secretary must not presume too much on his power. The amendment would be a monstrous shame.

The COLONIAL SECRETARY: The definition already provided for the object sought by the amendment, which would make the meaning clear. How were we to distinguish between a tramway and a light railway such as the wood tramline on the Hampton Plains land—a line not built by the company and not an improvement to the land, but used to cart away timber?

Hon. G. BELLINGHAM: The owner of a large market garden often provided a tramway within his boundaries. A definition of this word was needed.

Hon. C. SOMMERS: It was a poor argument to instance the Hampton Plains wood line, not owned by the company, and built on mineral land. In trying to penalise the Midland Railway Company, the Minister would do an injustice to all landowners. As the State progressed, the means of locomotion would improve and horse traffic would tend to disappear. Tramways should count as improvements. The Committee had already decided not to exempt the Midland Railway Company. [*Hon. W. Patrick*: No.] That was clear from the amendment recently negatived. Large farms needed light tramways, which should count as improvements, as they were virtually roads.

Hon. W. PATRICK: Insert the word "public" before "railways and tramways."

The COLONIAL SECRETARY: It was not intended to exclude small tramways. Later on we could add "a tramway within the meaning of the Railways Act"; in other words, a 3-feet 6-inch tramway. Smaller tramways would count as improvements.

Hon. C. SOMMERS: That would not meet the case. Mines and large quarries had to be connected with Government railways by light lines. Insert "tramways used for public purposes, or available to the public for passenger or goods traffic."

Hon. E. McLARTY: The Colonial Secretary went too far. If a man built a tramway through his property to facilitate operations, the line should count as an improvement.

The COLONIAL SECRETARY moved an amendment on the amendment—

That the words "available for public purposes" be added to the words proposed to be inserted.

Hon. C. A. PIESSE: Would a tramway to a timber mill be considered as available for public purposes? The clause should be postponed.

Hon. J. A. THOMSON: The exemptions were intended to be given to *bona fide* farmers and graziers, not to people working timber or coal concessions. Better strike out from the definition the words "and any other improvements whatsoever." How could we define improvements without specifying them?

At 6.15, *the Chairman* left the Chair.
At 7.30, Chair resumed.

Amendment and additional amendment withdrawn.

The COLONIAL SECRETARY then moved an amendment—

That in the definition of "improvements" the following be added after "valuation"—"but does not include any railways or tramways constructed under the authority of any Act or any provision thereof."

That would define all tramways used for public purposes. Small tramways constructed on private property would count as improvements, but other tramways, such as the firewood tramways on the goldfields constructed under the provision of the Land Act, would not count as improvements.

Amendment passed.

The COLONIAL SECRETARY moved as a farther amendment that the following definition be added :—

"Year of assessment" means the financial year ending the thirtieth day of June for which the tax is imposed,

and "the next year preceding the year of assessment" means the calendar year next preceding the said thirtieth day of June.

The words "the year of assessment" occurred through the Bill and this was the necessary definition. The financial year was from June to June, and the year next preceding the year of assessment meant the calendar year next preceding. For assessment purposes, while the tax counted from June to June, the basis of assessment would be the calendar year, from January to January.

Hon. G. RANDELL: If we agreed that the tax should not come into force until the first of January next, would that be affected if we passed this amendment?

The COLONIAL SECRETARY: No; this only defined what the year of assessment was.

Hon. W. Maley: Would it make this Bill retrospective?

The COLONIAL SECRETARY: No; it would be decided on the Taxing Bill as to when it was to be enacted, whether in June, January or so on. To assess an income we must take it on the preceding year from January to January.

Hon. J. M. DREW: If a man drew a profit on the 8th August of this year would it be taken into account?

The COLONIAL SECRETARY: There must be some basis for calculating. We taxed the man on the previous year's income.

Amendment passed; the clause as amended agreed to.

Clauses 3 to 7—agreed to.

Clause 8—Court of Review:

Hon. W. MALEY: Were these courts of review to be public or private?

The Colonial Secretary: Private.

Hon. W. MALEY: That had many objections.

The Colonial Secretary: Not for an income tax.

Hon. W. MALEY: It was well for the public to be informed of what went on in the matters of valuation, because all would be interested. It was only by comparison one would know whether his rights were being imposed on by the Government. He had a recent experience of the injustice of taxation when left to a local body with its own peculiar knowledge. An estate was purchased for £17,700 two and a half years ago. Land to the value of £10,000 was sold leaving a balance of about £8,000 worth at the boom valuation, but the local authority taxed that balance at £28,000. An appeal was lodged and the local authority of their own volition reduced the amount by about £10,000, but the owners were not satisfied and appealed to the local court, with the result that the valuation was fixed at £12,000. The property was insured for half the amount. The company had to pay £260 for the tax; 5 years previously the amount of the tax collectable was £7. An amount of £170 had been returned. The cost of collecting that unjust tax amounted to considerably more than £20. The sooner the public were enlightened by examples of the tax, different from the tables which had been laid before members, the better. Publicity should be given to disabuse the minds of the public as to the virtues of land taxation. The court should be held in public so that the people could take a lively interest in the proceedings.

The COLONIAL SECRETARY: The member was not desirous that cases should be heard in private, but that was a usual proceeding in regard to land and income tax cases. If a person wished his case to be heard in public that could be done, for Subclause 4 of Clause 50 provided that the sitting of the court should be held in public if the appellant so desired, but ordinarily the cases would be heard in private. If a person wished to go farther than that on points of law he could appeal to the Supreme Court.

Clause passed.

Clause 9—Land Tax:

The COLONIAL SECRETARY desired to move that the words "ending the 31st day of December," in Subclause 3, be struck out.

Hon. R. F. SHOLL moved an amendment—

That Subclause 3 be struck out.

This was an injustice to our people. Anyone residing in New Zealand would come under the absentee tax, but anyone residing in any of the other States of Australia, although deriving an income from this State, escaped the absentee tax. If a person visited the old country the person escaped the tax unless he were found out, and the Government were not going to keep detectives in existence throughout the Commonwealth to find out who were absent from the Eastern States for a period of more than 12 months. He would not object to the absentee provision if we could tax anyone absent from the State, but the Bill created a burden on people residing in Western Australia. Anyone residing in the Eastern States and drawing an income from Western Australia was not taxed, and anyone in this State drawing an income from an investment in New South Wales was not taxed under the New South Wales Act. The people who were absentees at home were so few that they were not worth considering. A person after struggling here for a number of years, having accumulated a few hundred pounds, might wish to take a trip to see the world, and such a person would have to pay an additional 50 per cent. tax, although the person might intend to come back and reside in the State. The amount that would be derivable from absentee residents outside the Commonwealth would be so small that it was not worth considering.

The Colonial Secretary: The subclause only applied to the land tax, not to income tax.

Hon. C. A. PIESSE would not support the amendment. There was one objectionable provision in the clause to which exception should be taken. A person had to obtain a permit from the Commissioner to remain outside the Commonwealth for two years; that savoured very much of the old convict days. It would be wiser to extend the period for which a person could be absent from the State to two years. This provision interfered with the liberty of the subject. He approved of the principle of the clause that people who had made a lot of money in the State, or had cast in their lot with the people of Western Australia and got the benefits derivable from the State should bear some of the burdens, but he was not prepared to go to the extreme length of compelling a person to obtain a ticket-of-leave if that person was desirous of remaining away more than two years. While it was necessary to retain the power to tax these people it was unnecessary that a permit should be obtained.

The COLONIAL SECRETARY: The subclause provided that absentee owners pay 50 per cent. higher taxation than residents. The equity of this was obvious, as residents contributed to other taxation which absentees escaped. It was regrettable that absentees resident within the Commonwealth could not be similarly dealt with, but the clause went as far as possible.

Hon. R. F. SHOLL: While absentees from the State but resident within the Commonwealth were exempted from the higher taxation, this clause sought to penalise *bona fide* residents absent from the State for a period, which was unfair to our own people.

Hon. W. MALEY: It was hardship on residents of the State requiring to go abroad without the Commonwealth to be compelled to seek a permit from the Commissioner; at least in cases of ill-health the Commissioner should not have the option of refusing a permit when applied for.

Hon. F. CONNOR: Would the Minister explain the intention of the clause, which contained two apparently contradictory propositions?

The COLONIAL SECRETARY: The clause provided that an absentee should pay a 50 per cent. higher land tax than a resident.

Hon. F. Connor: What was the definition of "absentee?"

The COLONIAL SECRETARY: A man who had been absent from the Commonwealth for the preceding year. In other words a resident abroad would have to pay 50 per cent. higher land tax than an owner resident in Australia.

Hon. J. A. THOMSON: The necessity for the clause was apparent, because any absentee owner desiring to evade the penalty clause might do so by visiting the State within the specified period. A simpler procedure would be to empower the taxation officer to issue certificates only when satisfied that the applicant was a *bona fide* resident of Western Australia desiring to leave the State for a period.

Hon. W. PATRICK sympathised with the desire to tax the absentee, but feared the clause would be inoperative, for no self-respecting man would ask for a permit, and any resident owner desiring to evade the penalty would require only to establish a domicile in any part of Australia and travel thence abroad.

Hon. E. M. CLARKE while agreeing with the object of the clause would at the proper time move to amend it in certain particulars.

Hon. T. F. O. BRIMAGE: If anyone should pay a tax it was the man who obtained his revenue from the State and spent it elsewhere. It was a pity people living in the Eastern States who obtained their incomes from here could not be dealt with as absentees and be brought under the tax.

Hon. J. W. LANGSFORD: By the clause the taxpayer was given the right to be absent from the Commonwealth for two years without paying the absentee tax. The idea of a permit was a bad one and all reference to it should be omitted from the clause.

Hon. R. F. SHOLL: It appeared on the face of it that the chief aim of the subclause was to induce our people to go and reside in the Eastern States. If they did that they could then go away to England for as long as they liked without paying the absentee tax. The subclause was inconsistent and unjust.

Hon. F. CONNOR: Was there a provision in the Act of any other country where a resident had to obtain a permit for the purpose of evading an absentee tax?

Hon. J. M. DREW: The object of the subclause was to impose a tax on absentees. An attempt has been made in another place to provide that where a resident desired to travel to other parts of the world he should be exempt from the absentee tax.

Hon. C. A. PIESSE: Although not wishing to relieve the absentee of the penalty, it was only fair to point out that he would have to pay the income tax just the same as if he were resident here. If all reference to permits was struck out an addition would have to be made to the interpretation clause placing a meaning upon the word "resident."

Hon. J. A. THOMSON: The permit would be of great advantage to the traveller. Discretionary power should be given to the Commissioner to say whether a person was a resident of Australia or an absentee. That officer should be allowed reasonable powers in this respect.

Amendment put and negatived.

The COLONIAL SECRETARY moved an amendment—

That the words "ending the 31st day of December" in line 3, be struck out.

Amendment passed.

Hon. W. T. LOTON moved an amendment—

That the words "or to any person who, being a resident of the Commonwealth of Australia, has obtained a permit from the Commissioner to be absent from the Commonwealth for a period not exceeding two years," be struck out.

The object of the amendment was to do away with the permit system altogether.

Hon. F. CONNOR supported the amendment. The subclause could not be made effective unless the absentee were branded. Fancy compelling a man to take out a certificate in order to evade taxation.

Hon. S. J. HAYNES: Mr. Loton's amendment would have the effect of making every person an absentee who had been out of the State for a year and a day. Such person must pay fifty per cent. extra. Surely there was nothing derogatory in obtaining the permit. It was but fair that absentees drawing money from the State should pay a double tax.

Hon. C. A. PIESSE: As altered, the clause provided for doubly taxing a man

absent from the State for twelve months in the year next preceding the year of assessment. If the head of a family were away, but left his wife and children here, all would be taxed.

Amendment put and negatived.

Hon. W. PATRICK moved an amendment—

That the words "or any person who has not been absent from the Commonwealth for more than two years," be inserted after "service," in line 6 of Subclause 3.

The Colonial Secretary: The amendment would be somewhat contradictory.

Hon. M. L. MOSS had complained of this subclause on the second reading. If we intended to tax the absentee the language could be much improved. Why not make a man an absentee if he ceased to have his domicile, instead of his residence only, in Western Australia? A man's domicile was where he had his permanent and recognised home; his residence where he lived for the time being. The subclause was very odious. A person who drew all or most of his income from this State and spent it outside the State ought to contribute something more than a local resident, who contributed in other ways to the revenue; yet under the subclause a person in South Australia could draw all his income from this State and be on precisely the same footing as a local resident. The subclause seemed to be aimed entirely against absentees in the old country, and perhaps a few in New Zealand.

Hon. G. RANDELL: Was this subclause taken from the New South Wales Act?

Th COLONIAL SECRETARY: Partly from the New South Wales Act, and the provisions for taxing the absentees fifty per cent. extra appeared in the South Australian and New Zealand Acts. The proviso for obtaining a permit did not appear in any other Act.

Hon. G. RANDELL: Had the Crown Law officers considered whether the presence of the clause would lead to the Bill being reserved for the King's assent? It had always been held that without the Royal assent absentees could not be taxed.

The COLONIAL SECRETARY: Apparently that had not been considered, and he was surprised to hear that it was usual to withhold such measures for the royal assent.

Hon. M. L. MOSS: The Minister should consider the High Court case, State of Western Australia *versus* executors of Davies deceased, in which words imposing probate duties enabled a discrimination to be made in favour of persons domiciled in Western Australia. Every legatee not domiciled in Western Australia had to pay a double impost. He (Mr. Moss) would support the clause if it imposed a double tax on every person drawing income from Western Australia and living in the other States or elsewhere; but the clause as it stood was aimed at the Mother Country.

Amendment put and negatived.

The COLONIAL SECRETARY: In reply to Mr. Moss, the question of basing the subclause on domicile instead of residence was fully considered, and it was decided that the object would not be attained by the former means. A man might reside here and be held to be domiciled elsewhere.

Hon. V. HAMERSLEY moved an amendment—

That all the words after "who," in line 7 of Subclause 3, be struck out, and the following inserted in lieu— "in the opinion of the Commissioner is a resident of Australia."

That would be one means of overcoming the difficulty of a person going away from the State having to apply for a permit. There would be nothing to compel him to pay double the tax unless he were called upon to do so by the Commissioner using his discretionary power.

Hon. G. RANDELL: Was not this a contradiction of the first portion of the subclause?

The CHAIRMAN: No, the amendment was in order.

Hon. V. HAMERSLEY: The clause already provided an exemption to the first portion of the subclause by exempting officers on public service.

Hon. S. J. HAYNES: Matters would be much worse if the amendment were carried. It would make the opinion of the Commissioner law; whereas under the clause there was a provision for a permit which the Commissioner could not deny.

Hon. C. SOMMERS: Could one move to strike out the clause?

The CHAIRMAN: No, the hon. member must vote against the clause.

Hon. V. HAMERSLEY: There was a right of appeal from the Commissioner.

Hon. W. T. LOTON: We were not likely to improve the clause, but we might afterwards consider the question of extending the term to two years. What we wanted to get at was the man who was permanently away from the State.

The COLONIAL SECRETARY: Two years would be too long; but any *bona fide* resident of Australia could obtain a permit for two years. This only dealt with land. The income tax absentees were dealt with in Clause 16. Strange to say there was no such provision in regard to income taxes.

Hon. T. F. O. BRIMAGE: We could not leave it in the Commissioner's hands. The period might well be fixed at 18 months.

Hon. C. SOMMERS: What was the number of absentees, and what tax would we be likely to get from them. It would seem hardly worth while imposing this extra tax. Very often it might be the head of the family that would be away, but all the family would be in the State, and all the improvements would be going on just the same. This extra tax would be altogether too trivial and too mean. Why could we not make it three or four years. For the sake of what we would get he did not think the provision should stand.

Hon. W. MALEY: The word "Asiatic" should be put in somewhere because the provision was evidently meant to apply to Asiatics.

Amendment put and negatived.

Hon. E. M. CLARKE moved an amendment—

That in Subclause 3, lines 7 to 9, all the words after "Commonwealth of Australia" be struck out.

The CHAIRMAN: This amendment in effect had already been determined by the Committee.

Hon. T. F. O. BRIMAGE moved—

That the farther consideration of the clause be postponed.

Motion put and negatived.

Clause as previously amended put and passed.

Clause 10—Rebate of tax on improved land:

Hon. C. A. PIESSE moved an amendment—

That in line 2 of Subclause 1 the word "one-half" be struck out, and "two-thirds" inserted in lieu.

The object was to relieve as far as possible the man who was improving his land. A tax of one penny was ample for the man who did not improve his land, and one halfpenny was sufficient for the man who improved it. We had established the principle of dealing with the man who did not improve his land, and that was evidently all that was intended originally.

Hon. W. MALEY: In this State the intrinsic value of the land was very little. It was the improvements that made the land valuable. What was the value of land that could not be improved by building houses, shops and factories on it?

The COLONIAL SECRETARY hoped that the amendment would not be agreed to. In all the other States no difference was made between unimproved and improved land; there was no rebate given. The Government had gone farther in this direction than any of the Eastern States. To encourage a man who improved his land a rebate of fifty per cent. was offered, and now the hon. member wanted two-thirds. That was a somewhat unreasonable request.

Hon. C. A. PIESSE would relieve the man who made the unimproved value as much as possible, for the man who improved his land made the unimproved value.

Amendment put and negatived.

Hon. W. PATRICK moved an amendment—

That in line 1 *of Subclause* (*b*) *the words "Under Secretary for Lands certifies in writing that" be struck out.*

The object of the Government was that all land held under conditional purchases should be treated as improved land under the Bill. But if the improvements on conditional purchases were not carried out the land was liable to forfeiture. That being so there was no necessity for obtaining a certificate from the Under Secretary for Lands.

The Colonial Secretary: Someone must certify.

Hon. W. PATRICK: Every lease in existence was bound to be exempt because if the lease was held according to the law it could not be otherwise than improved. A conditional purchase ceased to exist if it was not improved. This provision would entail an army of inspectors. A great portion of this taxation would be wasted in the collection.

The COLONIAL SECRETARY: The clause should be passed as printed. Someone must certify to the fulfilment of the conditions, and no one was better qualified than the Under Secretary for Lands. Under the amendment the clause would be unworkable.

Hon. J. A. THOMSON: The intention of the clause was that a selector failing to comply with the conditions should not be entitled to the exemption. It was urged that the retention of the lease should be accepted as evidence of the fulfilment of the conditions; but it was well known that many selectors evaded their obligations for years, and the leases remained unforfeited.

Hon. C. A. PIESSE: There should be a provision whereby the Treasury valuers when assessing fee simple lands should be empowered to assess the value of improvements on conditional purchase holdings. In the procedure under the clause, considerable correspondence must ensue between the Under Secretary and the local inspector before a selector would obtain his certificate of improvements.

Hon. W. MALEY: It was notorious that the Under Secretary for Lands was ill-informed as to the progress of improvements on holdings, as was shown by the departmental condition precedent to the transfer of a conditional purchase, that the transferror sign a declaration as to the value of the improvements. The work of the Lands Department would be largely increased by the introduction of this taxation, as happened in New Zealand; and were this clause passed, the cost of the machinery portions of the taxation measure would never be known. A declaration by the holder as to the value of the improvements should be accepted as sufficient.

Hon. W. T. LOTON: The clause was sufficient for all requirements. The improvements on conditional purchases, so long as the leases remained unforfeited, were assumed to be complied with. An army of inspectors was retained in the country whose duty it was to report on improvements, and therefore the requisite information should be available in the department.

Hon. R. F. SHOLL had no sympathy with those holders who evaded the improvement conditions, upon whom alone the clause might impose hardship. As the Agricultural Bank was careful before advancing money to ascertain that the improvements were done there was now a better check in the department than previously.

Hon. C. A. PIESSE did not desire to shield the man who evaded the improvement conditions, but merely that power be given to the Treasury official when valuing fee simple land to assess the value of improvements on conditional purchase lands for the purposes of this taxation.

Hon. W. PATRICK: If the inspectors were properly performing their duty there should be no difficulty in ascertaining the value of improvements on any holding; therefore there was no necessity for farther provision than that made in the clause. That the leases remained operative was a guarantee that the improvement conditions were complied with.

Hon. J. M. DREW: A certificate was necessary, and the best person to issue it was the Under Secretary for Lands. This officer had an army of inspectors under him scattered over every portion of Western Australia. There were many conditional purchases on which the conditions were not complied with. In some cases the Executive Council granted extensions of time up to 12 months; but surely if this extension were granted that was no reason why the owners should escape the tax. Mention was made of making declarations as to whether the improvements had been effected or not; but the fact remained that if one-fourth of the people who made false declarations as to the value of improvements were prosecuted, the Fremantle gaol would have to be enlarged to hold them. People who gave this information always had a very exaggerated idea of the value of their improvements. Therefore it was best to go back to the Under Secretary of Lands, who was in touch with the people through his inspectors.

Amendment put and negatived; the clause passed.

Clause 11—Exemption:

Hon. G. RANDELL: In another place it had been said a boys' school carried on at Guildford, said to be a proprietary school, would be subjected to the taxation. If that were so, would the High School, the Christian Brothers' College, and the Scotch College also be liable to taxation?

The COLONIAL SECRETARY: The exemption would not apply to the Guildford school, nor would it to the other schools mentioned. It could not be said they were attached to or connected with any place of worship; in the circumstances therefore they could not be exempted from taxation. The clause as to the exemption of schools attached to a place of worship applied to the convent schools, and institutions of that kind.

Hon. G. RANDELL: That answer coincided with the opinion he held to the effect that if the Guildford school was liable so were the other three he had mentioned.

Hon. J. A. THOMSON: The exemption only applied to Sunday schools, or scholastic establishments used for denominational purposes. The establishment Mr. Randell had referred to took pupils of any denomination, and therefore should be called upon to pay the tax.

Hon. J. W. HACKETT: Would museums, miners' institutes, mechanics' institutes, and schools of art be exempt?

The COLONIAL SECRETARY: Mechanics' institutes and schools of art were especially exempted under the Bill.

Hon. J. W. Hackett: What about miners' schools and libraries; they were not mentioned?

The COLONIAL SECRETARY: Mechanics' institutes covered them. The exemption did not apply to any land which was a source of profit or gain to the users or owners thereof.

Hon. J. W. WRIGHT moved an amendment—

That paragraph (d) be struck out.

Hon. W. Patrick: It would be absurd to tax mining tenements.

Amendment put and negatived.

Hon. R. F. SHOLL moved an amendment—

That in Subclause 2, line 2, the words "two hundred and" be inserted before "fifty pounds."

In the subclause following it was provided that there should be an exemption on country lands of £250, while in the subclause under discussion it was provided that on town lands there should be an exemption only of £50. There was no reason for the difference between the two amounts, and in order to make them uniform he had moved an amendment to insert the words "two hundred and," before the words "fifty pounds." There was but little difference he knew of between the properties, the chief being that for £250 one received a good deal more land in the country than one could in the town. The exemptions should be the same, for the values were alike in the two cases.

Hon. J. A. THOMSON: Country lands should be held by people who were making a living out of them, while town lands were held for the purpose of house

building. The clause was intended to encourage the poorer class to own their own land and homes. An exemption for the town land of £50 was quite enough, for if a man paid up to £250 for the piece of land on which he intended to build his home he must be fairly well to do. A man could build a nice suburban residence on a block of land valued at no more than £50. He would support the clause as it stood.

Hon. W. MALEY : According to what had been said in another place the Bill, as it now appeared, was a mandate from the people of the country, but whether this opinion were based on good grounds or not he did not know. It was unfair to prevent the electors from contributing even small sums to the land tax. Every adult who supported the Bill should contribute according to the value of his or her property. If the sum was small it would not be felt. If the tax were a good thing, let it be paid by the greatest number, and not by the few.

Hon. C. SOMMERS agreed with Mr. Sholl. Why should not the town and country landholder be treated alike ? If the exemption for the latter was £250, why not exempt the former to the same extent ? He (Mr. Sommers) would prefer to see no exemptions.

Hon. R. F. SHOLL was altogether opposed to exemptions. The amendment would not prevent a man with a small block from obtaining exemption. If he saved money and bought another block, the amendment might be to his advantage. Thrifty people tried to acquire land and to build houses on it, in order to make provision for old age ; and thrift should be encouraged. We should not discriminate between town lands and country lands. The monetary valuation for exemption should be alike in both cases.

Hon. W. PATRICK was opposed to all exemptions ; but if there were to be exemptions we should make a distinction. The £50 exemption was on a residential block, and the £250 exemption on the land on which a country resident earned his living. In South Australia the land tax was a half-penny in the pound all round, with no exemption in towns. But while there was an income tax exemption of £200, taken as the lowest sum on which a man could live, there was an exemption of £5,000 on country lands, the assumption being that the interest on £5,000 represented a livelihood. The town block was a place of residence, the country block a means of livelihood. If we were to have exemptions he would support the subclause. The difference between the two exemptions was too slight instead of too great.

Hon. G. RANDELL : The House had already affirmed the principle that such town blocks should pay the tax. He was opposed to exemptions, and especially to these exemptions, though one reason for them was that the cost of collecting the tax on such blocks would probably equal the amount raised. But the principle was vicious, and generally speaking the exemptions throughout the Bill were wrong in principle. If the amendment were negatived, as probably it would be, he would move that a person owning more than one block should have exemption up to £50. If given at all, exemption should be given to persons who held two or more blocks, and not on each individual block, but on the aggregate—an exemption directly opposite in principle to the subclause.

Hon. J. A. THOMSON : Mr. Maley considered that he (Mr. Thomson), because he favoured a tax on unimproved land values without exemption, should not support these exemptions. But he was willing to support the Government which introduced even a partially equitable land tax. He did not expect to have everything his own way.

The COLONIAL SECRETARY opposed the amendment. When the Land Tax Assessment Bill was before us on a previous occasion, members took exception to even the exemption of £50 on town lands. Now they sought to increase the amount to £250. Though it might be right to exempt the country block on which the small selector gained a living, the same plea could not be urged for all town blocks. The owner of a town block worth £250 would probably have improvements which would bring up the total value to £1,500 or £2,000, yet the amendment would totally exempt him

from the land tax. The value of the country block and improvements might not exceed £250. The amendment was wrong in principle. Originally there was no intention to exempt any town lands, but the subclause was inserted to give a chance to the small man who was buying a block for £50 on time payment, and building a house. Another reason was that a land tax on a block worth £50 would scarcely pay to collect.

Hon. C. SOMMERS: Why should it be assumed that the owner of a block with an unimproved value of £50 would reside on the block? Small tradesmen, such as blacksmiths and painters, made their living on blocks not greatly improved, and their capital was invested in these blocks. Yet in the country a small area might carry a valuable orchard, and the £250 exemption would be a liberal allowance.

Hon. V. HAMERSLEY: Both exemptions seemed to apply to all lands, whether in town or country.

Hon. R. F. SHOLL: No. Read Subclause 3. As he would like to vote against exemptions, he would withdraw the amendment.

Amendment by leave withdrawn.

Hon. R. F. SHOLL moved a farther amendment—

That Subclause 2 be struck out.

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

Ayes	.. .. ..	9
Noes	.. .. ..	15
Majority against	..	6

Ayes.	Noes.
Hon. E. M. Clarke	Hon. G. Bellingham
Hon. V. Hamersley	Hon. T. F. O. Brimage
Hon. S. J. Haynes	Hon. J. D. Connolly
Hon. G. Randell	Hon. J. M. Drew
Hon. R. F. Sholl	Hon. J. T. Glowrey
Hon. C. Sommers	Hon. J. W. Hackett
Hon. J. A. Thomson	Hon. J. W. Langsford
Hon. J. W. Wright	Hon. R. Laurie
Hon. W. Maley (*Teller*).	Hon. W. T. Loton
	Hon. R. D. McKenzie
	Hon. E. McLarty
	Hon. W. Patrick
	Hon. C. A. Piesse
	Hon. G. Throssell
	Hon. F. Connor (*Teller*).

Amendment thus negatived.

Hon. G. RANDELL moved an amendment—

That in Subclause 2 all the words after "who" be struck out, and the following inserted in lieu—"when the same person is owner of several parcels of land in the aggregate of greater value than £50, the exemption shall apply to the extent of £50."

The COLONIAL SECRETARY: This would mean that the £50 exemption would apply to all owners. If a person held several lots of land aggregating £50 in value, the exemption of £50 would be allowed. That surely was not the intention of the hon. member.

Hon. G. RANDELL: No; the intention was that it should be applicable to small blocks.

Hon. C. A. PIESSE: The amendment would save a lot of clerical work, and would carry out the principle of making exemptions all round, and we would not draw the poor line by enacting special legislation for the poor man.

Hon. J. A. THOMSON: The clause meant that if any person held a block of the unimproved value of £50 and held other blocks for speculative purposes, there would be no exemption.

Hon. G. RANDELL: The amendment could be altered by adding the words "not exceeding £150." There was no intention on his part to extend the exemption to large owners, though the principle if applied at all should apply to every person taxable.

The COLONIAL SECRETARY: If the words in the proviso were struck out as proposed by Mr. Randell, every landowner would be exempt to the extent of £50. The proposal in the clause was that if a man owned 100 blocks, each less than £50 in value, there would be no exemption. According to the hon. member's present suggestion every holder of land of the unimproved value of £150 would get exemption to the extent of £50. He could not agree to the amendment, because it would enormously increase the number of exemptions in the city. Therefore it would interfere considerably with the revenue. While the Bill aimed at exempting the small man it was never intended the man who held unimproved land in towns up to £150 should be exempt

Hon. C. SOMMERS: What necessity was there to mention the several classes of

land? There seemed to be no necessity for the proviso. If a block of land was valued at £50, that block was exempt, but if it was valued at £60 the man received no exemption; he had to pay the tax on the £60. If it was right to exempt land in the country to the extent of £250, it was right to exempt land in towns.

Hon. R. F. SHOLL: An exemption of £250, or a fourth of the value of the block of land worth £1,000, was given in respect of country lands; therefore we should grant an exemption of £50 on a block of land valued at £250; the exemption would be a fourth in each case.

Hon. C. A. PIESSE moved an amendment—

That in Subclause 2 in line 1 all the words after "lands" to the end of the subclause be struck out and the following inserted in lieu—"inside the boundaries of any municipality or town shall be assessed after deducting the sum of £50."

The COLONIAL SECRETARY: That seemed to be practically the same amendment the Committee had just rejected.

The CHAIRMAN: The Committee refused to strike out words from the clause.

The COLONIAL SECRETARY: Mr. Randell had proposed that within a municipality every block of land up to the value of £150 should have an exemption of £50; now the member proposed that every block of land in a municipality should have an exemption of £50. What would happen if the amendment were carried? A man having a big block of land would cut it up into a number of blocks and get £50 exemption on each block.

Hon. C. A. PIESSE: It was not his intention to exempt every block. He did not want any line drawn. This principle was adopted in connection with the income tax, for there the exemption was general.

Hon. J. M. DREW: The amendment would not get over the difficulty. It would be all very well if an owner possessed land in one municipality, but if he held land in several municipalities he would get an exemption of £50 in each municipality.

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

Ayes	..	..	7
Noes	..	..	14
Majority against	..		7

AYES.	NOES.
Hon. E. M. Clarke	Hon. T. F. O. Brimage
Hon. V. Hamersley	Hon. J. D. Connolly
Hon. W. Maley	Hon. J. M. Drew
Hon. C. A. Piesse	Hon. J. T. Glowrey
Hon. C. Sommers	Hon. J. W. Hackett
Hon. J. W. Wright	Hon. J. W. Langsford
Hon. G. Bellingham (*Teller*).	Hon. W. T. Loton
	Hon. R. D. McKenzie
	Hon. E. McLarty
	Hon. W. Patrick
	Hon. G. Randell
	Hon. J. A. Thomson
	Hon. G. Throssell
	Hon. S. J. Haynes (*Teller*).

Amendment thus negatived.

Hon. C. A. PIESSE moved—

That progress be reported and leave asked to sit again.

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

Ayes	..	..	11
Noes	..	..	11
A tie	..	..	0

AYES.	NOES.
Hon. T. F. O. Brimage	Hon. E. M. Clarke
Hon. V. Hamersley	Hon. J. D. Connolly
Hon. J. W. Langsford	Hon. J. M. Drew
Hon. W. Maley	Hon. J. T. Glowrey
Hon. E. McLarty	Hon. J. W. Hackett
Hon. C. A. Piesse	Hon. W. T. Loton
Hon. R. F. Sholl	Hon. R. D. McKenzie
Hon. C. Sommers	Hon. W. Patrick
Hon. G. Throssell	Hon. G. Randell
Hon. J. W. Wright	Hon. J. A. Thomson
Hon. G. Bellingham (*Teller*).	Hon. S. J. Haynes (*Teller*).

The Chairman gave his casting vote with the Noes.

Motion thus negatived.

Hon. C. A. PIESSE moved an amendment to the clause—

Strike out in Subclause (3), *in lines three and four, the words "the unimproved value of which does not exceed one thousand pounds."*

He wished to make this exemption apply to all agricultural lands outside of municipalities. The word "municipal" only was used in the Bill, and as the word "town" was not mentioned, any towns outside of municipalities would have this exemption, provided the value did not exceed £1,000. It was sought by the exemption to make the clause apply to all land used for agricultural purposes. The same principle was

sought to be adopted as was applied to incomes, where the exemption applied to every income. This principle, if good enough in one case, was surely good enough in another. There should not be a limitation of exemptions as suggested. The man with a large area had to improve it and spend money on it.

The COLONIAL SECRETARY: The amendment should not be passed, for the principle had been negatived several times by the Committee. The hon. member, as a country member, should be well satisfied, for the Bill gave more liberal exemptions to the country than to towns. The clause as it stood was far more liberal than any such enactment in the Eastern States.

Hon. J. A. THOMSON: If there were to be exemptions, everyone was entitled to be similarly treated. A man having land worth £20,000 was equally entitled to consideration as one who owned land worth only £300.

Hon. E. M. CLARKE: If the Government wanted revenue, the man with a valuable little property should not receive greater exemption than one who had property worth thousands of pounds.

Hon. W. MALEY: Members appeared to be getting less and less discriminating, and showed a disposition to adopt a reasonable and intelligible attitude with regard to exemptions. The exemptions were class distinctions, and it was hoped that before the Committee stage was finished members would seriously consider the situation with regard to class.

Hon. J. W. WRIGHT: If exemptions were to be granted to one class, they should be granted to all. He opposed the amendment.

Hon. W. T. LOTON: In the previous clause a man owning land in a town not exceeding in value £50 was exempt; but if his property were worth more than that, there was no exemption. According to Subclause 3, a man owning land with an unimproved value of £1,000 would have an exemption of £250, and no exemption if the value exceeded £1,000. But the next question was whether we should have any exemption at all. Do not let us have two principles in the Bill.

The COLONIAL SECRETARY: The hon. member lost sight of the fact that we were considering a land and income tax combined. If this were only a land tax, his argument would be sound. If a man had land with an unimproved value of £2,000, he was exempt from land tax to the extent of £250; but he would have to pay income tax, the amount of which would be greater than the land tax. If the hon. member's proposal were adopted it would assist the man holding unimproved land and deriving no income from it. The amendment would be of no use to the man who improved his land, for he would nevertheless have to pay income tax.

Hon. C. A. PIESSE: There was no logic in the Minister's argument. A man whose land had an unimproved value of less than £1,000 could exist as well as the man whose land was valued at £1,001; yet the former would be exempt and the latter would be taxed. It was surprising to hear Mr. Loton supporting the contention that two wrongs were equal to one right. He (Mr. Piesse) had done his best to get this privilege extended to town lands and lands immediately outside municipalites. He had failed, but was now striving to give the privilege to owners of country lands. The Commissioner would collect the land tax or the income tax, which ever was the greater.

Hon. S. J. HAYNES: Believing in no exemptions, he had voted accordingly. The amendment would only increase the exemptions. We had adopted the principle that for town lands there should be a deduction of £50. Now as regards country lands the exemption was £250, and it was limited to those who had not land with an unimproved value exceeding £1,000. By voting for a deduction of £250 on all unimproved country lands, he would be inconsistent.

Hon. W. MALEY: Mr. Haynes' speech threw a little light on a very obscure subject; but the more light was thrown on these exemptions, the darker they became. No farther progress would be made at this time of the night. The amendment should not be pressed.

Hon. E. McLarty supported the amendment. Why should the holder of land with an unimproved value of £999 be exempt and the man with £1,001 worth be taxed? Either abolish the exemption, which would be the better course, or make the exemption general.

Hon. V. HAMERSLEY would support the amendment. The last speaker put the case clearly. The man whose land had an unimproved value of £999 might have effected no improvements, and would obtain the exemption. If his income were £200 he would be exempt from income tax. But the man with land valued at £1,001 would have no exemption.

Hon. J. M. DREW: This clause furnished one of the most valuable features of the Bill. A land tax should be imposed to raise revenue and to discourage the holding of large estates. The clause had a tendency in that direction, and recognised the principle adopted in all progressive countries. There was a graduated scale in New Zealand, the higher values paying the higher rate. The object of this clause was to introduce that principle in a modified form.

Hon. G. THROSSELL: The object of the exemptions was to protect the small and struggling man. We could not go beyond what the clause provided without losing sight of that object and without considerably reducing the revenue to be derived.

On motion by *the Colonial Secretary*, progress reported and leave given to sit again.

MESSAGE—ASSENT TO BILLS.

Message from the Lieutenant-Governor received and read, assenting to three Bills, namely, Marriage Act Amendment, Sales of Government Property, Navigation Act Amendment.

ADJOURNMENT.

The House adjourned at four minutes past 11 o'clock, until the next day.

Legislative Assembly,

Wednesday, 11th December, 1907.

The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

PAPERS PRESENTED.

By *the Minister for Works*: By-laws passed by the Roads Boards of North-East Coolgardie and Marble Bar.

By *the Premier*: Plans relating to the Newcastle-Bolgart Railway.

QUESTION—AGRICULTURAL BANK ADVANCES.

Mr. STONE asked the Honorary Minister (Agriculture): 1, What is the amount paid out from the Agricultural Bank to date? 2, What are the names of the Magisterial Districts that received the financial assistance? 3, What is the amount received by each Magisterial District?

The HONORARY MINISTER (Agriculture) replied: To get this information will take considerable preparation. I hope the hon. member will withdraw the question.

Mr. STONE: I withdraw the question, though it is information one would like to have.

QUESTION—SAVINGS BANK FUNDS ON DEPOSIT.

Mr. STONE asked the Treasurer: 1, Is it a fact that the Government have a credit balance of about £467,000 of the Savings Bank funds in one of the banks in Perth? 2, If not, what is the amount,