

happened, and sifts it out for himself, I am sure he will be reasonable enough to accept the amendment proposed by the member for Mt. Margaret. I will reserve further remarks for the Committee stage.

On motion by Mr. Richardson, debate adjourned.

House adjourned at 10.4 p.m.

Legislative Council,

Wednesday, 28th September, 1927.

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

QUESTION—TAXATION DEPARTMENT REPORT.

Hon. E. H. HARRIS asked the Chief Secretary: 1, On what date is it estimated that the annual report of the State Commissioner of Taxation will be available? 2, Will he quote the whole of the figures embodied in Table D: "Analysis of Income Tax Assessment for the year ended 30th June, 1926-27"?

The CHIEF SECRETARY replied: 1, About the middle of October. 2, Yes.

QUESTIONS (2)—ELECTORAL.

Permanent Registrars.

Hon. E. H. HARRIS asked the Chief Secretary: Should the Electoral Act Amending Bill, now before the House, become an Act, what is the estimated number of electoral registrars that will be permanently appointed?

The CHIEF SECRETARY replied: This matter will be considered when the occasion arises.

Council Enrolments.

Hon. E. H. HARRIS asked the Chief Secretary: 1, Relating to the Legislative Council elections in the years 1924 and 1926 respectively, what was the—(a) total net enrolment for each province as at the closing of the rolls preceding the elections; (b) number of claim cards posted by the Electoral Department to non-enrolled qualified persons for each province; (c) approximate number of enrolments effected as a result of the activities of the Electoral Department in posting claim cards to non-enrolled persons? 2, When forwarding claim cards to non-enrolled persons were they posted to freeholders and ratepayers only, or likewise to leaseholders, Crown lessees, and householders? 3, Is it the intention of the Electoral Department to again take the same action in preparation of the Council election of 1928?

The CHIEF SECRETARY replied 1 to 3, A return giving the information has been prepared, and is now laid on the Table of the House.

QUESTION—LOTTERIES.

Hon. C. F. BAXTER (for Hon. V. Hamersley) asked the Chief Secretary: 1, Do the Government authorise all the lotteries which are carried on by persons selling tickets for them in the streets and elsewhere? 2, Do the Government receive any revenue or tax on the amounts collected by means of such lotteries? 3, If so, what is the amount or percentage?

The CHIEF SECRETARY replied: 1, No; but no objection is taken when they are for charitable or worthy objects. 2 and 3, No.

BILL—BREAD ACT AMENDMENT.

Reinstatement.

HON. E. H. GRAY (West) [4.35]: I move—

That the order of the day for the second reading of the Bread Act Amendment be reinstated on the Notice Paper for this day week.

I realise that I must put up a good case when asking the House to reconsider the motion for the second reading of the Bread Act Amendment Bill. I am grateful to you, Mr. President, and to other hon. members who have taken considerable trouble to look up the records to ascertain if the mistakes I made could be rectified and the House given another opportunity to consider the measure.

Hon. J. J. Holmes: The mistakes you made!

Hon. E. H. GRAY: Yes, I take the blame for them.

Hon. E. H. Harris: What mistakes did you make?

Hon. E. H. GRAY: I made the particular mistake of being a very bad general, consequent upon my inexperience. Although members of this House may strenuously oppose views of myself or other members, the greatest surprise to me since I have been a member of the House has been to appreciate the way in which all members are anxious to assist each other. I have reason to be very grateful to members of the Council for the assistance I have received in many ways during my occupancy of my present position as a representative of the West Province. Therefore I have no hesitation in craving the generosity of the House in respect to this motion. In both Houses an important phase regarding the Bill was overlooked, and if my motion be agreed to, I shall take pains to explain that phase to hon. members. Further than that, there were some hon. members who wished to speak on the motion for the second reading of the Bill. They were not present, and therefore did not have an opportunity to express their opinions. I can truthfully say that I was astonished at the opposition shown by four hon. members who spoke against the Bill. Subsequently I felt that I was to blame in not presenting the case for the Bill more fully, so that the House could better understand the purpose of the measure. I take full blame for that upon myself and also for so hastily closing the debate. My action was due to inexperience. Had the Leader of the House been in charge of the Bill he would have adjourned the debate and taken ample time to furnish a comprehensive, well considered reply.

Hon. J. J. Holmes: You thought you had the numbers to get the Bill through.

Hon. E. H. GRAY: No, I did not. I can honestly say I was surprised and I made a

mistake in closing the debate straight away. I have no hesitation in asking members to give those who were not present an opportunity to present their views to the House.

HON. E. H. HARRIS (North-East) [4.40]: I intend to oppose the motion.

Hon. J. R. Brown: That is just what you would do.

Hon. E. H. HARRIS: I will oppose it because the Bill has been discussed, and by closing the debate Mr. Gray himself terminated the discussion. He now desires to reopen the whole debate in order, I presume, that some members of his party who were present but did not debate the question then, or else that some who were not present and desired to speak, shall have the opportunity now to air their views. Section 16 of the Bread Act of 1903 provides that the baking of bread prior to 5 o'clock on Sunday afternoon shall not be permitted. As I pointed out during the debate, that prohibition protects the workers inasmuch as the employers cannot call upon men to work on the Sabbath day before 5 p.m. It was pointed out that it might be the desire of the employers that the operative bakers should be called to work at 8 o'clock on Sunday mornings. I expressed surprise that representatives of the Labour movement, who believe in the abolition of Sunday labour, would move in the direction of permitting men to be called to work at an earlier hour on Sundays. I am astounded now at Mr. Gray coming forward with his proposal to reinstate the Bill to the Notice Paper, having regard to the precedent that will be established should the motion be carried.

Hon. J. Cornell: There will be no precedent.

Hon. E. H. HARRIS: I have yet to learn that in this Chamber a Bill has been reinstated in the manner desired by Mr. Gray.

Hon. J. Cornell: But the defeat of the motion will not prohibit the same thing being done at a future date.

Hon. E. H. HARRIS: I have in mind one particular debate that took place here. I will mention the State Insurance Bill by way of illustration. There was considerable opposition to that Bill, the second reading of which was agreed to in this House by a narrow majority. I believe that had it been known generally by members that that Bill could be reinstated so as to gain the benefit of an altered personnel of the House at a

subsequent date, not only that Bill but other measures would have been reinstated on the Notice Paper and the Bills would never have been passed.

Hon. A. Lovekin: We should all know the law.

Hon. E. H. HARRIS: We are indebted to Mr. Gray for the ruling the President has given, for it has enabled us to know the law on that point. I suggest to Mr. Gray that he, as a Labour representative, is seeking to do something to-day that will recoil upon him, or at least upon his party, with a boomerang effect should the motion be carried.

Hon. Sir Edward Wittenoom: All that will be necessary will be to add "three months" to the motion.

Hon. E. H. HARRIS: That is so.

Hon. J. R. Brown: You are talking through your neck.

Hon. E. H. HARRIS: I would remind Mr. Brown that I am talking about the workers and about the legislature being asked to make provision for operatives being permitted to work on the Sabbath day. Under the Mines Regulation Act men may not be employed on Sunday except in special circumstances, and I shall be surprised if Mr. Brown votes for a motion that will revive a Bill to enable the master bakers to call upon operatives to work on Sunday.

Hon. J. R. Brown: They are doing it now.

Hon. E. H. HARRIS: Yes, but only in special circumstances. Under the Bill we were asked to provide for Sunday work in future in other than special circumstances. I remind Mr. Gray that he is one of a party of five in a House of thirty members, and he would be wise to refrain from trying to reinstate this Bill because, if he succeeds, it may have the effect of recoiling on his party in future. I urge him to withdraw his motion, but if he allows it to go to the vote I shall move an amendment—

That the word "week" be struck out and the words "six months" inserted in lieu.

The PRESIDENT: Does the hon. member move that amendment?

Hon. E. H. HARRIS: Yes.

HON. SIR EDWARD WITTENOOM (North) [4.47]: I support the motion. There is no question of establishing a precedent. Yesterday we had a ruling that certainly surprised me, but it was so convincing that there is nothing to be gained by

questioning it. We shall lose nothing if we consent to hear further argument on the Bill, and possibly we may hear something that will cause members to change their minds, though I hardly think that will happen. However, we should hear all that is available on the subject and thus refute any suggestion that this House is not prepared to hear everything that can be advanced in support of any measure. I would have supported Mr. Gray's proposal to leave the question to the Arbitration Court, but unfortunately I have no faith in the Arbitration Court.

Hon. W. T. Glasheen: Without the amendment the Arbitration Court will have no jurisdiction.

Hon. Sir EDWARD WITTENOOM: I have no objection to the personnel of the Arbitration Court, but I object to the whole principle. Many of the rulings of the court have done a great deal of harm, and a more satisfactory settlement would often have been arrived at had representatives from each side met and discussed the matter in dispute. However, that is not the question before us. The motion will have my support.

HON. J. J. HOLMES (North) [4.49]: I entirely agree with the ruling you, Mr. President, gave yesterday. The wisdom of the provision is shown by the fact that a Bill of great importance might be thrown out on a snap division such as Mr. Gray tried to take advantage of, and that would be entirely wrong. Mr. Gray admits bad generalship on his part. I do not know how that could have arisen because he seemed to use all the eloquence at his command. What happened was he made a mistake in the numbers. He thought he would be able to get the second reading passed on a catch division and he failed. If we allow Bills to be reinstated in this way, there will be no finality. I believe in getting on with the business of the country now instead of having to work 24 hours a day in the last few days of the session in order to get it through. It would be dangerous if a member, having failed on a snap division, could, on another snap division later, get a Bill reinstated and passed. The hon. member made all the points he could and called for a division and the Bill was lost, but now he wishes to go on getting it reinstated until his followers are present to pass the measure. Therefore I oppose the motion.

HON. A. LOVEKIN (Metropolitan) [4.52]: For the credit of this House as a house of review it would be well to agree to the motion and allow the Bill to be reinstated. Mr. Gray has pointed out that the Bill was lost on a small division—11 votes to 8—and that he did not put up his case as he should have done. We must accept that statement, however much we may doubt the sincerity of it. It would be well to have the Bill reinstated, because it would show that we take pains to get at the merits of any Bill. We do not want to make any mistake. When the Bill again comes before us, we can, if necessary, easily finalise the matter by amending the motion to provide for its second reading "this day six months."

Hon. J. Cornell: Or move the previous question.

Hon. A. LOVEKIN: Yes; that would amount to the same thing under our standing orders.

Hon. E. H. Harris: Why not do it now?

Hon. A. LOVEKIN: We have not yet heard what the hon. member says he omitted on the previous occasion. He may have some facts that will appeal to us and cause us to pass the Bill unanimously. At any rate members ought, for the credit of the House, to listen to what the hon. member has to say.

Hon. A. J. H. Saw: Will the hon. member be able to speak again if the Bill is reinstated?

Hon. A. LOVEKIN: Yes, it will be quite a new question. The question that the Bill be read a second time on Monday is entirely different from the question that the Bill be read a second time on Tuesday. As Mr. Cornell has pointed out, it would be easy for any member to move the previous question, which is not debatable, and the matter could be ended in that way.

Hon. A. J. H. Saw: Do you say a member may not speak to the previous question?

Hon. A. LOVEKIN: I think a motion for the previous question cannot be debated, but I am not sure. It would be only fair to listen to what Mr. Gray has to say and, after we have heard him, there are various methods by which a sudden death motion may be submitted if it is desired to end the matter.

HON. W. T. GLASHEEN (South-East) [4.55]: I intend to vote for the motion. I find myself unable to agree with Mr. Holmes. That member said Mr. Gray thought he had a majority in his favour when the question for the second reading of the Bill was put. I am almost as certain that Mr. Gray thought the question would be lost. I think Mr. Gray has been honest and straightforward by telling us that through lack of experience many points were missed by him. He has also told us that members were absent who desired to speak on the Bill, and in view of those considerations the least we can do, seeing that Mr. Gray has been candid, is to pass the motion for reinstatement.

HON. E. H. GRAY (West—in reply) [4.56]: I emphatically deny that I took a snap division on the second reading of the Bill.

Hon. J. J. Holmes: You said it was bad generalship on your part.

Hon. E. H. GRAY: That does not mean that a member comes here to work points.

Hon. J. Cornell: Your judgment as to how members would vote was bad.

Hon. E. H. GRAY: I resent Mr. Holmes's statement; it is not true.

Hon. J. J. Holmes: Then I withdraw.

Hon. E. H. GRAY: One phase of the question was overlooked both here and in another place, and I think I am not unreasonably sanguine when I say I hope that two members who opposed the Bill will change their opinion when the additional facts are made known. When the Bill was before us I was rattled by the opposition, especially that of Dr. Saw. I do not regard the Bill as a party measure; in fact it is not a party measure, and I have every reason to believe that when further explanations are offered members who previously voted against it will support it. That was my sole reason for tabling the motion.

Amendment put and negatived.

Question put and passed.

BILL—LAND TAX AND INCOME TAX.

In Committee.

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

Clause 1—agreed to.

Clause 2—Grant of land tax and income tax for the year ending 30th June, 1928:

Hon. E. ROSE: I move—

That a message be sent to the Legislative Assembly requesting them to modify the clause by reducing the rate on the unimproved value of improved agricultural land.

My desire is that another place be asked to reconsider their decision in respect of land taxation. I would point out that the tax bears very heavily on the small farmers, who receive no benefit from the 33½ per cent. reduction on income tax. My opinion is that improved land should not be taxed at all. It is our desire to encourage the development of the land as much as possible. We should assist agriculturists to develop their holdings to the fullest extent. When the tax I desire to have reconsidered was imposed two years ago, we had a £250 exemption on lands in agricultural distiets. At the same time we had lower road board and other taxes to pay than we are faced with to-day. In my district the road board tax is 4d. in the pound, the vermin tax is ¼d., while the vermin tax imposed by the Government is ½d. There is also a heavy drainage tax, and licenses to pay in other directions. All these bear heavily on the small farmers. Therefore, I think we are justified in asking another place to reconsider this clause. I do not mind what taxes are imposed on lands that are not improved.

Hon. A. LOVEKIN: I suggest to the hon. member that he should name a specific sum in his proposed message. As it is, the message is indefinite. We might indicate a proviso that the tax payable on improved agricultural lands should not exceed ½d. in the pound.

The CHIEF SECRETARY: I trust the Committee will not agree to the amendment. In 1924 the matter was fully discussed and, as I pointed out yesterday, a conference of managers was held at which a compromise was effected. The Government gave way in respect of the supertax on the understanding that the remainder of the Bill was accepted. Since the abolition of the supertax there has been a 33½ reduction on income tax. It is not fair, therefore, to ask the Government to now sacrifice half of the land tax.

Hon. E. ROSE: In 1924 the finances of the State were in a parlous condition. To-day the position is very different; the

finances are buoyant and we closed the last financial year with a surplus. That is my reason for endeavouring to bring about a reduction in the tax on improved lands.

Hon. Sir EDWARD WITTENOOM: I do not agree with the reasons submitted by the Chief Secretary that because of what took place in 1924 there should not be a revision in 1927. At the present time the financial position of the State is very different from what it was three years ago. I object to the land tax, not on account of the amount of money that is derived from it, but because of policy. In a country like ours, it is bad to impose such a tax. We are trying to develop our lands as much as possible, and we are inducing people to take up areas and going to the extent even of allowing them to have those areas for a period of five years on merely paying survey fees. Then in the next breath we say that we will impose a tax on that land. I am opposed to the taxation of land for revenue purposes. In the country it should be subjected to taxation for the maintenance of roads and the destruction of vermin, whilst the land in the city should be liable to taxation, again for road construction and maintenance, and other necessary matters. I should like to know what amount is raised by means of the land tax. I do not consider it can be a large sum. It is a great pity that we should have such a stigma—I can call it nothing else—on our policy for the sake of the small amount that is raised in that way. I would also like to emphasise what I said the other day, that we should simplify as much as possible the preparation of income tax returns, so that they might be easily understood by everybody. As the position stands to-day, a lot of abstruse questions have to be answered and many of them are difficult to interpret. I have heard people say that the Taxation Department put all kinds of obstacles in the way of taxpayers, and that the officials will not give information. That, however, is not my experience. I have found the officers of the Taxation Department most obliging and ready to assist to facilitate any matters that may appear difficult to the inquirer. I intend to support the amendment. I would prefer the Government to do away with the land tax altogether and to endeavour to raise in some other way the revenue that would be thus lost.

Hon. A. BURVILL: I support the amendment. There has been considerable trouble in getting as much settlement as we would desire in the South-West. We know of the difficulties that have been experienced by the Government in connection with group settlement in endeavouring to put them on a paying basis. It is the policy of the Government to get that part of the State settled. Why then should we impose a special tax on the industry of small farmers? If we reduced the tax as suggested by Mr. Rose we would not lose a great deal. At the same time it would afford great relief especially to those who are struggling in the South-West. We should give every encouragement to the settlers in that part of the State who at the present time have a multiplicity of taxes to pay.

Hon. A. LOVEKIN: As I suggested a few minutes ago, it would be better to send a concrete request to another place. There is already a proviso in regard to pastoral leases and after that I suggest another proviso on these lines, "Provided also that in the case of agricultural lands the tax be limited to ½d. per pound sterling."

Hon. J. J. HOLMES: I intend to oppose the amendment. All things considered, the Government, with the assistance of this House, have reduced taxation to at all events a limited extent. In view of what we have to face in connection with the Financial Agreement, and until we know where we are we have no right to give anything away. The Federal Government have given us a special grant to meet the disabilities we were faced with. The State Government in turn reduced the rate of income taxation. We might find ourselves in a false position, for the Federal Government might come along and say, "Every time we do something to assist you, you give something away in order to make yourselves popular in your own State." Much as I desire to see the land tax reduced, I do not think the present time opportune.

Hon. A. LOVEKIN: To a large extent I am with Mr. Holmes, but I do not think it would make much difference if we were to reduce the tax on improved agricultural lands. That would help the farmer and come back into revenue in another way. But in regard to unimproved lands, or city lands, I do not think we should rebate a

halfpenny of the tax; for, as Mr. Holmes has said, the Government have done pretty well in reducing taxation. The bulk of the land tax is collected in the metropolitan area, and I would not be averse to increasing it in the metropolitan area.

Hon. J. Nicholson: I hope not.

Hon. A. LOVEKIN: There is in St. George's-terrace a property that, three years ago, was offered to me for £8,000. Within the last month or six weeks it was sold to the Royal Insurance Company for £18,750. What made that great difference in the price? The property has increased in value as the result of public expenditure. All city lands have been going up in value. In Colin-street, West Perth, properties have increased by 40 per cent. and 50 per cent., and it is only fair that people who have benefited to that extent should pay something to the revenue.

Hon. A. J. H. Saw: Has not the price of agricultural land increased?

Hon. A. LOVEKIN: In some instances, yes, but prices of agricultural land are more stable than are those of metropolitan properties.

Hon. J. J. Holmes: Would not city properties get exemption under the amendment?

Hon. A. LOVEKIN: No, I would not be in favour of rebating one fraction of the tax on city lands. But we should encourage the farmer in every possible way. I will support the amendment.

Hon. H. SEDDON: According to last year's return, the amount of land tax collected in the State was £147,000. If the hon. member could give us an idea of the amount that would be affected by the amendment, it would be of assistance to the Committee. It seems to me the greater part of the land tax has come from metropolitan lands.

The CHAIRMAN: Is Mr. Rose prepared to withdraw his amendment in favour of that suggested by Mr. Lovekin?

Hon. E. ROSE: I am in favour of the suggestion that the tax be reduced by 50 per cent. I said just now that a number of farmers in the South-West received not more than £250 per annum. What I meant was, that their returns were not more than £250 per annum. But their expenses would leave them no income at all. So I say the farmers have received no benefit from the 33½ per cent. reduction granted by the Government.

Hon. A. LOVEKIN: The hon. member's amendment would not achieve his purpose, for there is no provision in the Bill for improved lands. A 50 per cent. reduction is already provided in Section 10 of the Assessment Act. Now the hon. member suggests that the Assembly be asked to agree to a further reduction of 50 per cent. If so, he must say so definitely, and I suggest that he does it by a further proviso to Subclause 1.

Hon. E. Rose: I want the tax on unimproved agricultural land reduced to a half-penny. I think my amendment will accomplish that.

Hon. J. NICHOLSON: The point raised by Mr. Seddon is of vital importance. We must have regard to the financial responsibilities of the Government, and so we could not wisely agree to the amendment without first having definite information before us as to the financial effect of that amendment. If it is going to mean a considerable depletion in revenue from land taxation, it might seriously embarrass the Government. If, on the other hand, it will not seriously affect that revenue, perhaps we could agree to it. However, it would not be fair to force such an amendment until we have full information as to its effect. Until then I will oppose the amendment.

Hon. E. Rose: It is only a request to the Government.

Hon. J. NICHOLSON: But until we have given it due consideration, such a request would not redound to our credit. As to the suggestion that the taxation of metropolitan lands should be increased, I, as one representing the metropolitan area, am strongly opposed to any such suggestion. It would bear unfairly on the lands of the metropolitan area as compared with other lands.

Hon. W. T. Glasheen: Revaluations in the country have increased by 80 per cent., whereas in the city the increase is only 40 per cent.

Hon. J. NICHOLSON: There was the instance quoted by Mr. Lovekin, a certain piece of land in St. George's-terrace.

Hon. J. J. Holmes: A special piece of land required for special purposes.

Hon. J. NICHOLSON: Precisely. It is no justification for the suggestion that the tax upon metropolitan land should be increased. I protest strongly against any such proposal.

Hon. W. T. Glasheen: The Government are entitled to a percentage of the increased values in the city.

Hon. J. NICHOLSON: But not every piece of land has increased in value. The increases have been confined to a few streets. The area of what may be called the central portion of the city is very limited, and no doubt values have increased to a certain extent. If an increased price has been paid, no doubt the Taxation Department are alive to the fact, and have not been slow to increase valuations accordingly and assess on the higher rates.

Hon. W. T. Glasheen: Is it not a fact that all suburban homestead allotments have increased 300 per cent. in value in the last ten years?

Hon. A. J. H. Saw: Many persons have had to sell their properties because of the charges against them, and they have not brought in the amount of the rates due.

Hon. J. NICHOLSON: I know of one man who bought suburban land many years ago. He became poor and when the land tax, the water rates and the other rates mounted up against the land he was obliged to sell it. Some of the land has not fetched the amount due upon it. All these abnormal increases apply only to a limited area. One must not imagine that we have reached a wonderfully fortunate position when our lands can be sold at any price at all. We must continue to pursue a wise course if we would make that degree of solid progress that is essential. I do not want the Government to be embarrassed by the proposed amendment.

Hon. A. J. H. SAW: I support the amendment as a matter of principle. Taxation on improved land is a mistake. This amendment is a sort of wedge, and I trust it may be extended in course of time to city lands that are fully improved. Mr. Glasheen said that assessment values had gone up at a greater rate in the country than in the city. The explanation is that in the past the assessments in the country have been notoriously low, but in the city they have been notoriously high. Speaking generally there has been a great increase in land values all over the State but this has not particularly affected suburban areas. Many people have been ruined through holding suburban lands which have not increased in value proportionately with land in more favoured localities. Suburban blocks have been sold for less than the total amount of rates due upon them. I am afraid the amendment will not carry us much further. It merely points out to the Government that it would be wise to reduce

the tax on improved agricultural lands. I am in accord with that. No doubt another place will treat our request with the same respect that it usually does.

Hon. Sir WILLIAM LATHLAIN: I am opposed to the amendment. The time is not opportune to embarrass the Government in their financial arrangements. They are in a peculiar position. They will not know when making their financial announcements for the year exactly what will happen under the Commonwealth financial agreement. We should be loth to make any change at present. If this tax constituted a serious burden upon the producing interests one could understand that they would have some claim for consideration. The total amount collected out of land tax last year was £147,000. Of this the much abused metropolitan area contributed £64,494, the country districts contributed £55,442, and pastoral lessees paid £19,105. Although we realise that the man on the land should receive every consideration, we must feel that the time is not ripe to embarrass the Government in their financial arrangements. I do not think there is anything tangible in the amendment, or that it will take us much further. The metropolitan people are paying a larger share of the burden, and I do not want to see that increased. There was plenty of room for an increase in the values of country areas. The Minister for Works has often complained of the low value of the rating in many road board districts. In most cases the charges upon the land depend upon the values fixed by road boards. Where these values are far below the actual worth of the land the owners have escaped that taxation which farmers in other districts have been compelled to pay. I hope the clause will remain as it stands. If we find after 12 months working under the new financial agreement that the State can afford to reduce the land tax in the country districts, I shall be quite ready to support the change.

Hon. W. T. GLASHEEN: I support the amendment. Sir William Lathlain has certainly given me a new line of thought. He says that farming interests are paying approximately £55,000 and pastoral interests about £19,000, which makes the total of approximately £74,000. When this tax was introduced in another place the Premier stated that the amount he anticipated receiving from country interests was £45,000, but it is nearly double that sum. He also

said that if the tax was agreed to he would write off £45,000 by reducing railway freights to that amount. I ask members if those country people who have paid this land tax have received a corresponding benefit in the way of reduced railway freights. I contend that the reduction has never reached those who paid the tax, and never will reach them. On that ground we should ask for some consideration, based upon the Premier's promise when he brought down the tax.

Hon. W. J. MANN: I support the amendment. Some years ago people in the country only paid that tax which was the greater, the land tax or the income tax. The Premier did promise to remit to the country people an amount equivalent to that which was collected by way of land tax. I have not heard of any people in the country who have derived any benefit from the remission.

Hon. W. T. Glasheen: It has not reached the people who paid the tax.

Hon. W. J. MANN: I have not heard of any expressions of appreciation concerning this remission. We are quite right to refer this Bill back to another place. I agree with Dr. Saw that there is no great chance of much being achieved, but the carrying of the amendment will inform the Government of this Chamber's feeling that some improvement should be made either this session or next session in legislation relating to unimproved land, and unimproved agricultural land in particular.

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

Ayes	10
Noes	6

Majority for 4

AYES.

Hon. C. F. Baxter	Hon. G. Potter
Hon. A. Burvill	Hon. E. Rose
Hon. W. T. Glasheen	Hon. Sir E. Wittenoom
Hon. E. H. Harris	Hon. A. J. H. Saw
Hon. A. Lovekin	(Teller.)
Hon. W. J. Mann	

NOES.

Hon. J. M. Drew	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. J. R. Brown
Hon. W. H. Kitson	(Teller.)
Hon. Sir W. Lathlain	

PAIR.

AYE.	No.
Hon. E. H. Gray	Hon. H. Stewart

Amendment thus passed.

Hon. A. Lovekin: I thought we divided on the question that the clause be amended. To that we said Yes. Now it is a question of the amendment being inserted.

The CHAIRMAN: The original question was that the clause stand as printed. To that Mr. Rose moved his requested amendment. That requested amendment has been agreed to by the Committee. Therefore that disposes for the time being of Clause 2. The requested amendment will be sent to the Legislative Assembly.

Hon. A. Lovekin: The obvious answer of the Assembly will be to refer us to the Land Tax Assessment Act.

Clause 3—Rate of Income tax:

Hon. A. LOVEKIN: There is a typographical error in Subclause 1 of this clause, which contains a formula whereby the taxpayer can work out his tax rate per pound, as follows:—

R = rate of tax in pence per pound sterling.

I = income chargeable in pounds sterling.

$R = 2 + .007 (I - 100)$ pence.

The formula is nonsense as it stands. It would make the rate of tax the 693rd part of 2d. I am sure the Government do not want that. The "I" should be a figure "1."

The CHIEF SECRETARY: This is the first time my attention has been drawn to the matter.

Progress reported.

BILL—CLOSER SETTLEMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. J. HOLMES (North) [5.53]: I shall oppose this Bill to the fullest extent that it is possible for me to do. An important principle is involved in the Bill, a principle that has never yet been adopted in this State with regard to land. The Bill suggests a breach of contract between the Crown, which in most instances is the vendor of land, and the tenant or purchaser. The latter having complied with all the conditions imposed, it is now suggested that the Crown shall, by force of this measure, take his land from him. We know what has happened in regard to various blocks of land required for public purposes—police sta-

tions, post offices, etc. Those, however, were cases of public necessity. We have never before taken land from one owner to give it to another. If we approve of that principle by passing the Bill, we shall be establishing a very bad precedent. The Minister in charge of the Bill quoted the "West Australian" and also the "Daily News" in favour of the measure. After all said and done, the opinion expressed by the "West Australian" is merely the opinion of one man, and similarly as regards the opinion expressed by the "Daily News"—the men in question being the leader-writers. In the "West Australian" office and also in the "Daily News" office there are men who indulged in defiance of the Arbitration Act and in breach of contracts, actions which those newspapers stigmatised as constituting a scandalous state of affairs that ought not to be tolerated. Apparently, however, in the opinion of the "West Australian" and the "Daily News," when it comes to taking land from an owner who has fulfilled all the conditions under which he purchased from the Crown, it is quite all right. There is no logic in such a position. To my mind, the whole of the arguments used in favour of the Bill are absurd. The trouble with the measure is that it proposes to take land from one farmer, under certain conditions imposed by the Bill, and to give it to another farmer without imposing any conditions whatever. Already we have had in Western Australia instances of estates bought for closer settlement—bought, not resumed, bought at what the Government considered equitable prices. On these estates the Government placed numerous small people who did not pay income tax, and who, because they did not pay income tax, it was claimed should not pay land tax. The whole thing is illogical. The men I refer to could not handle the estate or the business side of the venture, and they could not be indefinitely spoon fed by the Government; and so the estate drifted back into the hands of one big owner. One feature of the Bill that worries and annoys me is that conditions are being imposed upon the man who owns the land, but not on the man who buys it. If the proposal were to take freehold land from one owner and to grant almost perpetual leases to other men, something might be said in favour of the Bill; but when it comes to taking land from one farmer and giving it to another, that is not British justice, and the House should not tolerate the proposal

for one moment. It is all very well to say that we can break the contract and that it does not matter. However, it is these continual breaches of contract that cause the trouble in our midst. Breaches of contract are going on from day to day, and are being winked at, tolerated and put up with; and it is this fact that is bringing the State into ridicule and fanning the flame of what some people regard as the coming revolution. When this House, the highest tribunal in the land, sets out upon a course of breach of contract, it is embarking upon a highly dangerous procedure. An Arbitration Court is established and maintained here, but its awards have been set at defiance. Proceeding from the Arbitration Court to the civil courts, we find the same set of things; the decision of the civil court is defied. All these things are going on, and they ought to be combatted, and this House should be the last to tolerate or even consider breach of contract. I believe I am right in saying—Mr. Nicholson will correct me if I am wrong—that in all British communities there is a special law as to freehold land and leased land. The special law is that no contract for sale or lease of land shall be binding between the parties unless it is in writing. It is possible to buy 10,000 bags of wheat, a thousand horses or a thousand sheep, and so long as an individual can produce verbal evidence as to the particulars agreed upon, the contract is binding. When it comes to the sale or the leasing of land, a contract must be in writing. A person may produce all the evidence he desires to bear upon the agreement that was arrived at, but unless it is in writing no such contract is enforceable in respect of land. That is British justice as it is applied throughout the British dominions. It has always been held that a contract regarding land or a lease is sacred. Were it not for that provision, an individual might have his house sold over his head or a farm taken away from him merely by the production of false evidence. I understand that the law I refer to applies throughout this State as well as in British communities generally. But now it is proposed to take away that right under the provisions of the Bill. When a similar Bill was before the House some years ago, the then Leader of the House, Mr. Colebatch, asked by what right did people claim to be the possessors of the land. He quoted the Biblical reference. "The earth is the Lord's and the ful-

ness thereof." I then drew the Minister's attention to Clause 11 of the Bill before us at the time, wherein it was provided that land should be taken by force of that Act. I asked Mr. Colebatch then, as I ask the Minister now, if taking by force is not stealing.

Hon. Sir William Lathlain: But we stole it from the blackfellows in the first place.

Hon. J. J. HOLMES: The hon. member may be an authority on blackfellows. He is an authority on most things, so I will not question his assertion. I am dealing with the land and practice in connection with dealings in land.

Hon. E. H. Harris: But this refers to unutilised land.

Hon. J. J. HOLMES: I will come to that point soon. There are some things about which I am emphatic, and one is the fulfilling of a contract. If a person cannot fulfil his contract, his name is mud, as it ought to be. I have before me books, pamphlets, and other documents that were placed in my locker. They deal with the urgent necessity for seceding from the Federation. I voted against Federation—as I propose to vote against the Bill before us now—because I considered it wrong. On the other hand, once having entered into a contract such as the Federal bond, there is no way out apart from a vote of a majority of the people in a majority of the States. We have entered into a contract that cannot be departed from. As to our land, some of it was granted in years gone by for services rendered, but the great bulk of it was purchased from the Crown under certain conditions that have been fulfilled.

Hon. A. Burvill: Do not forget that the land was made available at a peppercorn rental: it was not freehold.

Hon. J. J. HOLMES: Quite apart from the question of Crown grants, there are the pastoral leases. We provided that land could be taken from pastoralists and made available to agriculturists, but that pastoral land could not be taken away from pastoralists and handed over to other pastoralists. But when it comes to freehold land, we propose to allow what we will not permit regarding leases.

Hon. W. T. Glasheen: The 50 or 60 people who, according to the Minister, are applying for each block as it becomes available have some moral rights.

Hon. J. J. HOLMES: The hon. member will hear both sides of the question if he has the patience to wait. I shall tell him what the Auditor General says about some of the land and the money that has been spent on it. It must be remembered that if we propose to attack freeholds, the next step will be an attack upon leaseholds. It is not so very long ago that the Minister, I think, said that the whole of the Murchison should be cut up into 20,000-acre blocks for small pastoralists.

The Chief Secretary: No, that a renewal of leases should not be granted within so many miles of a railway after the expiration of those leases.

Hon. J. J. HOLMES: At any rate, the Minister considered that holdings of 20,000 acres were sufficient for pastoralists in the Murchison area. I would like to know what his opinion is to-day after the periodical droughts that have been experienced in that part of the State during recent years. Instead of having big pastoralists who have paid both the income tax and the land tax, if the Minister's proposal had been given effect to, we would now have a number of small men who, not being able to pay the income tax, would request that they should not be asked to pay the land tax either. We have that position confronting us to-day. The question may well arise as to who is to pay. The answer will be that the big fellow who is being forced out of the country must be made to pay. I will deal with that aspect later. The Minister told us that land had been taken in the Eastern States under the provisions of Closer Settlement Acts passed there. I am, of course, concerned about happenings in the Eastern States, particularly in respect of Queensland and New South Wales. Even in the Eastern States, if I followed the Minister accurately, a portion of the land is left in the hands of the owner and his family. The Bill as introduced in another place contained no such provision for land being made available for the owner or his family, but the Legislative Assembly courteously permitted an amendment to be made in Clause 11 of the Bill, which now reads as follows:—

Notwithstanding anything in this Act to the contrary, any owner who, before a declaration is published under Section 7 that land has been taken under this Act, may notify the board of his desire to retain a portion of the land intended to be taken sufficient for the sustenance of himself and his family, and in such case he shall have the

right to retain such portion of the land as may be agreed upon between such owner and the board.

Hon. J. R. Brown: What more does a man require than "sufficient for his purposes"?

Hon. J. J. HOLMES: I do not think there is anything so drastic in the legislation passed in the Eastern States. Of course I am not influenced by what is done in other States, where many things have been done of which we do not approve. For instance, they are forcing the Financial Agreement upon Western Australia because the Governments in the East have given no indication of their intention to meet their liabilities. Western Australia has made the necessary provision. New South Wales, with its huge public indebtedness, has provided an inadequate sinking fund whereas Western Australia, with a public indebtedness of £71,000,000, has a sinking fund of over £11,000,000. It is the neglect of the other States that is forcing us into the Financial Agreement. In the East many things have been done in directions I cannot follow, and I am not prepared to agree to closer settlement legislation such as operates in the East. I travel about as much as anyone else, and I have not been able to detect these unutilised estates of which we have heard. If many of the landowners are forced to sell their properties under the provisions of the Bill before us, it will mean, if I can judge those people aright, that their money will be taken from this State and invested elsewhere. Instead of an owner paying both land tax and income tax, we will have in the place of these men a number of small men financed by the Government but unable to pay either tax. We know what happened when the double tax was imposed upon absentees. In its wisdom the House agreed to impose that tax, with the result that money soon began to stampede out of the country.

Hon. W. T. Glasheen: Then where was the wisdom of the House?

Hon. J. J. HOLMES: Soon Parliament woke up and realised that the position would not do. As a result the absentee was placed on the same footing as the local men. But the absentee had been bitten and he said, "Oh no, I can see the nigger in the wood pile. You cannot catch me again. I am off." There are men in the country to-day who are taking their money and investing it elsewhere. If the Government buy their land, it simply means that the Government have

so much less money available for other purposes. If the Government take the land by force, the Agricultural Bank will have to furnish the funds and so there will again be not so much money available for other people in the State. There are men in England and elsewhere who are desirous of investing their money. In New Zealand the Government say to such people, "We want your money; we do not care if you come here at all. If you send us your money we will exempt you from taxation. There will be no income tax on the money you lend to us." In this State if we take the land from the rightful owner, there is at once a breach of contract between the individual and the Crown. If that is to be the practice here, I am certain money will not be re-invested in this State. It will be taken elsewhere. Personally I would have no confidence in a country that would permit a breach of contract between the owner of land and the Crown.

Hon. W. T. Glasheen: So long as a man uses his land he is safe.

Hon. J. J. HOLMES: No. If a man is using his land for a certain purpose that two Government officials and one outsider say is not right, the land can be taken from the owner. That is one of the wicked clauses of the Bill. An owner may use the land for the purposes he desires and may get the necessary results from his property. In the event of the board, comprising two Government officials and an outsider, considering that the owner is not using it for the purposes for which the land is best suited, then the owner will have to give up the land.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: I was referring to the disadvantages that will accrue to the State if the Bill be passed. There is no doubt that we shall be interfering with what has always been considered to be 13 carat security, namely the freehold title. If we do that we shall be treading on very dangerous ground. For many years past the banks and financial institutions have been doing all they could to assist the man on the land. Everyone realises the wisdom of that. The directors are men of commerce and enterprise and they are prepared to find money to assist production. Recognising that production comes from the land and regarding freehold as 18 carat security, the financial institutions have advanced

large sums of money towards the development of agriculture. We have been told what has happened in New South Wales and elsewhere. One of the big institutions of Australia, the Bank of New South Wales, has started business here with unlimited capital. For what purpose? Particularly to take the money out of New South Wales, where legislation similar to this has been passed, and to invest it here, where doubtless it was considered the security was better. Simultaneously with that, this Bill is introduced to attack that security.

Hon. Sir William Lathlain: Which State has the better security?

Hon. J. J. HOLMES: Western Australia. We had not a Closer Settlement Act, and so the Bank of New South Wales has started to extend its business here to advance money for the development of the land. Now, however, this measure has been introduced that will undermine security.

Hon. W. T. Glasheen: Is not our security due to the fact that we have safe land values here?

Hon. J. J. HOLMES: The hon. member can deal with that aspect of the question. We have to remember also what happened in Queensland, where the Government attacked not freehold but leasehold. They passed legislation which meant confiscation, just as this Bill means confiscation. They sent a Minister Home to borrow money and he was told in effect, "You are the people who took away the pastoral leases from the rightful owners and we regard you with suspicion. It is of no use your coming here for money." If I am correctly informed, that Act was never given effect to, nor was it repealed. Since then, however, Queensland has been able to get money.

Hon. E. H. Harris: The Queensland Government have borrowed a lot of money since then.

Hon. J. J. HOLMES: But they did not enforce the Act that would have undermined security. Before I finish I shall show that we in Western Australia have gone very close to nationalising the agricultural industry. This measure will take us one step further. I do not know where all the land to be resumed for closer settlement is to be found, but if it is found it will have to be paid for in cash. That will

mean the Government will have to find the money for land resumption in addition to all their other requirements. The present owners of the land will have to seek opportunities for investing their money elsewhere and the Government will have to finance the small people whom they put on the land.

Hon. J. R. Brown: Will not they have any capital?

Hon. J. J. HOLMES: This appears to be a reversal of policy. The Minister in another place said there were people here desirous of buying large blocks of land, but they were unable to do so. If the Government buy land from one man and give it to another large landowner, it will be an injustice to the man who has pioneered the country. The newcomers are not entitled to preferential treatment of that kind. If the Bill becomes law it will have the reverse effect. People coming to this State in search of land do not want blocks of 200 or 300 acres. They want decent holdings. I know of one man who came here quite recently and offered in the vicinity of £40,000 for 6,500 acres. The owner refused the offer, because he was breeding sheep at one place and fattening them on the land in question. If, under this Bill, the owner is compelled to accept £40,000 for his land, the owner will have to find an opportunity to invest the money elsewhere, while the Government will have to pay the £40,000 and divide the holding among a lot of little people who have not been successful at farming. My opinion is that the men coming here to take up big farms—it is the big farms that pay because expensive equipment and stocking are necessary—are doing so because there is no Closer Settlement Act operating here. They think it quite safe to come here and take up big areas. If we passed the Bill such men would hesitate before buying property here. They would say, "What is the use of taking up large areas if, immediately we start to make improvements, the Government come along, tell us we are not utilising the land to the best advantage and take it from us?" It is idle to say that any man of ordinary intelligence holding land is not using it to the best advantage. The men that have the land are not fools: they are using it for the purpose for which it is best suited, and in my opinion they are the best judges of the purpose for which it is best suited.

Hon. J. R. Brown: Idleness?

Hon. J. J. HOLMES: To suggest that a man would buy land, not put it to use, lose interest on the investment and pay Federal and State land tax, two vermin taxes, road board rates, and other taxation is the height of absurdity. The only way by which he can pay his rates and taxes is by putting the land to its best use, and he is the best judge as to how the land should be utilised. We know what development has taken place in this State and how the value of land has increased, but that applies to city as well as to country land. The man who goes out into the country, ringbarks the timber and cuts down the undergrowth and grows wool and sheep assists to create the value of town lands just as much as does the wheatgrower. Yet city properties are to be free from this measure. We have been told of a city property that was worth £8,000 three years ago being sold for £18,000. That may be an exaggerated case; it was a particular block for a particular purpose. There are two classes of land investors, the city investor and the country investor, and the city man is the parasite. Is he to be permitted to derive all the profit from his land, while the man in the country has his land taken from him, simply because two Government officials—the third member of the board will not count—consider that the land is not being utilised in the right way? Let members representing the Metropolitan and Metropolitan-Suburban Provinces remember that if this Bill becomes law to catch the man in the country, the next man to be caught under an amendment of the Land Act will be the city man. If anyone deserves to be caught in preference to the man pioneering the country, it is the city man. The Government have just as much right to take city land as they have to take country land.

Hon. Sir William Lathlain: It is too expensive to grow wheat in the city.

Hon. J. J. HOLMES: It is not a question of growing wheat. It is a question of the land not being utilised in the right way.

Hon. A. Lovckin: Are not those things done in Russia?

Hon. J. J. HOLMES: Everything is being undermined in this State. When a union defies an award of the Arbitration Court it is regarded as a terrible thing, but when Parliament repudiates a contract for

land it is considered to be correct. That is not logical. If this Bill be agreed to what will it accomplish? What estates are there that are being held up? What owner is there who will not sell at a reasonable price? Unless an owner wants his land for a specific purpose, if a buyer comes along and offers a fair price, he will take it. But to begin with, where is the land? Men who do not understand the position talk of land they see from the railway trains and they do not know good land from poor land. Perhaps they see some worthless poison land and consider it should be burst up. If the Government advertised in the newspapers for land, they would get all the land they wanted. Recently the Government purchased the Wongundy estate at a very reasonable price. They also purchased the Mendels estate at a reasonable price. They can buy all the land they need without interfering with security. Let me refer to the clause that deals with the economic value of land. If land is not being used to the full economic value it may be acquired by the board.

The Chief Secretary: That was an amendment inserted in the previous measure by the Council.

Hon. J. J. HOLMES: Well, it was better than nothing. Who is to be the judge of the economic value of the land? The board are to consist of two Government officers and one man who is supposed to know something about land. Who will decide the question? The Government officers, of course. What happened in connection with the board that was controlling the Peel estate? There was land there said to be suitable for closer settlement, but some members of the board did not think so. The board was reconstructed, and again reconstructed until there came from it a recommendation that the land was suitable for settlement. We now know that the first decision arrived at was the correct one. Officers are appointed to hold seats on these boards at the pleasure of the Government. Some person can successfully pull the strings in the direction of bringing about the repurchase of an estate. If the board appointed to deal with repurchases should happen to think otherwise, it becomes merely a question of reconstructing the board. What happened in connection with group settlement? They were all public officers who were in control of group settlement, and then where there had been an expenditure

of 6½ millions, everything was found to be in a state of chaos. What has happened now? The Government have appointed a board, not of three Government officers, but a board consisting of two outsiders who know something about land, with a Government officer as the left wing. The Government do not think it advisable, after finishing up at a dead-end, to have a State board to deal with this question. They bring in two outsiders to handle the job, together with a Government officer, but in connection with the land to be dealt with under the Bill we are now considering, it is proposed that there shall be two Government officers and one outside man who knows something about the land. There is nothing logical about that. The Bill does not give an owner the right to carry on what might be considered economic development. If the board say that during the last two years the land has not been used in accordance with what is their opinion of economic development, the owner does not get a chance to comply with the conditions; he must cut it up and sell it. If he does not do that within three months then the land is taken by force. The sting is taken out of the tail by saying that the owner can retain sufficient for the sustenance of himself and his family. That is a nice position to arise in a country such as ours where we have millions of acres of unoccupied land! The Government can say "You can keep sufficient land for the sustenance of yourself and family and we will take the rest." In view of our experience in regard to closer settlement in the South-West where we have spent 6½ millions of money, it is time that we called a halt there. What astounds me most of all is that Mr. Rose, in the course of his speech on the Address-in-reply, expressed a hope that if the House did not adopt the Closer Settlement Bill for the whole of the State, it would at least adopt it so far as the South-West was concerned. Six and a-half millions of money have been spent there and the expert officers of the department now say that there is not a farm in that part of the State that anyone will buy. Yet it is suggested that closer settlement should be applied to the South-West. It has cost up to £15 per acre to produce pastures, while only a little while ago a letter came under my notice from the Pastoralists' Association in which it was stated that the Government wanted pasture for 800 cows. The Government wrote to the Pastoralists' Association asking them to pro-

vide feed for that number of cows; and 6½ millions of money had been spent in the South-West for that purpose! We made such a mess of the South-West business that we have got into a dead-end. Now it is suggested that we should turn our attention to some other part of the State and try to create similar chaos there. I ask the Minister to tell me whether any land that has been repurchased in the State, other than Yandanooka, has been a success?

Hon. A. Burvill: Yes, the Palinup estate.

Hon. J. J. HOLMES: I have never heard of it.

Hon. A. Burvill: Every settler there has made a success of his block.

Hon. J. J. HOLMES: Where is it?

Hon. A. Burvill: Towards Ongerup.

Hon. J. J. HOLMES: What are the sizes of the holdings? I suppose it is potato land.

Hon. A. Burvill: No, it is not.

Hon. J. J. HOLMES: I ask whether any repurchased estate in this country has proved a success. I would like the Minister to tell me when he is replying how many of these estates have drifted back to the original owners. One of the features of the Bill to which I object is that it takes land from the man who holds it, but places no embargo on the buyer selling it to whom he likes. The purchaser of the land can sell it to whom, how and where he likes. If it were proposed to take land from a freeholder and give it to a Crown leaseholder, there would be something to say in favour of that, but to take it from one freeholder by force and give it to another freeholder without any restriction at all is not what might be expected in a British community. It looks as if we had got into that state that we must be worrying or annoying somebody. We get hold of a popular cry. The "West Australian" has played a prominent part in the politics of this country. At one time it went nap on group settlement. We do not hear much about that now. At the present time they have turned their attention to wheat production and closer settlement. The Government of the day seem to hang on to something that is new, something that they think will be popular. In my opinion there is no necessity for the disturbance this Bill will create. Let us take last month's figures of the Lands Department as published in the

Press, figures that it was stated are almost a record for the State. There were 783 applications for land representing 2¼ million acres. And this in a country where it is said nobody can get any land! In one month 2¼ million acres of land were applied for! There were 764 conditional purchase leases representing 266,000 acres of land. Whilst we are parcelling out this land and giving it to people free of charge for the first five years, we are asked to pass a Bill to provide for closer settlement. Could anything be more absurd? I need not thrash that point because hon. members will see it for themselves. Is it not our duty to do something else in this country besides growing wheat? In pamphlet No. 17 dealing with Western Australian activities, we are told that, "The progress of the State was reflected in the activities of the Lands Department more than any other department." And then further along we are told that this year there are 400,000 additional acres under wheat in this State. This, too, in a country where no one can get land! Speaking at Kojonup recently, Mr. Troy referred to land settlement. He said that a farm in the Kimberleys, near Wyndham, would prove what that part of the country could produce. He added, "I hope to have plenty of land available for people in the Eastern States who have capital of their own." Capital of their own to buy up land! If they come here it will not be to buy merely 100 acres. Then they may have it taken from them just as they have purchased machinery and got their farms going. The whole thing is too absurd. Regarding the area under crop we are told that an advance of 432,972 acres on the record area of last year has been placed under wheat in Western Australia for the 1927-28 season. There we have the Minister boasting about the wonderful increase in the production of wheat, and saying that it is popular to get on the land and grow wheat. We must remember, however, that many people went on the land when wheat was between 6s. and 8s. a bushel. About two-thirds of the value of wheat goes out in wages, horse feed, super, etc. If the margin of one-third is reduced by the prices in the world's market, how will it be possible to reduce the cost of production? We shall have to be satisfied with less profit, and when we get less profit and have to go back to sheep, small holdings will be of no value.

Hon. W. T. Glasheen: Only 5,000 bags of wheat were railed from York and 102,000 bags were railed from Carnamah.

Hon. J. J. HOLMES: I do not know what the point is the hon. member is trying to make.

Hon. W. T. Glasheen: Only that York is fertile wheat country. That is the point.

Hon. J. J. HOLMES: We should not concentrate all our efforts on what is going well. There are parts of the State that require attention, and something should be done. Let us now take the great North-West. In the Governor's Speech delivered at the opening of Parliament in 1922 this paragraph appeared—

Whilst these proposals for the increase of population and production in the South-West portion of the State have been finalised and will be put into active operation forthwith, my advisers recognise that the development and peopling of the North and North-West are of equal importance in State, Commonwealth and Imperial interests

Then the speech went on to say that the Commissioner for the North-West had been appointed, and that an attempt was being made to develop the North. That was in 1922. What has been done? Nothing. Why? Because it is not popular to do anything for the North. There is not up there sufficient people to make a noise as has been done in the wheat areas. Now we come to 1923. "Land settlement continues active, etc.; a million and a half acres; additional blocks occupied under group settlement; the development of the North and North-West continues to receive special consideration; a tropical agricultural expert has been appointed; the Agent General Designate has made inquiries into cotton growing in Queensland; the Government will, if necessary, submit to you legislation to enable the prosecution of various developmental problems." That was in 1923. And we have the same old story in 1924. In 1925 we get this: "My Ministers, realising the fine future that lies before the pastoral industry, and being seized of the necessity for enabling pastoralists to take up country with some security as to boundaries, have instituted a system of feature surveys, which will be continued during the forthcoming year." Then we come to 1926: "Notwithstanding the falling off in the number of applications for pastoral areas, the pastoral industry is in a healthy condition. During the year the number of sheep in the State increased by 469,000."

And now we come to 1927. What is said of the North-West? Is not the North-West capable of being developed? Does the Imperial necessity of five years ago no longer exist to-day? But then it is not popular to talk about the North-West. The policy is to talk about wheat, and then to start a rebellious campaign that will take land from one owner and give it to another. Then we are confronted with putting land to its best use, having regard to its economic value. How do we arrive at that? A man may buy third-class land and, if he handles it properly, improve it to such an extent that it soon becomes second-class land, and is still capable of further development. It is all a question of judicious handling. Will members tell me that all the good land in the Eastern States was of the same quality thirty years ago? It has all been built up. In like manner out own land can be built up. A man takes up third-class land, kills the timber, destroys the undergrowth, stocks it with sheep, and so fertilises it; and as the feed is increased, so the stock can be increased and with them the value of the land. Then two departmental officers will come along, when a man has his land in this stage of progress, and will say it is not being used to its economic value, that he will have to give up the nonsense of growing sheep. They will not even tell him that he has to grow wheat. What they will say is that he has to sell the land or, alternatively, they will take it from him. Undoubtedly the Bill is very far reaching in its effect. Some years ago, when I was discussing land settlement with Sir James Mitchell, he said that if he were a young man, he would take up an area in a particular district, which he named; would take it up with the object of getting it fit for cultivation. He would ring it, he said, and leave it for three years, after which he would put in a fire. By burning it three times in ten years he would, he said, get rid of all the growth, after which he could erect his fences. He pointed out that to put up fences before all the timber was down was to invite disaster to the fences. But when the Government start out on a group settlement policy, they do not adopt sane methods like that. Instead they spend £65 per acre with dynamite and gelignite and tree pullers, and every other modern appliance employed to clear land at a cost of £65 an acre. In this way they spend £6,500,000 on land which, when they have finished with it, will not feed 800 cows. When the

Minister was moving the second reading, by way of interjection, I said it was a wrong procedure to take the land from one owner and give it to another. The Minister remarked that times had changed. I do not know that they have changed, at all events, not in regard to the conduct of affairs. The Minister quoted the number of applicants for particular blocks of land, telling us the number of blocks available and the total number of applicants. But anybody with common sense knows that there are in our midst land speculators ready to put in applications for any block of land that goes on the market. They apply for a block on the off chance of getting in ahead of somebody who really wants it, and afterwards selling it to the genuine applicant. The Minister, when he quoted all those blocks of land being over applied for, did not tell us what the Auditor General had to say in his last annual report, namely, that the Agricultural Bank had 726 abandoned farms—this is not group settlement—upon which £450,000 was owing. Why did not the Minister tell us that? This is another instance of the Government dabbling in what private enterprise should be allowed to do.

Hon. W. T. Glasheen: Private enterprise would not do it.

Hon. J. J. HOLMES: Do what?

Hon. W. T. Glasheen: Develop the South-West.

Hon. J. J. HOLMES: This is not the South-West. This is apart from the South-West. The Agricultural Bank is not interested in the South-West, or, if so, only very lately. The Agricultural Bank was asked to go in on the South-West, but the trustees refused.

Hon. W. T. Glasheen: It does not matter; private enterprise would not do what the Agricultural Bank is doing.

Hon. J. J. HOLMES: Private enterprise is quite right. What would we think of private enterprise with half a million of money in 726 abandoned farms? Private enterprise would not attempt to develop unsuitable land, but would develop all other land that it was allowed to handle. If all these men who are coming here with money of their own, were left alone, they would develop the land.

Hon. W. T. Glasheen: Private enterprise would not finance the best farms in the wheat belt.

Hon. J. J. HOLMES: Private enterprise took on what it thought right, the Agricultural Bank took on what it thought right, and to-day the Agricultural Bank has on its hands 726 abandoned farms owing half a million of money. Certainly private enterprise would not do that kind of thing. But the Government come in, pay the cash, sell to indigent people on terms, and the terms are never complied with. The Government have made all sorts of mistakes in the repurchase of estates for closer settlement. They purchased one estate in York, cut it up into 15 holdings, on which they put 15 small men, and to-day one man holds the lot. If the Bill goes through, the Government will be able to tangle up the titles of the freeholders and tangle up everybody who wants to develop the country, while they themselves establish their policy of nationalisation of the agricultural industry. The Bill takes in all the Midland Company's land. It will be quite an easy matter to show that the Midland Company cannot use their land to its economic value. The company are here to sell, and they do sell. Walk into the Midland Company's office to buy land and they never leave you until they get—

Hon. W. T. Glasheen: Their price.

Hon. J. J. HOLMES: Not necessarily their price. The result is shown by the land they have sold and the development going on in their country. The Midland Company have sold land and are selling land, and presently the closer settlement board will come along and say, "This land you have left is not being used in accordance with its economic value, and so we are going to take it." But the Midland Company have as directors and shareholders influential men in London from whom we may confidently expect to hear something, if we are not very careful. The sheep stations up North are subjected to periodical droughts. Still the pastoralists do not mind, for they realise that if it were not for the periodical droughts they could not hold their large areas. If it were not for the periodical droughts, the land would lose its capability. Even down here one cannot go on growing wheat every year without courting failure, or go on stocking every year and expect to maintain the full carrying capacity and normal increase. It cannot be done. The only rest the country up North gets is during a drought period. After a drought the country becomes fertile once more and so the stock increase in numbers. A lot of those

men up North are droving their sheep overland into decent-sized areas in the South. For instance, a man with two or three hundred rams, when faced with a drought, brings them down South. So, too, the pastoralist brings down his marketable sheep and holds them within 300 or 400 miles of Perth. By that means he is able to get a fair price for his stock. Moreover the public are protected, because the market that is up to-day and down to-morrow is no good to anybody. Certainly it is no good to any man to get £1 for his sheep to-day, 15s. to-morrow, and perhaps 30s. the next week. It is then the middleman comes in and gets all the profit. But pastoralists, by bringing down their sheep and holding them within reasonable distance of Perth, can feed the market with supplies as required, and thus protect the public. People say that wheat is the economic proposition and nothing else. One big farm with proper equipment, employing a lot of men, paying them well and treating them decently, is a much better proposition for the State than a lot of semi-destitute farmers, some of whom do not know their job, but who have the Government behind them trying to spoon-feed them into prosperity.

Hon. W. T. Glasheen: The Bill will not touch those lands, because they will be put to the best use.

Hon. J. J. HOLMES: The owner considers that the land is being put to the best use, but some other authority may think otherwise. If he were given an opportunity to comply with the unreasonable conditions of the board, there would not be so much to be said about it, but he is not even given that chance. It is only a question of the board deciding that it has not been put to its economic use. If the owner does not sell, this authority will take the land from him. To take land from one farmer and give it to another is not British justice. If we took it from one freeholder and gave it to a leaseholder, and the Government had the advantage of the increased value of the land, it might be a reasonable proposition, but to take it from one farmer and give it to another is not right. To compel one man to sell his land because, in the opinion of the board, it is not being used according to its economic value, and to sell it at a price fixed by the board, so that it may be given to another freeholder without any restriction as to price or anything else, is not British justice. Subclause 2 of Clause 2 is

quite clear. One member of the board shall be an officer of the Department of Lands and Surveys, one member shall be an officer of the Agricultural Bank, and the third shall be a man who has the knowledge of a farmer. This board may hold office for such period as the Governor may direct. If the personnel of the board does not suit the Government, it will be changed until it does suit them. The Bill sets out that land shall be deemed to be unutilised within the meaning of the Act if, in the opinion of the board, the land, having regard to its economic value, is not put to reasonable use, and its retention by the owner is a hindrance to closer settlement and cannot be justified. Clause 4 says—

If the board is of opinion that any land is unutilised within the meaning of this Act, and has so continued for upwards of two years, and should be made available for closer settlement, the board shall report in writing to the Minister, and shall state in such report what, in the opinion of the board, is the reasonable use to which the land should be put.

The owner is not given an opportunity to reply to that. The Governor, after taking into consideration the report of the board, may by notice in the "Gazette" declare the land reported upon to be subject to the Act. Clause 7, Subclause 2, provides that the land shall by force of the Act be absolutely vested in His Majesty. In nine cases out of ten His Majesty has sold this land to one of his subjects. The Bill says the land shall be "absolutely vested in His Majesty as if the same had been surrendered to the Crown, free and discharged from all leases, contracts, trusts, mortgages, encumbrances and charges thereon." The Bill graciously allows the owner of the land that is to be vested in His Majesty to retain sufficient for the sustenance of himself and his family. It further provides that the Act shall not extend to pastoral leases. No doubt that will come next, and I suppose city properties will follow after. I oppose the second reading of the Bill. It is wrong in principle. It repudiates a definite contract as to the sale and purchase of land. In a British community land is on an entirely different plane from any other security that may be dealt with. The Bill will reduce the value of our land securities upon which banks have hitherto more or less freely advanced. It will prevent the introduction of capital if lands are forced out of the hands of their right-

ful owners. People will not buy land in this State, but will invest their money elsewhere. The Bill is not justified. There is plenty of land available in the State, and the Minister's own figures show it. Let the Government put an advertisement in the paper to-morrow, and they will get all the land they want. The Bill is introduced because the idea is popular at present. I wish something could be done to popularise the North-West. We want more people there to make a noise. Those who make a noise have the most done for them, but we have not yet enough people to make a noise. The Government are already financing too many people. We had evidence of that this afternoon. Mr. Burvill claimed that people in his district did not pay any income tax, and consequently ought not to be asked to pay any land tax. By way of interjection he then talked of the prosperity of the people down there, and of the success they had attained and were likely to attain. That is contradictory and illogical. I suggest, in view of the Financial Agreement and the arbitrary clauses therein, that the Government will not have too much money to gamble with. It will take them all their time to handle what they now have to deal with. One would have thought that in the group settlements they would have had enough. Some five years ago group settlement was popular, but to-day it is unpopular. No one says anything about it to-day. It is wheat production that is popular now. I am longing for the time when production in the North will receive attention, but that cannot be until we have more voting strength than we have to-day.

Hon. W. T. Glasheen: Wool production is pretty popular too.

Hon. J. J. HOLMES: The Bill will block development by private enterprise, which is the best development of all. We have only to see what private enterprise has already done in the way of land development as compared with what Government enterprise has done. The answer is clear. If private enterprise had been given 6½ million pounds with which to develop the State, for and on behalf of the Government, they would have made a paradise of it. One Government blunders in and makes a holy mess of the concern, and the other Government has not strength enough or character enough to face it until after

the general elections. Now that the general elections are over, we hear all about it. This is what we call politics! It amounts to an interference with other people's business to such an extent that we will drive all the money out of the country. If this is the opinion of members, as it is mine, they will oppose the second reading of the Bill, as I will.

On motion by Hon. W. T. Glasheen, debate adjourned.

House adjourned at 8.26 p.m.

Legislative Assembly,

Wednesday, 28th September, 1927.

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

PAPER—FINANCIAL AGREEMENT.

The PREMIER: I have here a report of the conference of Commonwealth and State Ministers held at Parliament House, Melbourne, in June, and at Parliament House, Sydney, in July. I might add that it also contains the draft of the proposed Financial Agreement between the Commonwealth and the States. It has not been definitely completed, the final agreement may be varied by a word here and there. If that be done I will acquaint the House, but at all events this is the final draft of the agreement arrived at at the Sydney conference.

Hon. Sir James Mitchell: And a report of the proceedings.

The PREMIER: Yes.

Hon. Sir James Mitchell: Will they be printed?